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THE
COUNCIL OF STATE DEBATES

VOLUME I, 1936

(15th February to 25th April, 1936)

ELEVENTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1936



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Council of State

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BAR.-AT-LAW.

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THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS, C.I.E.
THE HONOURABLE SAYED MOHAMED PADSHAH SAHIB BAHADUR.
THE HONOURABLE SIR DAVID DEVADOSS, Kt.

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THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ.
THE HONOURABLE SIR DAVID DEVADOSS, Kt.
THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK, } *Members*.
C. I. E.
THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD.

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

VOLUME I—1936.

COUNCIL OF STATE.

Saturday, 15th February, 1936.

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

MEMBERS SWORN :

- His Excellency General Sir Robert Archibald Cassels, G.C.B., C.S.I., D.S.O. (Commander-in-Chief).
- The Honourable Kunwar Sir Jagdish Prasad, Kt., C.S.I., C.I.E., O.B.E. (Education, Health and Lands Member).
- The Honourable Mr. William Thomson McIntyre (Burma Chamber of Commerce).
- The Honourable Mr. Maurice Garnier Hallett, C.S.I., C.I.E. (Home Secretary).
- The Honourable Sir Guthrie Russell, Kt. (Chief Commissioner of Railways).
- The Honourable Mr. Arthur deCoetlogan Williams (Government of India : Nominated Official).
- The Honourable Mr. Abraham Jeremy Raisman, C.I.E. (Government of India : Nominated Official).
- The Honourable Saiyid Ishrat Husain (United Provinces : Nominated Non-Official).
- The Honourable Mr. Andrew Gourlay Clow, C.S.I., C.I.E. (Industries and Labour Secretary).

MOTION *RE* EXPRESSIONS OF REGRET ON THE DEATH OF HIS LATE MAJESTY KING GEORGE V, AND CONGRATULATIONS TO HIS MAJESTY KING EDWARD VIII, UPON HIS ACCESSION.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : Sir, I have the honour to move :

" That this Council do place upon record an expression of its deep sorrow on the death of His late Majesty King George V, Emperor of India, and of its heartfelt sympathy with His Majesty King Edward VIII, Emperor of India, and Her Gracious Majesty Queen Mary in their grievous loss and do convey to His Majesty loyal congratulations upon his accession and an assurance of devotion to His Royal Person ".

Sir, such is the uncertainty of life that today we mourn the illustrious Monarch when a few months back we were celebrating with such genuine manifestations of rejoicing and loyalty the 25th anniversary of his accession to the Throne. The death of His late Majesty has evoked feelings of universal sorrow, genuine and deep. Countless millions of men and women, not only in the British Empire but throughout the world, have felt the keenness of a personal loss. His late Majesty had enthroned himself in the hearts of the people by the nobility of his life, public and private, by his ceaseless endeavour to improve the welfare of mankind, by his unremitting devotion to duty and by his wide human sympathies. Of him, Sir, I think it could be truly said that he was not only the head but the first servant of his country. His last thoughts were of his Empire which he had done so much to bring together in a common feeling of affection and loyalty to his person. During his reign of over a quarter of a century the world went through one of the most momentous and tragic periods of its history. Nothing could be a greater tribute to his pre-eminence of a wise constitutional monarch than the fact that at the end of it the English Throne and English democracy were more firmly established than ever before. He has gone but his example remains to hearten and guide those whose heavy task it is to maintain and strengthen the bonds of peace, to eliminate the causes of war and strife and to secure to the weaker peoples and nations the opportunities of peaceful and free development.

Sir, I ask the Council to join in the condolences which we offer to our new Sovereign, the expression of our deepest sympathy with Her Gracious Majesty Queen Mary and to assure her that in this hour of irremediable affliction our hearts go out to her in deepest affection. To these our feelings of genuine sorrow, I ask the House to add its congratulations to His Majesty King Edward VIII, Emperor of India, on his accession to the Throne of his ancestors and to assure him of our loyal support and affection. His Majesty enters upon his reign at a critical time in the affairs of the world, but he brings to his kingly task eminent virtues, a close acquaintance with the peoples and problems of his vast Empire, a personality free from affectation, a long apprenticeship in dealing with men and a courage and energy which are already well known to all the world. His Indian subjects feel sure that His Majesty will be a worthy successor to the illustrious King whom we mourn today.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Sir, I rise to support the Motion of condolence placed before the House by the Honourable the Leader. It is nearly four weeks since His late Majesty passed away and yet we feel as if that sad event happened but yesterday and the universal expression of sorrow at the

DEATH OF HIS LATE MAJESTY KING GEORGE V AND CONGRATULATIONS 3
TO HIS MAJESTY KING EDWARD VIII.

death of King George V is unprecedented in the annals of modern times. His Majesty's death has spontaneously and deeply struck the hearts of all men irrespective of country, race, nationality, religion, class and political relationship. The people of India irrespective of political creeds have all joined together in paying their tribute and in mourning the death of a Sovereign so highly esteemed not only by millions of his own subjects but by the world at large. There is all that affection and regard for his memory because His Majesty King George V during his reign of 26 years endeared himself to all by everything that he did to promote the best interests of his Empire and of his people. He is rightly described as a manly king and a kingly man. We know what the verdict of history will be on his beneficent reign. The more history discusses him the more brilliant will become the lustre of his deeds. His record is like a torch ; the more it is shaken the brighter will it burn and his memory will remain with us like the odour of a fragrant flower bed. His late Majesty was the greatest servant of the people. He was not of Parliament but above and beyond all Parliaments. He was not a law-maker but a personality and an influence not asserting his own will but an inspiration to all men of goodwill, his social and moral force gathering into one centre and person, the loyalty, the constructive citizenship and the aspirations of a whole great Empire.

Throughout his reign he studied how to be the non-partisan arbiter in difficulties of State. With the passage of centuries the previous prerogatives of the Crown, its direct power has gradually and steadily diminished and instead our sovereigns now rule as great constitutional monarchs scrupulously maintaining the noble traditions of the British Crown. It is a commonplace that the British Sovereign reigns but does not rule but it is perfectly true that when occasion arises he is capable of rendering infinite good to the State and there are many such incidents to the credit of King George. His influence on the course of national, inter-imperial and international events had always been just and wholesome and that influence he had exercised by his patriotism, by the nobility of his mind and by his broad human sympathies. In a great treatise on Hindu polity, the *Arthashastra*, its eminent author sums up the essential traits necessary in a noble king in these words :

" In the happiness of his subjects lies his own happiness, in their welfare his welfare, whatever pleases himself he *shall not* consider as good, but whatever pleases his subjects he *shall* consider as good ".

King George evidently adopted these very precepts as his own and it is that which made him so popular and so greatly beloved.

We in this country owe our present prosperity in a large measure to our association with the British and the 26 years of the reign of the last King Emperor mark a period of notable advance in the history of India and we cannot but recall with gratitude his constant interest in our welfare of which he has given many proofs. In fact if his freedom of action had not been fettered by his constitutional limitations and if he could have had a freer hand in dealing with the Indian problem much might have happened that would have conduced to yet better relations between India and England. On King George's return to Europe after his first tour to India in 1905 as Prince of Wales he publicly declared that the desideratum of the Indian system of government was wider sympathy

[Sir Phiroze Sethna.]

with the Indian people. Six years later after his second visit to India as King Emperor he sent a message to the princes and people of India promising that the prosperity and happiness of India would be his constant care and concern. Again in the Proclamation he issued in 1919 at the time of the Montagu-Chelmsford Reforms he expressed sentiments which are always treasured in our memory. After saying that Great Britain had benefitted India in many ways, he observed :

" There is one gift which yet remains and without which the progress of a country cannot be consummated—the right of her people to direct her affairs and safeguard her interests ". And he added, " I have watched with understanding and sympathy the growing desire of my Indian people for representative institutions. It has been stirred with more vigorous life by the ideals for which the British Commonwealth fought in the Great War and it claims support in the part which India has taken in our common struggles, anxieties and victories. In truth, the desire after political responsibility has its source at the root of the British connection with India. Without it, the work of the British in India would have been incomplete ".

Two years later, in 1921, on the occasion of the visit to this country of our present King Emperor his illustrious father sent with him a message to say :

" Your anxieties and your rejoicings are my own. In all that may touch your happiness, in all that gives you hope and promotes your welfare, I feel with you in the spirit of sympathy. My son has followed from afar your fortunes. It is now his ambition by his coming among you to ripen goodwill into a yet fuller understanding ".

And similarly at the opening of the first Round Table Conference and on other historic occasions sympathy was the keynote of all His late Majesty's speeches in regard to India and that is why the whole country mourns his loss and offers its heartfelt condolences to Queen Mary and the Royal Family which we also are doing by this Motion. The Honourable Leader has referred to the present King Emperor. We pray to the Almighty that his son King Edward VIII will tread in the footsteps of his illustrious father. We may recall our new Sovereign's pregnant words in reply to the first address he received in India at Bombay when he said :

" I want to appreciate at first all that India is and had done and can do. I want to grasp your difficulties and to understand your aspirations. I want you to know me and I want to know you. Coming from the West to the East as a young man and a stranger to this ancient and vast country I feel some awe at the difficulty which I may experience in getting to know India, but I am fortified by the thought that sympathy begets knowledge, and my sympathy with India has been aroused since my childhood ".

These sentiments convey a happy augury for the future and we rejoice that His Majesty has decided to visit India again in October next year. We hope that visit will result in a yet better understanding and the ties between England and India will be still further cemented to the greater advantage of both countries.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I whole-heartedly associate myself with the remarks that have fallen from the Honourable Leader of the House and from my Honourable friend Sir Phiroze Sethna. The death of His late Majesty King George V has been a loss as much to India as to any other part of the British Commonwealth of Nations. Indeed to India the loss has been greater than perhaps to any other part of the Empire. Every other Dominion has already enjoyed full freedom and it was only in the case of India that the problem of *Swaraj* was throughout the reign of the

late King Emperor one of anxious concern. The Royal Proclamations issued from time to time have granted to India a position in the Empire which is most valuable. Indeed the Royal word has throughout the history of the 25 years' reign of the late King Emperor been far more soothing than the words of some of the British statesmen who were in charge of British Governments.

I may recall that the words used by His Majesty in the Royal Proclamation inaugurating the new constitution when His late Majesty promised to India fulness of freedom within the Commonwealth. Then again His late Majesty used the term *Swaraj* in the message sent through His Royal Highness the Duke of Connaught and those of us who were fortunate to be present on that occasion can never forget the touching scene enacted by the message and the thrill of grateful appreciation it sent through the country. Indeed if only we could collect the messages issued by His late Majesty from time to time to his people in India and to the officers of his Government we could find in them a solution of most of the ills that infect the country today and a soothing balm to the bitterness that unfortunately prevails today between the various communities and between the Government and some of its people. No wonder, Sir, India has mourned universally the loss of such a great Ruler of men and we all join in prayer for the soul of our late Sovereign. It is also my privilege to extend to His Majesty the King Emperor, Edward VIII, our loyal greetings and homage and to assure His Majesty of our devotion and affection to his person. I have no doubt that His Majesty the new King Emperor will do his best nobly to see that India attains her rightful place in the Commonwealth.

With these words, Sir, I heartily support the Motion.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I beg to join in the tributes which have been paid by the previous Honourable speakers to the revered memory of His late Majesty King George V. Sir, the death of His late Majesty has inflicted a loss not only upon India and the British Empire but also on the whole world which in his unhappy death has lost not only a very great and good ruler but also a very great and powerful personality who strove incessantly for the peace and progress of the whole of mankind.

Sir, there are special reasons for India to cherish His late Majesty's grateful memory. It was during the reign of His late Majesty that the reformed Legislatures were inaugurated in the country, ushering in a new era of advance and progress. It was again during his reign that the new Government of India Act was passed in Parliament last year which, despite its limitations and shortcomings, bids fair to give a fairly large measure of responsibility and power to Indians.

Sir, as has been rightly observed by His Excellency the Viceroy in his broadcast, His late Majesty always closely studied all matters connected with the development and progress of India and always had a deep concern for the well-being of all classes of the millions of his subjects in India. Sir, in the various commissions and committees which during recent years investigated the question of reforms in India, in the several sessions of the Round Table Conferences that were held in London to inquire into this question, in the deliberations of the Joint Parliamentary

[Saiyed Mohamed Padshah Sahib Bahadur.]

Committee, in the discussions and deliberations that took place in Parliament and in the British Cabinet in regard to this momentous question, in all these His late Majesty always took a deep and keen interest. Sir, in all the work which has been done in recent years to give a new constitution to India, which has been embodied in the Act of 1935, His late Majesty's hand was at work, endeavouring ceaselessly to meet as far as possible the wishes and ambitions of the people of this country. Sir, it was the sincere and active solicitude which His Majesty evinced in the well-being of his subjects in every part of the globe that had given him a firm hold on the affections of his people everywhere and had enthroned him in their hearts. It was due to this universal esteem and affection in which His Majesty was held by all his subjects all the world over and the implicit confidence and loyalty which His Majesty commanded from all his subjects in every part of the globe—it was due to this that the English Throne came out perfectly unscathed through all the revolutions and political upheavals which raged all over Europe during and after the Great War and shook empires and pulled down principalities and powers. Sir, the reign of His late Majesty will go down to posterity as one of the greatest epochs in the history of the British Empire, in having so successfully and gloriously emerged out of the storm that raged all the world over.

Sir, as has been stated by the Honourable the Leader of the House, His Majesty was thinking of the Empire even on his death-bed. Almost his last words were: "How is the Empire?" Sir, it is needless for me to say anything more about this in view of all that has been said in this House and outside.

Sir, I join with my Honourable colleagues in offering our sincerest and heartfelt sympathy to Her Gracious Majesty Queen Mary, His Majesty King Edward, Emperor of India, and other members of the Royal Family.

Sir, I also associate myself with my Honourable colleagues in offering our sincerest congratulations to His Majesty, the present King Emperor, and assuring him of our loyalty and devotion to his Person and Throne. Sir, His Majesty has already given proof of the deep interest he takes in this country by the visit which he paid to this country. Sir, in view of the assurances which the present King Emperor has already given and in view also of the sentiments which he expressed when he visited India and to which reference has been made by my Honourable friend, Sir Phiroze Sethna,—Sir, in view of all this, and in view also of the noble traditions which have been handed down to him by his illustrious predecessors, we feel every assurance, Sir, that the present King Emperor will extend to this country the same sympathy and support which have been extended to it by his illustrious father and other forbears.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, had it been my lot to have the honour of speaking on this Motion on that Tuesday morning a few weeks ago when we first learned of the death of His Majesty the late King Emperor, I feel that I could have spoken only of the sorrow then felt by millions at the loss of a great King and a great friend, and of our sympathy with His Majesty King Edward, Her Gracious Majesty Queen Mary and all the members of the Royal Family in their grievous loss. Even the short time which

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TO HIS MAJESTY KING EDWARD VIII.

has elapsed since then makes me feel that we should think also of the gratitude we owe for a long and noble life lived in the service of the people.

As at the time of His late Majesty's Silver Jubilee last year, the thought that is uppermost in my mind is that had every ruler done his duty as successfully the world would have been an immeasurably happier and better one than it is today! Had every living being in the last seventy years been actuated by equally high motives I am convinced that the state of the world would have been so greatly better that it is impossible for us to conceive the difference.

We can do no greater service to the memory of His late Majesty, to his successor, and to the world, than to realise the wonderful example which he set and follow it, confident, as we are that His Majesty King Edward will do so, aided in every possible way by Her Gracious Majesty Queen Mary.

THE HONOURABLE RAJA CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, I join with the Honourable the Leader of the House in offering my respectful sympathy to His Majesty the King Emperor, and Her Majesty the Queen Mother, on the death of His late Majesty King George V, Emperor of India. The enthusiasm which marked the Silver Jubilee last year, and the profound sorrow with which the sad news of his death was received, bear witness to the affection with which our late Sovereign was loved not only by his people throughout the Empire but all over the world. The message of hope which His late Majesty gave in his weighty and impressive summary of the Imperial problems thirty years ago is still fresh in our memories. In fact his reign can be summed up in the famous speech which he delivered in 1911. This is what he said:

"The welfare of my people will ever be the first object in my thoughts, and I trust that by God's blessings my reign may be marked by peace and prosperity throughout the Empire".

There could be no higher ideal for kingship, and we all know that His late Majesty throughout his reign lived up to it not only in letter but in spirit as well.

I also join in offering respectful congratulations and unswerving loyalty to His Majesty the King Emperor our new Sovereign on his accession. The Sovereign is the embodiment and the only embodiment of imperial unity. His visits therefore to India, and the other parts of the Empire added that personal touch, which is everywhere remembered with affection and gratitude and which can never vanish or grow dim. His Majesty brings to the great task those kingly qualities which we most desire to see in our Monarch, and we have no doubt he will use them to the utmost and to the full. We pray that he may live long to reign over his people.

I beg, Sir, to second.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, in India, divinity and sovereignty have not been so distinguished as they have been elsewhere. The limits of the two have always met, not only during the Hindu and Vedic times but also during modern times and even to this day. The words "Dev" and "Raj" mean one and the same thing. "Dev" means one who shines and "Raj" means one who is beautiful and that is the sovereign, and between them they

[Mr. G. S. Khaparde.]

cover the whole field of divinity and sovereignty. This has been so from time immemorial. When I began to study English for the first time, I began to study the Howard Series and the first lesson in it was the Proclamation of Queen Victoria on taking over the government of India. So, my knowledge of all things—logic, philosophy, science, etc.—is mixed up with loyalty and religion. The English doctrine is: "The King is dead, long live the King!" What this means is that the king is immortal. Just as in India we worship images. We purchase an image and worship it for some days; if this image breaks, we put another in its place and worship it. It means that God is there in both the images. So also is the case with the British Government. "The King is dead, long live the King" means the king never dies at all. One body may be dead, but the king in it has got into another body. Our whole Hindu philosophy also is based on that. It means continuity of knowledge, continuity of experience and continuity of good fortune. The Hanover line, which is now the Windsor line, has been most fortunate. They have always prospered, always increased their kingdom and their influence, and above all secured the loyalty of all their subjects taken together. Personally, I have not come in contact much with royalty, but I have done so only indirectly and that in an amusing way, which may be told on this solemn occasion. It was when the Duke of Connaught was the Commander-in-Chief here. He was going to Nagpur and he had to halt at a place where I happened to be a magistrate at the time. The funny part of the thing is that we had nobody else there except the daughter of a gentleman there, and I induced her to offer a cup of tea to His Royal Highness. She brought that cup, but on seeing him, she dropped it and ran away. We laughed over it. The Duke of Connaught remembered this incident all the time. Even after he came to India and I came to the Council, he remembered it. One of the secrets of royalty appears to be that they do not forget anything at all. They remembered my name and everything else connected with that incident. From the day Queen Victoria assumed the government of India and we came under British administration, what has happened is that the goodness of one has gone into the goodness of another, and the goodness of this other has gone into the goodness of a third, and the goodness of the third into the goodness of a fourth, and this is the fifth generation that I see myself. As this goodness proceeds, loyalty increases and everything goes on increasing and I hope that as long as the sun shines this continuous progress of loyalty, of confidence, of friendship and of love will increase. I will conclude by saying, "Long live the King!"

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay: Non-Muhammadan): Sir, it is with profound grief and sympathy that I record today the very sad demise of His Imperial Majesty King George V, a great Sovereign who guided our destinies with wisdom and courage for so many years.

Little did we know then that soon after the celebration of the Silver Jubilee of His late Most Gracious Majesty, we would have the misfortune to mourn the great irreparable loss of our most beloved King Emperor, who lived and died in the service of his people.

His Majesty's deep love for his dear subjects in all dominions in the Empire, earnest and sincere desire for Indian constitutional progress and his administrative talent will never be forgotten.

I had the good fortune of seeing His Majesty in 1924 in London at the time of the Empire Exhibition. I still remember the personality which commanded respect from all.

With these words, I tender my deep and heartfelt sympathies in this great bereavement and tender my most loyal and respectful homage to His Majesty King Edward VIII, Emperor of India.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa: Non-Muhammadan): Sir, I beg to associate myself wholly with the sentiments expressed by the Honourable mover of the Motion which I most heartily support. The sense of grief and loss caused by the sudden removal by the cruel hand of death of His late Majesty is so deep and universal that everybody in the great Empire feels tongue-tied and unable to give adequate expression to the great qualities of head and heart which characterised him. He not only filled the rôle of a constitutional monarch most successfully and worthily but by the magic influence of his unique personality was able to achieve feats in the domain of international politics which are truly wonderful. The 25 years of his reign were marked by unstinted all round progress of science, e.g., development of the wireless, long-distance telephone, conquest of the air, improvement in machinery, etc. We had the greatest war known in history as also a prolonged economic depression. All these have been factors which did not fail to produce far-reaching results all round the world. It stands to the eternal credit of His late Majesty that amidst such adverse circumstances he was able not only to preserve intact but add fresh lustre and strength to the Crown of England by dint of his outstanding personality and character. His personal qualities, his genuine love for his subjects throughout the Empire, his active sympathy with their wants, aspirations, ambitions and sufferings, his detachment from all party politics and his never-ceasing efforts to help to fulfil those ambitions and to mitigate those sufferings will remain indelibly imprinted on the tablets of countless hearts throughout the length and breadth of the great Empire. He evinced on every occasion a deep attachment to our country. He was the first Sovereign in the annals of the British connection to pay a visit to our land and the spontaneous outburst of loyalty and love that it evoked all over India was a sight for the gods. Everybody remembers the message of hope and encouragement that he was pleased to send to us through His Royal Highness the Duke of Connaught on the occasion of the inauguration of the Montagu-Chelmsford Reforms—a message which promised *Swaraj* to India in fulness of time. He kept himself fully informed of the proceedings of Commissions on Indian affairs, round table conferences, deliberations of the Joint Parliamentary Committee and subsequent debates in the Houses of Parliament and the memorable words spoken by him when opening the first Round Table Conference can never be forgotten:

"The material conditions", said His late Majesty, "which surround the lives of my subjects in India affect me nearly and will be ever present in your thoughts during your forthcoming deliberations. I have also in mind the just claims of majorities and minorities, of men and women, of town-dwellers and tillers of the soil, of landlords and tenants, of the strong and the weak, of the rich and the poor, of the races, castes and creeds of which the body politic is composed. For these things I care deeply. I cannot doubt that the true foundation of self-government is the fusion of such divergent claims into mutual obligations and in their recognition and fulfilment. It is my hope that the future government of India based on this foundation will give expression to her honourable aspirations".

[Raja Raghunandan Prasad Singh.]

Memorable words these which, every one of us feels confident, will be translated into action by his worthy successor, our present King Emperor whose interest in India and solicitude for her welfare and prosperity are already matters of common knowledge. It is but meet that the Motion before the House should offer sincere condolences to the Royal Family and at the same time tender loyal congratulations to our reigning Monarch, King Edward VIII, Emperor of India. May His Gracious Majesty live long and happily to rule his matchless Empire and rule it even more gloriously than did his late illustrious father of sacred memory.

With these few words, Sir, I beg to support the Motion just moved.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, India has lost a loving Emperor who had won the hearts of his people of all classes and creeds and who was universally loved by the princes, peasants, the rich, the poor and the weak. We mourn the great loss to the Empire and pray to God that his illustrious son may be given a long and healthy life to make a reality of the comity of nations for which his noble father had striven all his life.

THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA (Bihar and Orissa : Nominated Non-Official) : Sir, I associate myself with every word of what has been said by the Honourable the Leader of the House in support of his Motion. The glowing tributes that have been paid to the sacred memory of our late Sovereign in every corner of this country—nay in every part of the British Empire—clearly demonstrate how deeply his people—irrespective of caste, creed and race—loved and respected him. It is needless for me to tell this House, Sir, how His late Imperial Majesty King George V by reason of his devotion to kingly duties and charm of his unique personality made every one feel that he was to his subjects, scattered round his vast domain, what a father was to his family. He has merged his thoughts into those of his people and that was the secret of the success of his reign. He guided the destinies of his Empire at one of the most critical periods of the history of the world, and enhanced the glory of the Crown amidst strife and turmoil. In war or peace he played a conspicuous part in the national life of his subjects.

His visits to India as Prince of Wales and as King Emperor left an indelible impression on the Indian mind and while affording him a first-hand knowledge of the country and its people, established that personal touch, which intensifies loyalty and deepens admiration. He, as we know, always sympathised with Indian aspirations. During his reign this country underwent great constitutional changes, and our claim for equal partnership in the Commonwealth of Nations under the British Crown has been recognised. His gracious message, delivered personally, while inaugurating the Indian Round Table Conference is still ringing in my ears and will ever remain a source of great encouragement and hope.

Sir, we mourn the loss of such a benign Sovereign, along with so many of our fellow-subjects in other parts of the Empire, and offer our heartfelt sympathy to the Royal Family in their dire bereavement. To His Majesty King Edward VIII, our new Emperor, we offer our loyal homage on his accession to the Throne. As Prince of Wales he has travelled all over the Empire and equipped himself fully for the discharge

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of the duties which he has now been called upon to perform. He has as we all know resolved to follow the footsteps of his royal father. I pray to God that he may live long and have a prosperous reign. I have no doubt, Sir, that the House will unanimously accept the Motion of the Honourable Leader of the House.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Sir, I desire to associate myself with the sentiments expressed on the floor of this House by those who have preceded me in support of the Motion moved by the Honourable the Leader of the House. Sir, the whole Empire mourns the death of our beloved Sovereign and into this universal grief politics and political differences cannot find a place. Sir, the deep sympathy of our hearts go out to the loneliness which Her Majesty the Queen Mother must now be suffering. Our heartfelt sympathy also goes to His Majesty the King Emperor, who ascends the Throne at so critical a time in the history of India and of the world. Sir, I beg to offer our respectful congratulations to His Majesty King Edward VIII, Emperor of India, on his accession to the Throne with an assurance of our loyalty and devotion and feel confident that His Majesty will carry to a still higher level of statesmanship the high traditions of his illustrious House, and we hope and pray that he may live long and during his beneficent rule India may grow in prosperity and power from day to day.

THE HONOURABLE THE PRESIDENT : The Honourable Leader of the House and Honourable Members, it is with profound sorrow I desire to associate myself with all that has fallen from the Honourable Leader of the House and from many of you Honourable Members. As you have all referred to the great qualities of our late Monarch, it is scarcely necessary for me to speak at any considerable length. However it is almost impossible to adequately express one's feelings on a mournful occasion like this. The genuine character of the grief expressed all over India and the spontaneous tribute paid to His late Majesty clearly demonstrates the love and affection in which the people of India regarded him. It was not only the love and affection of the people of India, but His late Majesty was ever ready to reciprocate those feelings and during his reign of 25 years on more than a dozen occasions he expressed his great solicitude for the welfare, progress and the prosperity of the Indian people. It was by the sheer force of his character and personality that he succeeded in obtaining an enduring place in the hearts of his Indian subjects. He did not represent any class, sect, creed or party, and devoted his extensive and powerful influence not only for the maintenance of peace and concord in Europe but he did his utmost for peace in this country and for the advancement of the people of this country.

The Honourable Sir Phiroze Sethna has very appropriately referred to some of his speeches. I shall only draw your attention to two small passages which show his feeling and regard for the people of this country. You all remember that during the autumn session of 1930, which was memorable for the first session of the Round Table Conference, His Majesty very pertinently said in welcoming the representatives from India :

"Ten years is but a brief span in the life of any nation, but this decade has witnessed, not only in India but throughout all the nations forming the British Commonwealth a quickening and growth in ideals and aspirations of nationhood which defy the customary measurement of time".

[Mr. President.]

Again, speaking from his Palace at Sandringham when he sent his Christmas greetings to India in December, 1934, he very appropriately said this :

"Let my voice being the assurance of my constant care for them", that is, speaking of India, "and my desire that they too may ever more fully realise and value their own place in the unity of the family. If I may be regarded as in some true sense the head of the great and widespread family, this would be full reward for the long and sometimes anxious labours of my reign of well nigh 25 years".

It has been rightly remarked that throughout his reign His late Majesty was animated by feeling and sentiment, that he was the supreme head of the nations constituting the British Empire and that Providence has called upon him to share in the happiness of his subjects all over the Empire and to share also in their troubles, trials and anxieties. It is impossible to delineate at any length the character and virtues of a great King like King George V. He was a wise ruler; he was a sympathetic ruler; he was a constitutional ruler; and above all he dearly loved his subjects. We mourn the passing of a great Monarch and his subjects in all parts of his wide Empire will ever remember him as a great man constantly steadfast in duty and to the highest ideals of kingship. The loss of such a King to India is especially great and as my Honourable friend Mr. Khaparde has pointed out, in India there is no distinction between divinity and kingship. The tradition of kingship is ever so strong even today in India as it was centuries ago.

I also join the Honourable Leader of the House in offering our respectful congratulations to His Majesty King Edward VIII on his accession to the Throne. He has succeeded to a great and mighty heritage, a responsible and onerous heritage. Well equipped during his life by first receiving a splendid education at the University of Oxford and then receiving military and naval experience and training and having visited the Empire, far and wide, and having come in contact with all his subjects all over the Empire, he is in a unique position to perform the great duties of kingship which has now fallen on him.

I will not detain you longer, but will only say that we extend the deepest sympathy of our hearts to Her Gracious Majesty Queen Mary and all the members of the Royal Family, and with these words it will be my melancholy duty to put to you the Motion. But before I do so, I have to mention one fact. When the sad and tragic news of His Majesty King George V's death was broadcasted all over the world and when I first came to know of it and as I thought that considerable time would elapse before the holding of the session of the Council of State, I took the responsibility on myself as your President in anticipation of your approval to send His Majesty King Edward VIII the following telegram through the Viceroy of India :

"Pray convey to His Majesty the King Emperor Edward the Eighth Queen Mother and the members of the Royal Family the poignant grief and sorrow and respectful and heartfelt sympathy and condolence of the Members of the Council of State and my humble self and the sense of the irreparable loss which the Empire has sustained by the passing away of His late Majesty King George the Fifth.

MANECKJEE DADABHOY."

To this I received a reply through His Excellency the Viceroy :

"I am commanded to transmit the following message :

'I am most grateful for your kind message of condolence. Edward R. I.'

Ends.

VICEROY."

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I will now put to the Council this melancholy Motion.

Motion made :

"That this Council do place upon record an expression of its deep sorrow on the death of His late Majesty King George V, Emperor of India, and of its heartfelt sympathy with His Majesty King Edward VIII, Emperor of India, and Her Gracious Majesty Queen Mary in their grievous loss and do convey to His Majesty loyal congratulations upon his accession and an assurance of devotion to His Royal Person".

The Motion was adopted unanimously, Honourable Members standing.

THE HONOURABLE THE PRESIDENT : Now, Honourable Members, as a mark of our respect to the revered memory of His late Majesty King George V, I have decided in consonance with your wishes to adjourn the House. The Council will now adjourn.

The Council then adjourned till Eleven of the Clock on Monday, the 17th February, 1936.

COUNCIL OF STATE.

Monday, 17th February, 1936.

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

MEMBER SWORN :

The Honourable Mr. Edward Francis Thomas, C.S.I., C.I.E. (Madras Nominated Official).

QUESTIONS AND ANSWERS.

AMOUNT PAID TO THE BRITISH POST OFFICE FOR THE CARRIAGE OF MAILS BY THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.

1. THE HONOURABLE MR. P. N. SAPRU : (a) Will Government be pleased to state the amounts that they paid during the last ten years to the Peninsular and Oriental Steam Navigation Company as their net share of subsidy for the carriage of mails between India and England ?

(b) Will Government be pleased to state the date on which the present contract between His Majesty's Postmaster-General and the Peninsular and Oriental Steam Navigation Company for the carriage of mails between England and India will expire ?

(c) Will Government be pleased to state if any separate contract has been made by them or on their behalf by the Secretary of State for India for the carriage of mails with the Peninsular and Oriental Steam Navigation Company between England and India and the basis on which the amount of subsidy is to be paid by the Government of India to the Peninsular and Oriental Steam Navigation Company ?

THE HONOURABLE MR. A. G. CLOW : (a) Payment for the conveyance of mails from India by the steamers of the Peninsular and Oriental Steam Navigation Company is made to the British Post Office and not to the Company as the contract for the conveyance of mails is between His Majesty's Postmaster-General and the Company. I place on the table of the House a statement giving the information required by the Honourable Member so far as it is readily available.

(b) As at present arranged the contract between His Majesty's Postmaster-General and the Peninsular and Oriental Steam Navigation Company is not terminable before the 31st January, 1939.

(c) The reply to the first part is in the negative. The latter part does not arise.

THE HONOURABLE MR. P. N. SAPRU: What is the total amount paid annually?

THE HONOURABLE MR. A. G. CLOW: It varies, Sir. But the statement that I place on the table shows the payments for mails other than parcels for each year from 1924 to 1931. The lowest amount actually paid in those years was £20,100 and the highest £31,323. The payments for parcel mails are also shown separately for a number of financial years.

Statement showing the amounts paid to the British Post Office for the conveyance of mails from India by the steamers of the Peninsular and Oriental Steam Navigation Company.

	Year.	Amount.
		£
Payment for mails other than parcels	1924	20,100
	1925	21,775
	1926	23,870
	1927	26,170
	1928	27,599
	1929	29,817
	1930	31,323
	1931	30,244
		£ s. d.
Payment for parcel mails	1926-27	10,782 19 2
	1927-28	12,427 3 5
	1928-29	12,080 1 8
	1929-30	12,361 13 4
	1930-31	10,506 19 10
	1931-32	9,575 9 7

PARTICIPATION OF INDIAN SHIPPING COMPANIES IN THE OVERSEAS TRADE AND GRANT OF SUBSIDIES TO THEM FOR THE CARRIAGE OF MAILS.

2. THE HONOURABLE MR. P. N. SAPRU: (a) Do Government propose to take any steps to provide for adequate participation of Indian shipping in the overseas trade of the country?

(b) In order to encourage Indian shipping companies to participate in the overseas trade, do Government propose to grant subsidies for the carriage of mails between India and England?

(c) Will Government be pleased to lay on the table a copy of the existing contract between His Majesty's Government and the Peninsular and Oriental Steam Navigation Company for the carriage of mails between India and England?

THE HONOURABLE MR. T. A. STEWART: (a) Government have repeatedly expressed the opinion that the problem of an adequate participation of Indian shipping in the coastal and overseas trade of India should as far as possible be settled by negotiation and mutual agreement between the shipping interests concerned. In such negotiations Government have always been willing to offer their good offices, if sought by the parties concerned, to help to remove difficulties and promote a settlement. Government have followed this policy in the past, with considerable success, and will continue to pursue it hereafter.

(b) No.

(c) I regret I am not in a position to do so.

RENT FREE QUARTERS FOR TRAFFIC INSPECTORS, EAST INDIAN RAILWAY.

3. THE HONOURABLE MR. P. N. SAPRU: (a) Will Government be pleased to state whether any assurance was given to the Traffic Inspectors serving on the East Indian Railway that they would be granted rent free quarters when the East Indian Railway Company was taken over by the State?

(b) Are they being provided with rent free quarters now? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: 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". Under the old Company's rules these inspectors were not entitled to rent free quarters and therefore they are not provided with rent free quarters now.

THE HONOURABLE MR. HOSSAIN IMAM: Is the letter of appointment issued by the Railway regarded as an agreement or is the agreement a separate thing?

THE HONOURABLE SIR GUTHRIE RUSSELL: The letter of appointment was not regarded as a final agreement.

COMMUNICATION FROM THE INDIAN CHAMBER OF COMMERCE, CALCUTTA, CONCERNING EMPLOYMENT OF "DUFFERIN" CADETS.

4. THE HONOURABLE MR. P. N. SAPRU: (a) Have Government received any communication from the Indian Chamber of Commerce, Calcutta, regarding the employment of the cadets trained in the Indian Mercantile Marine Training Ship "Dufferin"?

(b) If so, will Government be pleased to lay on the table a copy of the communication together with a copy of their reply, if any?

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

(b) I lay on the table a copy of the communication referred to. No reply beyond a formal acknowledgment has been sent to it by Government.

Indian Chamber of Commerce, Calcutta.

M. N. 1397.

135, Canning Street, Calcutta.

Dated 10th December, 1935.

The Secretary to the Government of India,
Commerce Department, New Delhi.

DEAR SIR,

The attention of the Committee of the Indian Chamber of Commerce, Calcutta, has been drawn to the question of employment at sea for the cadets trained in the Indian Mercantile Marine Training Ship "Dufferin" after they obtain their certificate of

competency. The Committee have gone carefully into the position which is causing anxiety to all interested in the future of the Training Ship and of young Indians who desire to qualify themselves as marine officers and engineers. The Committee have, therefore, to draw your attention to this subject which deserves the earnest consideration of the Government at an early date.

The Committee have to point out that the establishment in Indian waters of a Training Ship for deck officers was the only recommendation of the Indian Mercantile Marine Committee, which was at all favourably considered by the Government of India and members of the Government usually refer to the "Dufferin" as one of the measures taken by the Government to develop an Indian mercantile marine. It was, however, recognised from the very inception of the scheme that training facilities would by themselves not be able to ensure an Indian personnel, unless opportunities for subsequent employment as officers and engineers were available to the trained cadets. For instance, Lord Irwin, the then Viceroy, speaking at the Meeting of the Associated Chambers of Commerce at Cawnpore in December 1926 said :—

"It is, however, no use training Indians in this way unless they have a career open to them. I hope, therefore, British shipping companies will co-operate to make the Training Ship a success by giving fair opportunity of employment to Indian cadets".

Again in December, 1928, the Viceroy observed at Calcutta :

"It is also a cause for great satisfaction that shipping companies should have shown themselves so willing to take "Dufferin" cadets as apprentices and I earnestly trust that Indian cadets will prove their capacity and will eventually find employment by companies which have given them their apprentice training".

The Committee might also refer to the following reply of Sir George Rainy in the Legislative Assembly in 1929 in the same connection :

"While anxious to avoid giving the impression that employment is assured to every passed apprentice, Government desired to emphasise the opportunities of employment which exist for those apprentices who give satisfaction".

Speaking at the Associated Chambers of Commerce on the 17th December, 1934 His Excellency Lord Willingdon also referred to the success achieved by the Training Ship in turning out young officers for the Indian mercantile marine as well as to the new scheme for training engineer officers in the "Dufferin". The Viceroy stated that the Government "have received assurances from engineering firms and shipping companies in India regarding the workshop training and subsequent employment of the engineer cadets trained on the "Dufferin" and went on to express his thanks to them for their co-operation in this matter. It will be observed from the authoritative pronouncements quoted above that the importance of securing suitable employment for the "Dufferin" cadets was realised and was frequently emphasised by the representatives of the Government.

The Committee understand that despite these hopes of the authorities and the assurances of the British shipping companies interested in the maritime coastal trade of India, the "Dufferin" cadets have not found it easy to secure employment, at any rate on non-Indian ships. The question of their employment has, in fact, been exercising the public mind during the last three or four years and the subject has been raised more than once in the Central Legislature where suggestions have been made that the Government should legislate on the lines recommended in the Report of the Indian Mercantile Marine Committee for securing employment for the cadets of the Training Ship "Dufferin", at least on ships plying in the Indian coastal waters. In reply to these interpellations and suggestions, the Commerce Member stated on the 28th September, 1932, that—

"they (Government) do not consider that the need to give effect to the recommendation of the Indian Mercantile Marine Committee referred to by the Honourable Member has arisen".

When the question of the future prospects of the "Dufferin" cadets was raised in September, 1932, the Government avoided a direct reply by stating that "in their opinion the uncertainty of the position arises largely from the present abnormal depression in shipping", but when in the subsequent November session of the Assembly, definite information was sought to be elicited as to how far trade depression had affected coastal shipping and what tonnage engaged in the coastal trade of India which would normally absorb the "Dufferin" cadets had been laid up, the Commerce Member stated that Government had no information in the matter.

The Committee have to state that an analysis of the figures regarding the cadets who have been trained in the "Dufferin" since its inception shows that despite the absorption of nearly 21 cadets into the services other than service afloat, 6 cadets with certificates are actually unemployed at present, while 27 cadets will appear for their Second Mate's examination early next year and would be also on the waiting list for employment as officers. It will, therefore, be necessary to find employment for these 33 cadets from the beginning of the next year. The Committee would like, in this connection, to bring to the notice of the Government that the British Shipping Companies, despite their previous undertaking, have not responded to the request of the Government about the employment of the "Dufferin" cadets as officers and have engaged an insignificant number as officers on the very large number of steamers which they own and ply in the coastal trade of India. The Committee understand that the British India Steam Navigation Company with their coastal fleet of 70 steamers with a total gross tonnage of 3,70,000 have taken only four "Dufferin" cadets as officers, the Asiatic Steam Navigation Company with their coastal fleet of 16 steamers with a total gross tonnage of 82,000 have not a single "Dufferin" cadet on board their steamers, while the Scindia Steam Navigation Company with their fleet of 17 steamers totalling 74,000 gross tons have engaged 21 "Dufferin" cadets as officers. The Committee are given to understand that the British India Steam Navigation Company had given an undertaking to employ these cadets as officers not only on their own steamers but also on the steamers of the Apear Line, which are employed on the Far Eastern run. A similar undertaking was also given by the Mogul Line and the Nourse Line as regards the employment of "Dufferin" cadets as officers on their steamers, whenever suitable vacancies occurred. The Committee regret to note that this undertaking is not being carried out. The Peninsular and Oriental Steam Navigation Company which enjoys such large patronage from the Government and the people of India has, in fact, refused to engage a single "Dufferin" cadet. It need hardly be pointed out that several of these British shipping companies which do not engage "Dufferin" cadets receive subsidies for carriage of mails on the Indian coast as well as to the Straits, Persian Gulf and Africa and they have a virtual monopoly of carriage of Government of India's treasure and stores between India and England, apart from private arrangements with the Government in regard to Lee passage concessions. Despite all these privileges and advantages which these British shipping companies enjoy at the expense of the Indian taxpayer, there are not co-operating with the Government of India in making a success of the scheme for training and employing Indian officers. The Committee have to point out that in view of the facts mentioned above, they cannot see their way to endorse the public testimony given by His Excellency Lord Willingdon in his address to the Associated Chambers of Commerce in January, 1934, when he acknowledged the assistance given by the British shipping companies towards making the scheme of the Training Ship a success. The plea put forward by the British Shipping companies for not carrying out their undertaking is, as stated above, the prevalence of trade depression, but so far as the Committee are aware, all the normal British tonnage on the coast has found employment during recent years. It cannot also be argued that the training provided in the "Dufferin" is not upto the requisite standard because successive Viceroy and Members of the Government of India as well as the highest Officers of the Royal Navy have paid tribute to the capacity and discipline of the Indian cadets undergoing training in the "Dufferin" and there is no doubt that these cadets constitute excellent material for the floating personnel of an Indian mercantile marine. Sir Joseph Bore, the late Commerce Member, stated when presiding over the prize distribution of the "Dufferin" cadets on 11th December, 1934, that "the 'Dufferin' was in a very special sense a nation-building enterprise which commanded the enthusiastic support of every patriotic Indian and of every Britisher who wishes to see this country shoulder her responsibility in every phase of her life". It is, therefore, obvious that the refusal of the British shipping companies to employ "Dufferin" cadets as officers is due neither to reduction in their coastal tonnage nor to any deficiency in the training or calibre of the Indian cadets but is due to their reluctance not to provide employment for trained and qualified Indians in their home waters.

The Committee would also like to refer here to the most recent pronouncement of the Government on this subject when the question was raised in a general form by Pandit Govind Ballabh Pant in the Legislative Assembly on the 28th March, 1935. Pandit Pant enquired whether it was not a fact that the ex-cadets of the Training Ship "Dufferin", who have obtained their certificates of competency, have not been employed by the British shipping companies plying on the coast in a number in conformity with the quantity of tonnage owned and plied by them in the Indian coastal waters. He also asked whether, in the absence of such openings, these cadets, either officers or marine engineers, were not likely to remain without employment. Sir Joseph Bore, the then Commerce Member, stated in reply that—

"the Government will take steps to impress on all shipping companies, whether British or Indian, engaged in the coastal trade, the importance of employing duly qualified Indian officers in adequate numbers."

The Committee have to draw the particular attention of the Government to the above definite assurance of the late Commerce Member and have to enquire whether they consider that the employment of Indian cadets as officers by the British shipping companies at present is considered by them as giving employment "in adequate numbers". In this connection, the Committee would also like to point out that there would be comparatively few openings in the Royal Indian Navy, the Bengal Pilot Service and the River Survey Service of the Calcutta Port Trust or the Rangoon Port Trust in the next few years, so that employment would have to be found in sea service for at least 30 cadets from the next year. It is, therefore, essential for the Government to see that the British shipping companies carry out their assurances to employ these cadets as officers and engineers on their ships and, if necessary, to give effect to the recommendation of the Indian Mercantile Marine Committee in regard to the employment of Indian apprentices, officers, engineers and wireless operators on ships trading in the coastal waters of India and receiving directly or indirectly the patronage of the Government and the people of India. The Committee consider that such action is absolutely necessary if the whole object underlying the scheme of the Training Ship is not to be frustrated and a new and important avenue of employment is not to be denied to young Indians.

Yours faithfully,
M. P. GANDHI,

Secretary.

EMPLOYMENT OF "DUFFERIN" CADETS BY BRITISH SHIPPING COMPANIES.

5. THE HONOURABLE MR. P. N. SAPRU: (a) Are British shipping companies reluctant to employ Indian "Dufferin" cadets as officers?

(b) Have any British shipping companies, receiving mail subsidies and other similar aid from the Government of India, shown any reluctance to employ "Dufferin" cadets as apprentices and officers on their steamers?

(c) Do Government propose to impose a definite obligation to employ a certain proportion of "Dufferin" trained cadets as apprentices and officers on companies receiving mail subsidies and other similar aid from the Government of India?

THE HONOURABLE MR. T. A. STEWART: (a) Government are not aware that British shipping companies engaged in the Indian coastal trade have expressed any intention not to employ qualified cadets of the "Dufferin" as officers.

(b) No shipping companies are getting subsidies for the carriage of mails but I assume that the Honourable Member is referring to those companies that receive under contracts payments for the carriage of mails. If so, so far as Government are aware, none of the British companies concerned have expressed any intention not to take ex-"Dufferin" cadets as apprentices or officers.

(c) The question of imposing an obligation of the nature referred to by the Honourable Member on the shipping companies under contract for the carriage of mails will be considered when the existing contracts expire.

THE HONOURABLE MR. P. N. SAPRU: What is the total number of "Dufferin" cadets employed by British shipping companies?

THE HONOURABLE MR. T. A. STEWART: Sir, I could not answer that question offhand.

THE HONOURABLE MR. P. N. SAPRU: May I give notice of that question?

THE HONOURABLE THE PRESIDENT: Yes.

EMPLOYMENT OF INDIAN APPRENTICES, ENGINEERS, WIRELESS OPERATORS ETC., ON SHIPS PLYING IN COASTAL WATERS.

6. THE HONOURABLE MR. P. N. SAPRU: (a) Do Government propose to give effect to the recommendations of the Indian Mercantile Marine Committee in regard to employment of Indian apprentices, officers, engineers and wireless operators on ships plying in the coastal waters of India and receiving directly or indirectly the patronage of the Government and people of India?

(b) If not, what action do Government propose to take in the matter?

THE HONOURABLE MR. T. A. STEWART: (a) No.

(b) So far as cadets of the Engineering branch of the Training Ship "Dufferin" are concerned, the question of their employment as officers has not yet arisen, as the first hatch joined only in 1935 and will not be fully qualified for employment for a period of five years or so. As regards the Executive branch, up to date most of the qualified ex-cadets have found employment either in shipping companies, or in other services. Government have been in constant correspondence with the leading shipping companies about individual cases and have recently addressed them on the general question.

VISIT OF COMMISSIONER, NORTHERN INDIA SALT REVENUE, TO KHEWRA.

7. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Did the Commissioner, Northern India Salt Revenue, pay a visit to Khewra during last summer? If so, did he inspect a place where saltish water is being pumped out by the Salt Department, and has he issued any instructions to the Department to take steps to prevent this saltish matter spreading in the fields and damaging the same?

THE HONOURABLE MR. A. J. RAISMAN: The Commissioner, Northern India Salt Revenue, visited Khewra last August but he did not on that occasion inspect the actual outlet through which salty water is pumped out of the mine. The Commissioner does not believe that the salty water pumped out from the mine spreads over the fields and damages them. The water falls into the Khewra gorge and percolates through the bed of the gorge into the ground and does not reach the fields: the bed of the gorge being very porous quickly absorbs this small quantity of brine. The Commissioner did not, therefore, consider it necessary to issue instructions to the mine authorities on the subject.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are Government prepared to consider the desirability of looking into the question as to whether this water cannot be taken by means of a channel to the river instead of letting it disappear in the fields?

THE HONOURABLE THE PRESIDENT: That is a mere matter of opinion and I cannot allow the question.

FLAG STATION NEAR VILLAGE LILLA, NORTH WESTERN RAILWAY.

8. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is the village Lilla at a distance of two miles from the Lilla railway station (Malakwal-Khushab line on the North Western Railway)? If so, do Government propose to open a flag station near Lilla village?

THE HONOURABLE SIR GUTHRIE RUSSELL: Yes. The desirability of having a flag station seems one that can best be dealt with through the Local Advisory Committee.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Do the Government mean to say that the Central Government have got no hand in the matter of Railways?

THE HONOURABLE SIR GUTHRIE RUSSELL: Sir, I would suggest that if the Honourable Member does not get satisfaction from the Local Advisory Committee, he should then address the Government of India.

CONSTRUCTION OF A BRANCH RAILWAY LINE FROM HARANPUR TO JALALPUR KIKNAN.

9. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Will Government be pleased to state what action was taken by the Agent, North Western Railway, on my question No. 9 asked on the 11th February, 1935 regarding enquiries into the desirability of constructing a railway line from Haranpur to Jalalpur Sharif?

(b) Did the District Board, Jhelum, unanimously pass a resolution requesting the Railway authorities to construct a railway line from Haranpur to Jalalpur Sharif? If so, do Government propose to take any action on that resolution?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) and (b). The Agent, North Western Railway, referred the question put by the Honourable Member to the Punjab Government, who replied to him that the existing road was sufficient to meet the needs of the modest volume of traffic, and could be metalled quite inexpensively if the volume of traffic increases. Hence they did not consider there were sufficient grounds for investigating the possibility of a branch railway line from Haranpur to Jalalpur Kiknan.

STATEMENTS LAID ON THE TABLE.

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR OF THE PUNJAB IN COUNCIL AND THE RESERVE BANK OF INDIA.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I lay on the table a copy of the Agreement between the Secretary of State for India in Council acting by and through the Governor of the Punjab in Council and the Reserve Bank of India.

RESERVE BANK OF INDIA.

[Incorporated under the Reserve Bank of India Act 1934 (II of 1934)].

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR OF THE PUNJAB IN COUNCIL AND THE RESERVE BANK OF INDIA.

AN AGREEMENT made this second day of November 1935, BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL acting by and through THE GOVERNOR OF THE PUNJAB IN COUNCIL (hereinafter called "the Punjab Government") of the one part and the RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part.

WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934, (being Act No. II of 1934) (hereinafter called "the Act");

AND WHEREAS by section 21 (2) of the said Act it is provided that each Local Government shall entrust the Bank on such conditions as may be agreed upon with the management of its public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say:—

1. This agreement shall come into force on the execution of these presents.

2. The management of the public debt of, and the issue of new loans by, the Punjab Government and the performance of all the duties relating thereto respectively, including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Punjab Government and keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at all or any of its offices in Bombay, Calcutta and Madras, and at any of its offices, branches or agencies at which, respectively, the administration of any portion or portions of the public debt is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers books and accounts in respect of the said public debt as the Punjab Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Punjab Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Punjab Government.

3. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Punjab Government, half-yearly, a commission at the rate of Rs. 2,000 per crore, per annum, on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, viz.:—

(a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.

(b) The amount of stock certificates for Rs. 50,000/- and upwards held by the Punjab Government or by any officer or officers of that Government authorised in that behalf.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Punjab Government such fixed sum as may from time to time be agreed upon between the parties on account of the stock certificates referred to in clause 3 (b) hereof, and the Bank shall be also entitled to charge the public (but not the Punjab Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General in Council under the powers conferred upon him by the Indian Securities Act, 1920, (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government securities which the Bank issues.

4. The responsibility for all loss or damage to the Punjab Government which may result from any act or negligence or omission of the Bank in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any security of the Punjab Government shall rest with and be borne by the Bank, provided, however, that it shall not be incumbent on the Bank to verify signatures and endorsements on securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto.

5. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Punjab Government to be addressed to the Governor of the Bank and to be served by being left at the Head Office of the Bank and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government of the Punjab in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

6. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Punjab Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

7. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Punjab Government.

8. In the event of any dispute arising as to the terms and conditions of his agreement such disputes or any differences of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to an officer to be nominated by the Governor General whose decision shall be final and binding as between the parties hereto.

IN WITNESS whereof Charles MacIvor Grant Ogilvie, Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab in Council acting for and on behalf of the Secretary of State for India in Council has hereunto set his hand and the Reserve Bank of India has caused its Common Seal to be hereunto affixed the day and year first above written.

SIGNED by the abovenamed Charles MacIvor Grant Ogilvie Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab in Council acting for and on behalf of the Secretary of State for India in Council in the presence of

A. D. Grindal,

Deputy Secy. to Govt., Punjab, Finance Department, Lahore.

THE COMMON SEAL of the abovenamed Reserve Bank of India was hereunto affixed in the presence of Sir Sikander Hyat-Khan, K.B.E., a Deputy Governor and Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., and Framroz Edulji Dinshaw, Esquire: two of the Directors of the said Bank who in token thereof have hereunto signed their names in the presence of

S. HAYAT-KHAN,
Dy. Governor.

PURSHOTAMDAS THAKURDAS,
F. E. DINSHAW,
Directors.

K. G. AMBEGAOKAR,

Secretary, Reserve Bank of India.

PERCENTAGE OF REPRESENTATION OF BRAHMINS, NON-BRAHMINS AND THE DEPRESSED CLASSES IN THE CIVIL AND POSTAL AUDIT OFFICES, MADRAS.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I lay on the table the information promised in reply to question No. 113 asked by the Honourable Diwan Bahadur G. Narayana-swami Chetty on the 23rd September, 1935.

(i) The percentage composition of the classes of the majority community are furnished below:

1929.

	Office of the Accountant General, Madras.		Office of the Deputy Accountant General, Posts and Telegraphs, Madras.	
	No.	Percentage.	No.	Percentage.
Brahmins	380	71.9	254	79.6
Non-Brahmins	148	27.9	62	19.5
Depressed classes	1	.2	3	.9

1934.

	Office of the Accountant General, Madras.		Office of the Deputy Accountant General, Posts and Telegraphs, Madras.	
	No.	Percentage.	No.	Percentage.
Brahmins	273	73.4	269	79.8
Non-Brahmins	103	25.9	64	19.5
Depressed classes	3	.7	4	1.2

(ii) The facts are not exactly as stated. The Auditor General issued orders in 1929 that the rules of the Government of Madras should be followed for recruitment in the offices of the Accountant General, Madras, and the Deputy Accountant General, Posts and Telegraphs, Madras, with the exception that in the regulation of recruitment in these offices the word "Hindu" should be substituted for the word "Brahmin" or "Non-Brahmin" whenever it occurs in the orders of the Local Government and that the heads of offices should see that the Non-Brahmins get a fair share of the appointments.

(iii) In view of the reply to part (ii) of the question part (iii) does not really arise. I may, however, add for the information of the Honourable Member that the Government of India have recently ordered that although the unreserved quota of vacancies should not be formally divided among the various sections of the majority community, such as Brahmins, non-Brahmins and depressed classes, it is desirable that in the vacancies available for Hindus as a whole there should not be an undue preponderance of any one section of the Hindu community. The Auditor General has issued orders designed to give effect to these instructions.

RETRENCHMENTS MADE SINCE 1930 IN THE GOVERNMENT OF INDIA AND ATTACHED OFFICES.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I lay on the table the information promised in reply to question No. 130 asked by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra on the 28th September, 1935.

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
Government of India Secretariats.				
Consulting Engineer to the Government of India.	Rs. 2,750 plus overseas pay of £13-6-8.	1	Permanent.	
Deputy Secretary	Rs. 1,500-50-2,000	1	Permanent.	
Additional Deputy Secretary.	Pay on the I.C.S. scale plus a special pay of Rs. 400 subject to a maximum of Rs. 2,250.	1	Temporary.	Created annually for five months of winter season.

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices—contd.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Government of India Secretariats—contd.</i>				
Establishment Officer	Rs. 1,500-50-1,750	1	Permanent.	
Under Secretary	Pay on junior I.C.S. scale plus special pay of Rs. 300.	1	Permanent.	Held in abeyance since 1st April 1932.
Officer-in-charge, Medal Distribution, Army Department.	Rs. 1,000	1	Permanent.	
Assistant Secretary	Rs. 1,000-50-1,250	6*	Permanent.	*One post sanctioned from 1st April, 1931 but vacant and surrendered from 1st March, 1932.
Attache	Rs. 600-40-1,000	1	Permanent.	
Superintendent	Rs. 600-40-800	5	Permanent.	
Ditto	Rs. 500-40-700	1	Permanent.	
Assistant, upper time-scale.	Rs. 375-25-500	1	Permanent.	
Ditto	Rs. 175-15-500†	4	Permanent.	†Railway Department scales.
Ditto	Rs. 180-15-450†	2	Permanent.	
Ditto	Rs. 180-15-450†	1	Temporary.	
Assistant, ordinary scale	Rs. 200-15-500	29‡§	Permanent.	‡Five posts quasi-permanent. §One post carrying a special pay of Rs. 50 per mensem.
Ditto	Rs. 200-15-500	1	Temporary.	
Ditto	Rs. 175	2	Temporary.	} Probationers.
Ditto	Rs. 100	1	Temporary.	
Council Reporter	Rs. 450-25-750	2	Permanent.	
Clerks, 2nd division—				
Special grade	Rs. 300-25-350	3	Permanent.	
Ordinary grade	Rs. 100-8-300	37¶	Permanent.	¶Four posts quasi-permanent.
Ditto	Rs. 100-8-300	1	Temporary.	
Ditto	Rs. 100-8-300. Probation at Rs. 80.	1	Temporary.	
Ditto	Rs. 100-8-260**	1	Permanent.	**Railway Department scale.
Ditto	Rs. 100-8-260	1	Temporary.	
Ditto	Rs. 150 fixed pay	3	Temporary.	
Clerks, routine division	Rs. 90-4-170	2	Permanent.	
Ditto	Rs. 75-5-150	3	Permanent.	
Ditto	Rs. 75-5-150	1	Temporary.	
Ditto	Rs. 75-5-150. Probation Rs. 75.	1	Temporary.	
Stenographer	Rs. 175-12½-375-15-450-25-500.	2††	Permanent.	††One post carrying special pay of Rs. 50.
Ditto	Rs. 175-12½-375-15-450-25-500. Probation Rs. 175.	1	Temporary.	
Ditto	Rs. 175-9-400	3	Permanent.	

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices—contd.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Government of India Secretariats—concl.</i>				
Stenographer	Rs. 150-10-300	1	Temporary.	
Ditto	Rs. 150-10-300	1	Permanent.	
Puncher	Rs. 70	1	Permanent.	
Record sorter	Rs. 20-1-40	3	Permanent.	
Duftry	Rs. 15-1-35	8	Permanent.	
Jemadar	Rs. 25-1-30	2	Permanent.	
Ditto	Rs. 25-1-30	1	Temporary.	
Ditto	Rs. 22-1-27	3	Permanent.	
Dafadar	Rs. 17-1-22	2	Permanent.	
Peon	Rs. 14-1/5-16	42*	Permanent.	*Fourteen posts quasi-permanent.
Ditto	Rs. 14-1/5-16	8	Temporary.	
Ditto	Rs. 14	1	Temporary.	
Farash	Rs. 14-1/5-16	16	Permanent.	
Sweeper	Rs. 14	7	Temporary.	

Footnote.

(i) In the Army Department 9 3rd division posts were created in 1932 in place of the posts of 1 assistant secretary, 1 superintendent, 6 assistants and five 2nd division clerks which were retrenched.

(ii) In the Home Department 7 posts of 3rd division clerks and 1 of stenographer were created in lieu of posts of 1 superintendent, 2 assistants and five 3rd division clerks.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Attached Offices.</i>				
Member, Public Service Commission.	Rs. 3,500	1	Permanent.	
Secretary, Central Board of Revenue.	*Senior scale of I. C. S. and special pay of Rs. 300 per mensem.	1	"	*Replaced by Secretary on Rs. 1,000-50-1,250.
Deputy Director-General, Archaeology for Exploration.	Rs. 350-50-1,200 plus special pay Rs. 250 per mensem.	1	"	
Deputy Director General Staff, Posts and Telegraphs Department.	Rs. 1,750-100-2,250.	1	"	
Director of Purchase (Indian Stores Department).	Rs. 2,000-100-2,500.	1	"	
Director of Inspection	Rs. 2,250-100-2,750.	1	"	
Special Officer, Exploration (Archaeology).	Rs. 350-50-1,200	1	"	

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices—contd.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Attached Offices—contd.</i>				
Deputy Chief Engineer, Telegraphs (Posts and Telegraphs).	Rs. 1,750-100-2,150 <i>plus</i> special pay Rs. 175 per mensem.	1	Permanent.	
Controller of Telegraph Traffic.	Rs. 1,000-50-1,500 <i>plus</i> special pay Rs. 150 per mensem.	1	"	
Assistant Director General, Postal.	Rs. 1,000-50-1,500 <i>plus</i> special pay Rs. 125 per mensem.	1	"	
Assistant Director General, Telegraph Traffic.	Ditto.	1	"	
Assistant Superintendent Excavation (Archaeology.)	Rs. 350-50-1,000	1	"	
Excavation Assistant.	Rs. 250-10-350	1	"	
Assistant to Director General, Telegraph Traffic.	Rs. 350-20-550-30-700 <i>plus</i> special pay Rs. 100 per mensem.	1	"	
Budget Superintendent (Posts and Telegraphs Department).	Rs. 500-25-700	1	"	
Assistant Controller of Printing and Stationery.	Rs. 500 20-600	1	"	
Manager and Chief Pilot of Indian State Air Service.	Rs. 1,500	1	Temporary.	
Assistant Director General, Postal.	Rs. 1,000-50-1,500 <i>plus</i> special pay Rs. 125 per mensem.	1	"	
Chief Engineer, Indian State Air Service.	Rs. 900 per mensem.	1	"	
Chief Superintendent.	Rs. 600-40-800	1	Permanent.	
Superintendent.	Rs. 500-40-700	1	"	
Ditto.	Rs. 350-25-600	4	"	
Assistant.	Rs. 200-12-440	6	"	
	Rs. 120-8-160-10-350.	44	"	
	Rs. 120-8-160-10-350.	4*	Temporary.	*Three posts since revived.
	Rs. 120-8-160-10-300.	1	Permanent.	
Stenographer.	Rs. 150-10-300	3	"	
"	Rs. 150 per mensem.	1	Temporary.	

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices—contd.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Attached Offices—concl'd.</i>				
Official photographer.	Rs. 250-10-350	1	Permanent.	
Ditto	Rs. 150-5-250	1	"	
Draftsman	Rs. 150-5-250	1	"	
Ditto	Rs. 110-5-160	1	"	
Ditto	Rs. 100-8-260	2	"	
Draftsman clerk	Rs. 75-4-155	1	"	
Modeller	Rs. 100-10-200	1	"	
Head clerk	Rs. 160-10-200	1	"	
Clerks	Rs. 90-5-125	1	"	
Ditto	Rs. 74-4-175	3	"	
	Rs. 75-4-155 with selection grade.	12*	"	*Four posts since revived.
	Rs. 160-5-175	8†	Temporary	†Six posts since revived.
Van clerk	Rs. 75 per mensem.	2	"	
	Ditto	1	"	For winter season.
Van driver	Rs. 50 per mensem.	1	"	Ditto.
Store keeper	Rs. 35 <i>plus</i> personal pay Rs. 5 per mensem.	1	Permanent.	
Tracer	Rs. 75-5-150	3	Temporary.	
Ditto	Rs. 43-3-75	1	Permanent.	
Under mason	Rs. 42-8-0 per mensem.	1	Permanent.	
Mate	Rs. 25	1	"	
Record lifter	Rs. 20-1-40	5	"	
Duftry.	Rs. 15-1-35	3	"	
Ditto	Rs. 15-1-25	1	Temporary.	
Ditto	Rs. 15 per mensem	1	"	
Jamadar	Rs. 22-1-27	1	Permanent.	
Daffadar	Rs. 17-1-22	3	"	
Peons	Rs. 15-1/5-20	14	"	
	Rs. 14-1/5-16	16	"	
	Rs. 14-1/5-16	6†	Temporary	†Two posts since revived.
	Rs. 14 per mensem	1	"	
	Rs. 16 per mensem	2	Permanent.	
	Rs. 17 per mensem	1	"	
Farash.	Rs. 15-1/5-20	2	"	
Chowkidar	Rs. 15-1/5-20	1	"	
Ditto	Rs. 17 per mensem	1	"	
Ditto	Rs. 17 per mensem	1	Temporary.	
Coolie	Rs. 17 per mensem	5	Permanent.	
Bhistie	Rs. 17 per mensem	1	Temporary.	

Statement showing retrenchments made since 1930 in the various Departments of the Government of India and Attached Offices—contd.

Designation of post.	Scale of pay.	No. of posts retrenched.	Permanent or temporary.	Remarks.
<i>Army Headquarters.</i>				
Superintendents . . .	Rs. 500-40-700 .	3	Permanent	
Assistant, upper time-scale.	Rs. 350-20-450 .	1*	"	*Converted into a 3rd division (girls') post on Rs. 100-5-170.
Assistant, lower time-scale.	Rs. 200-12-400 .	12†	"	†Six posts converted into one 2nd division post on Rs. 90-8-250 ; two Indian A. C. C. posts on Rs. 50-4-90-3-120 ; three 3rd division (girls') post on Rs. 100-5-170.
Head translator . . .	Rs. 200-10-300 .	1	"	
Head draftsman . . .	Rs. 400-20-500 .	1	"	
Technical clerk . . .	Rs. 330 per mensem.	1	"	
Clerk, special grade . .	Rs. 250-25-300 .	2	"	
Clerk, 3rd division . .	Rs. 90-4-170 .	12	"	
Duftry . . .	Rs. 15-1-35 .	4	"	
Peon . . .	Rs. 14-1/5-16 .	21	"	

WOODEN SLEEPERS PURCHASED BY RAILWAYS AND TIMBER USED IN CARRIAGE AND WAGON SHOPS DURING 1933-34.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, I lay on the table the information promised in reply to part (d) of question No. 140 asked by the Honourable Rai Bahadur Lala Jagdish Prasad on the 20th April, 1934.

(d) Particulars of wooden sleepers and timber purchased by the railways during 1933-34 are given below.

A.

Broad gauge wooden sleepers purchased in 1933-34 (In lakhs.)

Railway.	Southern group.		Eastern group.	Northern group.				Total.
	Teak.	Mixed.		Deodar.	Chir.	Fir.	Kail.	
Bengal Nagpur . . .	..	..	1.00	..	..	..	..	1.00
Bombay, Baroda and Central India.	..	..	.50	..	..	..	..	.50
Eastern Bengal . . .	..	..	1.27 (1st class) .08 (2nd class)	..	..	..	..	1.35
East Indian . . .	..	..	(a) 2.49	..	..	..	..	2.49
Great Indian Peninsula	..	..	.75	..	..	..	..	.75
Madras and Southern Mahratta.	..	..	.74	..	..	..	..	.74
North Western . . .	..	..	..	(b) 3.62	.83	.59	.21	5.25
H. E. H. the Nizam's State.	..	..	.04	..	..	..	..	.04
South Indian . . .	.05	.20	..	..	..	..	..	.25
GRAND TOTAL . . .	.05	.20	6.87	3.62	.83	.59	.21	12.37

(a) Includes 2.09 Nepal sal sleepers.

(b) Includes .02 2nd class sleepers.

B.

Metre gauge sleepers purchased in 1933-34. (In lakhs.)

Railway.	Southern group.		Terai group.	Eastern group.	Northern group.	Hollong and Hollock Naharkatya (Assam Bengal Railway).	Total.
	Teak.	Mixed.		Sal.	Deodar.		
Assam Bengal . . .	..	..	..	.40	..	.78	1.18
Bengal and North-Western.	..	..	1.79	(a) 1.00	..	..	2.79
Bikaner . . .	..	..	..	.65	..	..	.65
Bombay, Baroda and Central India.	..	..	..	(b) 2.45	..	..	2.45
Eastern Bengal . . .	..	..	..	.18	..	..	.18
Jodhpur . . .	..	..	..	.59	..	..	.59
Madras and Southern Mahratta.	1.10	..	..	..	..	..	1.10
H. E. H. the Nizam's State.	..	..	..	.03	..	..	.03
Rohilkund and Kumaon.	..	..	.12	..	..	..	.12
South Indian . . .	.17	.85	..	..	..	..	1.02
GRAND TOTAL . . .	1.27	.85	(a) 1.91	5.30	..	.78	10.11 (d) .19 10.30

(a) Includes .50 Nepal sal sleepers.
(b) Includes .17 Nepal sal sleepers.
(c) Includes .37 special 2nd class.

Narrow gauge.
The total number purchased was 2.204 sal by Eastern group.
(d) .19 Nabor sleepers purchased by Assam Bengal Railway.

C.

Average price paid by sleeper groups for "Ordinary" sleepers F. O. R.

Group.	Timber.	1933-34.
Broad gauge.		Rs. A. P.
Eastern . . .	Sal . . .	5 1 4
Southern . . .	Teak (Indian)	(a) 7 4 0
	Mixed species	(c) 8 0 0
Northern . . .	Deodar	(c) 5 2 6
	Chir (b)	(d) 4 12 4
	Fir (b)	6 3 0
	Kail (b)	3 6 0
		3 3 0
		(e) 2 12 0
		3 9 0

Northern group—Three year contract (up to July, 1936) deodar Rs. 4-12-0, chir Rs. 3-2-0, fir Rs. 2-12-0 and kail Rs. 3-8-0. Fir was supplied against shortage in kail. Sixth year quota of five year agreement up to July, 1934, deodar Rs. 6-8-0.

(a) From Nepal.
(b) For treatment with creosote and liquid fuel at Dhilwan.
(c) Madras Forest Department.
(d) Non-Government contractors.
(e) Special order of fir with the Punjab Government, Forest Department.

D.

Average price paid by sleeper groups for "Ordinary" sleepers F. O. R.—contd.

Group.	Timber.	1933-34.
		Rs. A. P.
Metre gauge—		
Eastern	Sal	1 15 0
Terai	Sal	(a) 2 14 0
Southern	Mixed species	(b) 2 5 0
Northern	Teak (Indian)	(c) 2 0 0
Naharkatya	Deodar	(d) 3 0 0
treating plant	Hollong and Hollock	(e) 3 8 0
(Assam Bengal		2 11 0
Railway).		
		Five year contract
		(up to 30th June,
		1933) Rs. 2-4-0
		Fresh contract for
		one lakh Rs. 1-6-0.
	Nahor	1 4 0
Narrow gauge—		
Eastern	Sal	1 4 0

(a) From Nepal.

(b) For 1st class only. For special 2nd class average rate is Rs. 1-8-0.

(c) Madras Forest Department.

(d) Bombay Forest Department.

(e) Non-Government contractors.

E.

"Specials" were purchased by individual Railways at the following rates.

Railway.	Timber.	Price per cubic foot F. O. R.
		Rs. A. P.
Assam Bengal	Sal	1 6 0
Bengal Nagpur—		to 1 10 0
Broad gauge	Sal	1 1 6
Metre gauge	Sal	to 1 8 0
Bikaner State	Sal	1 3 0
Eastern Bengal—	Deodar	1 8 0
Broad gauge		1 11 0
Metre gauge	Sal	1 4 0
		to 2 0 0
		1 0 0
		to 1 4 0

F. O. R. Assam
Bengal railway
stations.

(6' × 8" × 6").

(10' to 16' × 10" × 5"

to 10" × 8").

(7' to 12' × 8" × 4½"

to 8" × 8").

E—contd.

"Specials" were purchased by individual Railways at the following rates—contd.

Railway.	Timber.	Price per cubic foot F. O. R.
		Rs. A. P.
H. E. H. the Nizam's State—		
Broad gauge	Sal	1 10 0
Metre gauge	Sal	1 6 0
	Sal points and crossings.	1 8 0
Bombay, Baroda and Central India.	Sal	1 12 9
	Teak (Burma)	to 1 14 0
		2 13 0
	Teak (Burma)	to 3 4 4
Madras and Southern Mahratta	Teak (Burma)	4 13 7
	Teak (Indian)	3 8 5
	Sal	1 6 3
Jodhpur	Sal	1 3 0
Great Indian Peninsula	Sal	1 3 9
		to 1 6 0
Bengal and North-Western and Rohilkund and Kumaon.	Sal	2 2 9
East Indian	Sal (Assam, 1st class).	5 8 0
	Sal (Central Provinces, 1st class).	5 8 0

F. O. R. Bengal
Nagpur railway
stations.

F. O. R. Bombay.

C. I. F. Bombay.

(Through rate)
F. O. R. Madras.
(Through rate.)
(Through rate) from
Eastern Group.(6' × 8" × 6").
F. O. R. Bengal
Nagpur railway
stations.

F.
Timber used in Carriage and Wagon Shops in India during 1933-34.

Form in which bought and approximate average cost per ton in rupees.															How employed.					
Timber used in Carriage and Wagon Shops at Bangalore.																				
Railway.	Total consumption in terms of timber in the job.			Burma teak.					Indian teak.					Indigenous timber other than teak.						
	Teak.		Indigenous timber other than teak.	Squares.		Sawn timber.		Logs.		Squares.		Sawn timber.		Floor boards.		Sawn timber.	Floor boards.			
	Tons.	Per cent. of total.		Tons.	Rs. per ton.	Tons.	Rs. per ton.	Tons.	Rs. per ton.	Tons.	Rs. per ton.	Tons.	Rs. per ton.	Tons.	Rs. per ton.		Tons.	Rs. per ton.		
																			Tons.	Per cent. of total.
A. B.	143	31	328	69	270	201	...	...	...	...	...	...	...	...	...	...	...	...	26	74
B. N.	1,094	61	995	39	718	239	...	...	472	136	...	...	...	...	...	...	...	...	3	97
B. N. W.	361	46	202	54	457	147	...	...	...	...	...	...	...	...	...	...	...	...	...	100
B. C. I. (B. G.)	412	41	594	60	560	223	...	...	...	...	...	...	...	...	...	...	...	...	22	73
B. C. I. (M. G.)	533	77	163	23	1,351	164	...	...	...	...	...	...	...	...	...	...	...	...	45	53
E. B.	232	26	664	74	410	182	...	...	15	310	...	...	...	...	...	...	...	...	1	99
E. I.	544	32	1,174	68	948	148	...	...	...	...	...	...	...	...	...	...	...	...	7	93
G. I. P. (Mat.)	849	64	487	56	996	238	...	...	...	...	...	...	...	...	...	...	...	...	3	97
G. I. P. (Jhe.)	194	43	263	57	244	231	...	...	...	...	...	...	...	...	...	...	...	...	...	100
M. S. M. (Per.)	332	63	228	37	871	240	...	...	...	...	...	...	...	...	...	...	...	...	45	55
M. S. M. (Hub.)	209	77	63	23	109	237	...	...	...	...	...	...	...	...	...	...	...	...	59	41
N. W.	438	15	2,547	85	711	264	...	...	...	...	...	...	...	...	...	...	...	...	14	86
R. & K.	12	35	23	65	31	194	...	...	...	...	...	...	...	...	...	...	...	...	6	94
S. I.	535	85	91	15	700	288	...	...	...	...	...	...	...	...	...	...	...	...	55	45
N. S.	94	47	104	53	17	240	...	...	...	...	...	...	...	...	...	...	...	...	30	70
Jodhpur	107	79	29	21	195	204	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Burma	188	68	73	32	317	134	...	...	...	...	...	...	...	...	...	...	...	...	...	109
R. G. = Broad gauge.															Per. = Perambur.		Hub. = Hubli.			
M. G. = Metre gauge.															Jhs. = Jhansi.		Mat. = Matunga.			

B. G. = Broad gauge. M. G. = Metro gauge. Mat. = Matungu. Jhs. = Jhansi. Per. = Perambur. Hub. = Hubli.

ALARM SIGNALS IN THE COACHING STOCK OF THE DIBRU-SAIDYA RAILWAY

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I lay on the table the information promised in reply to question No. 127 asked by the Honourable Mr. H. P. Barua on the 28th September, 1935.

(a) (b) and (c). It is a fact that the Dibru-Saidya Railway coaching stock is not equipped with communication cords or alarm signals, because this railway runs over short distances between stations, the greatest being 7½ miles.

Tinsukia station is a joint station of the Dibru-Saidya and Assam Bengal Railways. It is not a fact that there have been dacoities on this Railway near about Tinsukia or elsewhere on that line. There was however a dacoity near Tinsukia some time last year but this took place on an Assam Bengal Railway train on the Assam Bengal Railway.

TERMINAL AND PILGRIM TAXES.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I lay on the table the information promised in reply to question No. 152 asked by the Honourable Mr. Hossain Imam on the 28th September, 1935.

Statement relating to terminal and pilgrim taxes.

Name of municipality.	Number and date of the notifications.
Howrah	No. 1725M., dated the 20th December, 1911.
Gaya	No. 1512M. R., dated the 22nd October, 1921. No. 5273L.S.G., dated the 9th December, 1921.
Benares	No. 2553/XI-538D., dated the 23rd October, 1924.
Allahabad	No. 83/XI-595E., dated the 13th January, 1925.
Fyzabad	No. 960/XI-421 E., dated the 5th April, 1929.
Mirzapur	No. 200/XI-817 E., dated the 23rd January, 1930.
Hardwar	No. 3092/XI-607 E., dated the 29th August, 1932.
Rishikesh	No. 793/XI-76 N., dated the 6th April, 1927.

NUMBER OF EUROPEAN AND INDIAN TRUSTEES IN THE VARIOUS PORT TRUSTS.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table the information promised in reply to question No. 65 asked by the Honourable Sir Phiroze Sethna on the 18th September, 1935.

Statement showing the number of European and Indian Trustees in the various Port Trusts.

Port Trust	On 1st April, 1932.		On 1st April, 1935.		Remarks.
	Euro-peans.	Indians.	Euro-peans.	Indians.	
1. Chittagong	7	5	7	5	* Increase of one is due to the fact that in 1932 the Agent, Eastern Bengal Railway (an ex-officio Trustee) was an Indian, whereas in 1935 the incumbent was a European.
2. Calcutta	13	6	14*	5	
3. Madras	10	4	10	4	† Increase of one is due to the fact that in 1932 the Municipal Commissioner for the City of Bombay (a nominated Trustee) was an Indian whereas in 1935, the post was filled by a European.
4. Bombay	13	9	14†	8	
5. Karachi	8	6	9‡	6	‡ The number of Trustees was increased from 14 to 15 in 1933 by Bombay Act No. IX of 1933, the additional seat being allotted to the Principal Officer, Mercantile Marine Department, Karachi.
6. Rangoon	12	5	12	5	§ Also one Arab member in each year.
7. Aden	8	2§	8	2§	

PROVISION OF LIGHTS ON ROADS LEADING TO SWEEPERS' QUARTERS, NEW DELHI.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 132 asked by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra on the 28th September, 1935.

(a) and (b). The quarters referred to by the Honourable Member are not in the jungle. There are lights along the main road in front of these quarters. It is hoped, if funds permit, to provide lights at the back during the next financial year. Neither the New Delhi Municipal Committee who are responsible for providing the road lighting in the area nor the Central Public Works Department appear to have received any complaints from the occupants of the quarters.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL

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

The first Order:

PANEL OF CHAIRMEN.

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

In the first place, the Honourable Sir Phiroze Sethna; in the second place, the Honourable Rai Bahadur Lala Ram Saran Das; in the third place, the Honourable Saiyed Mohamed Padshah Sahib Bahadur; and lastly, the Honourable Sir David Devadoss.

New Delhi:

(Sd.) WILLINGDON,

The 24th January, 1936.

Viceroy and Governor General."

The second Order:

RAILWAY BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Monday, the 17th February, for the presentation to the Council of State, and Thursday, the 20th February, for the general discussion in the Council of State, of the statement of estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

New Delhi:

(Sd.) WILLINGDON,

The 26th January, 1936.

Viceroy and Governor General."

The third Order:

GENERAL BUDGET.

"For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Freeman, Earl of Willingdon, hereby appoint Friday, the 28th February, at 5 p.m., for the presentation to the Council of State, and Friday, the 6th March, for the general discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways.

New Delhi:

(Sd.) WILLINGDON,

The 26th January, 1936.

Viceroy and Governor General."

The fourth Order:

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

(Sd.) WILLINGDON,

The 24th January, 1936.

Viceroy and Governor General."

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: Under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of a Chairman and

[Mr. President,]

four members. The following Members have at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Raja Charanjit Singh and as Members, the Honourable Khan Bahadur Syed Abdul Hafeez, the Honourable Sir David Devadoss, the Honourable Mr. Satyendra Chandra Ghose Maulik and the Honourable Rai Bahadur Lala Jagdish Prasad.

APPOINTMENT OF THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON, Kt., TO THE LIBRARY COMMITTEE OF THE INDIAN LEGISLATURE.

THE HONOURABLE THE PRESIDENT: The resignation of Mr. G. H. Spence has created a vacancy on the Library Committee of the Indian Legislature. I am glad to inform the House that the Honourable Diwan Bahadur Sir Ramunni Menon, Kt., has accepted my invitation to fill the office.

CONGRATULATIONS TO RECIPIENTS OF HONOURS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, it is my very pleasant duty to offer to you, on behalf of this Council, our warmest congratulations on your promotion to the dignity of a Knight Commander of the Most Exalted Order of the Star of India. For more than three years, Sir, you have presided over the deliberations of this Council with dignity, firmness, tact and absolute impartiality. You have not only won our respect but our warm regard. We wish you many, many years of robust health to enjoy your new decoration.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Sir, I rise to associate myself with the remarks that fell from the Honourable the Leader of the House. We, on this side of the House, also highly appreciate the Honour that has been conferred upon you. We regard it as a concession to public sentiment that you were elevated to the Chair, and now your Honour comes as an appreciation of modern democracy. I associate myself with the remarks that have been made.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): I come from the same province as the Honourable the President and I deem it a great honour to my province that the K. C. S. I. which has never so far come to our province at all has come for the first time. So, I congratulate both myself and my province, as well as the Honourable the President, in having achieved this unique distinction. I hope God will bless you, Sir, with long life to enjoy the Honours that have already come and may they be followed by many more.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Will you permit me, Sir, as a very junior Member to join in the congratulations which have been offered by the leader of the House on behalf of us all?

Sir, you have not only won our respect, you have also won our affections by your goodness, by your desire to be fair to all sections of the House. Sir, we whole-heartedly associate ourselves with the Honourable Leader in the tribute that has been paid you.

THE HONOURABLE THE PRESIDENT: The Honourable Leader of the House and Honourable Members, I am deeply grateful to the Honourable Leader of the House and other Honourable Members for what they have said about me on my elevation to the dignity of K.C.S.I. I am not vain enough to think that this Honour has been conferred on me on account of my personal merit, but I submit that it is in recognition of the position now held by the Council of State and I regard this as an honour to the Council of State generally. If I have succeeded in obtaining your approbation regarding my work and if I have been fortunate enough to obtain any little success, it is all due to you Honourable Members who have during the last three years of my office helped me in maintaining the dignity and prestige of this House and in performing my duties to your satisfaction. It is also due to the help which you have consistently given me in the matter of enforcing discipline and in maintaining fully order and discipline in this House. This Council has always been an example to other Legislatures in many directions and I think it will always continue to be and I hope it will. I thank you all again for the kind manner in which you have referred to my work. (Applause.)

It is now the customary privilege of the President of the Council to offer on behalf of the Council and himself congratulations to the recipients of Honours in the New Year's Gazette. The first name which draws our attention is of my very old and esteemed friend who comes from my province, Sir David George Mitchell, who has obtained the well-merited Honour of K.C.I.E. It is not possible for me to refer to his various services on account of the shortness of the time at my disposal, but I can inform you that both in the Central Provinces and in the Government of India he has from time to time held very high and distinguished offices and merited the confidence of both Governments. He was also in this Council some time ago, as an officiating Member of the Executive Council first and afterwards as Leader of the House, and his work is too well known to you all to require me to say anything in praise of him. He has been a very unostentatious man and he thoroughly deserves this great Honour, and I am sure he will be glad to hear that the House has received with approbation the news of the Honour conferred on him. (Applause.)

The next gentleman to whom I wish to refer is Mr. John Bartley. He is not a sitting Member of the House now but many of you Honourable Members will remember that some time ago he was Secretary to this Council. He is a very capable man and has done valuable service in the Legislative Department of the Government of India. He is highly spoken of by everybody and I am grateful to him personally for the valuable assistance he gave me as Secretary of the Council.

I have also much pleasure in congratulating the Honourable Mr. Satyendra Chandra Ghosh Maulik, a zemindar who richly deserves this high distinction.

The next name to which I refer with considerable pleasure is that of our esteemed friend the Honourable Sir Josna Ghosal. You all know him very well. After a distinguished record of public service in the Bombay Presidency he retired full of honours. He then obtained the Honours of C.S.I. and C.I.E. He joined the Council of State some years ago and has since then been a well known figure in this House. His courtesy, kindness, perseverance and affability as Government Whip have extorted our admiration. We are all very pleased that this Honour which was long overdue has at last been bestowed and I feel certain you will all rejoice, in the conferment on him of the high distinction of Knighthood. I trust he will live long and that he will continue to serve Government as Whip in the next Council. (Applause.)

[Mr. President.]

I have also to congratulate our friend the Honourable Sir George Riddoch Campbell, the non-official European representative in this House. Unfortunately he is not here today, but none the less our pleasure is great and we all congratulate him very cordially on the Royal mark of favour which he has received. I am perfectly certain that he will in the near future turn out a very useful Member of this Council.

One other name to which I wish to refer is that of an officer who has rendered very great service to the Government of India and who has been for some time an Honourable Member of this House, I mean Mr. Tennant Sloan, who has received the well-merited Honour of C.S.I. He is one of the most capable officials of the Government of India where he has served for many years and by dint of industry, perseverance and exercise of great natural abilities he possesses he has been able to secure a very firm footing in the Government of India, and the Honour which has been conferred upon him is very richly deserved.

THE HONOURABLE SIR JOSNA GHOSAL (Bombay: Nominated Non-Official): Sir, I am very grateful to you for your kind words of congratulation.

GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Simla session, 1935, namely:

- The Aligarh Muslim University (Amendment) Act, 1935.
- The Indian Army (Amendment) Act, 1935.
- The Central Provinces Courts (Supplementary) Act, 1935.
- The Provincial Small Cause Courts (Amendment) Act, 1935.
- The Provincial Insolvency (Amendment) Act, 1935.
- The Factories (Amendment) Act, 1935.
- The Repealing and Amending Act, 1935.
- The Jubbulpore and Chhattisgarh Divisions (Divorce Proceedings Validation) Act, 1935.
- The Indian Coffee Cess Act, 1935.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meetings held on the 13th and 14th February, 1936, namely:

- A Bill further to amend the Code of Criminal Procedure, 1898; and
- A Bill to regulate the payment of wages to certain classes of persons employed in industry.

PRESENTATION OF THE RAILWAY BUDGET FOR 1936-37.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I have the honour to present the statement of estimated revenue and expenditure of the Governor General in Council in respect of railways. I regret that, this year, once more, the picture that I have to present may appear to be a gloomy one—at least gloomier than any of our reasonable hopes led us to expect—but I would remind the House that in my last Budget speech I suggested that temporary setbacks must be expected, especially if events occurred outside India over which we have no control. I fear that we are now experiencing such a setback, but I think I shall be able to convince the House, by certain observations I shall have occasion to make later, that there are factors, quite beyond our powers to remedy, which have contributed to this setback.

2. In framing our revised estimate last year, we placed our total deficit at Rs. 4.24 crores, which included Rs. 1.85 crores for strategic lines. But the actuals turned out to be a good deal worse, the deficit amounting to Rs. 5.96 crores, including Rs. 1.95 crores on strategic lines. There was a most disappointing fall in traffic receipts during the last few weeks of the year, and, instead of realising our revised budget figure of Rs. 90.75 crores, we only attained Rs. 90.20 crores. In our revised estimate working expenses were placed at Rs. 50.10 crores; they actually amounted to a slightly higher figure, Rs. 50.27.

3. Last year, I remarked that we were justified in making our Budget estimate of earnings for 1935-36 with a spirit of optimism, and I told the House that we thought it might reasonably be placed at Rs. 93.50 crores, but I regret that our hopes have not materialized, and, so far as can be foreseen, we are not likely to exceed Rs. 90 crores, a figure which is Rs. 20 lakhs less than last year and 3.50 crores less than we hoped to get. There is, I fear, little comfort in my announcement, but at least this can be said regarding our revised figure; though it is so much less than we hoped to get, it is very little short of our actual attainment last year, and so does not represent a plunge back into that trough of depression during which our earnings fluctuated between Rs. 84.43 crores and 86.63 crores. If the figures of our earnings are placed on a graph, the curve this year will appear as having flattened out, instead of having risen as we hoped it would; but it has not declined steeply. The fact, however, remains that, instead of the comparatively small deficit of less than 2 crores, which we anticipated, we now expect a gap of 4.54 crores, which is only about .52 crore less than the deficit of 1934-35.

4. Naturally, with this disappointment confronting us, we must make our estimate for 1936-37 with caution. We hope to stimulate our earnings somewhat by making certain adjustments in our rates and fares, but nothing we can do can have much effect on world causes, which are mainly responsible for the slowing down in our progress to more prosperous times. We are accordingly placing our estimate of gross earnings for the coming year 1936-37 at Rs. 91.25 crores, 1.25 crores better than the current year, and 2.25 crores less than our original estimate for the current year. If our estimate is realised we shall, at the end of next year, have a deficit of Rs. 3.44 crores, which includes 2 crores on strategic lines, as against 4.54 crores, the deficit anticipated this year.

5. Now a few words about our working expenses for the current year, and our estimate for the year 1936-37. Our budget for 1935-36 placed

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working expenses at 51.15 crores, a figure higher by about a crore than the previous year, mainly due to the abolition of the cut in pay. I need hardly say that the decrease in earnings has been a matter of very great concern to all of us, and we have throughout the year been unremitting in our efforts to reduce expenditure. We have been able to attain some measure of success—to the extent of Rs. 40 lakhs, and our revised estimate is 50.75 crores as against Rs. 51.15 crores, the budgeted figure. Our budget estimate for the coming year's working expenses is placed at Rs. 51.25 crores, a modest increase of Rs. .50 crore in anticipation of a slight development in traffic.

6. In my remarks on net earnings last year, I emphasized that if the railways in India were in the position of a private concern, they would, in spite of trade depression, have money available for dividends, and the same is true this year. But as we have to meet fixed interest charges, there is the deficit I have already mentioned, and hence the criticisms broadcasted everywhere, that Indian Railways are insolvent. But insolvency is a relative term, and the insolvency of Indian Railways is prosperity compared with the British Railway Groups, some of which have not been able to pay a penny's dividend on their ordinary stocks for many years, or compared with certain American Rail-roads which I understand have actually been in the hands of the Receiver.

7. What is our position? Last year after we had set aside Rs. 13.72 crores for the depreciation fund, we realised Rs. 26.21 crores net traffic receipts, to which must be added about Rs. 53 lakhs miscellaneous receipts making a net revenue total of Rs. 26.74 crores. The corresponding figure this year is expected to be Rs. 26.83 crores, very slightly higher, and here again we may claim that the curve of our net revenue, though it has flattened instead of rising, has certainly not rushed down a declivity of further depression. Our budget figure for net revenue in the coming year is 27.67, again a very modest increase. I would point out that our expected net earnings figure this year still amounts to more than 3½ per cent. of our capital at charge. Only recently I received from London, figures showing the net earnings of the four large British Railway Groups. In no case are these as much as 3 per cent. on their capital.

8. Our interest charges at Rs. 31.37 crores are expected to be slightly less than last year, and our deficit will be Rs. 4.54 crores. This will be met by borrowing from the depreciation fund, which at the beginning of the year stood at Rs. 9.50 crores; but as the contributions to the fund during the year are expected to be Rs. 13.26 crores, whereas the expenditure on renewals and replacements will only amount to Rs. 9.25 crores, the balance with the depreciation fund will still be about Rs. 9 crores when this adjustment has been made.

9. It has naturally been a great disappointment to us all that the hopes I held out last year that I should for 1936-37 be in a position to estimate for a small surplus for commercial and strategic lines, are not to be realised. I have already said how concerned we have been at the decline in our earnings, and I want now to tell the Council something about what we have been doing in regard to it. During the last summer we have twice had special conferences of Agents to discuss the position, and while they pointed out certain factors which were affecting earnings, and increasing working expenses, which I intend to comment on briefly later, they were

generally of opinion that the present phase was temporary—a level landing so to speak on an ascending staircase—and that it would not be unduly optimistic to hope for further ascent in our earnings in the future. We decided, as a result of these discussions, to get all railways to review their present financial position, and to forecast its future as far as possible, and, above all, to report to us what factors there were in their opinion beyond their control tending either to restrict earnings or increase working expenses. The result has been a collection of what we have called stock-taking reports, which have brought into strong relief certain very interesting facts, which, without perhaps being individually new, show very clearly, when presented in the aggregate, the difficulties—many of them artificial if I may use the term—under which railways are labouring. I propose now to say something about our stocktaking, and to deal in detail with some of our difficulties.

10. I feel that such remarks will be particularly appropriate as last year after the presentation of the Railway Budget an Honourable Member of this Council suggested to me that, as there were so few occasions on which Honourable Members had a chance of reviewing railway policy, an opportunity might be taken, when the Railway Budget was presented this year, of making a frank statement giving in some detail the main factors which were reacting on railway earnings, the cause and effect of these reactions and the steps which have been taken to counterbalance these adverse factors: this review to be followed by an appreciation of the possibility of an improvement of the position within the next few years.

11. I will now attempt to meet the wishes of the Honourable Member. It has first to be decided for what period the review should be made. I think the natural period to take is from 1924-25 to 1934-35, as it was from the former of these years that Railway revenues were separated from general revenues, and the latter is the last completed financial year. Further this period divides itself naturally into two parts,—the years from 1924-25 to 1929-30 which may be called the years of plenty, and the years 1930-31 to 1934-35 which may be called the years of scarcity.

12. What are the causes which have reduced Railway earnings from an average of about Rs. 101½ crores during the years of plenty to an average of just over Rs. 88½ crores during the years of scarcity? Different Honourable Members may have different ideas on some of the causes, but there are certain ones on which, I think, there can be no doubt whatsoever. I propose to take these first, and I would place them in the following order—

- (a) world conditions and the drop in commodity prices;
- (b) the tariff policy, not only of India, but of practically every other country in the world, many of which in the past were our best customers;
- (c) increased motor competition;
- (d) increased river and sea competition;

and I propose to deal with these causes and the effect they have had on Railway earnings in the order I have given.

13. India is still, despite her entrance into the industrial field, very largely an agricultural country, and her railways get a very large proportion of their revenues from the carriage of agricultural products. It may be taken as axiomatic that, if the price of any particular commodity drops, the acreage under that commodity will also drop. Cotton is probably our

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most outstanding example of the cause and effect of a drop or increase in acreage. The cause is, as I have said, a drop or increase in the market price; the effect is a drop or increase in Railway earnings. I think it may also be said that high or low prices have a double effect on Railway earnings, as if the price of cotton rises normally the acreage within a particular area under food crops is reduced. Railways get the benefit of increased cotton traffic: they also get earnings from the import of food crops into the particular area. A drop in acreage has exactly the reverse effect. In a particular area the cotton crop being reduced makes available a larger acreage for the production of food crops and reduces the necessity for the inhabitants to import their foodstuffs. Therefore Railway earnings are reduced both from cotton and from food crops. As an example of how the acreage under cotton may vary, in 1925-26 the acreage was 28,491,000; in 1932 it dropped to 22,483,000 acres, or by just over 6 million acres. As to Railway earnings from this commodity, they dropped from 4½ crores in 1929 to Rs. 3½ crores in 1934-35, a drop for which Railways can in no way be held responsible.

14. Now take wheat. As Honourable Members are aware, India was at one time a large wheat exporting country. The last year in which there has been any considerable export of wheat was 1924-25. Due to the fall in prices, India since then has not been able to get into world parity, this despite the fact that India has been granted a preference under the Ottawa Agreement and that the North Western Railway are prepared to grant a rebate on railway freight of 25 per cent. on exports of wheat from Karachi to ex-Indian ports. There has been an increase in internal consumption from which Railways have possibly benefited, yet our earnings from this commodity have dropped by almost exactly Rs. 2 crores from 1924-25 to 1934-35.

15. Oilseeds are another example of a serious fall in traffic. This fall we believe has been increased by France, one of our best customers in the past, now endeavouring to develop the cultivation of groundnuts in her own African colonies. Traffic in oilseeds has dropped in the last 6 years by Rs. 1½ crores.

16. Jute is another commodity on which Railway earnings have dropped seriously, a very serious matter on such a line as the Eastern Bengal: which, in a normal year relies on jute for no less than 36 per cent. of its total goods earnings. During the prosperous period the average annual earnings were Rs. 156 lakhs. Since 1930-31 our earnings from this commodity have been Rs. 118 lakhs on an average. The fall in the earnings of the commodities I have mentioned more than account for what we anticipate will be our deficit this year.

17. India, in common with almost every country in the world, has during the past few years been endeavouring to safeguard her infant industries and to build up new industries by means of protective duties. Whatever may be the final results of this policy, the initial effect has been to reduce Railway earnings in the case of many of the protected commodities. To explain, many articles which are now manufactured in India had in the past to be distributed from the ports. This normally meant a long average lead with a large ton mileage. Nowadays with new industries springing up in various parts of the country, though Railways may carry the same tonnage, the average lead is less and the ton

mileage has decreased. Railway earnings are in direct proportion to the ton mileage carried. I do not say for one moment that this is a state of affairs which will continue indefinitely, for as the country becomes more prosperous and money more plentiful, the railways must get their share of the prosperity and the money available. I do not propose to attempt an estimate of the cost to Indian Railways of this position, but that it is considerable I have little doubt.

18. But far more serious than the causes, which I have already mentioned for the drop in Railway earnings, is the increase in motor competition. Through an increase in commodity prices we may hope to regain at least a portion of the traffic lost through this cause, and through an increase in India's industrial activities we may to some extent neutralize the effect of the protection policy on Railway earnings. But there would seem to be little chance of our being able to regain the traffic lost to the roads, unless rail and road transport are placed on a more equal footing. Railways have been constructed at an enormous cost: the capital at charge is, as Honourable Members are aware, close on Rs. 800 crores. Railways have to maintain their track and rolling stock to a high standard of efficiency: they have to pay interest on the capital invested: they have to put aside money for the depreciation of their assets: they are liable to pay compensation in the case of accidents: they are bound by fixed tariffs and have to run their trains to fixed schedules. For reasons of public safety the train staff on a railway must conform to a comparatively high standard of medical fitness. What are the obligations of the motor transport owner as compared with those of Railways? His roads are provided for him. I do not think that it can be said that normally he is expected to maintain his motor bus or lorry up to a very high standard of efficiency, except possibly in the case of a few well-organized companies, of which there are at present very few. Nor, so far as I am aware, is a bus driver generally called upon to pass a suitable medical test before he gets his license. Passengers have little chance of receiving compensation for damages, except again in the case of large well-organized companies. The average motor bus owner is not compelled to notify his tariffs or run to a fixed schedule. He often takes what he can get, and he runs his motor bus or lorry when it suits him.

19. During the period of scarcity sea and river competition has increased. The reason for this is, I think, not far to seek. Ocean-going and river steam-ship companies have been affected in exactly the same way as Railways by the general world depression. They have had to look for traffic to make up the gap in their earnings. Railways in an attempt to retain this traffic have had to reduce their rates, and as a consequence their earnings have fallen.

20. I have so far dealt with factors which have affected our earnings. Are there any factors which have affected our working expenses? As a country advances it is normal that the standard of living should improve. This means an increase in wages. The increase in wages granted during days of plenty have increased Railway working expenses by somewhere in the neighbourhood of Rs. ½ crore per annum. Within the past few years the Hours of Employment Regulations have been introduced on most of our major railways. This has caused a recurring expenditure of somewhere in the neighbourhood of Rs. ½ crore per annum. The factors I have

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mentioned have reduced our gross earnings by about Rs. 8 crores per annum and increased our working expenses by about Rs. 1 crore. Allowing for increased expenditure for working the increased traffic the effect on our net earnings I would put at between 6 and 7 crores.

21. We have undoubtedly been fortunate that there has been a very considerable fall in fuel costs during the past few years. This is, of course, largely due to the fall in traffic and to the Fuel Economy campaign which has been carried on on all Railways, but it is also due to the fall in price of this commodity.

22. Now as to the future. What are the chances of another period of prosperity and what are Railways doing to hasten the coming of this? I do not think it can be said that signs of a world recovery are at present very bright. With wars and rumours of wars in the air this is not to be expected. But I am optimistic enough to believe that a recovery in trade cannot be indefinitely postponed and that this may be nearer than we expect. When this comes I see no reason why we should not regain, if not all our lost ground, at least a large proportion of it. Then again, when the country has adjusted itself to the new conditions, and as new industries spring up, Railway earnings will also adjust themselves. This may be by an increase in the tonnage carried, which will neutralize the short lead on indigenous manufactures, or it may be that certain commodities may be able to bear higher rates and Railway earnings increased in this way. Put shortly, I believe there is a reasonable chance of our first two causes for the depressed state of Railway earnings being neutralized to a large extent.

23. Now I come to the possibility of neutralizing or combating what I have already said is the most serious of the causes which are affecting Railway earnings. If road competition is to continue on the same conditions as it is today, I can see no possibility of regaining the ground we have lost: in fact, I see every prospect of Railways losing further ground. No one wants to see motor buses or motor lorries driven off the road, or to put a stop to road construction. What Railways ask is that rail and road transport should operate under approximately similar conditions and that, so far as possible, they should be complementary to one another and not in uneconomic competition with each other. In the vast undeveloped areas of India there is still plenty of scope for development either by railways or roads. Where road transport will meet the needs of a particular undeveloped area, it is obvious that roads, not railways, should be built. But so far as can be seen, for many years to come Railways must form the backbone of the transport system of India. They must carry the heavy bulk traffic which, if the country is to prosper, must be carried at the lowest economic rates. If Railways are to pay their way and not to be a burden on the general taxpayer, they must get business—business not only in the lower-rated commodities, but business in the more valuable and highly-rated commodities. The greater the business they handle, the cheaper the rates they will be in a position to quote, and the more they will be able to assist in the development of the commerce and trade of India, which, after all, is the main function of any transport system. What is being done to stem the tide? The first real step was taken in 1933 at the Road-Rail Conference held in

Simla in May of that year. As a direct result of this, the Transport Advisory Council was formed, at which representatives from the Provinces meet representatives of the Government of India and the problem is frankly discussed. In many Provinces a Board of Communications has been set up on which Railways are represented and at which road schemes are discussed. It is too early to say what will be the result of these efforts to get a co-ordinated policy, but I trust Honourable Members will agree that a step in the right direction has been taken. Apart altogether from this, Railways are endeavouring by improved services to regain their lost traffic, but normally the basis of fares has to be pitched so low that there is little profit. I believe, however, that if motor transport were placed on a sound economic basis, and if a co-ordinated road construction policy were adopted, Railways could regain at least a considerable portion of their lost earnings and to that extent improve their financial position.

24. I have attempted to describe how Railway finances can be improved by a change in what we may call extraneous conditions. How can they be improved by action taken by the Railways themselves? As Honourable Members are aware, Railways have recently introduced revised scales of pay for new entrants to both the official and subordinate grades. These scales are expected to give a saving of about Rs. 3 crores per annum when they come into full operation. This saving can, of course, only be obtained by the efflux of time and will only have a very gradual effect on our working expenses. I have already shown how our staff were given a share of our profits in prosperous times, and I feel quite sure they will realise that in times of depression there is little scope for a further improvement in conditions. Railways are at present considering certain alterations in rates, which are expected to bring in about Rs. 1 crore of additional revenue. To the extent of Rs. 34 lakhs this is being obtained from an increase in terminal charges, which it has been found are, on certain Railways, lower than the terminal costs involved. A slight increase of $\frac{1}{4}$ pie per mile in third class fares on the Burma Railways, excluding the suburban areas, and on the North Western Railway for distances between 51 and 300 miles is expected to yield about Rs. 18 lakhs. The other improvements we hope for are due to a slight enhancement of rates on various Railways in respect of goods rates on certain commodities.

25. We shall shortly be seeking the co-operation of Honourable Members in our endeavours to stop the serious loss of revenue due to ticketless travel. The latest figures we have received from the principal Railways estimate the loss from such ticketless travel at about Rs. 50 lakhs per annum. Railways have been pressing for legislation to stop this evil for many years past. The Government of India, however, decided that before introducing legislation, every practical method of stopping the evil without legislation should be explored. I think we can claim that every practical method has been tried, but the extent of ticketless travel is believed to be to-day greater than ever before, and Government have come to the conclusion that there is no alternative but to take action by making the lot of the transgressor less easy and comfortable than it is at present. We propose to discuss this question with the Central Advisory Council for Railways this week and I trust we shall have both their support and the wholehearted co-operation of this House in enacting during the course of this Session legislation which will enable us to cope sufficiently with the evil.

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26. Now I come to the most difficult part of my task. I have said that I believe there are chances of Railway earnings, given certain conditions, improving in the reasonably near future. Is it possible to translate this belief into figures? For 1936-37, Honourable Members will have noticed that we have not allowed for any large increase of traffic and except that increases in earnings will be obtained mainly through increased rates and, we hope, the stoppage or partial stoppage of ticketless travel. I think, however, that it would not be too optimistic to say that there is every chance of our earnings within the next five years being in a position to meet all our charges, namely, working expenses, interest charges and full allocation to the Depreciation Fund, though I must confess there appears to be little hope within this period of our resuming our contribution to general revenues. Beyond this period I do not think it is safe to make any forecast, as no one can say definitely what the future holds for us. Honourable Members know that our anticipations of increased traffic for the current year have not been fulfilled, though at the time when we framed our Budget, earnings undoubtedly appeared to be on the upward grade. It is quite possible that for next year we have been too conservative in our estimates, and that when the Budget for 1937-38 is presented we shall have to confess to the House that again our estimates have been falsified, but let us hope it will be in the reverse direction.

The picture I have presented may not appear to be very pleasing, but if Honourable Members will compare the net return on capital of Indian Railways with that of Railways in other parts of the world I think they will find that Indian Railways do not show up too badly. Again, the index of efficient working is the operating ratio. Here again, very few Railways throughout the world can claim to have as low an operating ratio as Indian Railways.

27. I must say a few words in regard to our works programme next year.

As is only to be expected our capital and depreciation fund outlay is to be a modest one. Last year we provided Rs. 15½ crores and originally this year we fixed the figures at Rs. 12 crores, but as we hoped for a further reduction of Rs. 58 crore in our Stores Balances and we considered that, judging by past experience, it was improbable that the whole of the balance left would be expended, we finally placed our figure at Rs. 10.25 crores. Of this amount Rs. 7 crores will be drawn from the depreciation fund and Rs. 3.25 crores will be additional capital. No actual new projects will be undertaken, but there will be Rs. 24 crore devoted to the continuation of new works already under construction, including the Megna Bridge in Bengal which, when completed, will provide an important link in the metre gauge railways serving north-eastern Bengal and Assam. 22 lakhs are to be provided for this work. We have still to spend money to restore the damage occasioned by the earthquake in Bihar early in 1934, and we have still to continue the protective works to secure the Hardinge Bridge. It is estimated that Rs. 19 lakhs will be devoted to this, of which Rs. 15 lakhs are to be found from the annual instalment from revenue earmarked for the purpose. An instalment of Rs. 12 lakhs is being allotted for the reconstruction work at Quetta. The total amount, which will be required for this, is estimated at about Rs. 52 crore. We are

devoting Rs. 5 crores to track renewals and Rs. 67 crore to Bridge renewals, and Rs. 2.44 crores to other structural works. Rolling stock is estimated to cost Rs. 3.18 crores, of which locomotives and boilers account for 78, coaching stock 1.79 and wagons 61. The total number of wagons ordered amounts to 1,200, of which 750 are broad gauge general service wagons to be added to the general pool. All these wagons are replacements of wagons scrapped or to be scrapped. Practically none are additions; for, owing to the unexpected fall in traffic, we have been compelled to review our wagon renewal programme and we have had to curtail our purchases drastically.

28. In conclusion, Sir, I must once more bring to the notice of the Council the loyal and valuable service rendered to Indian Railways by Agents, officers and staff of the various railway administrations that go to make up our great railway system. I am afraid at times of depression such as we are now passing through, when criticism, often more clamant than just, is only too common, it is not generally realised that the burden of railwaymen, never very light, is heavier than ever. When things are prosperous on the railways; when, so to speak, the busy season is on, it is fairly well known that railwaymen are called upon to put forth strenuous efforts to meet public demands: what is perhaps not so well appreciated and what I wish to stress with all the emphasis at my command, is that any reduction of traffic, so far from decreasing the railwaymen's work, increases it, and calls also for high character and courage. It is perhaps easy to do well when things are going prosperously. It is, however, much harder to work strenuously during times of depression when everything is apt to discourage, and when one's work consists chiefly of the negative, uninspiring process of trying to curtail expenditure. During the last six years our railwaymen have never taken a rest from their activities in the pursuit of economy; the pressure upon them has been constant and relentless. I think what I have already said shows clearly that we must not hope for any immediate spectacular increase in our earnings, as this is a matter generally beyond the control of railways; but I feel on the other hand that the decrease that we have effected in our working expenses, which has amounted to as much as Rs. 6 crores at one period, a reduction of well over 10 per cent., is an achievement on which our railway administrations may feel justly proud and it is on these grounds that I should like, before resuming my seat, to appeal to the Council for some measure of gratitude to our railway staff.

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

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education,
Health and Lands Member): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee to advise on subjects, other than "Indians Overseas—Emigration" and "Haj Pilgrimage," dealt with in the Department of Education, Health and Lands."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the Motion which has just been adopted by the Council, I have to announce that nominations for the two non-official Members to be elected to serve on the Standing Committee to advise on subjects, other than "Indians Overseas—Emigration" and "Haj Pilgrimage", dealt with in the Department of Education, Health and Lands, will be received by the Secretary up to eleven o'clock on Thursday, the 20th February, 1936, and the date for election, if necessary, will be announced later.

The Council then adjourned till Eleven of the Clock on Thursday, the 20th February, 1936.

COUNCIL OF STATE.

Thursday, 20th February, 1936.

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

QUESTIONS AND ANSWERS.

NUMBER OF SUGAR FACTORIES ON THE BENGAL AND NORTH-WESTERN RAILWAY.

10. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: (a) Will Government be pleased to state the number of sugar factories on the Bengal and North-Western Railway?

(b) Has any arrangement yet been made by the Bengal and North-Western Railway for molasses tank wagons to transport molasses?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The number of sugar factories on the Bengal and North-Western Railway is about 62.

(b) Yes, 150 wagons suitable for the transport of molasses were placed in service on the Bengal and North-Western Railway during 1935.

INDIAN MOLASSES CO., LTD.

11. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Has a company named the Indian Molasses Co., Ltd., been formed in Calcutta to export molasses?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Yes.

APPOINTMENT OF A LONDON JOURNALIST TO THE BUREAU OF PUBLIC INFORMATION.

12. THE HONOURABLE MR. P. N. SAPRU: (a) What is the total amount spent from central revenues over the Publicity Department, now known as the Office of the Director of Public Information?

(b) Has the staff of that Bureau been strengthened by the addition of a London journalist?

(c) What were the special qualifications of that London journalist for the position to which he has been appointed?

(d) Was any effort made to secure a competent Indian for the job?

THE HONOURABLE MR. M. G. HALLETT: (a) I would refer the Honourable Member to the details given under Demand No. 22—Home Department at page 149 of the Detailed Estimates and Demands for Grants as voted for the year 1935-36. The latest figures will be given in the "Demands for Grants for 1936-37" which will shortly be available.

(b), (c) and (d). The Government of India have been considering the question of improving their publicity arrangements at headquarters which they feel are very inadequate. Experience has shown that the Bureau as at present constituted cannot handle efficiently the publicity work of all Departments of the Central Government and that it is essential in order to enable the Government of India to discharge their obligation to the public, through the medium of the Press, to possess an efficient organisation for making known its policy and making available information regarding its work in all spheres of administration. It has been felt that under present conditions with two officers only, i.e., the Director and Deputy Director, the Bureau has not been able to keep sufficiently in touch with all the Departments of the Central Government and to enable the Bureau to do this effectively in future the Government of India consider it is essential that there should be four officers so that the publicity work of the Departments may be divided between them. They accordingly intended to appoint two more officers to assist the Director of Public Information in his ordinary duties; one European and one Indian. A European journalist who has wide experience of the practical side of journalistic work has been recruited from England. The selection of a suitable Indian to fill the other appointment is under consideration.

THE HONOURABLE MR. P. N. SAPRU: Was the journalist who has been appointed connected with a die-hard paper in England?

THE HONOURABLE MR. M. G. HALLETT: No, Sir; he was working on the *Evening Standard*, which is not particularly a die-hard paper.

THE HONOURABLE MR. P. N. SAPRU: Is not the *Evening Standard* connected with the Rothermere group?

THE HONOURABLE MR. M. G. HALLETT: I do not know very much about English journalism, but he was originally connected with a Liberal paper.

DISSATISFACTION IN CONNECTION WITH THE PUBLICATION OF *India* AND THE WORK OF THE BUREAU OF PUBLIC INFORMATION.

13. THE HONOURABLE MR. P. N. SAPRU: (a) Are Government aware of any dissatisfaction with the way in which the publication known as *India* is written?

(b) Are Government aware of any dissatisfaction with the organisation and methods of the Publicity Department, known as the Office of the Director of Public Information?

THE HONOURABLE MR. M. G. HALLETT: (a) Government have seen the criticisms which have appeared in the Press regarding *India* in 1933-34.

(b) No.

REPORT OF THE SECRETARIAT PROCEDURE COMMITTEE.

14. THE HONOURABLE MR. P. N. SAPRU: When is the report of Sir Henry Wheeler and his associates on the reorganisation of the Imperial Secretariat expected to be submitted to Government?

THE HONOURABLE MR. M. G. HALLETT: It is expected that the report will be submitted to Government about the end of March.

THE HONOURABLE MR. HOSSAIN IMAM: Will it be published?

THE HONOURABLE MR. M. G. HALLETT: The question of publication has not yet been discussed.

NUMBER OF INDIAN OFFICERS IN THE GOVERNMENT OF INDIA SECRETARIAT AND THE NUMBER OF INDIAN OFFICERS SELECTED FOR TRAINING IN CURRENCY AND FINANCE.

15. THE HONOURABLE MR. P. N. SAPRU: (a) What is the total strength of the Indian element in the higher staff of the Government of India Secretariat?

(b) Are 40 Indian Civil Service officers to be given training in currency and finance? How many of them will be Indians?

(c) Is it intended that they should gradually replace the Audit and Accounts Service men? If so, why?

THE HONOURABLE MR. M. G. HALLETT: (a) There are at present in the Government of India Secretariat 84 officers holding the posts of Secretary, Joint Secretary, Deputy Secretary, Under Secretary and Assistant Secretary, or equivalent posts, of whom 42 are Indians. If further information is required regarding Attached Offices, the Honourable Member is referred to the latest issue of the *Government of India Directory*, a copy of which is in the Library.

(b) The answer to the first part is in the negative and the second does not arise.

(c) The same as (b).

THE HONOURABLE MR. P. N. SAPRU: Is the Honourable Home Secretary aware of a communication published by the Government of India on the 20th November?

"A report has recently been published in the press that the Government of India are training, or propose to train 40 officers in finance, of whom two are Indians. This is incorrect. The facts are—".

THE HONOURABLE THE PRESIDENT: I cannot allow this as a supplementary question.

THE HONOURABLE MR. HOSSAIN IMAM: Are any of the appointments of higher officers in the Indian Civil Service made from the provincial services?

THE HONOURABLE MR. M. G. HALLETT: I am not quite certain; I cannot answer that off hand. As far as I am aware, there is no provincial service officer holding the post of Under Secretary, Deputy Secretary, Joint Secretary or Secretary.

THE HONOURABLE MR. HOSSAIN IMAM: Does it mean that no post has been listed in the Secretariat of the Government of India?

THE HONOURABLE MR. M. G. HALLETT: No post has been listed.

APPOINTMENT OF AN INDIAN AS DEPUTY SECRETARY IN THE FINANCE DEPARTMENT.

16. THE HONOURABLE MR. P. N. SAPRU: (a) What is the number of Indians employed as officers in the Finance Department?

(b) Has any Indian been appointed in the Finance Department as Deputy Secretary? If not, why not?

(c) Do Government propose to consider appointing an Indian as Deputy Secretary in the Finance Department?

THE HONOURABLE MR. A. J. RAISMAN: (a) Ten.

(b) Indians have on several occasions in the past been appointed as Deputy Secretary.

(c) In view of the reply given to part (b), this does not arise.

THE HONOURABLE MR. P. N. SAPRU: Is there any Indian Deputy Secretary today in the Department?

THE HONOURABLE MR. A. J. RAISMAN: There is at the moment no Indian officer actually of the designation of Deputy Secretary.

DEATH OF SIR DINSHAW WACHA.

THE HONOURABLE SIR FRANK NOYCE (Industries and Labour Member): Siruet, Leader of the House has delegated to me the sad duty of paying a tribute—a very inadequate tribute I fear—to the memory of the great man who closed his long life in Bombay the day before yesterday. He has done so, because I am, I think, the only Member on the Government benches who had the privilege—the very great privilege—of the close friendship of Sir Dinshaw Wacha. I first met him in Bombay some 18 years ago, but it was not till several years later that I was brought into more intimate contact with him. When I was Chairman of the Tariff Board, he wrote me a kindly letter on some point arising out of my enquiry. I went to see him and thereafter every week during the remainder of my stay in Bombay I paid him a weekly visit. I was engaged in a very exacting task at the time, but I came away from those weekly meetings refreshed in body and mind. During those visits, he brought forth from the vast storehouse of his recollections things new and old, memories of Bombay in the days before the Mutiny when he was a school boy, memories of Bombay in the sixties, during and after the American Civil War, about which he wrote a most interesting book, memories of later days, of the early days of the Congress, of struggles in the Bombay Municipal Corporation, interspersed with shrewd and incisive comments on men and matters in 1926-27. Thus began the friendship which to my deep and lasting regret has now been broken by death. There was no one in India whom I held in greater affection and esteem than Sir Dinshaw Wacha. Of his public work, of his work for the Congress in its early days, of his work in the Bombay Municipality, for the Imperial Bank of India, for the Bombay Presidency Association, of his multifarious charitable and literary activities, this is not the time nor the place to speak. I can only express the hope that it will at no distant date be portrayed by a worthy hand. As so often happens with men who have taken a prominent part in public life—and perhaps it is as well for the world that young and old alike should not be advocates of rapid change—Sir Dinshaw's outlook became more and more conservative with his advancing years, but at no time during his long life could anyone who heard or read his views have failed to realise the sincerity and the strength of conviction with which they were held or to admire the force and fire with which they were presented.

Of his work in this House, for three terms of which he was a Nominated Member, there are many here,—especially yourself, Sir,—who are far more competent to speak than I am, but all of us who were with him here will never forget that vivid and arresting personality, that small spare figure, those eyes brimming over with intelligence and kindliness, those rapid outpourings of the results of long study and an encyclopædic knowledge of financial, commercial and economic questions generally. I well remember his last speech delivered in this House in 1931 on the budget of that year. He spoke for half an hour. It was a wonderful effort for a man of 87 and would have been a wonderful effort for a man 30 years younger.

Sir Dinshaw has passed away full of years and honours but he has left behind him a shining example of inflexible integrity of purpose in the pursuit of the highest ideals of public service. If tributes of respect are any consolation to those he has left behind, they have had and will have them in the fullest measure. I would ask you, Sir, to add our wreath of laurel to those tributes and to convey to his relatives our deep sympathy in their great loss which is also ours and India's.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I join myself fully in the eloquent and sincere tribute which has been paid to the memory of the late Sir Dinshaw Wacha by my friend Sir Frank Noyce. I had not the privilege of knowing Sir Dinshaw Wacha but we all know that he belonged to that illustrious band of Parsi public men who have done so much for the awakening, political and economic, of India. As pointed out by Sir Frank Noyce, Sir Dinshaw Wacha has left an example of devoted service to the country which we and those who follow us may well emulate.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to associate myself with the remarks which have fallen from the Honourable Sir Frank Noyce and from the Honourable the Leader of the House. I had the pleasure of working with the Honourable Sir Dinshaw Wacha in this House ever since 1920 and I always had a very high regard for him. Although we differed on some points we held him in great esteem because he always had the good of the country at heart.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I rise to join in the tribute which has been paid to the memory of Sir Dinshaw Wacha by the Honourable Sir Frank Noyce. We are mourning the loss of a truly great man—a man who was one of the builders of the national movement in India, who was one of the pioneers of the freedom movement in India. Dinshaw Wacha belonged to a generation that has disappeared altogether. When we think of Wacha we think of Dadabhai Naoroji, of Allan Octavius Hume, of Phirozshah Mehta, of Surendranath Banerjee, of William Wedderburn. They were men who helped to build up the India of today. Their services will never be forgotten by the younger generation. If Indian nationalism is strong today it is because of the great service that they rendered in the early years of the national movement.

Wacha was an economist of high distinction. His *forte* was currency and finance. Along with Mr. Ranade he shares the distinction of having supplied us Indians with many of our economic ideas. He was at times a stern critic of the financial policy of the Government and he represented India as one of the witnesses before the Welby Commission on Indian expenditure.

[Mr. P. N. Sapru.]

For many years he was General Secretary of the Indian National Congress and he presided over the Calcutta session of the Congress in 1901. In 1918 he severed his connection with the Congress organisation and helped to found the Liberal Federation. It must have been a difficult decision for him to take. He was severing his connection with an institution which he had helped to found but in public life we have often to take difficult decisions and in what he did he must have been actuated by the highest and noblest motives. Sir, in all that he did he was actuated by a high patriotic purpose, by a noble purpose. Mr. Gokhale described him as one of the honestest men in Indian public life. He certainly was one of the clearest men in Indian public life. He was one of the founders of the Indian Liberal Federation but in 1924 he resigned from that body as his politics after that day became more conservative. In all that he did he was inspired by a powerful sense of duty, by a great patriotic purpose, a noble impulse to serve his fellowmen. He had great sympathy with the poor and struggling in this country. He was a Member of the Bombay Legislative Council for a long time and also a Member of this distinguished body for three successive terms. He was very hard-working and it was a marvel to see him work. Those who knew him tell us that he was one of the most hard-working men that they had ever come across and he was one of the purest men in public life. His life was simple, austere, puritanic, and he was in everything that he did actuated by a high purpose and a noble impulse. He has died full of years, rich in experience, and has left the memory behind him of a great life nobly lived in the service of the country.

Sir, he belonged to a community which shows how, given a proper social structure, even in present-day India Indians can achieve great things in the world of industry, commerce and philanthropy. A community which has given to this country such distinguished men as Jamshedjee Tata, Phirozshah Mehta, Dadabhoy Naoroji and Dinshaw Wacha, no one can help admiring. Death cannot be escaped by any one of us. Sir Dinshaw Wacha lived to the ripe old age of 92 but he has left a great memory behind him. He has left a great example behind—an example which we of the younger generation may well emulate. Sir, it was a noble life, nobly lived in the service of the country. We wish you, Sir, to communicate our sorrow to the members of the bereaved family.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I desire to associate myself with all that has been said by the Honourable the Industries Member and by the Honourable the Leader of the House and other Honourable speakers in expressing our sense of deep regret and loss at the death of Sir Dinshaw Wacha. Even though for some time Sir Dinshaw was hovering between life and death, yet his death comes to us as a great shock. He was one of those great men in India who was gifted with such versatile genius and such tremendous energy that until the very end of his life he was able to serve his country in various capacities. Sir, in the field of politics, in the world of commerce and trade, in the realm of finance and banking and in various other activities, Sir Dinshaw Wacha distinguished himself equally remarkably and earned an everlasting reputation. Sir, he was so thorough in what he did and was so full of facts and figures and had such wealth of knowledge and experience that he was always listened to in this House and outside with great respect, and people who differed from him did so with a certain amount of diffidence. Sir, having had the privilege of working with him in this Honourable House for some years,

I can testify to the great contribution which Sir Dinshaw Wacha's speeches always made to the debates in this House. His honesty of purpose, his sincerity and simplicity always endeared him to the people in this country and made his friends admire him greatly. How his friends loved him and admired him and how they valued his advice is illustrated by what the Honourable the Industries Member has just told us of his recent visit to Bombay—how he used to pay him weekly visits. Sir Dinshaw Wacha's qualities of head and heart were so great and his catalogue of achievements and activities so copious that it is impossible in the brief space of a short speech on this occasion to make even a brief reference to a few of them. I would therefore conclude my observations by saying that Sir Dinshaw Wacha's death has caused a void in the public life of this country which it will take long years to fill. In the words of the Honourable the Industries Member, there was no other Indian who was held in greater respect and esteem than Sir Dinshaw Wacha. Sir, I request you kindly to convey our heartfelt and sincerest sympathy to the members of his bereaved family.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I rise to pay my humble tribute to the memory of Sir Dinshaw Wacha, a life long friend, whom I succeeded in this House on his retirement. His was a personality that was unique and outstanding. This country has lost in him a worthy champion who did his best for the interests of India and of her teeming millions. He was one of those men who hated falsehood, who hated shady concerns, who hated fraud and dishonesty, and fearlessly exposed these. What led to his eminence in various walks of life was his sterling honesty and thus he came to be one who was always confided in and relied upon in commercial ventures of great magnitude. I came in contact with him in the early days of the present century when plague was ravaging Bombay, and when as a member of the Municipal Corporation he rendered me considerable help in the various measures that I desired to be adopted for the benefit of the poor and afflicted. I will not dilate upon his public activities which have been already described. But I would say that he was a vigorous and trenchant writer; his contributions to the public press on finance, commerce, economics, etc., were innumerable. Had he any inclination to amass money he would have left a fortune. But he never did care for personal profit. I believe he was one of those Members of this House who initiated the policy of the separation of the railway accounts between strategic and commercial railways and of the contribution from the latter to the general revenues of India. He was a student of politics up to the very last. He had extensive correspondence with his old friends and former officials on this side of India and even Europe. He had studied with painstaking exactitude and discussed with me the White Paper as also the Constitution Act of 1935, and held very sound views upon the great issues involved therein. His advice was sought and followed by the highest in the land. He was a fearless critic of Government. His writings were very vehement at times but he never hit below the belt. He was always vigorous in his denunciations but there was no vindictiveness or malice. India has lost in him a noble son, one who was selfless, who was steadfast and, above all, true to his life long principles.

With these words, Sir, I associate myself with the remarks that have fallen from the Honourable Sir Frank Noyce and Honourable Members of this House.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I beg leave to speak of the late Sir Dinshaw Wacha, not so much as a person

[Mr. G. S. Khaparde.] connected with politics or this House. I knew him when I was a boy of 18 and went to the Elphinstone College. Now I am 82. In those days, our heroes were Sir Dinshaw Wacha, Sir Phirozshah Mehta, Mr. Justice Tilang and Mr. Justice Ranade. Those were our college elders and we looked upon them as our aristocracy. We derived all our lessons from them. I had peculiar ideas. I liked Sir Dinshaw Wacha first, because, I always gave him a wrong answer and made him angry, and the best in the man came out at once. Give him a hint and you will draw the whole thing out of him. Another trick I used to play on him was this. When he got up to speak, I just interjected a word, and that would upset him, and when he was upset, the best in the man came out, and memories which probably would not have occurred to him otherwise would rush to his mind, and then he would tell you more than he ever intended to do. The third thing about him is this. I would not use any digests or books. He was a sort of living dictionary or encyclopædia. I could get from him any information I wanted about any subject I pleased. I had to go and irritate him and then he would tell me the whole thing. He had a wonderful memory for figures. On one occasion when we used to sit in another place, I wanted to get some figures relating to the budget of 1858, and nobody could give those figures except Sir Dinshaw Wacha. He said the figures used to dance before him. No matter what question you put to him, he would give you the answer straightaway. Another great thing about him was that he never spared himself. No matter what it was, however difficult and tiresome, you could ask him to help you. He might then become angry and say: Why don't you look it up; why don't you do this, or do that, but ultimately he would help you from the store of his memory. I cannot imagine how a person could carry so many figures in his head. He did and he could give them to you pat without a single mistake. I remember particularly one occasion when we were talking of cantonments and I was making a proposal as to how cantonments should be managed, and then he came out with information which was peculiar because it was unknown to anybody. He pointed out that most of these cantonments were not purchased by Government from anybody. They did not even come to them by escheat. Sir Dinshaw brought out figures and arguments which were simply unanswerable and we had to give up the whole case we were trying to make out. And so I take the opportunity of speaking of him as a person whom I knew from the age of 18 to the age of 82. I often consulted him and always he was able to provide the information out of the wonderful store of his memory. His tenacity of friendship was such that he would stick to you through thick and thin. Lastly, when I came first to the Council there was my old friend Sir Dinshaw Wacha. And he said to me: Look here, you make a noise and you should not talk! I said: But that is contradictory, how can I make a noise without talking! He replied: In that contradiction there is wisdom. I asked: Is the wisdom in talking or not talking? He said: Wisdom is to read and find out everything and remember everything and keep it. I said: Keep it for whom? He said: Keep it for somebody who asks for it. I said: But the Council asks me to give my opinion. He said: You are one of those nasty people who always contradict, and then he came out with the whole of his wisdom. I learnt a great deal more from him than I did from books. He was one of those few people who are mines of information, with a great deal of very valuable material stored within them. But they require to be cultivated, you had to irritate him to come at his store, just as you have to irritate the earth to pick out its gems and minerals. Sir Dinshaw Wacha's speciality was his accuracy as to details. I have met many who were good at figures and clever, but there was none his equal in that

respect. This is the last occasion I shall be able to speak about him in this House, and I pay this humble tribute to his memory, to the memory of a great man and a great politician in all things the best adviser that one could seek.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, the great work which this exceptional gentleman did for Bombay is well known to every inhabitant of it. Every one in my constituency would, I know, wish to be associated with this Resolution.

THE HONOURABLE THE PRESIDENT: Honourable Members, we are all very grateful to the Honourable Sir Frank Noyce for coming here this morning to pay his tribute of respect and admiration to the memory of an old and esteemed friend of his. I endorse everything that the Honourable Sir Frank Noyce has so ably said and which has been supported by many of the Honourable Members of this House. I myself had the privilege of knowing the late Sir Dinshaw Wacha for a period of 35 years and I have been associated with him in many spheres of activity for a period nearing a quarter of a century. I can testify to the great ability, the personal knowledge, the kindness of temperament, the courtesy and affability of the late Sir Dinshaw Wacha. His was a unique figure in the political history of this country. He started his public activities nearly 50 years ago. He distinguished himself first in the Bombay Presidency where he had the privilege of fighting many a battle in the Bombay Corporation, of which afterwards he became a very well known and illustrious President. He was not only loved, respected and esteemed in the Bombay Presidency alone; he was respected and admired all over India. He was an all-India man, and I may say that in the political firmament at least he had no equal for judiciousness, caution and profound knowledge. Sir Dinshaw Wacha particularly excelled in the science of finance. I have seldom come across a greater man—I am speaking of Indians here—an Indian so well versed in the domain of finance as was Sir Dinshaw Wacha. I can testify to this fact from my personal knowledge of his financial knowledge, as I was associated with him as Governor of the Imperial Bank of India for a period of 12 years. He had rendered very useful service in the preliminary years of the establishment of the Imperial Bank and his knowledge was always sought for and he was thanked by many members and many Governors of that body for the excellent advice which he used to render from time to time. As regards the depth of his financial knowledge some of you here who were then present in the old Imperial Council can remember the many battles which he had with that great and consummate Finance Member of India, Sir William Meyer. Sir William Meyer had to mould his policy and make alterations in the budget on account of the continuous criticism which Sir Dinshaw Wacha levelled against his budgets and the policy of Government had to be often modified. In the domain of economics there has never been a keener student and a better read man than Sir Dinshaw Wacha. He laid the foundations in India of the economic policy which is now being pursued and the results of which we are able to see at present in all directions. He was a most voracious and omnivorous reader. He kept himself informed and kept himself abreast of all that was going on not only in this country, but in England. He was a continuous and indefatigable correspondent with many eminent men with whom he constantly exchanged views on many important matters. He was continuously writing to the ex-Viceroy of India and even during the last two or three years when he was not able to move about, I know that he was in constant communication and correspondence with His Excellency the Viceroy,

[Mr. President.]

always giving out frankly his expression of views on many matters of considerable importance. I will not trouble you by going into his manifold activities, but I will say this that he was not only a fearless critic of Government, but he was a fearless critic of public men and public bodies; and what he said was usually very sound, profoundly interesting and he was a man of strong convictions and an absolutely frank, candid and outspoken critic. His place in India will remain vacant for many many years. But I know his example of public service and his devotion for India will be a great stimulus to many and a beacon light to the succeeding generations that will follow and I am expressing the sentiments of all here today when I say that we have lost a great man, a great patriot and a distinguished son of this country. As desired by you, I shall convey the sense of sorrow of this Council to his bereaved family. I have nothing more to add, but as a mark of respect to his revered memory, I shall adjourn the House till a quarter past twelve.

The Council then adjourned till a Quarter Past Twelve of the Clock.

The Council re-assembled at a Quarter Past Twelve of the Clock, the Honourable the President in the Chair.

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

THE HONOURABLE THE PRESIDENT: I have to announce the names of Members nominated for election to the Standing Committee to advise on subjects other than "Indians Overseas—Emigration" and "Haj Pilgrimage" dealt with in the Department of Education, Health and Lands. They are (1) the Honourable Rai Bahadur Lala Jagdish Prasad and (2) the Honourable Sir David Devadoss. As there are two vacancies and only two candidates, I declare them duly elected.

GENERAL DISCUSSION OF THE RAILWAY BUDGET FOR 1936-37.

The debate will now proceed on the Budget, Part I.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, before I commence my remarks on the Budget,

12-15 P.M. I wish to congratulate the Honourable the Commerce Member on the tactful and humane speech which he delivered yesterday evening.

I had the privilege, Sir, of being present in the gallery and listening to this oration of an hour and ten minutes and I can say, as has been said by the papers already this morning that, in spite of the fact that he did not make any grand eloquent promises, he succeeded in winning the hearts of even so critical a House as the Assembly. That was due, Sir, primarily to the fact that he spoke not as a bureaucrat but as an Indian who felt that he was an Indian and was proud of being one.

Sir, this Budget has been described by some people as disappointing and depressing. It may be this or it may not. But what we have to see is whether the defects of the Budget are due to any defective working of the Department or to causes beyond the control of the Railway Administration. I for one,

Sir, feel that the causes over which the Government have no control have depressed the income and we are now reaping at leisure the harvest of our expensive and optimistic programme of former years. I am thankful, Sir, to the Railway Administration for having reduced the working expenditure to a certain extent to meet the fall in earnings. Although the contribution of retrenchment has been smaller than the fall in the income, but we could not expect anything better in view of the fact that we had already reduced the working expenditure as far as we could during these years.

We also appreciate, Sir, the services of the Finance Department in having reduced the interest rate appreciably due to wise conversions. While I am on this subject, Sir, I could not understand the Finance Department charges and the Railway Administration agreeing to pay such a high rate at 5.04 per cent. on the borrowings that have been taken since 1916 up to date. As is well known to you, Sir, and the House, our average rate at the moment comes to less than 4 per cent. and that is the rate payable on the whole capital invested in the railways. But this part of the latter-day loans of the last 20 years which come to about Rs. 100 crores is charged at a higher rate of interest due to the fact that we are paying higher rates for the provident fund because the enormous amount of Rs. 80 crores involved in the provident fund account receives interest at a rate not in keeping with the long-term borrowings rate of the Government but on an arbitrarily fixed rate that should not, I venture to suggest, influence the Finance Department in charging a higher rate from a commercial department like the railways. By a wrong policy of filling the pockets of its employees it is making a commercial department seemingly run at a loss. A reduction of one per cent. would mean a saving of nearly one crore of rupees which would materially help to wipe out the deficit at least on the commercial lines of the Government of India. My authority for saying that the rate is 5.04 per cent. is the Honourable the Chief Commissioner and Mr. P. R. Rau. While on this question of finance, I would like to say a few words about a very sane suggestion which was made yesterday by Sir Leslie Hudson. He advocated that as there had been overcapitalisation our separation convention of 1924 ought to be revised. I was very glad, Sir, to hear these remarks fall from the lips of a responsible gentleman and leader because I, in my humble way, have been advocating this cause for many years and even last year I had occasion to say a few words about it:

"As a matter of fact, if we follow strict commercial principles only the purchases of old lines or the building of new lines and unforeseen expenditure like the expenditure due to the calamity of the earthquake can be financed from capital; all the rest should be financed from revenue account. If we had followed this salutary principle the amount of money set apart for depreciation would have to be increased. At the present moment Government have adopted the principle of one-sixtieth of the capital at charge as the contribution to the depreciation fund. That, Sir, ought to be augmented if they are not going to make any provision for the sinking fund".

I advocate, Sir, that the former arrangement of the Government of India of setting aside one-eightieth for sinking fund operations should be taken up by the railways themselves in addition to this one-sixtieth for depreciation. But as long as we are not in a position to lay by all this amount of money, the least we can do is to increase the depreciation fund to at least 2 per cent. instead of 1.75 per cent. as at the present moment and thereby lay down half the money in replacement of stock and for reduction of the capital. Until and unless we write off the Rs. 100 crores which have been spent during the last 14 years on amenities and on the strengthening of bridges and all that sort of thing, which do not give any direct return on investment, we cannot have the day of prosperity.

THE HONOURABLE THE PRESIDENT: You do not contend that it was unnecessary expenditure?

THE HONOURABLE MR. HOSSAIN IMAM: It is not a question of unnecessary expenditure. The question is where it should be financed from. If we were in prosperous times, we would be perfectly justified, and we would be failing in our duty if we did not increase the amenities of the passengers. But to borrow money at a high rate of interest for purposes of works which will yield nothing is from the strict commercial point of view most unforgivable.

A suggestion was made in the other House that the strategic lines should be handed over to the military and that the Railway Budget should be eased of this drag. The Honourable the Commerce Member very pertinently remarked that it will not help the taxpayers; rather it would put them in difficulties because now this deficit is made up by the railway accounts, whereas in the other case it will have to be made good by the taxpayers of the country. I quite agree with him. But there is another possibility. The running and management of the strategic lines may be handed over to the military personnel. The army has got a surplus of men in engineering—sappers and miners and various other formations. These reservists or active service men are liable to serve, and if they serve in the railway, there will be a little saving for the two. I would be the last person to saddle the poor taxpayer of India with any further burden, but if any method can be found by which you can get your men at a cheaper rate, I think that method should be tried.

Sir, I am very glad that adversity has made the Railway Board a little bit wiser. For the last three years I have been severely criticising the wagon policy of the Railway Board. They had an ambitious programme, by which they were adding and replacing their stock every year. During the last five years of the depression they were adding at the rate of 3,100 wagons per year. During the previous 12 years—from 1924 up to 1935—they were adding at the rate of 5,300 wagons per year. In all they had added from 1924 to 1935, 63,700 wagons, which gives the figure of 5,300 per year. This ambitious programme had nothing at its back but support for British interests, interested in wagon construction, either in India or in England. In order to pamper to that interest, a deliberate policy was laid down of expenditure on the railways. Last year, when I criticised this attitude, a nominated non-official Member volunteered the statement that it was due to the fact that during the war years we had not been able to replace our stocks. That is perfectly correct. But ever since the war, from 1920 onwards for the last 15 years, we have been adding and adding without any regard for utility or necessity. I make this statement, Sir, because I can prove to the hilt from the reports of the Railway Board itself that both from the standpoint of ton-mileage and usage, full use and utility has not been taken of these wagons already in stock. The ton-mileage in 1924-25 was 21,269 millions, while for the last completed year, 1934-35, it was 20,352 millions. That shows that the increase in stock was more than was required. From Statement 26-A we find that the proportion of unserviceable wagons per day was 9·13 in 1933-34 and 7·92 in 1934-35. That also shows that our stock is in a better condition than before, and yet we go on adding to the stock in order to find employment. Last year, I asked the Honourable the Chief Commissioner to incorporate in his Administration Reports a statement of the number of wagons scrapped by each railway. That would be a very useful and necessary statement, but I am sorry that this has not been incorporated. I asked a question as to the amount of money which the Government derived from the sale of the scraps of these stocks and Government had no accounts. There is no head showing these accounts although

there are 56 statements published in the Administration Report. But as regards scrap materials costing crores and crores—there is no statement showing how they are utilised and for what they are being sold. I will just cite one instance. One of the State Railways sold a few locomotives to a private concern and those very locomotives were bought after a few months by another State Railway at double or treble the price for which they were sold to the private concern. The railways concerned are the Great Indian Peninsula and North Western Railways. Such things are allowed to happen because there is no co-ordinated policy. The railway Board cannot have economy in crores and lakhs. It can have lakhs of places where it can save a rupee, millions of places where it can save Rs. 5, but the places where it can save thousands are to be found only in units. The best policy is to look to the savings in the aggregate. Small savings effected in many places would give more money to the Railway Board than great savings effected at small places.

I now come to the question of Muslim representation. The Muslim interests have always been promised looking into by the Commerce Members and by the Chief Commissioner for the last five years, but my story is a sad story. I took my first year as from 1st April, 1925 and the last ending on the 31st March, 1935. In that period the Muslims instead of gaining anything or advancing their position have lost ground. In these 11 years we have lost 14,100 men in the number of men employed and our percentage in all services has come down from 22·6 in the year 1925 to 21·7 in the year ending 31st March, 1935. This is the long-term view of the Muslim position in the railway services. I now come to the last completed year 1934-35. Even there in the aggregate we have not fared any better. We have lost ground there too. The total Indians employed amounting to 663,553 on the 1st April, 1934 rose to 666,658 on the 31st March, 1935, or an increase of 3,105. Out of this increase of 3,105, the poor Muslims got a quota of 466 only, or 15 per cent. although it is loudly trumpeted that the Muslims have been given 25 per cent. in the railway services. The Railway Board itself started these inquiries and on Mr. Hassan's report set the ball rolling, and yet if even in that Department our condition is so sad, God help us in other departments; our total percentage fell from 22·16 to 22·13 of all Indian employment. This is due to the fact that the Hallett circular on communal appointment was defective and its defects have not been cured by the Railway Board. As long as you have the quota fixed in the initial appointments, percolations will go on. To the last grade appointments will be made from the inferior grades and that will be classed as a promotion and you can never check it in a huge department like the railways. It is impossible unless you make stringent rules to enforce the observance of the principle. They will follow the letter of the rules and not the spirit. I know the spirit is there but the rules are not in conformity with the spirit and they are liable to be interpreted in the ways in which they are interpreted. I have given the figures of last year simply to show that in spite of care we have fared badly without any left-handed treatment from the Railway Board. They have been anxious to help and have tried to help us, but they have proved helpless. In this connection, Sir, I should like to draw the attention of the Chief Commissioner especially to the fact that since 1931 we have been demanding—when a deputation went to Sir George Rainy—that more Muslims should be appointed in Establishment branches, that there should be a Muslim Deputy Agent on some of the railways concerned and that Directors in the Railway Board should be drawn from the ranks of Muslims too. Sir, when Government wants to make an appointment, it can find the man and it can find the reasons. I know of one Indian, a non-Muslim, who was appointed as Secretary though he had only 10 years service. We have men

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of 18 and 20 years service and still they are not thought fit to be given any responsible post. Where there is a will there is a way. If the Government are anxious really to do justice to Muslims, they can do it. I would also request that Agents should be instructed to appoint Muslims as special officers to look after minority representation, at least on two or three big railways. Unless you have some one to look after this matter you cannot have justice. I do not wish to injure the sister community in any way, but since the principle has been settled, there should be equity and justice and the rules should be observed.

Sir, I now come to some smaller matters about which I should have preferred to elicit information without speaking about them from here, but I have not been able to do so. On page 17 of this year's Administration Report I find that the capital at charge with the Burma Railways has been reduced by Rs. 1 crore, due to the difference between the actual amount of rupees required for repayment of the share capital when the Burma Railways were purchased and the capital set out in the books of the Railway Company. That is a strange way of showing a thing which was done on the 1st April, 1929 in 1936. It does not seem above-board and there is a strong suspicion that there is something underhand about this. I have no knowledge why this was done, but what I could find out was that sterling capital was only £3 million, and that could not by any stretch of the imagination be responsible for a crore of difference. Even the difference between 1s. 4d. and 1s. 6d. does not arise, because in 1929 there was no question of a 1s. 4d. ratio. Everything was on the basis of 1s. 6d. If you proceed on this principle the whole £120 million invested in the railways is liable to be cut down and the general taxpayer burdened with the difference between the conversion value of the sterling from 1s. 6d. to 1s. 4d. What is the intention? If this has not been done for the general railway finances why should it be done for the Burma Railways—to present a better picture for the future separation of Burma? Whatever the reasons, I hope the Honourable the Chief Commissioner will enlighten us.

Now, Sir, when we ask for amenities for passengers, we are told, and rightly, that the present is not the time to think of doing elaborate things when income is falling. But in the case of the Hardwar-Dehra Railway even in these depressing times you are drawing 10·93, 10·41 and 10·64 per cent. return on the capital invested in 1930 to 1933. Is there any reason why this railway should charge double the fares charged on other sections? In view of the high dividends that this section is paying I think it is high time that the fares were reduced more in accord with fare levels on other parts of the East Indian Railway.

Then, Sir, there is the possibility of acquiring branch lines where the parent company who were given the concession are no longer working them. The State Railways are working them and we are paying interest or profits at high rates; for instance on this Hardwar-Dehra Railway we are paying at the rate of 7½ per cent. a year.

These are the small things which, if they are looked into, will give a material saving to the Railway Board. The only thing it requires is that the mind should be clear of any political influence from England.

Sir, there is one real hope for me in the whole of the Railway Budget and that is the realisation by the Railway Board and by the Commerce Member that good times are not yet coming. When one realises his inability, or his defects, one can succeed; but those who do not realise their difficulties, their

mistakes and their defects are doomed to remain in difficulty; and that, Sir, gives me hope that next time we will have a better budget.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I also rise to congratulate the Honourable the Commerce Member not for presenting a deficit budget, but for having stated frankly the facts and having told us that things are not well in the railways. Sir, my Honourable friend Sir Guthrie Russell has attacked the outcry raised in certain quarters that the Indian Railways are becoming insolvent. I prefer to join issue with him on this point. I certainly agree with that remark and, as a layman, I want to explain further. If a man is not able to discharge his liabilities, then one begins to think that he is on the verge of insolvency. The railways have stopped paying their contribution to the general revenues for the last five years. The railways have wiped away their reserve fund which, I understand, was about Rs. 15 crores. They have made inroads on the depreciation fund and, but for this inroad, our depreciation fund would have been about Rs. 41 crores by now. If, taking into consideration the commercial basis on which a concern is run we find that the concern is not able to meet the liabilities, then certainly we are entitled to say that it is on the verge of insolvency. My Honourable friend the Chief Commissioner for Railways cited the cases of European railways and other railways in the world, but conditions differ here in India from those of other railways. So far as the question of insolvency is concerned, I quite admit that the assets have not been placed in the court so that there may be a rateable distribution among the creditors, but I must submit that the position as disclosed by the Budget and as has been disclosed for the last four or five years clearly shows that the finances of the railways are not in a sound condition and therefore it is a matter for urgent and serious examination by the authorities concerned to see that the railways are worked on a commercial basis.

Sir, the Honourable the Railway Member has given out four causes prominently in his Budget speech in the other House and those are the world depression and collapse in commodity prices, the second is the road-motor and rail competition, the third labour legislation and improvement in the economic conditions of staff and the fourth the striving after self-sufficiency by every country in the world including India. Well, Sir, I agree with him that there are certain causes which the railways cannot control and therefore I submit that the world depression and the collapse in commodity prices are things beyond the control of railways and therefore they cannot under any circumstances bring about a state of things which will change the aspect of the world. But so far as other causes are concerned, I beg to disagree with him in the reasons which he has given. Sir, it should be a matter of pride to any national Government that India is becoming or is trying to become self-sufficient. If Indian industries are developed and if the agricultural resources of the country are explored and developed, the country will naturally be prosperous and ultimately the railways also will gain something.

Now, the question of motor transport has been engaging the attention of the authorities of the railways for the last four years and I agree with him that there ought to be a co-ordinated policy between rail and road competition. That is true. But then I submit that the railways should never desire to put obstacles in the way of bus competition. If the passenger traffic is attracted more by bus, it is because they offer more facilities which the railways did not up till now to the travelling public. Some time before the railways held a monopoly practically in this matter, but I may be allowed to say that they abused their power. They have been all along illtreating the

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third class passengers. So many complaints have been made against them, that the ordinary amenities of life have not been given to these third class passengers from whom the railways derive a major portion of their revenue. Sir, they complain about the competitive rates introduced by the bus competition, but I want to submit that they did the same thing, though not exactly the same thing, but practically the same thing, in quoting low rates while competing with shipping companies. In this connection, Sir, I would just read a sentence from the speech of Sir Joseph Bhore, the ex-Railway Member, where he says :

"It is perfectly legitimate to quote low rates in a business concern to attract more trade".

He says further :

"I now turn to another very important question, and that is the competition between railways and shipping companies. The railways in India, like railways all over the world, have always attempted to draw to themselves as much traffic, for their own route, as they possibly could. In doing this they have in many cases quoted the minimum permissible rates. This I contend is perfectly legitimate. It is a pure business proposition so far as we are concerned and I think that it is in the interests of the trade and commerce of this country".

If, Sir, that is the position when they quoted low rates so far as the shipping companies are concerned, I should like to say, Sir, that they should not complain about the low rates of these bus people because they attract more traffic but the railways should try to offer more facilities to the travelling public and then they will be able to attract more traffic. I think, Sir, that over some causes the railways of India have control and if they set their house in order they will be able to meet the deficiency. I mean the top-heavy administration of the railways. It is complained that they had to spend something more because the cut was restored. So far as the cut is concerned—not only in railways but in other departments—a hue and cry was raised in the country against the restoration of the cut. Government paid no heed to this agitation and the cut was restored. Sir, it was not in the interests of the railways—if they really wanted to run the concern on business lines—to restore the cut if they had not sufficient funds to meet the situation.

Then, Sir, another point was made about strategic lines. My Honourable friend Mr. Hossain Imam said that it did not matter much if railways incur this loss of Rs. 2 crores but he thinks that if the railways hand over the running of these strategic lines to the Defence Department, the sappers and miners who are already there may manage the running of these lines and the taxpayers would not be further burdened. I should like to appeal to the railways to take into consideration seriously the suggestion of my Honourable friend Mr. Hossain Imam. But, Sir, I go further than this and say that it is not only a book entry but it is an entry of very great importance, because, Sir, if the railways are freed from the burden of these Rs. 2 crores they will not come before us and present us with a deficit budget every year as they have been doing for the last four or five years. Sir, I think it is not my concern but it is the concern of the financial *pandits* of the railways to decide whether the burden of these Rs. 2 crores should be on the railways or on the Defence Department but my point is, that if the strategic lines are run really in the interests of the Defence Department and not in the interests of the general public, then, Sir, this burden must go to the Defence Department and not to the Railway Department.

Then, Sir, about the Indianisation of services. My Honourable friend Mr. Hossain Imam has said something about the representation of a particular community. Well, Sir, on that point I do not see eye to eye with him. My views are quite different and I think, Sir, that we do want Indianisation but we do not want a representation of a particular community. We want the services to be run only by persons who are competent to run them. I want, Sir, that the point of merit be considered, whether he be a Parsi or a Hindu or a Muhammadan. (*An Honourable Member* : "Or an Englishman?") My Honourable friend says, "Or an Englishman?" It depends on what an Englishman means according to him. If an Englishman means one who resides in India, makes India his home and is not a bird of passage, then I would call him an Indian and I would be extremely glad, if he is a competent man, if he be given the job. That is my idea. I differ from the Honourable Mr. Hossain Imam on this question. He may be perfectly right. But after careful thought I have come to the conclusion that all this heart-burning might be stopped if all this talk about communal representation is given a decent burial in the various departments of Government. (*An Honourable Member* : "Let us wait for the millennium!") My point is that Indians ought to be provided with more jobs in the railways and if this policy is followed. Sir, there will be some decrease in the expenses of administration on the railways. Sir, I find from the report of 1934-35 that the percentages of Europeans and Indians in regard to the superior gazetted services were Indians 61.9 and Europeans 38.1. My Honourable friend Sir Guthrie Russell will correct me if I am wrong. I understand, Sir, that even the Lee Commission recommended 75 per cent. Indians to 25 per cent. Europeans. The country did not appreciate the recommendations of the Lee Commission but it is a matter of surprise that Government do not give effect to the recommendation of even the Lee Commission which they had themselves appointed. Then, Sir, in the lower gazetted services, I find that out of 38 appointments 23 went to Europeans and 15 to Indians. It is said, Sir, that Government are not considering the interest of Indians in Indianising the railway services. If this sort of thing goes on I do not know how long it will take railway services to be fully Indianised. Sir, if such is the case with the railways which are State-managed one may not be at all surprised at the attitude of Company-managed railways. I therefore submit, Sir, that if the Government take into consideration the wishes of the general public so far as Indianisation of the services is concerned, they will be able to save much because in India they will be able to get competent men for low salaries and thereby they will be able to retrench much of their expenditure.

THE HONOURABLE THE PRESIDENT: You have already taken more than 20 minutes.

THE HONOURABLE MR. V. V. KALIKAR: I will take only four minutes more, Sir.

I have to lodge a complaint about the manufacture of equipment for railways. I will bring to the notice of the House, Sir, a sentence from a communiqué issued by the Government of India in 1921. That communiqué was quoted *in extenso* by the late Pandit Motilal Nehru and I will read only one sentence from it. It said :

"In pursuance of their expressed policy of making India as far as possible independent of outside sources in the supply of materials, the Government of India have had under consideration the question of the construction of locomotive engines in India, and they are now in a position to give a general undertaking that tenders will be invited annually in India for all the railway locomotives and locomotive boilers required by Government during the 12 years commencing with 1923".

[Mr. V. V. Kalikar.]

Sir, in reply to a question which I asked in the Simla session, I was told that some locomotives were purchased in Germany. It is really surprising, when we are being ruled by a very civilised race in the world that we are not taught the art of manufacturing locomotives in India and that we have to pay a very large amount to foreign countries for purchasing the materials for our railways. Government gave a definite undertaking in this communiqué that steps will be taken to manufacture locomotives in India. I want to know what serious attempts have been made in the last 14 or 15 years by Government to manufacture locomotives in India and if not why no attempts were made?

THE HONOURABLE THE PRESIDENT: What is there to prevent you starting companies here?

THE HONOURABLE MR. V. V. KALIKAR: Sir, when a private individual like Sir M. Visweswaraya thinks that there is large scope for manufacturing motors in India, there is no reason why the State should not have their workshops organised in such a way that locomotives can be manufactured here. I want State encouragement and therefore I submit that if this is done, much of the money that is spent in foreign countries will be spared and will be utilised for Indian purposes.

THE HONOURABLE THE PRESIDENT: Thank you. You have already taken a long time.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, I would like to preface my remarks by saying that I realise how easy it is to misunderstand figures in a case of this kind where one is not acquainted in detail with the basis upon which they have been prepared, and I hope that my Honourable friend Sir Guthrie Russell will be kind enough to correct me if I make mistakes in that way.

There is one point which I would like to make. The Honourable Mr. Hossain Imam has already referred to it. At the foot of page 9 of the Explanatory Memorandum there is a reference to a fall from 5.2 per cent. to 5.04 per cent. in the rate of interest but according to my calculations the average rate of interest now being paid by the Government of India on borrowings is about 4 per cent. and this seems to be more in accord with the figures I find on page 45 where on a capital at charge of Rs. 800 crores interest is estimated at Rs. 29 crores 90 lakhs, which I calculate to be about 3.737 per cent.

As regards the actual results attained and the immediate prospects there seem to be two distinct points of view: results which show that interest charges cannot be paid out of revenue and that depreciation cannot be found from the same source must always be regarded as highly unsatisfactory in any undertaking. On the other hand in the particular circumstances through which we have been passing and are experiencing now, I think that a return of about 3 per cent. on the capital invested in an undertaking of this kind must be regarded as rather good.

Government have in the past received considerable sums as profits earned by the railways over and above the amount required for interest and other necessary outgoings including depreciation and this being so it seems to me from the ordinary business standpoint to be perfectly reasonable that they, as the holders of the equity, should bear the losses incurred during bad times.

I wish I could be satisfied that what I have said gives a true picture of the real position. I cannot help sharing the doubts of the Honourable the Finance Member as to whether proper principles are being followed as regards the amounts charged to capital from year to year.

This brings me to a question which is almost part and parcel of the question of what should or what should not be charged to capital account, and that is, how is depreciation calculated? There are a number of alternative methods but it is my considered opinion that in a case of this kind the soundest by far is to estimate as closely as possible the equated period during which it is expected that the assets in question will be in use and to contribute to a sinking fund a sum which, together with compound interest added from time to time and the residual value, will provide the amount expended upon each asset at the time when it ceases to be used.

I understand from the speech of the Honourable Member for Commerce in another place on the Railway Budget that the method adopted by the Railway Department is what is known as the "straight line method". If infinity is the period under consideration this is a comparatively harmless mode of procedure, but as I will try to demonstrate there are good reasons why it should not be followed. It is very apt to lead an ordinary business into difficult situations: the mere fact that these difficulties are such as a Government can more easily overcome than the ordinary trader can, seems to me to make it more essential that Government should keep their accounts on the correct basis.

The main difficulty I have in mind is this. The time comes when a very large amount of plant has to be taken out of use and replaced at the expense of the funds previously put aside to meet depreciation. These funds to that extent immediately cease to earn interest and a serious drop in revenue can be experienced in this way. To take a perfectly simple example: the railways buy a locomotive at a cost of say £4,000. At the end of its life there is in the depreciation fund a sum of £4,000 accumulated from contributions made from time to time which in the last year of its life is bringing in an income of say £120. Now when that £4,000 is required to buy another locomotive in the place of the one that has to be scrapped your revenue from traffic remains the same but you have lost your revenue from the £4,000 you had invested.

This is a practical consideration which I submit is even more important than the theoretical necessity of taking into account the fundamental fact that if you borrow money you must pay interest for it and that if you invest money you will receive interest for it.

I see from the accounts that the method at present adopted is to provide 1/60th of the amount "of capital at charge" as depreciation in respect of each year. If this is meant to indicate that it is the considered opinion of the expert advisers of Government that the equated life of the assets in use is 60 years I would be disposed to accept the figure, but I still wish to point out that in that case the proper sum to contribute to the depreciation fund is not 1/60th, but is the sinking fund necessary to produce after 60 years 60/60ths of the amount originally debited to capital in respect of the assets to be depreciated, which is generally something less than the capital at charge, as there are assets, such as land, which need not be written down.

Obviously if I want to have Rs. 60 crores in 60 years' time it is quite unnecessary for me to put aside Rs. 1 crore every year. I need only put aside that sum which together with interest accumulating from time to time will amount to Rs. 60 crores at the end of 60 years.

[Mr. R. H. Parker.]

Personally I would like to see Government have an expert enquiry into their methods of costing and their methods of providing depreciation in the absence of which I fear that the country may suffer from all sorts of unnecessary errors. On the one hand you, as owners of the railways, may be charging too little for the services rendered and throwing an unfair burden on the community as a whole. On the other hand you may be charging unnecessarily high amounts for the services rendered and if this is so I suggest that you must be damaging the interests of the community as a whole, dependent as they must be to a very large extent on cheap transport facilities.

Broadly speaking my view is that Government should be satisfied that all outgoings including depreciation are being properly provided for out of revenue from the railways and that 1.15 P.M. subject to placing to reserve some reasonable sums to meet contingencies, in particular obsolescence and temporary decreases in revenue, any further revenue available should be applied in reducing rates of freight. That I believe to be sound national economy.

I would like to welcome the proposal to amend the Railway Act to provide deterrent penalties for those travelling without railway tickets. There is no doubt whatever that this is a very common occurrence and I appreciate that it is a very difficult matter to tackle. I would like equally severe punishment to be meted out to members of the railway staff who demand or accept bribes. I remember nearly 30 years ago the Midland Railway in England suddenly adopted a plan of putting on what they called the "flying squad" of ticket inspectors who were permitted to go wherever they liked and who in a very short time brought in an astoundingly large sum from persons who were found to be travelling, not so often without tickets, as in the wrong class. If that was the case then in England I have no doubt that provided suitable employees can be found to do the work, a similar result could be obtained in India today. It is of course not only a question of what sum inspectors of this kind can collect but of the deterrent effect also.

I entirely agree with my Honourable friend Sir Guthrie Russell, that railway transport and motor transport should be on a fair competitive basis and to this end I hope that the Government of India will take the necessary steps at the earliest opportunity to obtain, so far as may be possible, uniform legislation throughout India in respect of the conditions under which motor transport is carried on. I do not think he was quite fair when he said in his speech "His roads are provided for him". I suggest that motor transport contributes far more than a fair share of the cost of roads in the form of customs duty on cars, lorries, buses, petrol duty, and taxes paid to Local Governments and Authorities.

Both classes of transport are essential to the future of the country and each of them should have equal opportunities. The country is so vast and there are so many places where communications are lacking that there should be no necessity for uneconomic competition between the two.

I think the chances of the matter being dealt with properly on these lines will be greatly enhanced when Government carry out their stated intention to have one Minister in charge of Communications which I hope they will do at a very early date.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, this is the sixth deficit Railway Budget since 1930. There is no doubt that the continued fall in railway

receipts is due to the world-wide depression and to the unwholesome increase of motor competition. World conditions will take time to improve, but immediate steps should be taken by the Government to regulate motor transport on a fair competitive basis. I would also like to bring to the notice of my friend the Honourable Sir Guthrie Russell that there is an impression that the railway station staffs are generally in league with the motor lorry owners. Tickets are not issued in time. The issuing clerk refuses to give a ticket on the excuse that he has got no change. I have often seen that passengers who could not get tickets in time to catch the train had to travel in a lorry which was kept ready at the station in anticipation. The time table section also often fails to consider the needs of the travelling public. Coming from Lahore the other day I was told that in Serai Banjara and Sodho Chak no train stops in the day time between 7.30 in the morning and 2 o'clock in the afternoon, and passengers from Ambala, Sirhind, and other places, have to travel by lorry. I was also told that frequent changes in the time table on the North Western Railway were helpful to the motor transport and a nuisance to the public. Again, the chronic disease of discourtesy on the part of the subordinate railway staff is also a cause of scaring away passengers. Some years ago my friend the Honourable Raja Ghazanfar Ali Khan speaking in the other House remarked that it was easy to see His Excellency the Viceroy but it was often impossible to get access to the Agent of a railway. There may have been some improvement in this direction but my own experience is that a few years ago I went to see a railway officer at a long distance in a place where I had served as Collector and Magistrate previously. An officer of the Punjab Provincial Service who was still in service in that district was also with me by courtesy. We tried our best but failed to get access to the gentleman. In this connection I would bring to the notice of the railway authorities that, as everybody knows, an officer who is not accessible to the public fails to find out the weak points in the system. And I would request the Honourable the Railway Member and the Honourable the Chief Commissioner to rub it into the minds of the heads of departments to be more accessible, more polite and more patient with the public. That will certainly improve things to a great extent. I would also point out that where, previous to 1924, a district traffic superintendent with two assistants used to carry on, under the costly reorganisation schemes adumbrated in the years of prosperity probably now 20 officers on high salaries are doing the same work. If it is so, the matter requires the serious consideration of the Railway Board.

More vigilance is required to eradicate the evil of corruption which is also responsible for considerable leakage in railway revenues. It is said that there are stations which are in the habit of issuing invoices and railway receipts without filling in the weight and freight column, with the result that fraud is practised upon the railway in collusion with the staff at the delivery station. This and many other similar defects require the special attention of the railway authorities. Reform of these abuses would certainly go a long way to stop the existing leakage in railway revenue.

I would also support the proposal made by my friend the Honourable Mr. Hossain Imam that on the strategic railways the services of sappers and miners may be availed of with advantage to all parties.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : Sir, the Railway Budget lying before us for discussion today presents to us no doubt a very gloomy view of railway finance, but still a closer view of the real state of things will reveal that beyond this gloom there is some glimmering of hopes which assures us that the worst still

[Khan Bahadur Syed Abdul Hafeez.]

cannot happen. Easily, one can question why we are having these figures year after year which in the long run do not turn out to be true but, Sir, is it not impossible to get a true forecast of all coming events with provisions for all emergencies that may or are likely to crop up in the course of a very long period of one year? In the teeth of severe competition now-a-days, with motor and other transports, especially when the prices of commodities have fallen to the lowest, the coming down of the deficit by Rs. 1 crore than the last year is not at all unsatisfactory; and I should say it is much to the credit of the Railway Member and the Chief Commissioner of Railways, who have tried with untiring energy to increase the income of the Railways that we are not going to have in these hard days of world-wide economic depression and deficits that we had, for instance, in 1934-35. Sir, only a year ago we were full of optimism when the Honourable Sir Joseph Bhore went to restore the 5 per cent. cut in the salaries, to reduce the freight rate and even to reduce the surcharge in coal freight with a fervent hope that railway finance was gradually clearing out of the danger zone and a very bright future lay ahead. But things took quite a different turn and the deficit was not Rs. 2 crores as was expected but much above that. So we have seen that sufficient allowances were not made for all the emergencies that might develop in the course of a very long period of one year. Sir, we have had bitter experience of "counting our chickens before the eggs were hatched". Sir, even I could not blame the Honourable Member had he presented the Budget with a greater deficit than he has done now. Sir, the reasons that have been attributed as the cause of this depression, I think, would speak for themselves, and require no modification in my hands, and we cannot blame the Honourable Member if his views, in the face of these derogatory factors, such as self-sufficiency in every country, including India, the competition of motor, river and other services and, above all, the downfall in the prices of commodities and so on are not so very optimistic.

Sir, one thing which I would like to point out in this connection is that in order that the entire system of railways, including its finance, can be stable, it should be based on the goodwill of the people. Goodwill and confidence will arise only when the reasonable claims of each community have been admitted by the Department. Sir, I am sorry to find that instead of the Government of India circular giving an adequate share of appointments to the minority communities, some minority communities are still to a great extent unrepresented in the railway services. I appeal to the Honourable Member and the Chief Commissioner of Railways to give their utmost consideration to a question of such vital importance as I have just mentioned.

Sir, the Honourable Member intends to bring some alteration in the charges and freight rates which may increase the income of railways, but I am really of opinion that in these days of hard depression, and facing such hard competition, the alteration in freight rates would not be of much help. But in case the Honourable Member can guarantee a better prospect of finance by such means as he is proposing to act upon, I have then nothing to say. Lastly, I must make reference to the appeal that has been made for checking the two most detestable practices, namely, undercharging of the freight and ticketless travelling, which have caused a considerable leakage in the purse of the railways coming up to an amount which goes to form one-seventh of the total deficit of the year 1936-37. Of these two evil practices, the latter, I should say, is more or less of a moral character, while the former is the outcome of the negligence of duty on the part of railway servants, and it certainly speaks of, if I am allowed to say so, lack of proper administration of railway servants. If the Honourable Member wants some further legislation to remove the former

practice (ticketless travelling) I think I can give him my ready support, but regarding the removal of the other practice, I think proper vigilance on the part of railway servants who happen to deal with charging freights would improve the situation to a great extent.

Sir, in conclusion, I again thank the Honourable Member and the Chief Commissioner of Railways for preparing a Budget which is so just and so reasonable, considering the present economic depression and hard competition with other transport.

With these words, Sir, I support the Budget.

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

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

THE HONOURABLE THE PRESIDENT: The debate on the Railway Budget will now be resumed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to congratulate the Honourable Sir Muhammad Zafrullah Khan on his appointment as the first non-official Member for Commerce. He is a gifted person and is not used to official red-tapism so we expect a lot from him. It is rather unfortunate that in his first year of the assumption of that office he has not been able to give us a better budget as compared with the years beginning from 1923-24. Sir, railways are divided into two heads—commercial and strategic. Strategic, as we all know, is always a deficit head and as I have from time to time every year been pressing on this Council, this loss should be borne by the Army or Defence Department. This year the loss on the working of the strategic railways has been about Rs. 2 crores and a similar sum is budgetted for next year. As regards commercial railways, it is always said that they are run on commercial and business lines. I am sorry, Sir, that is not the case in practice. The railways are run not only on non-business lines but politics come in there and political considerations carry the day. As we shall see in a business department efficiency is the key to success but when you introduce political considerations into the recruitment of the services and fixation of freights efficiency is lost. As the Government have adopted a certain communal policy, I think it is not proper for me to discuss that policy now. But the sooner it is changed the better. I agree with my friends who have spoken before me that in all commercial departments, such as railways, posts and telegraphs, and others, efficiency should be the first consideration in matters of recruitment. My friend the Honourable Mr. Hossain Imam has observed that on railways Muslims are not being given their due share. As communal policy is now the adopted policy of the Government I do not object to Muslims having their due share in these services. But in the branch of services where they are even now in a very heavy majority, one rule should not be applied in every branch of service, because that will not be equitable and just and it will add to the discontent among the services.

I might, Sir, for the information of this House illustrate my point by citing a few facts from the statistics which I have collected from railway books. I did not like to bring communal proportions here but I had to do so to show to this House how communities other than the Muslim community are represented in services in various branches of railways. I will take, Sir, the case of drivers, firemen and shunters on the North Western Railway.

[Rai Bahadur Lala Ram Saran Das.]

In the Rawalpindi Division, Sir, the number of Muslim drivers is 114 to 13 Hindus. Similarly, Sir, in case of firemen, there are 444 Muslim firemen as compared with 53 Hindus. In case, Sir, we take the case of shunters, there are 117 Muslim shunters as compared with 4 Hindus; so is the case in workshops. Sir, in services where Muslims are in a very heavy majority their new recruitment ought to be such as to give also a due share to the other communities. I do not say that there should be a cent. per cent. recruitment of Hindus although I find to my sorrow that recently the North Western Railway in their advertisements for various posts have practically excluded Hindus altogether. Sir, if you look at the *Tribune* of Lahore bearing the date of 19th June, 1935, you will see an advertisement which invites applications for seven appointments for welfare assistants to assistant staff wardens, out of which four are reserved for Muslims, and one for other minority communities, that is practically Indian Christians, Parsis and Sikhs. The *Tribune* bearing date 7th July, 1935, again contains an advertisement for 10 vacancies of permanent way apprentices, out of which six are reserved for Muslims, one for Anglo-Indians and Europeans, one for other minority communities, viz., Indian Christians, Parsis and Sikhs. Then, Sir, in the *Tribune*, dated 18th July, 1935, there is an advertisement for 27 vacancies of station masters and 25 vacancies of commercial group students. There too, Sir, there are 17 vacancies of station masters and 15 vacancies of commercial group students reserved for Muslims, and one each of both these classes reserved for Anglo-Indians and Europeans and two each for other minority communities, viz., Indian Christians, Parsis and Sikhs. Then, Sir, again the *Tribune* bearing date 11th October, 1935, contains an advertisement for 19 vacancies of guards class I, out of which 15 are reserved for Muslims, one for Anglo-Indians and Europeans, two for other minority communities, viz., Parsis, Indian Christians and Sikhs. Similarly, the *Tribune* bearing date 27th December, 1935, contains an advertisement for 50 vacancies of station master students out of which 31 are reserved for Muslims, three for Anglo-Indians and Europeans and six for other minority communities, viz., Indian Christians, Parsis and Sikhs.

From these, Sir, it is clear that Hindus are practically excluded altogether. Then, Sir, I find on the North Western Railway that the deficiencies in Muslim recruitment are to be carried forward and then they are to be made up on the recruitment which will follow. I have no grouse, Sir, in case 60 per cent. Muslims are recruited in those branches of the service where they are under-represented. But where there is over-representation already, the recruitment ought to be changed so as to give other communities their due share. I am against cent. per cent. recruitment for making up the deficiencies of certain classes, but I do not mind if they are given more than their ordinary share so as to make up the deficiency within a reasonable time.

Railways have now to face competition. The times when they could dictate have passed away. Lorry competition is now a standing fact which they cannot ignore. It is said that the passenger traffic is gradually decreasing. I ask the Honourable the Chief Commissioner whether they are giving more amenities to passengers which they have all along been promising to give. This year they have provided the meagre sum of about Rs. 28 lakhs. In such a big undertaking, unless you give more amenities and facilities to passengers, you cannot attract them. The policy of increasing the railway fares and freights is a blunder. You will never get more income by adopting this practice. The result will be that once you lose your customer, it will be very difficult to get him back. As regards expenses, your establishment

charges amount to 54 per cent. of your working expenses. That is quite abnormal and that will not be allowed in any business concern of any magnitude. Then there is a charge which you have to pay every year for the Lee concessions, and that charge—I speak subject to correction—is about a crore of rupees. When railways are not paying their way, there is no justification for bearing that charge. In case you want to treat all the Government services alike, then do not call this department a commercial department. I would, in order to give equity and justice to the employees in the railways, introduce a bonus system in this way that whenever there are bigger profits the officers will get bigger salaries, and whenever there is a loss, they will suffer accordingly. In that way, if we take the average, for a couple of years they will be drawing their usual salary. In business, Sir, we frame our budget according to our income. Here, in the Government of India, both our budgets, the General Budget and the Railway Budget, are framed in a different way. We estimate our expenses first and then try to make up the income by extra taxation, i.e., increase in freights and fares. I am sorry to find, Sir, that in the case of such extra taxation in the railways the Central Legislature has no voice. The Railway Department of itself increase and revise the rates. That is not right. Railways, Sir, in every country in the world are meant to develop the country's industries, trade and agriculture, but in India efforts are not being made to encourage industry to the extent that it deserves. The surcharge on the freight on coal which is a basic material for other industries and for agriculture which still continues illustrates this. I know that in the carriage of coal there is no lorry competition but, at the same time, in case you give encouragement to the industry, you will indirectly gain more in the carriage of manufactured goods or produce. An observation has been made by the Chief Commissioner in his note that owing to the existence of sugar factories in India, the railways have lost their long lead traffic. That is so. But, Sir, what about the long lead traffic in the matter of exports? The existing ratio of 18d. which is now adopted by the Government, is detrimental to the interests of trade and agriculture, and that ratio stands in the way of our competing in other markets and of our getting parity with world prices. If that is not put right, the export trade will not develop. There are other reasons also which tend to the diminution of traffic. Some time back, Sir, special rates were offered for special articles wherever there was lorry competition or other competition. But now, although a new department has been formed on the commercial side to secure more traffic from the lorries, I find that that department is not working so well. I can tell this House that full pressed cotton bales are being carried from Lyallpur to Gwalior by lorries. Another public company has been floated, I understand, in Cawnpore to carry American cotton from the Punjab to Cawnpore and various other industrial centres. I cannot understand why the railways cannot reduce these rates. By increasing their terminal charges they are making another mistake for which later on they will repent. The Honourable Sir Guthrie Russell has referred to English railways. In England, at the time of the depression, passenger fares and freights were reduced. Here you are going to increase them and next year you will find that you are in a worse plight.

Then, Sir, as regards interest on railway loans, I should like to know from the Honourable the Chief Commissioner whether they have tried to convert their loans to a lower rate of interest, and in case they have not done so, the reason for it. If they adopt such a policy, they will make a big saving on their interest charges. Then, Sir, when the divisional system was introduced on the railways, we were told that we shall get economy and more efficiency out of it. As far as efficiency is concerned, I do not want to say much, but

[Rai Bahadur Lala Ram Saran Das.]

so far as economy is concerned, I find no economy effected. If I am wrong the Honourable Sir Guthrie Russell will put me right.

Then I come to ticketless travelling. I totally disagree with the proposal to allow the police to harass your honest clients. If the railway managements are unfit to carry out their duties they ought not to ask for that protection which is bound to be misused. Suppose a gentleman drops his ticket or loses it, will he be prosecuted? Will you get more passengers with such a possibility before them? I hold most people would prefer to travel by lorries rather than risk prosecution and harassment by rail travel.

Then I come to the case of travelling ticket collectors whose duty it is to discover dishonest ticketless travellers. I can tell you those people are discontented. You do not treat them on a par with other running staff: you do not give them the same allowances as guards and drivers get, and from a discontented staff you cannot expect much. It is time that the travelling ticket collectors were placed on the same footing as other running staff in pay and allowances.

Then as regards the expenditure side I find that the policy of using foreign sleepers is still being pursued although the capital expenditure involved is three times or more. Until your finances improve I think it is not wise to import foreign sleepers. It is true that a steel sleeper has a longer life than a timber sleeper, but if you take the compound interest into consideration the saving does not amount to much.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: When he says foreign sleepers does the Honourable Member mean steel sleepers? If so, those are purchased in India.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Yes, but are they not cast in England?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: Oh, no.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That is my information. But even if they are cast in India—

THE HONOURABLE SIR MUHAMMADZAFRULLAH KHAN: I have seen them being manufactured at Jamshedpur.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: My point is, that they cost much more than the ordinary timber sleeper.

THE HONOURABLE SIR GUTHRIE RUSSELL: Timber sleepers cost about Rs. 4-12-0, the cast-iron sleepers Rs. 6-12-0 and steel sleepers between Rs. 6-8-0 and Rs. 7 without fittings.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Even then it is almost double the price and in these times of depression any amount that can be saved is worth while.

Then, Sir, as regards corruption on railways. As a business man and an industrialist I find that corruption on railways is diminishing. But in the case of employees who are reported to be corrupt the inquiries held in such cases have invariably supported those offenders. I refrain from going into personalities but as an illustration I may quote the case of a loco. foreman in

Lahore against whom a lot of reports of corruption were made, and even now, after the inquiry, the public impression is that that man was to blame, and what I understand the railway did in that case was to promote him from a subordinate to an officer. Well, Sir, if you do act like this you yourself encourage corruption.

Then, Sir, while I am against the owning of railways by companies, if the State cannot administer and manage railways cheaply it would be much better to employ responsible companies for the working of State railways. Of course the Railway Board will be there to supervise, and just as the Bombay, Baroda and Central India which is a State railway is being run by a company, so other railways should also be run by companies.

Then I come to the manufacture of locomotives. The Honourable the President put a question to the Honourable Mr. Kalikar as to why he did not start a public company for the manufacture of locomotives. I may state that such a company was started as a subsidiary company to the Tata Iron and Steel Works and I think the name of that company was the Peninsula Locomotive Works. The Railway Board I understand promised that company patronage, but when the actual company was formed and they wanted orders, the patronage was refused. So the whole thing is a matter of policy, and it is with great regret that we find that even now no patronage is being extended in this direction. Even now that old company can be revived.

THE HONOURABLE THE PRESIDENT: Did that company manufacture locomotives actually before asking for orders?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: They had a competent staff, and because they had a competent staff and a large capital I understand Sir Clement Hindley promised them an order for locomotive engines.

THE HONOURABLE THE PRESIDENT: But how do you expect a railway to buy an engine unless they can see whether it is efficient for their purposes?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, Sir, on that point I simply say that Sir Clement Hindley was a very smart officer and he would not have committed himself before satisfying himself in regard to details and quality of manufacture.

Then, Sir, the Honourable the Chief Commissioner has been kind enough to give me a list of revised scales of salaries and allowances of the senior and junior services in railways. I should like to ask him what will be the saving per year by adopting these new scales of salaries and allowances?

THE HONOURABLE SIR GUTHRIE RUSSELL: Over all the railways, for superior and subordinate services, Rs. 3 crores.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Now, Sir, I come to the question of the Bengal and North-Western and Rohilkund and Kumaon Railways. As money is very cheap now I would urge that these lines be acquired by the Government and as money is cheap further railway constructions which are reported to be paying concerns ought to be taken in hand.

With these remarks, I resume my seat.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, the Railway Budget as usual has once more been presented with the usual self-complacency and without caring even to redress the grievances of the public before demanding supplies. Here in India the Government wants, at the point of the bayonet, supplies, whether grievances are redressed or not ! The grievances of the travelling public and business men are innumerable and too numerous to detail. There cannot be a bigger surprise to an outsider than to see the enumeration of thousands and thousands of grievances against the railway administrations in the country year after year in both the Houses of the Legislature yet the Government irresponsible and irresponsive as they are, never even cares to see whether the grievances are real and genuine. The top-heavy railway administration is as callous about the taxpayers as the other branches of administration in this country. The chief grievances that are brought forward in this House or the other are (1) meagre Indianisation, (2) manipulation of goods freights to the detriment of the Indian industries, (3) manipulation in the calling of tenders for the supply of railway stores to the detriment of Indian manufacturers as against European manufacturers and firms and want of control of the railway staff and the consequent result of the rude behaviour of railway officials towards the travelling public and business men.

I take the first item of grievance, that is, Indianisation. I will not say much except to quote certain figures as published in the Railway Administration Report of 1934-35 which speaks for itself. Sir, the posts under railway administrations have been classed under the heads gazetted officers and subordinates. If we go through the statements of total percentage concerning the gazetted officers as published in Volume I of the Railway Administration Reports we find that the percentage of European gazetted officers were 63·9 in 1933, 62·2 in 1934 and 60·3 in 1935. Virtually speaking there is a decrease in the number of European officers by 1 per cent. annually and if Indianisation proceeds at this rate, it will take at least another 60 years, if not more, to Indianise all the gazetted posts in Indian Railways, if ever that can be done under the present foreign domination.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : Even on your calculation it would not take 60 years !

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : This is not my calculation ! This is taken from the report !

When we scrutinise the figures of the subordinates drawing a pay of Rs. 250 and above we find another tale. At the first glance we find that the percentage of Europeans was 21 per cent. in 1933, 19·6 per cent. in 1934 and 16·8 per cent. in 1935. The figures apparently are very encouraging and the public will at first sight be very much satisfied that the subordinate services can reasonably be expected to be completely Indianised in about 10 years. But unfortunately, Sir, these figures have been put in deliberately to beguile the Indian public. Actually there is no decrease in the number of Europeans. What the Railway Board have done is simply to transfer the figures year after year from the head of Europeans to the head of Anglo-Indians. Here I quote the number of posts held by Indians during the last three years which will conclusively prove the truth of my statement. The percentage of Anglo-Indian subordinates was 41·8 per cent. in 1933, 42 per cent. in 1934 and 43·8 per cent. in 1935. Therefore, virtually speaking, the total percentage of Anglo-Indian and European subordinates taken together is kept more or less at the same figures as it was in 1933. Here I think a pertinent question may be put

as to why these figures are manipulated and whether it is done deliberately by railway administrations. The reply to the question is very simple. The decision of the present Government to give the Anglo-Indians all the facilities of Indians in the matter of employment and all the privileges of Europeans in the matter of bearing arms, is mainly responsible why many Anglo-Indians and Eurasians, who used to style themselves as Europeans before, are now styling themselves as Anglo-Indians. I put it to the House and through it to the public in India to say whether by their demand for Indianisation, they mean Anglo-Indianisation or Eurasianisation of the Railway services. Sir, if this be the sample of Indianisation, I would request the present railway administrations to spare themselves the trouble. In this connection, Sir, I cannot help quoting the percentage of Hindus employed in the gazetted ranks and also in the subordinate services. We find that the Hindus who form 75 per cent. of the total population of India and who are foremost in education amongst all other communities in this country are holding only 23 per cent. of gazetted posts and 26 per cent. of subordinate posts. In this connection I must say that so far as railway employment is concerned the position of my Muslim friends are also not enviable. Their community which forms about 25 per cent. of the total population are holding only 5 per cent. of subordinate posts. It is a pity that we Hindus, Muslims, Sikhs and other Indian communities fight amongst ourselves for snatching away a number of posts from amongst our own communities, without making common cause against the employment of as large as 67 per cent. of Anglo-Indians and Europeans in the gazetted ranks and about 60 per cent. in the subordinate ranks. I would even now appeal to my friends of other communities to make common cause against the employment of such a large number of Anglo-Indians and Europeans in the railway administrations of the country. There is no doubt that even if we can snatch away as much as half the number of total posts at present held by Europeans and Anglo-Indians, the unemployment of a large number of men belonging to all the other Indian communities will be solved to a large extent. I think only in India is it possible to reduce a majority community, an educated and cultured community like that of the Hindus to a minority community in the matter of employment under the railway administrations. I am warning the Government that unless they take immediate steps in this matter, the cult of socialism will go deeper and deeper into the soil of this country amongst all communities in the near future which is neither desired by this side of the House nor by the opposite benches.

The next point I would like to bring before the House is the manipulation of freights to the detriment of Indian mines and industries. I need not dilate on this point except to quote one or two instances. The freight on Bengal coal up to Ahmedabad and Bombay mill areas are such that it cannot compete with the imported South African coal. Had the railway administrations been run on national lines or rational lines, the freights on coal would have been reduced to such an extent as to stop the dumping of South African coal in Indian markets. The reduction of surcharge on coal effected last year is so small that it did not produce the desired result. I would suggest the abolition of the surcharge on coal even temporarily for a period of six months and request the railway administration to watch whether the traffic in Indian coal both for short distance and long distance increases or not and whether the receipts from such coal freights counterbalance the loss of revenue from the abolition of the surcharge.

The next point I bring before the House is none the less important. Sir, the Indian Stores Department was created for centralising the purchase of all stores required by the different Departments of the Government including the

[Mr. Jagadish Chandra Banerjee.]

State Railways. Here I will quote one example which will conclusively prove how the Stores Department is flouted by the railways and how particular stores materials manufactured by European firms are demanded from the Stores Department by different railways. Here I take only one item of purchase, *viz.*, the purchase of paints. The stores purchase policy of the railways is very defective. Sir, it is a matter of great surprise that there is no co-ordination in the different sections of the State Railways in the matter of the purchase of stores required for all railways. Sometimes one particular section of the State Railways tests a particular material required for their use. After a severe test for several years they find that the material is good and economical. But in spite of obtaining this result, that material will not be purchased if it happens to be manufactured by Indian firms. It is not my assertion only. I have gone into the papers of one or two of the Indian paint manufacturers. I am more or less convinced that fair treatment has not been meted out to them. Sir, paint is a substance which is purchased mainly by the railways. In India there are only two Indian paint manufacturers, *viz.*, the Murarkas and the Napiers. These two firms are run with Indian capital and Indian management. There are on the other hand several paint factories the capital of which is purely European and is run with European management and establishment. I have seen papers from which I feel that in order to deprive the two Indian firms of their legitimate dues the Railway Board and the Indian Stores Department go out of their way to cancel the original tenders as the rates quoted by the European firms were higher. They then call supplementary tenders within one week from the date of the opening of the original tender and the two European firms of Jenson Nicholson and the Shalimar Paint Works quote a lower rate within one week for the same materials, with the result that the paints required for wagons are purchased from those two European firms depriving the two Indian firms. If this is not undue preference for Europeans, I do not know what unfair treatment can there be for Indian industries?

Then, Sir, I come to the question of the Railway Watch and Ward Department. A vast sum of money is being spent on this department. The Watch and Ward Department was originally created with the idea of stopping thefts both from the station platforms, goods sheds and also from running trains. Sir, to my utter surprise I find every day in the newspapers that passengers are being robbed right and left from running trains and as far as I am aware in most of the cases the culprits are not traceable. Only the other day when I was coming to attend the present session, I was robbed of a good deal of my belongings from a first class coupe compartment between the stations of Barrackpore to Dum Dum on the Eastern Bengal Railway and I am positive that the culprit in this case will also not be traceable. I have a shrewd suspicion that such running train thefts always take place in connivance with the railway staff and therefore a vigorous enquiry to bring the culprits to book are necessary in all cases of such thefts irrespective of the status of the passengers concerned.

Only one other point, Sir, and I have done. As I come from East Bengal I am very much interested in the construction of the Dacca-Aricha Railway. It is a matter of great surprise to the people of the locality as to why the Government after surveying the route and finding the project to be a paying one have gone back on their promise to construct the railway. Sir, the reason that the Bengal Government is against the proposal is as unconvincing as ever. The original survey was made in consultation with the Government of Bengal. They never objected to the proposed scheme at that stage. It is understood

that only after representation was made to the Government by certain European steam navigation companies, to the effect that such a construction will effect adversely their trade; the Governments, both Provincial and Central, found out one fine morning that the scheme will affect the health of the people. Sir, I make bold to say that this lame excuse of the Government is not believed by the masses who are adversely affected by the non-construction of this Dacca-Aricha and Tangi-Tangail-Singjani Railways. The agriculturists in these localities find it very difficult to market and get a good return for their produce. The locality is interspersed by rivers and canals and as such it is not possible to have proper road communication for motor transport. To my mind these are the localities where railways should be extended as there is no chance of any road motor competition.

I hope, Sir, Government will take notice of these points and give due consideration to them.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Mr. President, I should like first of all to congratulate the Honourable Railway Member and the Chief Commissioner of Railways for the very frank and clear statement of their financial position, dark and gloomy as it is. They are thoroughly entitled to our thanks for their strenuous efforts in keeping down working expenditure as low as possible; further for not launching out further programmes of expansion.

In its present state of depressed and decreasing revenue and expenditure, there is not much to say by way of criticism. Sir, I may however make one or two observations regarding their proposals to secure increased earnings during the coming years.

Sir, their first objective in this direction seems to be (1) to put down the motor transport by road by some sort of restrictive legislation and (2) by increasing freights and fares. Sir, at a time when the whole country is crying for rural reconstruction, rural uplift and amelioration of the economic condition of the agriculturists and the masses, it is a pity that the railway administration is hard upon the motor transport by roads, under the specious plea of co-ordinating the rail and road transport. Motor transport by road is still in its infancy, it has no such elaborate organisation throughout the country; it is largely confined to the middle class rich people and they operate between short distances at a stretch. At any rate, Sir, we are not aware of any data justifying the alarming conclusion that the administration has come to.

The Honourable Member for Railways has taken great pains to find out the causes of such a continuous fall in railway earnings for the last few years. The chief factor contributing to this is no doubt the world depression. And as this is Providential we cannot sit in judgment on it.

Again, Sir, the doctrine of self-sufficiency rightly or wrongly threatens to become universal and doubtless is a phase in economic nationalism every where. I think the authorities may well put forth great energies in stimulating inter-provincial trade to our advantage.

I feel, Sir, that in addition to the causes set by the Honourable Members, there is a shrinkage of currency in the country, more production and less currency.

Lastly, Sir, I wish to draw the special attention of the Railway Member and the Chief Commissioner of Railways to the universal dissatisfaction among Muslims at the very low proportion they hold in the different branches of railway service and administration. Sir, assurances were no doubt given from

[Mr. Mahmood Suhrawardy.]

time to time that an adequate proportion of Muslims will be employed in all departments of Government, but the fact remains that those assurances have not been put into action. Recently, Sir, I have received representations from young and educated Muslims about the manner in which they have for one reason or another, been kept out of service by the appointing authorities. The principle of efficiency, I fear, has been strained too far. For example, recently in the Eastern Bengal Railway, four commercial inspectors were to be recruited, of whom two Muslims were selected but the Railway Board, I understand, Sir, instructed the railway administration not to appoint them by direct recruitment but the posts should be filled in by promotion and these as a natural consequence went to the Hindus. I do not know, Sir, why no Muslims were appointed to these posts. Formerly these posts were filled in by direct recruitment. I hope my Honourable friends, Rai Bahadur Lala Ram Saran Das, Mr. Kalikar and Mr. Banerjee, will not mind if I speak out the truth that my community has always been neglected in the subordinate and superior services.

With these words, Sir, I draw the attention of the Honourable Sir Guthrie Russell to the necessity of safeguarding the interests of the minority communities as far as possible.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I desire first to congratulate the Honourable Sir Guthrie Russell on the clarity of his statement. The statement that he has presented is short, businesslike, and discusses practical problems in a practical manner. In presenting the Railway Budget last year, Sir Guthrie Russell had struck a note of optimism. It was felt last year that in India we had, to use the words of Sir Joseph Bore, turned the corner, and that we were well on the road to recovery. The forecast that the budgetary position would be better than it was in 1933-34 has not turned out to be true, and it is probable now that our traffic receipts will not exceed Rs. 90 crores and that our actual receipts will be Rs. 3½ crores below our budget estimate. Sir Guthrie Russell and the Honourable the Commerce Member, Sir Muhammad Zafrullah Khan, whom we are glad to see here in the House today for the first time—

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : No, no. I have been a Member of this House !

THE HONOURABLE MR. P. N. SAPRU—in this session, and whom we know is acquainted with the main currents of thought in this country as he comes from public life. Sir Guthrie Russell and the Commerce Member are right therefore in framing their estimates of earning for the year 1936-37 in a conservative spirit. I do not propose to examine the causes which are responsible for this fall in our earnings. They have been stated by Sir Guthrie Russell and Sir Zafrullah Khan. But what I propose to comment on is the comparatively high working cost of our railways. Both Sir Zafrullah Khan and Sir Guthrie Russell attributed it in part to the labour legislation which has been introduced in India in recent years. Sir Zafrullah Khan said that one result of the application of the Geneva and Washington Conventions has been to increase the working cost of the railways by about half a crore. This is what he says in his speech. It is a little difficult for me to accept this analysis as correct. The argument presumably is that as the introduction of hours of employment regulations in 1931 has resulted in reducing hours of employment, the working

costs have gone up. Now, it has not been shown that as a result of the enforcement of these regulations and the introduction of shorter hours, the staff has had in fact to be strengthened. I do not think there has been any strengthening of the staff.

THE HONOURABLE MR. HOSSAIN IMAM : It has been reduced.

THE HONOURABLE MR. P. N. SAPRU : On the other hand, there has been considerable retrenchment in the railways. How have these hours increased the working costs ? I do not, therefore, understand how labour legislation has anything to do whatever with the increase in working costs ? We often hear it said that railways ought to be run as a commercial concern. That is not exactly my point of view. I think there are certain human values which ought to be respected, and these human values over-ride mere commercial considerations. I am always for labour legislation and I should be sorry if this talk of retrenchment were to result in any general apathy towards labour legislation. What then is the real explanation of this increase in the working costs ? I will venture two. Firstly, there has been some increase in the staff of gazetted officers. I find that in the East Indian Railway alone, in 1925 there were 206 gazetted officers, while in 1934 these 206 had risen to 307, or there was an increase during this period of 101 gazetted officers—more than 50 per cent. Then, Sir, take the stores purchase policy of the railway administrations. Articles are lying idle for years and yet they are being purchased every day. Fresh orders are being placed for refrigerators, electric implements, tools and plant. We on this side would like the Honourable Member to place on the table of the House the annual survey of tools, plant and implements and the stores list of the East Indian Railway for information. Perhaps these lists may throw some light on the stores purchase policy.

I shall pass on to the question of the future control of Indian Railways. Indian opinion has always been in favour of State control and management of Indian Railways. The majority report of the Acworth Committee accepted this principle of State management in 1921, and in 1931 there was a Committee of the other House to go into this question and they suggested that the leases of the Bengal and North-Western and Rohilkund and Kumaon should be only extended by five years. Now I think these leases will be expiring in 1937 and the question that has to be considered is, are you going to renew these leases or are you going to take over the management and control of these railways in your own hands ? Money is cheap. In the money market today you can borrow large sums at very easy rates of interest. You will be helping the money market also to some extent if you float a loan for the purpose of purchasing these railways, and there is therefore no reason why the Rohilkund and Kumaon Railway, the Bengal and North-Western Railway and the Madras and Southern Mahratta Railway should not be owned hereafter by the State. There is no doubt that State management is better than company management and I find that in the Annual Report of the Railway Board of 1925-26 the benefits of State management were stated in this manner :

“As a result of territorial adjustments referred to above, termination of contract with the Great Indian Peninsula and amalgamation of the East Indian Railway and Oudh and Rohilkund Railway, there has been a large reduction in the number of junctions between the railway administrations in the north of India with corresponding economies of time and money in the matter of transfer of traffic and rolling stock from one administration to another. The number of junctions where two or more State-managed railway administrations meet has in fact been reduced from 18 to seven by these adjustments.”

Therefore my suggestion would be that we should purchase these railways. State management will help us to get rid of the London Board charges. The

[Mr. P. N. Sapru.]

Pope Committee made certain recommendations regarding economies on the Madras and Southern Mahratta Railway and the Eastern Bengal Railway and when a question was put in the other House Mr. Rau stated that economies could not be effected unless the State took over the management of the Madras and Southern Mahratta Railway. We shall need probably about Rs. 8 crores to purchase the Madras and Southern Mahratta Railway and about Rs. 13 crores to purchase the Bengal and North-Western Railway. Why should we not float loans and purchase these railways? When, for example, the Reserve Bank shares were floated in the market, they were over subscribed, and it will be easy for you therefore to raise the necessary funds. We should not like you to have sterling loans. If you float these loans in India you will be able to get an adequate response from the public.

Then, Sir, there is a certain amount of dissatisfaction with the stores purchase policy of company-managed railways. Reference was made, I think, to that policy by my leader Lala Ram Saran Das, and we find that goods which could be purchased in India are sometimes purchased by these company-managed railways from foreign countries. In 1933-34 company-managed railways imported Rs. 66.36 lakhs of foreign goods.

Then, Sir, there is no reason why we should not build our locomotives in India. In 1935 the Assembly passed a Resolution that in Ajmer, where we have workshops, locomotives should also be manufactured. If we manufacture locomotives we will also be encouraging the automobile industry. They can be manufactured along with locomotives.

I should just like to say a few words on rail-road competition. The country has yet to be opened up. There are parts where the only method of transport is the motor bus. These are considerations which we must bear in mind in examining this question in a dispassionate spirit. Why are motor buses popular with the ordinary people? Why do they prefer them to railway trains? We must seek reasons for this preference. Not only are the fares on these buses low but people get certain amenities on these buses which they do not get on railway trains. Our third class passengers have to suffer very great hardships. The ventilation in these compartments is very bad; the sanitary arrangements are perfectly disgraceful—I think I am not using a very harsh word. I have travelled by a bus myself and I can assure the Honourable Sir Muhammad Zafrullah Khan that a bus is much more comfortable than a third class railway compartment, and as one who has had some experience of bus travelling I can say that one has the feeling that one is one's own master in a bus. There is that feeling; if you are going in a bus or motor car you feel in some ways happier. The third class passengers have very legitimate grievances. They contribute a great deal to our railway exchequer. We think of the first class passenger; we think of the second class passenger; I do not know that we think very much of the intermediate class, but we never think of the third class passenger. Therefore I think that if we improve the condition of third class travel in this country, then railway travelling would become more popular and railways would be in a better position to compete with the motor bus. If you want to improve railway revenues, you must make railway travelling more attractive. By increasing fares we are not going to make railway travelling more attractive. The poor man, the cultivator has been hit hard by the world economic depression, he is being hit hard by the monetary policy of the Government of India, and if you add to all this increased fares you will hit him harder still. I think that it is not fair and we, Sir, should be opposed

to any increase in railway fares. We have no right to increase railway fares until the conditions of travel also improve.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: How can you have it both ways?

THE HONOURABLE MR. P. N. SAPRU: I think you can have it both ways. If you provide more amenities then more people would travel because they would be attracted by your trains. They hesitate to use your trains today because they are not satisfied with the treatment they get as third class passengers. I have observed how the railway staffs behave towards these people. I think it is only these people who can tolerate the way they are sometimes treated, and I think it is not right that human beings in the 20th Century should be treated as they are treated on some occasions by our railway staffs. I do not say that a policy of co-ordination between the railways and the motor bus interests is not desirable. As a matter of fact my own inclination is always in favour of greater State control, and I should be prepared to support some co-ordinated policy on the lines suggested by the Mitchell-Kirkness Committee's Report. I have got that passage, Sir, here. I quoted it last year.

"The evils from which public service motor transport is suffering are largely due to excessive competition, unemployment among buses, and their concentration on the more populous routes. The number of licenses for buses on any route might be restricted; the issue of time-tables, publication of schedules of fares and compulsory insurance might be prescribed. Such control would raise the business to a better and more economic condition."

Then, Sir, there is just one other observation and that is in regard to the recommendations of the Whitley Commission about the joint standing committee. I was going through the very valuable report on the action taken by the Government of India in regard to the recommendations of the Royal Commission on Labour in India and I find it is stated there that no action has been taken yet to set up the machinery indicated by the Whitley Commission. I am one of those who believe in industrial peace and I think the Whitley Commission rendered great services to this country and one of the valuable recommendations they made was in connection with the joint standing committee, and I would like the railway authorities—I think there have been some discussions between railway men and the railway authorities—I would like the railway authorities to take up this question at an early date and implement the recommendations of the Whitley Commission in regard to these joint standing committees. These are all the observations that I have got to make on this Budget.

THE HONOURABLE THE PRESIDENT (to the Honourable Saiyed Mohamed Padshah Sahib Bahadur): I would like you to be as brief as possible, because I intend calling the Railway Member at 4-15 to reply to the debate. There are other speakers also.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, whatever may be our disappointment at finding that railway finances are still in the grip of depression, we cannot but congratulate the Honourable the Railway Member and the Honourable the Chief Commissioner for the courage and candour which they have displayed in preparing the budget for this year and for presenting a true picture of the real state of affairs. Sir, if the press of the country is any index of the public

[Saiyed Mohamed Padshah Sahib Bahadur.]

opinion, the Honourable the Railway Member has already succeeded in winning the confidence, the sympathy and appreciation of the people. It is said, Sir, that by the simple candour which he displayed in his speech yesterday in the other House and by the readiness with which he took the whole House into confidence, he was able to disarm all criticism and proved himself to be a consummate statesman who knew well how to handle a difficult and delicate situation. Sir, I feel that it is a happy augury—a clear and strong assurance of the way in which the Honourable Member has set about his work.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Rai Bahadur Lala Ram Saran Das.)

I feel, Sir, that the note of restrained optimism and cautious hope which he has expressed when he concluded his speech in the other House on the Budget will ultimately bring results which would be more happy, more substantial and more permanent than has been the case hitherto. Nevertheless, Sir, I feel that we would be failing in our duty if we did not sound a note of warning. In trying to improve railway finance the Honourable the Railway Member should have to make up his mind for a complete and thorough overhaul of the present railway system. Mere tinkering will not be of any avail. Just about this time last year it was thought that we had emerged from the slump of depression and high hopes were entertained of our being set on the road to recovery, but just then a downward tendency had set in which has persisted since and has resulted in belying all those high expectations and hopes. This calls for a close examination of the present system. Again, Sir, I would refer to another aspect which has been commented upon by some of my Honourable friends who have taken part in this debate today. It is in regard to the inability of the railway services to cope successfully with the competition that comes from the road transport. Sir, it is a matter of common knowledge that in Western countries the road transport is very much more highly developed and organised than in this country, but in spite of all that the railways there are perfectly in a position to hold their own against the challenge from this rival means of transport.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: Are you quite sure?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I have got my own personal experience of the fact.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: I am afraid I am not quite sure of that: I am rather inclined to think it is the other way.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I feel that it is due to the fact that our railways are not quite so attractive to the travelling public as they ought to be. We know that the traffic which is diverted to the motor lorries and buses is the third class passenger traffic and this traffic is diverted because of the want of amenities in the third class journey on Indian railways which have been so much commented upon by some of my Honourable friends here.

Sir, in this connection I would state that it would be highly inadvisable for the railway authorities to try to put any obstacles in the way of this motor transport. In view of the fact that every effort is needed at present to open

up the countryside, there should be no handicap upon any means of transport which would go to open up the country. In my opinion the better course and the saner course for the railways would be not to try and get any undue restrictions imposed on motor traffic, but to improve its own condition and to provide some amenities for the travelling public in the third class. They must make an effort at least to provide them with something like human comfort and human accommodation.

Again, Sir, we are all aware that about the middle of the year before last a Crop Planning Conference was held. As a result of this conference railway authorities were placed in closer touch with the officers of the Provincial Governments who were endeavouring to help the agriculturist to find a market for his crop. I should like to know what the railway authorities have done in order to encourage this home market and I would submit that in any modification that might be effected of the rate, they might have this objective in view and see that every modification is so designed that it would go to stimulate the home market.

Now, Sir, just one more point and I have done, and that is about the long standing grievance of my community which has been ventilated already by so many of my Honourable friends who have taken part in the debate. Sir, it is very discouraging to see that in spite of all that is done to adjust communal inequality, the position of the Muslim community has gone from bad to worse.

As my Honourable friend Mr. Hossain Imam quoted figures this morning to show that the percentage of Muslims in the services has come down from 22.6 in 1925 to 21.7 in the year ending 31st March, 1935. It looks as if we are progressing just the other way. I realise, Sir, that this is not due to any negligence on the part of the Railway Board and the railway authorities here but to the way in which their instructions are acted upon by the railway agents in various parts of the country. It looks as if every device is resorted to to keep out Muslims from the railway administration. The other day I am told there was a vacancy in the commercial branch of the South Indian Railway. This was given to a non-Muslim. But when another vacancy occurred in a technical branch—the Engineering branch of the service, that vacancy was regarded as a specifically Muslim vacancy. The authorities there should have been aware that in trying to help a community which is so poorly represented in the service they ought not to throw open to the community only such posts as carry technical qualifications. These are the devices by which Muslims are kept out of railway service. In my province, Sir, there are two railway companies working, the South Indian Railway and the Madras and Southern Mahratta Railway. In each of these companies there are about 150 officers and in one company, that is, in the South Indian Railway, out of 150 officers there are only two Muslims and the Madras and Southern Mahratta Railway seems to have taken care to keep out Muslims altogether from the officers grade. I wonder, Sir, how in spite of the instructions that were issued to these companies from the Government of India they have been able to go on as they have been doing for so long?

Sir, I would just say one word about the talk of efficiency that was indulged in by some of my Honourable friends here. Sir, I deprecate with all the emphasis at my command any insinuation that efficiency is likely to suffer if an attempt is made to adjust communal inequalities. I know, Sir, there is a sufficient number of qualified and competent men in every class and community in India who would be quite enough to take up all the positions of responsibility in the administration of the country. Railways, Sir, are utilised by every class and community in India. Railways is a branch of

[Saiyed Mohamed Padshah Sahib Bahadur.]

service which caters for the needs of all classes and communities in the country and it is but fair that every attempt should be made to see that every important community is represented properly in the administration of railways. Sir, to secure this kind of communal representation in this particular branch of service I feel, Sir, will appeal to every just-minded person and anybody who is a nationalist and who demands that the right of Indians should be admitted to their share in the administration of the country cannot take any reasonable objection to this most reasonable demand that every class and community in the country should have their due share in the administration of the railways. I do not want to dilate upon this point and I would conclude by saying that my Honourable friend who is now adorning the Chair made a suggestion that in cases where Muslims are found to be more than 60 per cent. in service there should be no further recruitment of Muslims and in services where they are less than that there might be recruitment. Proceeding on this basis, I feel that in places like mine where Muslims are so few and in some branches of service they are not represented at all, they might be recruited now so that they might reach their 25 per cent. and I would gladly accept their being shut out from services where they are in excess of this percentage.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, once more, in the words of the Chief Commissioner of Railways, the picture of the Railway Budget that has been presented this year is a gloomy one—far gloomier than any of Government's reasonable hopes led them to expect. The Honourable Sir Guthrie Russell in this House as well as the Honourable the Railway Member in another place dwelt at some length on the causes which have contributed to the unsatisfactory state of railway finances, and the Chief Commissioner was optimistic about the future. But in my opinion there is little hope of a number of these causes being removed in the near future and so the financial position of the railways must continue to be unsatisfactory for several years to come. The Government anticipate increased earnings of a crore as a result of alterations in rates and fares which the railways have introduced or intend to introduce during the current year. But I am doubtful if in this way the earnings will be increased. While, to my mind, increased earnings, in view of the unsatisfactory economic conditions, are problematical, the working expenses will be increased by Rs. 28½ lakhs: I will urge on the railway authorities that the question of increasing rates and fares should be carefully considered before effect is given to it because in my opinion in this matter the authorities should proceed with caution. The other method proposed to increase earnings is to stop the loss of revenue due to ticketless travel by enacting legislation to enable Government to cope with the evil. This is a matter in which all reasonable proposals should I think receive our support, provided of course they are reasonable.

But in my opinion the deficits in future can be reduced if the cuts in salary are re-imposed and further economies are introduced. The main reason for the deterioration in the financial position of the railways, to which no reference has been made either by the Railway Member or the Chief Commissioner of Railways, is the enormous increase in interest charges since 1924-25. In that year they amounted to Rs. 23.90 lakhs and in 1936-37 they are estimated to amount to Rs. 31.11 lakhs. Reckless and extravagant capital expenditure, if I may say so, in the past is largely responsible for the present plight of the railways. It has not been justified by results. The

deficits for the six years 1931-32 to 1936-37 would if I mistake not total Rs. 46 crores. If the interest charges had stood at the figure of 1924-25, there would have been a substantial surplus in spite of the fall in earnings. It is high time that the Government considered how far it is advisable to incur capital expenditure out of borrowed money in future if the position is not to get worse further.

Now, I wish to deal with one or two specific points of grievance. Firstly,

4 P.M.

I wish to bring to the notice of Government the fact that the North Western Railway section between Meerut and Saharanpur is sadly neglected in the matter of running of through railway carriages. Formerly, through carriages used to run on this section for Hardwar which is a great Hindu pilgrim centre. But since the introduction of a through train between Delhi and Dehra Dun on the Gajraula-Chandpur Siau section of the East Indian Railway, all through carriages on the North Western Railway section between Meerut and Saharanpur have been discontinued. Consequently, passengers going to Hardwar from stations lying between Meerut and Saharanpur have to change trains invariably at Saharanpur and at times at Lhaksar also. On the other hand, passengers going from this section in the other direction, *viz.*, to Moradabad have similarly to change at two places, namely, at Meerut and Hapur. I would request the railway authorities to re-introduce the running of through carriages over this section in either direction, namely, for Hardwar, and Moradabad, for the convenience of the travelling public.

The other point that I wish to emphasise in connection with this railway section is the lack of sense of proportion in the matter of train timings. While in some cases trains run in the same direction within an hour or two of each other, in other cases there is an interval of as many as 10 hours between one train and another. I wish that a better sense of proportion should be observed in fixing train timings on this section in future.

Lastly, Sir, I would request the railway authorities to examine the question of introducing servants' tickets for inter class passengers. I hope Government will consider this proposal in the interest of the railways themselves.

THE HONOURABLE SRIJUT HERAMBA PRASAD BARUA (Assam: Non-Muhammadan): Sir, I would like to make a few observations in connection with the Railway Budget. We have carefully listened to the speech of the Honourable the Chief Commissioner at the time of the introduction of the Budget and to the doleful tale of the losses. But we are very thankful to him for the frank way in which he has presented the Budget. Sir, we are in a very unenviable position with regard to railway finances, and the main reason adduced for this unenviable position are the world depression and general collapse of commodity prices, the striving after self-sufficiency by almost every country in the world including India and the increase in competition, or in other words, the rail-road competition.

As regards world depression, we have no hand over it and we must wait till times improve. As regards the striving after self-sufficiency or the tariff policy of the nations of the world, we are told that this striving after self-sufficiency is replacing the long lead traffic by short lead internal traffic. Sir, all that I understand by the long lead traffic is that it is mainly meant for traffic to and from ports and I am glad that this traffic is being replaced by the short lead internal traffic. As a matter of fact, we really do not want that the foreign importer should dump his goods in the country and export the raw materials out of it, and I think that the railway system, which is a national asset, ought to be glad that the internal traffic is increasing and that the

[Srijut Heramba Prosad Barua.]

internal trade is on the way to rise. If the material prosperity of the country improves, I am sure it will go a great deal to contribute towards the general prosperity of the country and of the railways as well. The last factor, we are told, which is contributing to this unenviable position is the rail-road competition. Sir, I entirely agree that there should be co-ordination between the railway and motor transport and that each should be complementary to the other. But, Sir, if there be any desire on the part of the railways to handicap the motor traffic, we cannot countenance such an idea. If the railways feel that there has been some competition going on, and the competition is serious, it certainly does not go to the credit of the railways very much. If the railways mend their ways, I am sure that the traffic would not be diverted to the roads. In this connection, last year, when I had the privilege of addressing the House, I suggested that lower class railway compartments, particularly third class compartments, should be made more attractive and that electric fans and other amenities, more sleeping accommodation for night journeys and better water supply and latrine arrangements should be provided for.

(At this stage the Honourable the President resumed the Chair.)

As a matter of fact, the third class passengers are the best customers of the railways. They are the best paymasters, and if they feel that they do not get amenities as they ought to, it is but natural that they should give up travelling by railways and take to motor buses. In this connection I would like to refer to an extract from a speech of the Honourable the Railway Member, delivered at the annual meeting of the Indian Railway Conference in Simla in October, 1934. It reads thus :

"Whatever may be the strictly narrow view of such competition, present and prospective, we must all admit that in the larger interests of the country it is good that it should exist, for only through such rivalry can the public be assured of the maximum efficiency in service at a minimum cost. Apart from everything else, such competition is inevitable, and there is only one sound method of meeting it. So long as railways do not live in the past, so long as they endeavour strenuously to meet fully, efficiently and effectively the ever varying demands of the present and yet keep their eyes searching on the future and its possibilities, so long and no longer will they endure successfully."

Sir, India is a country of villages. The Royal Commission on Agriculture, the Linlithgow Commission, also recommended that the roadways of India linking up the countryside with the towns should be improved. That was one of the main recommendations of the Linlithgow Commission, and if the roads are improved, I am sure, the revenue-yielding power of the country will improve and also the purchasing power of the people and the village ryots improve along with it. If we are to stifle motor transport it will be ruinous to the country. There are vast tracts of country in India which are still unexplored, and this particularly applies to my Province of Assam, where the roadways are inadequate and very poor. Give us more railways and roadways and I am sure, a province like Assam, full of precious resources, will develop and will not disappoint you.

Now, Sir, if we are to make the railways more attractive I would suggest that instead of increasing the rates and freights, we should rather lower them. There might be some loss in fares presently but I think in the long run it would by attracting more passengers and traffic make the railways profitable. I look with alarm on the prospect of the rates and freights being enhanced, particularly in my part of the country. Rates of third class fares are already too high. At present the rate obtaining in the Assam Bengal Railway is four

pies per mile, for both long and short distances, and any increase on that will be the last straw on the camel's back. Of course I have learnt that some concession in the fares on the Assam Bengal Railway is going to be made in the Bengal section running between Chittagong, Mymensingh and Badarpur. But in the section that runs in Assam between Tinsukia and Pandu the rates remain as high as ever. This railway has been paid well by the traffic from my part of the country and Assam has contributed sumptuously to the receipts of this railway. But what is the share of the Assamese people in the administration and services of this railway and also of the Eastern Bengal Railway? I do not want to repeat what I said last year. Suffice it to say that the Assamese element in the service of these railways is almost nil. The Honourable Mr. Hossain Imam today referred to the percentage of Muslims employed in railway services. Sir, although I come from a non-Muslim constituency, I am the only member from my province and I feel that I also morally represent the Muslims of my province. I do not want to quarrel over percentages. I will be satisfied if the Assamese are given their due share in the employment on these railways, no matter whether they are Muslims or Hindus. I would be satisfied if Muslims alone are employed provided they are Assamese. I am rather in a happy position that we have no real communal problem.

Sir, I will refer to one more grievance in connection with a certain railway in my province, the Dibru-Saidya Railway. In the last Simla session I asked the Government if they knew that this railway has coaching stock which is not equipped with communication cords or alarm signals and if they were going to direct the authorities of this railway to fit their coaching stock with such signals. Sir, I am disappointed to find that in a statement laid before the House the other day I am given to understand that this is a fact but as the railway runs only short distances between stations, the greatest being $7\frac{1}{2}$ miles, these cords are not necessary. This is a metre gauge railway. I wonder if accidents might not take place in a distance covering $7\frac{1}{2}$ miles. We have heard from the Honourable Mr. Banerjee that when he was travelling to Delhi the other day he was robbed of his box with valuables, in spite of the vigilance of the watch and ward staff. And it is with some concern that I read in a newspaper the other day that the brother of our Honourable the Railway Member had a very alarming experience of finding a dagger plunged into the mattress of his sleeping berth occupied by him in the railway compartment while he was travelling; and all that taking place in spite of the vigilance of the watch and ward. If such things take place in places where there is sufficient vigilance, I wonder whether there is any safety in places like Assam, where there is absolutely no vigilance of the watch and ward. Sir, I bring this matter to the notice of the Railway Board.

With these few words, Sir, I resume my seat.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN (Member for Commerce and Railways): Sir, it has been a great pleasure to me to come back to this House and to meet so many of my friends with whom I had the honour to serve as a Member of this House almost four years ago. While I have been listening to the debate on the Railway Budget, I have been struck by the fact that although this is a much smaller House than the other House, the range of criticism and suggestion that I have to deal with at the end of the debate is very much wider than I had to deal with yesterday. That of course is primarily due to the superior wisdom of this House, but partly also perhaps to the fact that Honourable Members have had one day longer to consider the Railway Budget and also I think to some extent to the habit which Honourable Members in this House have of reducing their thoughts into writing in

[Sir Muhanumad Zafrullah Khan.]

advance, a habit which certainly conduces towards precision and the compression of a great deal of matter into a comparatively short space; but however salutary that habit, it has increased my responsibility inasmuch as within almost the same space of time that I took yesterday in the other House I have to deal with a much larger number of suggestions that have been put forward.

Sir, I am extremely grateful to Honourable Members for all the help, and the very kindly help I must say, that they have offered to the Chief Commissioner and myself in their criticism of the Railway Budget and the very sympathetic attitude that they have displayed towards those upon whom rests the responsibility for the administration of the Indian system of railways. In dealing with that criticism, I propose to follow this method. I shall first try to clear up one or two matters with regard to which Honourable Members have said that they did not get as clear an explanation from the documents supplied to them as they expected. I shall then deal with some of the matters upon which several Honourable Members have touched, which are of a general nature, and I shall finally try within the limits of the time then left to me to deal with such individual criticisms of a comparatively important character, with which it might be possible for me to deal at that stage.

Now, the first matter with regard to which an Honourable Member complained that they were not quite clear as to what was meant was the matter referred to by the Honourable Mr. Hossain Imam with regard to the rate of interest. He pointed out that at the bottom of page 9 of the Explanatory Memorandum of the Railway Budget it was said that a reduction in the interest charges was

“due to a fall from 5·20 per cent. to 5·04 per cent. in the rate of interest charged on railway capital expenditure after 1916-17”.

The criticism was that the interest charges provided for in the Budget indicated a rate of interest of close upon 4 per cent., to be exact 3·9 per cent., and the Honourable Member was not able to understand why the rate was mentioned in this particular sentence as standing at 5·04 per cent. The explanation is that up to 1916-17 there was a fixed rate of interest, a fairly low rate of interest, and since then the rate of interest upon the capital that has been added to the capital at charge after 1916-17 has been comparatively high. This 5·04 per cent. is not the rate at which interest is being paid during the current year, but the average rate spread over all the years between 1916-17 and 1934-35. The present rate of interest actually is, as I have said, 3·9 per cent. and as the rate of interest continues to be reduced, railway revenues will continue to get the benefit of it. As has been explained in my speech and as a matter of fact explained in the Memorandum itself, we expect that a further reduction ranging from about Rs. 25 lakhs to Rs. 50 lakhs a year increasing from year to year will be enjoyed by railways during the course of the next few years. The next matter with regard to which an explanation was required by the same Honourable Member was with regard to the reduction in the capital at charge of the Burma Railways. He referred to page 17 of the Administration Report and wanted an explanation as to how it was that in 1932-33 there had been an adjustment which showed that the capital at charge in respect of the Burma Railways could be reduced by Rs. 90 lakhs, and he wanted an explanation, for in default of an explanation he thought he would be justified in suspecting that that was being done in anticipation of the separation of Burma in order to show that somehow this was a windfall which might result from separation. That, Sir, is not so. The explanation of this writing off of Rs. 90 lakhs in the capital at charge of the Burma Railways is that the

rate of exchange at the time that the capital was borrowed was more unfavourable to the rupee than it was at the time when the Burma Railways were acquired and that capital had to be paid off. The Burma Railways were acquired in 1929 and the capital at charge was paid off partly in 1929 and partly I believe in 1932. Government had to pay Rs. 399 lakhs in order to pay off the £3 millions share capital which had originally been valued at Rs. 489 lakhs. The difference was Rs. 90 lakhs, so that after this payment had been made in 1929, and the debenture stock was paid off in 1932, the Rs. 90 lakhs had to be written off. Another matter with regard to which an explanation was required was the rate of interest paid on provident funds. A point was sought to be made that as the ordinary rate of interest was now so low, if we continued to pay a high rate of interest on accumulations of the provident fund we would be losing a considerable amount every year and that if we reduced the rate of interest to the ordinary bank rate we would be saving as much as—I think the Honourable Member mentioned—Rs. 80 lakhs a year. Well now, the fact is that, the minimum rate of interest paid on provident fund deposits is 4 per cent. Above 4 per cent. it is regulated with reference to the average rate of interest during the previous five years so that if the rate of interest has been low during the previous five years, the benefit begins to appear after the five years are over and so on. But apart from that altogether, even if it were feasible—which it is not—to reduce the rate of interest (as a matter of fact it is a contractual obligation and the rate of interest cannot be reduced arbitrarily) the liability is that of general revenues and not of railway revenues. General revenues are in charge of this provident fund and therefore if they have to pay more in the way of interest on it than they are able to earn by way of interest on it or by way of investment on it, it has to be made up by general revenues and not by railway revenues, so that, as I have said, even if a reduction were feasible, the benefit would not go to railway revenues. Now, Sir, I might, as I said, turn to the more general criticisms of railway policy or of those matters that were mentioned in my speech or in the speech of the Chief Commissioner of Railways. One matter referred to was the proposed alteration in rates and fares and it was said: Well, you must do that very carefully, if at all, because it is very probable that if you raise your rates and your passenger fares, the likelihood is that you will not gain very much in the way of revenue and you might drive away custom which you might find it difficult afterwards to regain. As regards that, Sir, I have already explained in the other House and I shall briefly explain here that the attitude of railways is that there is not a very large scope for any increase in passenger fares or in rates of freight. They are conscious of the fact that if there were any drastic increases, they would either result in further reductions in earnings by driving away traffic which may not subsequently be recaptured or injure certain trade or commercial interests, and that therefore, if they resort to any increase in this respect, they must do so very carefully and only in such cases where they are reasonably certain that neither of these contingencies would result. Now Agents and their officers who have examined this aspect of the question are just as human as anybody else. One Honourable Member said: Well, if you can guarantee an increase in earnings without injuring any other interest, you may do so. I am afraid we cannot guarantee anything of the sort. But having looked into the matter carefully, the Agents have made their proposals, or are about to make them, and we have every reasonable hope that without injuring any interest that the Honourable Members have at heart we might be able to add a crore or a crore and a quarter to railway earnings.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But this hope will fail!

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: That the Honourable Member has already said! We differ on that point. I am hoping that at the end of the year he may be proved to have been a false prophet!

Again, it has been suggested that in dealing with these matters generally, i.e., the fixing of rates, the railways have not paid much regard to the development of industry or the fostering of internal trade or helping agriculture. Again I differ from those Honourable Members who are persuaded that that is the case. The railways are at all times careful so to adjust their rates as not to injure any of those interests and to help wherever they can consistently with their duty to see that the railways do not incur any greater fall in earnings than may be absolutely unavoidable. There are two ways of looking at this matter. One is the adjustment of rates and fares in such a way as to help those interests and to foster them without neglecting the interests of the railways. The other way is to use railway finances to provide indirect subsidies for those interests. I am afraid the latter is not the view of the railways. If, as was explained by my predecessor, Sir Joseph Bhole, the latter happens to be the policy adopted by Government, any subsidies that have to be provided must either be provided directly or the railways must be distinctly told that they must provide indirect subsidies to a certain extent to certain trades or industries or certain forms of agriculture and Government must be prepared to absolve railways from their financial responsibility to that extent. But within the limitations that I have submitted, it is always the policy of the railways in their own interests as well as in the interests of the country to see that their rates are so adjusted as to encourage industry and trade as well as agriculture, because after all it is only by fostering the progress of the country in these matters that the railways can continue to hold and to increase their traffic.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What about surcharges on coal?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: I am coming to that.

In this connection there was some criticism of one of the explanations given with regard to the fall in railway revenues. It was said: When you refer to the policy of self-sufficiency and the increase in internal trade and means of production as one of the causes of lower railway earnings, you are entering a very dangerous field for the reason that this policy is absolutely necessary for the prosperity of the country. That being so, you must not desire that the prosperity of the country should be arrested or sacrificed to the interests of the railways. Sir, let me assure the Honourable Members who had an apprehension of that kind in their minds that in putting forward that as one of the explanations for the fall in railway earnings I did not at all indicate or desire that the policy should be altered. I was not for the moment discussing the merits or demerits of that policy. All that I did in my speech was to cite some illustrations to show that an increase in the prosperity of the country in one direction might react on the earnings of railways in a contrary direction. I was merely giving an explanation and as a matter of fact expressed the hope that if there was any increase of prosperity in the country as a result of those tendencies, railways would also share in that prosperity and they might regain a sound financial position, but in the meantime they were bound to suffer a fall in earnings before the country was able to adjust itself to new conditions. I hope Honourable Members will not consider that by

putting forward these factors as explanations I meant in any sense that these policies should be reversed. Those policies must be examined on their own merits, and whatever decision concerning them is arrived at must be on the basis of those merits.

Then, Sir, reference was made to the co-ordination of rail and road transport. There too, we were urged to accept the position that motor transport as a competitive means of transport had come to stay, and that it served many needs which the railways could not serve. I fully recognise and accept that. The railways recognise that motor transport has come to stay and also recognise that motor transport is necessary to meet many of the needs of the country. I think I said in my speech in another place that the country is not by any means either fully developed or supplied with adequate means of transport in all respects and from that point of view the railways welcome the appearance in the field of an alternative mode of transport. All that the railways desire is that these two modes of transport should be used in such a manner as to provide the maximum of facilities for transport in the country, spread over various areas, and that they should be directed to the service of various areas in such a manner that the best possible use might be made of them. One method of doing that would be to secure—I will not go into details just now as time would not permit of it—that both should endeavour to serve and open up such areas as require transport facilities and should be complementary to each other, the railways serving to bring goods and passengers to points from which they might be distributed over the country by the buses, and the buses bringing passengers and goods to the railways from where the railways might carry them to other parts of the country and so on. At present, what is happening is that this uncontrolled and un-regulated competition on the part of motor transport encourages these people to offer a very uneconomic form of competition at places where the country is well served by other means of transport, neglecting areas where means of transport would be a blessing and would bring the produce and residents of that part of the country in contact with markets and areas to which they desire to travel. The kind of regulation and co-ordination that the railways desire is that such control and such precautions as are considered reasonable, most of which have already been agreed upon between the provinces and the centre, should be strictly enforced. That is to say, if a bus has a licence permitting it to carry a certain number of passengers or a certain quantity of goods, it should be seen that it does not carry more than the permitted number of passengers or the permitted quantity of goods, as that kind of thing, apart from being an unfair form of competition with other means of transport, involves danger to passengers and risk of damage to goods and in the end is extremely uneconomical for the owners of these buses themselves. Another form of co-ordination or control that might be desired would be a stricter enforcement of regulations regarding the safety of the people who travel on motor buses. This would put this form of transport on even a better basis to compete with the railways than at present. There is no idea of either obstructing, as some Honourable Members have said, or of handicapping motor transport in any manner whatsoever. A third form towards which this co-ordination might be directed would be such adjustments in provincial motor taxation as would facilitate the provision of motor transport over such areas as are at present neglected by motor transport because they find it easier to run on main roads, on metalled roads and on roads that run parallel to the railways and difficult to run their services on feeder or unmetalled roads.

In this connection, it was mentioned that the railways are losing traffic to motor transport because they do not provide amenities for third class passengers. Without taking up the position that everything possible has

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been done for the third class passenger and that there is no room for improvement, for I admit that there is room for improvement in several directions, I might say that it has not been pointed out with regard to the actual conditions of travel on the railway and on the motor bus in what respect the railways fail to provide amenities for the third class passenger as compared to motor buses. Reference has been made to some inconveniences which third class passengers suffer in their attempt to use the railways as their means of transport in preference to motor transport. That is a separate matter and I agree that with regard to that class of inconvenience there is considerable room for improvement although in that respect perhaps I might be differing from those who are in actual charge of the running and administration of the railway system, and I have taken occasion to impress upon them the necessity of looking into these matters more closely, and as time goes on I hope to be able to convince them that there is some necessity of looking into these matters more closely. For instance, the Honourable Nawab Muhammad Din has referred to two or three matters which may be considered of little importance ordinarily but which affect the convenience of a certain class of third class passenger. For instance, he said that in many places booking office windows are not opened well in time to enable all the people who may wish to travel from that particular station to buy their tickets comfortably. The Honourable Mr. Sapru referred to the fact that he has had experience of travel by motor buses as well as on railways and therefore he can compare from his own experience one with the other. I too might claim that I have had experience of both kinds of travel and in all classes of railway carriages myself, and from and to all sorts of stations which perhaps does not fall to the lot either of an Agent or a Divisional Superintendent, and therefore, I am able to confirm in some instances the experience of Honourable Members. I had occasion to travel only as lately as the 1st March last in a third class compartment—I did so deliberately—from Lahore to a station about 40 miles out and back the following day or two days later. Honourable Members will be amused to hear that when I attempted to purchase tickets on the return journey, I did not find the window open in time to enable everybody to buy their tickets before the train steamed into the station.

One or two other matters of a similar description were touched upon—that the subordinate staff are not as courteous as might be desired towards the third class passenger. I do not know whether I can confirm that myself, but I certainly will go so far as to say that they certainly are not as helpful as they might be to the ignorant, illiterate third class passenger, more particularly to the old men and old women from rural areas who whenever they arrive at a big station are entirely bewildered and do not know what to do. I have noticed that myself. So that Honourable Members will perceive that these are not matters that I am likely to neglect and I have taken occasion already, to impress upon Agents of railways the greater need of paying attention to these matters. I am quite sure that it is not so much the lack of amenities that frightens away that class of passenger from railway stations as his fear that he is subjecting himself to rigorous control and official routine when he travels on a railway and his desire that he would be rather free, in a motor bus, though far less comfortable, than subject himself to control at a railway station and in a railway train. I think it is a case of sacrificing his comfort so that he may retain his peace of mind. I am quite sure that now that I have given expression to these feelings on my own part, not so much as Railway Member but as a private citizen who has had experience of these things and has observed these things himself, there might be expected to be

some improvement in these respects. The real need is to go on impressing upon the subordinate staff the fact that they are there for the service of the public. (Hear, hear.) Most unfortunately—and I say it with pain—in this country wherever a person is invested with a little authority—and the smaller the authority the worse the case—he uses it more to render people uncomfortable than to make them comfortable, and I am afraid a certain class of railway employee is no exception to that. Again I am not taking shelter behind that national failing; I am hoping that in course of time, after this is repeatedly brought to their notice, and possibly by judicious encouragement of those who exhibit a greater spirit of service than others, we might be able to attain a better standard of consideration and courtesy towards third class passengers.

Then, Sir, some reference was made to ticketless travel and it was said that we must not deal with that too harshly or make it too penal because the law might in that case become an instrument of oppression. Suppose, it was said, a man loses his ticket and cannot find it, will you prosecute him and send him to jail? There is no such intention. The proposed amendments of the Railway Act are designed to secure that either a passenger who is discovered travelling without a ticket shall pay the fare and the penalty due from him, and if he does pay it there shall be no further molestation of him or interruption of his journey, or that he shall be punished for defrauding the railways of their due charges. Wherever a man has lost a ticket the rule provides that he should be called on to pay the fare, but if he can prove that he did actually purchase a ticket he can always apply for a refund. It is obvious that if a man has not a ticket the burden of proving that he did purchase a ticket and has lost it must be upon him.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is that practicable?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: Oh yes. If he fails to prove it naturally he must suffer the loss. Supposing my Honourable friend, instead of losing a ticket, was to lose a ten-rupee note while he was travelling on a railway. Does he think anybody would make it up to him unless he was able to prove that a particular person took it from him? In the case of a lost ticket, unless he can prove that he had purchased the ticket he must pay the fare.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Two hundred people may have bought third class tickets from one window, how is the booking clerk to identify one among them as having purchased a ticket?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: I am not here to provide the Honourable Member with the means of proving that he did purchase a ticket, or rather with the means of getting over the consequences of his own negligence. But what is to be done? Are you to accept a man's mere statement that he did buy a ticket? If you are going to do that, you might as well dispense with charging passengers for travelling on the railways at all. It is not the intention that any person who loses his ticket should be prosecuted. If he pays the fare and the penalty leviable he will neither be prosecuted nor will his journey be interrupted.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What if he has no money?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: There is no proposition in the world which cannot be criticised by putting forward an extreme case and asking what will be done in such and such a case. However, Honourable Members will have plenty of time to discuss this question when the proposed legislation comes to this House for its consideration.

Then the next matter which I might briefly advert to is the suggestion put forward that railways should provide for the manufacture of locomotives in this country. Now, I am quite sure Honourable Members are aware that there was a debate in the other House on a Resolution asking Government to make provision for the manufacture of locomotives. The Government case was stated by me and is reported in Volume V, No. 3 of last year's reports from pages 365 to 372. If I were to attempt even the briefest summary of the Government case on that occasion I am afraid I would be detaining the House to an unconscionably late hour. Those Honourable Members who are interested in this question will no doubt look up the debate and discover the Government view stated there. Briefly, it was that at the present moment and in the present state of railway finances it was financially not at all a feasible proposition. During the course of the observations of one Honourable Member in this connection the Honourable the President was pleased to point out that it was open to anybody to set up, if it was a feasible proposition, a manufactory of that description by forming a company for the purpose, and the Honourable Member replied that that had been done but the railways were not at all helpful. I am afraid that is not a correct statement of the case. I have given a detailed history of that company at pages 365, 366 and 367 of that debate. A company was set up called the Peninsula Locomotive Company in the early twenties of this century at Tatanagar, and I said in that debate that from the very beginning they felt the need of State protection if they were to be able to compete with industries of a similar nature outside the country. I then referred to our stores purchase rules and said we were quite willing to show a reasonable amount of preference in placing our orders with that company. Nevertheless it was found that the company could not offer prices that were at all competitive, even allowing for a reasonable amount of preference, and therefore they had to stop the manufacture of locomotives. Then they went on to the manufacture of boilers. They could not continue even that. Then the Government had to take over that company's assets and liabilities in order that they should not suffer too great a loss; and Government too after a time had to close it down. That is the history of this particular enterprise. I cannot at this stage go into the details of that matter. Honourable Members will find the considerations for and against such an enterprise in that debate and the Government position stated by me in my speech towards the close of the debate.

Then, Sir, reference was made to the need of amalgamation of various railway systems so that a saving might be effected in working expenses. Government do recognise that this is one of the modes of effecting savings in working expenses. For instance, after the Madras and Southern Mahratta and South Indian Railways have been acquired and both come under State management it would be quite a feasible scheme to amalgamate the two systems and effect a saving in working expenses. But there are several difficulties in the way, one of them being that, while the Madras and Southern Mahratta Railway's contract falls in at the end of 1937—and there is also an option to purchase this particular company at the end of 1942—the South Indian Railway's contract does not fall in till the end of 1945. Therefore there are various alternatives which Government are considering with regard to this particular scheme of amalgamation. Government have as yet arrived at no deci-

sion, as was explained by me in my speech on the particular Resolution relating to the acquisition of the Bengal and North-Western Railway and the Madras and Southern Mahratta Railway in the other House a few days ago. They have this matter under consideration and after giving due weight to all the relevant considerations which Honourable Members put forward in the other House and which have been indicated on the floor of this House this afternoon, Government will arrive at some decision as to whether the option to purchase these railways at the end of 1937 should or should not be exercised at the end of 1936. The option has to be exercised at the end of 1936 in order to give the required notice of 12 calendar months. Apart from the question of finance, there are other considerations which must be kept in view. There is the consideration of the Federal Railway Authority being set up in the course of the next year or two and as to whether it would be advisable to take over any of these company-managed railways in advance of the setting up of the Authority, or whether it would be more desirable to allow the Authority to come to a decision as they will have the responsibility of administering them. As I have said it might be quite feasible to amalgamate the Madras and Southern Mahratta and South Indian Railways, and if the Bengal and North-Western Railway is taken over it might be possible to amalgamate it, say, with the Eastern Bengal Railway system.

Then, Sir, a reference was made to Indianisation. Now, with regard to Indianisation, it is true that up till the end of 1934-35 the ratio of 75 Indians to 25 Europeans had not been made up, but I have looked into the recruitments that have been made or are proposed to be made during the course of the year, and I assure Honourable Members that at the close of this year the ratio will have been more than made up on the Indian side; and that being so, I do not think there can be any valid complaint that either the ratio is not being adhered to or that the ratio fixed does not sufficiently accelerate the pace of Indianisation.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: There is no Indian now as Agent of any State Railway.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: One Indian Agent has just retired. Indianisation does not mean appointments to particular posts, more particularly to posts which can only be reached at the end of one's career.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I understand that there are some Indians who are suitable and eligible.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: I have not said there are not. I have said that it is not a fair comparison, that it is not a fair test, that out of four State-managed railways unless there are three Indian Agents we cannot recognise that the proportion of 75 to 25 has been observed. The proportion applies to initial recruitment. As I have said, the Honourable Member is no doubt aware that one Indian Agent has only lately retired. Another Indian Agent would no doubt be appointed as soon as a vacancy occurs, for which the most suitable selection would be that of an Indian officer.

I believe I have dealt with—no doubt briefly having regard to considerations of time—the general questions that were raised and may I now, with your permission, Sir, within as few minutes as might be possible, deal with some of the specific suggestions, apart from general suggestions, that Honourable Members have made. Before I do that, however, I find that there is

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one general question with which I have not dealt and it is this question of accounting with regard to the loss on strategic railways. Now, it is true that on the average the loss on strategic railways is Rs. 2 crores a year, but as I have explained in detail in the other House the position is this. It is a mere question of paper accounting as to where you wish to put it. For their own satisfaction Honourable Members whenever they are considering the Railway Budget can always mentally strike off the deficit to the extent of Rs. 2 crores from the railway side and put it on to the Defence Budget if it so pleases them. I said that so far as the taxpayer is concerned it does not make the slightest difference whether this loss is put on the Defence Budget or is carried by the railways. It is not carried in a concealed manner. Everybody knows that and I think it has been the practice for the Chief Commissioner of Railways and the Railway Member to bring it out clearly in their Budget speeches, apart from its being perfectly obvious in the documents with which Honourable Members are supplied. But there is one particular suggestion made by the Honourable Mr. Hossain Imam with regard to this matter which deserves notice. He said there might be means of reducing this loss and if a reduction takes place, then ultimately the taxpayer would benefit to the extent of the reduction; that is perfectly true; but I am afraid that the suggestion he has made with regard to a reduction in this loss is not at all feasible. He suggested that the working of these lines might be handed over to the Army Department. I am quite sure that he is aware that though these lines are described as strategic lines, they are all the time open to ordinary traffic and that to a very large extent they are used by the ordinary citizen for travelling as well as for the transportation of goods. They are called strategic lines because their main necessity is for purposes of defence, not because they are reserved for the use of the Military Department, and I doubt whether under those circumstances the Honourable Member himself or other Honourable Members would be desirous that these lines should be worked by the military people. I am perfectly certain that if that were done within three months all Honourable Members would start beseeching Government that control should be taken back from the Army Department and handed to the railways. But then even supposing the Army Department took over the management of these lines, what is to be done during a war when everybody engaged in the working of these lines would be required for military duty? These lines would exactly during the contingency for meeting which they have been constructed cease to give the service for which they were intended.

With regard to the purchase of wagons, the Honourable Mr. Hossain Imam's criticism was that it is only adversity that has taught wisdom to the Railway Board. I am afraid he has not been fair to the Railway Board. The purchases to which he pointed out in the course of his speech were mostly in the nature of replacements. There were certainly additions also, a certain percentage, but those were for special classes of traffic, for instance, for the transport of petrol or the transport of molasses, for, new kinds of traffic had developed and a larger number of special class wagons had become necessary. The additions to the general service wagons were due to the expansion of ordinary traffic which we were experiencing at that time. We are no longer experiencing such expansion and have consequently reduced our purchases. In the other House there was a complaint that there was too much reduction in the purchase of wagons and that as a consequence the wagon-building industry was likely to go out of business. During the next year 3,500 general

service wagons are due for renewal and replacement and we are ordering only 750 new wagons.

I might next take up the question of communal recruitment to railway services. That is a subject on which one could take up a great deal of the time of the House, but there are only one or two observations that I desire to make in that connection. I will not enter into the controversy whether it is or is not desirable in the general interest that there should be any reservations for minority communities in the services. That is a matter upon which, whatever my own views might be, Government have given a decision and I am bound by that decision, but this assurance I can give to Honourable Members, that I shall not yield to pressure either from one direction or from the other to neglect or modify that decision in any respect whatsoever. I am encountering some difficulties in enforcing that decision and I shall try to get over these difficulties as well as I can. The Railway Board are doing all that they can to see that the decision of Government is enforced; but it is a vast system, there are very large numbers of staff, there are inherent difficulties in the situation, so that everything cannot be accomplished in one day, but I think it is not true as some Honourable Members have alleged that after that decision was promulgated, though there has been an attempt to enforce the decision in the letter, there has been no attempt to enforce it in the spirit; both the spirit and the letter are being looked after. On the other hand, Sir, I might assure Honourable Members who might be anxious on the other side that the fact that I am in charge of Railways shall not be permitted to operate to the prejudice of other communities, whose interests will be equally safeguarded within the limits of that decision. (Applause.) As I have said, difficulties crop up; one has got to make compromises, make adjustments; one could not get along without them; but subject to that, everything that is reasonably possible will be done to implement the assurances that have been given on behalf of Government.

The next speaker was the Honourable Mr. Kalikar. I have dealt with several of the matters to which he made reference in the course of his speech. There is one matter on which I might make just one observation. The Honourable Member said railways complain of the low rates charged by bus motor transport but they mete out the same kind of treatment to shipping companies. Railways have made no complaint of the low rate charged by motor buses nor is there any desire or attempt on the part of the railways to tie the hands of motor buses as to the rates they might charge. What the railways desire in this respect I have already explained and I need not repeat it. Nor are they dealing unfairly with shipping companies. We recently had a conference over this question of the competition between railways and shipping companies and the position was gone into. As I happened to be in charge both of shipping as well as railways, mine was a perfectly neutral attitude in the matter and I listened carefully to the case of both sides. The situation, subject to anything further that shipping companies might have to say, was that railways were enjoying a certain class of traffic and that the shipping companies had by under-cutting them deprived them of a portion of that traffic and the railways were now trying to win back that traffic at rates which though low were not uneconomical. The shipping companies' complaint was that railways were trying to get it back at uneconomical rates and the Railway Board were able to demonstrate to the companies that they were not doing it at uneconomical rates although the rates were lower than they would have charged if there was not this question of regaining traffic which they had lost through under-cutting. It was generally agreed that both sides should try to adhere to certain principles and it was agreed that those interested on behalf of the

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shipping companies should confer with the Agents of the different railway companies who were in competition with them and try to adjust these matters among themselves. I do not know how far that adjustment has proceeded but everybody seemed to think that the general principles that were accepted were quite fair.

Then, Sir, the Honourable Mr. Parker made some reference to the method of accounting, to the great increase in the capital at charge, to the rate of depreciation and to the purposes to which the surplus (when we may be fortunate enough again to enjoy a surplus) may be applied. Most of his suggestions were constructive suggestions and some of the matters to which he alluded are already under consideration and a decision in regard to them has got to be arrived at before the administration of railways is handed over to the Federal Authority and I have no doubt that while the matter is being considered Mr. Parker's suggestions will be kept in mind. If I had more time, I might perhaps have made some observations with regard to our present method of computing our rate of depreciation, but I will not, merely for the sake of making a debating point, delay the House further on this matter.

Then, Sir, I think I have dealt with most of the matters to which the Honourable Nawab Muhammad Din referred and I am sure he will not complain that I have not dealt sympathetically with them. Apart from the matters to which I have already made reference, he referred to lack of sympathy in framing time tables and the unapproachability of Agents. With regard to time tables, I have discovered that it is quite easy when criticising a particular train service to assume that nobody has paid attention to the needs of a certain area, but when one goes deeper into the matter and finds how many adjustments have to be made to secure an alteration in respect of one train service and how many dislocations one might cause and how much extra expense may have to be incurred as the result of such an alteration one has reluctantly to admit that the people who are responsible for these things try to do their best and when a reasonable suggestion is made they are prepared to consider it sympathetically. As to the inaccessibility of Agents, the Agent of a railway is a sort of Local Government in charge of the administration of his system. He is an extremely busy man and therefore I think it would be rather unfair to expect that he should at all times be approachable to everybody who had any grievance or any suggestion to put before him but I do hope that Honourable Members of this House and of the other House have no difficulty in discussing matters with Agents when they have any suggestion to put forward.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I might say, Sir, that Mr. Highet is always approachable.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : Of course the Honourable Member is not under the necessity of approaching Mr. Highet as he is sure of meeting him in the meetings of the Advisory Committee of which he is a very distinguished and useful member. But even in regard to other Honourable Members who have not the same opportunities, I am perfectly certain that all Agents would be ready to listen to any matters of importance that they may desire to place before them.

Sir, I have already dealt with both the principal matters to which the Honourable Syed Abdul Hafeez referred—minority representation and the proposed increase in rates.

The Honourable Rai Bahadur Lala Ram Saran Das referred to the loss on strategic lines, to which I have already referred. He also expressed an apprehension that in giving effect to the decision of Government in regard to communal representation the interests of the Punjab Hindus were being neglected altogether and after remarking that he would cite instances from recent advertisements in the *Tribune* that Hindus were being debarred altogether, he read out certain figures. I noted down the first set of these figures and that was that seven vacancies in a particular cadre were advertised, four for Muslims, one for other minority communities, and his complaint was that only two were left for Hindus. Well now, that means two out of seven just above 28 per cent. whereas the Hindu population in the area served by the North Western Railway is under 25 per cent.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I might say, Sir, that if you look at the actual recruitment made, you will see that I am justified in my protest.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : If I discover that the Honourable Member was right in his observations I shall see that this grievance, if it is genuine, is remedied. All that I am trying to show is that the illustration selected by him was not a very happy one, since his community was being offered about 3 per cent. in excess of its population quota.

Then there were very interesting suggestions made by the same Honourable speaker in regard to the question of the payment of railway employees in the form of bonuses, and so on. Well, if the railways were a private concern, or even a small State concern, it might be possible to accept these suggestions but as it is, I am afraid, however sympathetically I might look upon suggestions of that kind, I must warn Honourable Members that they would be regarded as impracticable in the present state of affairs. Then the Honourable Member referred to the surcharge on coal and said that the amount of reduction was not enough to be effective. I am afraid in one direction it has been very effective unfortunately and that is the direction of railway earnings. We have during the course of the first seven months of the current year lost Rs. 11 lakhs over this reduction of the surcharge on coal. Well now, Honourable Members cannot take up both positions. They cannot say : Do not raise rates and fares because if you do you will dislocate traffic.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : My point was fostering and developing industry.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : I have already explained that. If you give a disguised subsidy that is a different matter altogether. Government should take a decision on that as a whole and it is not within the province of the Railway Department to come to a decision. On the other hand, they cannot take up the position that though on a single commodity the railways have lost during seven months the sum of Rs. 11 lakhs, yet the reduction has not been effective. Surely, the Railway Department might use the contrary argument and say that in the case of certain commodities, a rise in the freight charges, to an extent which might bring them Rs. 11 lakhs on a commodity like coal during seven months, would not hurt the commodity very much, as it does not seem to help the commodity very much when they lose Rs. 11 lakhs over it.

[Sir Muhammad Zafrullah Khan.]

With regard to the conversion of loans, I have already made it clear that we are getting the benefit of the conversion of loans bearing a high rate of interest. They are now being converted as the money market is easy and low rates are prevailing.

With regard to sleepers, I have pointed out to the Honourable Member that he was in error in supposing that these iron sleepers were being imported from outside. I think—subject to correction—that with the possible exception of the South Indian Railway, with regard to which we have no definite information at the present moment, all cast-iron sleepers are manufactured inside the country.

I was very glad to hear from the Honourable Member that he thought that corruption is diminishing on the railways. The Honourable Member being interested in industry and commerce in a very large way is in a good position to judge. I hope that Honourable Members and the public outside will not be satisfied merely by the indication that corruption is diminishing. I take a very serious view of this matter and I think that, apart altogether from the question of my being the Railway Member or not being the Railway Member, it is a blot on our national character and we ought to co-operate with the railways, to whatever extent might be necessary to bring specific cases to the notice of railways so that action might be taken not only to reduce corruption still further but to put an end to it altogether. (Hear, hear.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What about the case I pointed out of corruption of the loco. foreman?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: I have made a note of it. The Honourable Member was about to mention a specific case when, if I may say so without impertinence, the Honourable the President perfectly rightly pointed out that names need not be mentioned. But if the Honourable Member will bring to my notice—there is no objection to that—the particulars of the case, I shall be very happy to look into it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Thank you.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN: But I might repeat what I said yesterday in the other House that the recognition of an evil generally prevalent is one matter, but the proof of a specific case is quite another matter, and I certainly cannot penalise any officer or subordinate on the railways merely because a charge is made or because the public thinks that he is corrupt. That matter must be proved as clearly as any other matter of a penal nature has got to be proved.

A complaint was made—by the Honourable Mr. Banerjee, I think—that what is in the subordinate ranks shown as Indianisation is not really Indianisation at all, and that what the Europeans have surrendered, the Anglo-Indians have gained. I might remind him of the observations made, I think by the Honourable Mr. Kalikar, to the effect that apart from Anglo-Indians who are residents of this country even if Europeans became domiciled in this country, such Europeans should be regarded as Indians for that purpose, and I am afraid I cannot accept the position that a decrease in the number of Europeans, which is reflected on the other side as an increase in the number of Anglo-Indians, is not Indianisation. It certainly is Indianisation. But the Honourable Member need not be apprehensive at all on that score, because with regard to fresh recruitment, the proportion of Anglo-Indians has been fixed, and with regard to all these matters I have given a general assurance

to the House that to the extent to which I can control and enforce these things, I shall see that the letter and spirit of the Government orders is observed.

Then it was said that in placing contracts there had always been discrimination against Indian firms in favour of British firms even in this country and a specific case was referred to. I have some recollection of that matter, and I am happy to be able to say that I am unable to agree with the Honourable Member. I cannot go into details, but if I were at liberty to explain the details, I think the House would agree that in that particular case, the grievance, if any, would possibly be on the other side.

With regard to thefts and laxity of the watch and ward, two cases have been referred to. Others might also be referred to. Recently, there have been several cases on the railways which upset one and I do hope that to the extent to which it is possible—Honourable Members being such great travellers themselves would recognise that there could be no absolute insurance or guarantee given, but to the extent possible—these things will be more strictly regulated. I think it was the Honourable Mr. Banerjee who comes from Eastern Bengal, who pointed out that he had lost his belongings in a journey on a section of that railway. The only occasion when I lost the greater part of my belongings during the course of a railway journey was also on the Eastern Bengal Railway. I think conditions must be particularly bad on that section.

With regard to the Dacca-Aricha Railway, I might point out that apart from any other difficulties that might have been felt, the Bengal Government took up the position that the construction of that particular railway would obstruct the drainage and would be injurious to the health of the people of that part of the country and definitely expressed the opinion that the project should be abandoned.

I am very grateful to the Honourable Mr. Sapru for his able speech which was full of constructive suggestions. I have already dealt with some of them. For instance, the question of State *versus* Company management, the amalgamation of different railways and the acquisition of the Bengal and North-Western Railway and Madras and Southern Mahratta Railway. To two matters I might make some further reference. One is this. He said that he could not understand how the reduction of working hours by the application of the Geneva and Washington Conventions had increased railway expenses, because he said there had been a good deal of retrenchment on the railways. It is not that the railways have had to add to the total of their working staff. But for the same amount of work which used to be done by a certain number of men for a certain amount of wages, they have now to employ extra workmen. It is because on the whole work has decreased owing to traffic having decreased and other considerations, like amalgamation in some of the workshops and so on, that retrenchment had to be undertaken. If these Conventions had not been applied, there would have been greater retrenchment. I am not saying that there is anything inherently wrong in regard to these Conventions. They serve a very laudable purpose. I have every sympathy with the workmen and if our finances permitted, I would certainly say that the tendency in this direction should be continued. As I have said in my speech, during prosperous days, the addition of half a crore in working expenses would not make any very appreciable difference, but in the condition in which we find ourselves it is a heavy additional charge. I am not out to deprive these people of the benefits which they have already received, but I do say that inasmuch as the condition of railway labour compares very favourably with the condition of other labour in this country, the time has come when at any rate during this period of financial stress, we might cry a halt and pause for reflection before we decide to go on.

THE HONOURABLE MR. HOSSAIN IMAM : What is the cost of the Lee concessions to the railways ?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : I am sure if a question was put down to that effect, the Honourable the Chief Commissioner would try to get the information if it is readily available and supply it to the Honourable Member.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I believe it is Rs. 90 lakhs.

THE HONOURABLE MR. HOSSAIN IMAM : It is more than the labour legislation !

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : But even in that respect Honourable Members are of course aware that since 1931 new scales of pay have been introduced on railways which make no distinction between Indians and Europeans of different categories, and gradually an appreciable amount of relief might be expected in that direction. When they are in full operation in the course of a number of years the relief might amount to Rs. 2 or Rs. 3 crores. No doubt the present incumbents of certain posts and certain officers are in enjoyment of certain privileges which, if railway finances had always been in the condition in which we find them today, might possibly not have been granted on the same scale. But that is neither here nor there. You cannot merely by a stroke of the pen take away privileges or alter conditions of service which have become a matter of contractual obligation.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Lee concessions apply to the new recruits ?

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : To that I can give no specific reply at the moment. I do not think they would but I am not quite sure.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : They ought not to apply.

THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN : I have no doubt everything the Honourable Member has said during the course of his speech or during the course of his interpellations has gone down in the record and will be considered.

Well, Sir, there are three more Honourable Members who spoke during the debate but I find that the matters to which they referred, for instance, high capital expenditure during the last few years and tendency to over capitalise and so on, have already been noticed by me. With regard to high capital expenditure during the years of expansion I am free to confess that certain items of expenditure were incurred which would certainly not have been incurred if anybody at that time had been conscious that we were entering upon a period of financial stringency. It is perfectly natural on the other hand, when you are doing fairly well, paying all your expenses, interest charges, depreciation charges, also making a contribution to central revenues, and over and above that you find surpluses, that there should be a tendency to expand in certain directions, to provide facilities and sometimes even facilities which are more or less of an ornamental character. I have no doubt that even this House would have approved of this expenditure if the same conditions had

been prevalent today as were prevailing then. No doubt this is a lesson for the future, that merely because we experience a few years of prosperity we should not undertake great schemes of expansion, and I am sure the railways will profit from all the lessons that they have learnt during this period of depression.

Now, Sir, I am extremely grateful to you and to Honourable Members of the House for sitting so late so as to enable me to finish my speech in reply to the criticisms and suggestions which they have been so good as to offer. (Applause.)

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : With your permission, Sir, I propose that the Council may sit on Monday, the 24th, and, if necessary, on Tuesday, the 25th February, for the purpose of taking into consideration and passing the Payment of Wages Bill. Honourable Members are already aware that Wednesday, the 26th February, is allotted for the transaction of non-official business. The Council will not meet on the 27th but will meet at 5 p.m. on Friday, the 28th February, for the presentation of the General Budget.

The Council then adjourned till Eleven of the Clock on Monday, the 24th February, 1936.

COUNCIL OF STATE.

Monday, 24th February, 1936.

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

MEMBERS SWORN :

The Honourable Captain Maung Aye (Burma : General).

The Honourable Mr. Bijay Kumar Basu, C.I.E. (Bengal : Nominated Non-Official).

The Honourable Prince Afsar-ul-Mulk Mirza Muhammad Akram Husain Bahadur (Bengal : Nominated Non-Official).

QUESTIONS AND ANSWERS.

UNIVERSITY TRAINING CORPS ATTACHED TO THE BENARES HINDU UNIVERSITY.

17. THE HONOURABLE MR. P. N. SAPRU : (a) Is Government aware whether the University Training Corps attached to the Benares Hindu University has been winning the efficiency cup year after year for the last nine years in the annual competition with the University Training Corps attached to the other Universities in the United Provinces ?

(b) Has the Benares Hindu University been asking the Government or the military authorities to allow the University to maintain a full company of the University Training Corps for many years ? Do Government propose to grant that request ? If not, why not ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Government have no information but I am prepared to take it from the Honourable Member that this is the case.

(b) An application for expansion was rejected in 1931 on financial grounds. A similar application received recently is now under consideration by the military authorities.

INDIANISATION OF THE ANCILLARY SERVICES OF THE INDIAN ARMY.

18. THE HONOURABLE MR. P. N. SAPRU : (a) Is it the policy of Government to Indianise the ancillary services of the army ?

(b) In pursuance of this policy did Government sanction the formation of a civil wing of the Indian Army Ordnance Corps ?

(c) In pursuance of the above policy, were any civilian storekeepers and assistant storekeepers appointed in place of the British other ranks ?

(d) If so, what is the total number of civilian storekeepers and assistant storekeepers appointed?

(e) Was the proportion laid down for civilians in the Indian Army Corps one-third of the existing strength of the British other ranks?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes, by stages, (b) and (c). Yes.

(d) Twenty-six assistant storekeepers by direct recruitment. Of these 20 are still serving.

(e) No. One-quarter.

INAUGURATION OF A SCHEME IN 1930 FOR THE APPOINTMENT OF STOREMEN.

19. THE HONOURABLE MR. P. N. SAPRU: (a) Was a fresh scheme for the appointment of storemen inaugurated in 1930?

(b) Were the assistant storekeepers under this scheme to be recruited from among such storemen as were graduates?

(c) Was any assurance given to duly qualified Indian storemen that they would be eligible for promotion to the rank of assistant storekeepers?

(d) Was any examination, known as the trade test, and held half-yearly, introduced to attract the right type of candidates for the position of storemen?

(e) Has the experiment of appointing storemen in the Indian Army Ordnance Corps been a success?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes.

(b) No. Recruitment was to be from non-graduates as well.

(c) No, but the scheme catered for the promotion of storemen to assistant storekeepers under certain conditions.

(d) Trade tests were introduced as a means of judging the merits of individual storemen.

(e) The direct recruitment of civilian storemen has proved only partially successful since previous military experience is desirable in the storemen and still more in the storekeeper.

INTRODUCTION OF A SCHEME IN 1933 FOR THE APPOINTMENT OF MILITARY ASSISTANT STOREKEEPERS.

20. THE HONOURABLE MR. P. N. SAPRU: (a) Was any scheme for the appointment of military assistant storekeepers introduced in 1933?

(b) What was the proportion of recruitment of military assistant storekeepers to that of the British other ranks?

(c) Was any assurance given to the civilian storekeepers that the scheme for the appointment of military assistant storekeepers would in no way affect the conditions of service on which civilian assistant storekeepers were recruited?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes.

(b) Eight and a third per cent.

(c) Yes, but without due authority. Considerations of efficiency are always liable to lead to changes which may affect the prospects of serving personnel.

PROMOTION OF INDIAN STOREMEN AS ASSISTANT STOREKEEPERS.

21. THE HONOURABLE MR. P. N. SAPRU: (a) Was no Indian storeman appointed to the position of assistant storekeeper for over a year and a half, and are positions originally intended to be reserved for civilian assistant storekeepers now given to military assistant storekeepers?

(b) If so, why has no civilian storeman been promoted to the position of an assistant storekeeper?

(c) Have a number of storemen, who have put in several years service in the Corps, not yet been confirmed in service? If so, why?

(d) Have storemen, on their promotion to the rank of assistant storekeepers, to serve a year's period of probation?

(e) Have assistant storekeepers and storemen generally done better at the I. O. C. School of Instruction Turkey Examinations than the British other ranks?

(f) Have assistant storekeepers been allotted certain extra duties without any further allowance and extra remuneration?

(g) What is the initial salary of a civilian assistant storekeeper? What is the initial salary of a British other rank assistant storekeeper?

(h) What is the ordinary period which it takes for a civilian assistant storekeeper to rise to the position of a storekeeper? What is the period of service which it takes for a British other rank or military assistant storekeeper to attain the position of a storekeeper?

(i) Are any free quarters provided for storekeepers recruited from among the British other ranks and the Military Engineering Service?

(j) Are free quarters provided for civilian assistant storekeepers also? If not, why not?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) It was found in practice that, in order to initiate the military storekeeper scheme, the promotion of civilian storemen and the direct recruitment of civilian storekeepers had to be held up.

(b) Fourteen have been promoted.

(c) Yes. Confirmation was delayed while the rates of pay were under reconsideration. These have now been settled and confirmation is being carried out.

(d) Yes.

(e) If the Honourable Member is referring to the Kirkce examinations, the answer is in the negative.

(f) The scope of their duties has gradually increased as they attained more experience, but they have not been employed on any duties which were not performed by the British other ranks whom they replaced.

(g) The answer in the first case is Rs. 100 and in the second Rs. 210 plus allowances amounting to about Rs. 125.

(h) The time in the case of the civilian assistant storekeeper is about 17 years. The British other rank becomes a storekeeper after about 16 years and the Indian military assistant storekeeper after eight years, the periods in these two cases being additional to their military service before transfer to the Indian Army Ordnance Corps.

(i) They are provided for the former, but not for the latter.

(j) No. Free quarters are not included in their terms of service.

PLATFORM TICKETS IN INDIA.

22. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is one anna each charged for platform tickets in India ? If so, what are the reasons ?

(b) Was half an anna per ticket charged previously ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes, on the majority of railways, with a view to prevent overcrowding of platforms which would inconvenience both incoming and outgoing passengers.

(b) I believe this was the case on some railways.

PLATFORM TICKETS IN BURMA.

23. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Is one-quarter of an anna charged for platform tickets in Burma ?

THE HONOURABLE SIR GUTHRIE RUSSELL : At five stations the charge is three pies and at 24 other stations the charge is six pies.

WAITING ROOMS AT RAILWAY STATIONS.

24. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Will Government be pleased to state the number of railway stations in India where only first and second class waiting rooms have been provided ?

(b) Why have no arrangements been made for inter-class waiting rooms at such stations ?

(c) How many railway stations are there in which first and second class waiting rooms have been combined ?

(See reply under question No. 25.)

WAITING ROOMS FOR INTER-CLASS PASSENGERS.

25. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Have many inter-class passengers to go to third class sheds for want of waiting rooms ?

(b) If so, what facilities do Government propose for them ?

THE HONOURABLE SIR GUTHRIE RUSSELL : With your permission, Sir, I propose to reply to questions Nos. 24 and 25 together.

Government have no definite information on the points raised, but their policy is to leave it to the discretion of the railway administrations concerned to provide waiting rooms at stations where the traffic offering justifies their provision and such matters might suitably be brought to the notice of the Agent concerned direct or through a member of his Advisory Committee.

SUPPLY OF GOODS WAGONS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

26. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Does the Bengal and North-Western Railway provide sufficient wagons for transit of goods ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Under normal conditions the number of wagons available is sufficient. At present, however, exceptionally heavy traffic is offering and the daily average loading is greatly in excess of previous years. The heaviest day's loading was just under 3,000 wagons, which is a record. Since this heavy traffic started, 20,000 more wagons have been loaded this year as compared with the same period last year. About 1,200 wagons of other railways are at present being utilised on the Bengal and North-Western Railway, and 200 additional new wagons will be turned out by next month. The Agent reports that every effort is being made to cope with the present exceptional conditions.

SUPPLY OF CANE TRUCKS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

27. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Does the Bengal and North-Western Railway possess sufficient number of cane trucks and supply closed wagons for transit of cane ?

(b) Are the largest number of sugar factories located on this line ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Government is aware that 200 additional wagons suitable for the carriage of sugar cane were ordered by the Bengal and North-Western Railway in October last.

(b) Government is aware that there are 62 sugar factories located on the Bengal and North-Western Railway.

STARTING OF DEMONSTRATION BREEDING FARMS FOR CATTLE IN PROVINCES, ETC.

28. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : (a) Will Government be pleased to refer to the debate on the Resolution moved in the Legislative Assembly in January, 1930 on the subject of the protection of milch cows and say what steps have since been taken to implement the promise to start demonstration breeding farms in different provinces for imparting instruction to agriculturists as to how to breed good quality cattle yielding more milk ?

(b) What steps have they taken to abolish the *phooka* system ?

(c) What has been done to provide pasture lands for milch cattle in urban areas when they go dry periodically ? Has the railway freight been reduced to facilitate the sending of such cattle to areas where sufficient pasture lands are available ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) No promise or undertaking appears to have been given but the improvement of the quality of cattle in India has received continuous attention from the Imperial Department of Agriculture which maintains for this purpose an Imperial Dairy

Expert, a Dairying Institute at Bangalore and Cattle Breeding Farms at Karnal and at Pusa. Special attention is paid to the following :

- (i) Improving the efficiency of milch cattle by selective breeding, proper feeding and management.
- (ii) Development of the supply of milk and dairy products.
- (iii) Practical training of students in dairy methods.

As a result considerable improvement has been effected in several breeds of milch cattle. A number of pedigree cows and bulls have been supplied to different parts of India and a large number of students trained in practical methods of dairying. With the object of assisting private breeders to obtain better prices for pedigree animals, the Advisory Board of the Imperial Council of Agricultural Research has recently approved a scheme for the establishment of official herd-books for the most important dairy breeds of India. Local Governments also maintain special herds of dairy cattle at various provincial centres.

Some provincial agricultural departments are also engaged in developing the industry by improvement in the local breeds, distribution of pedigree bulls and encouragement to co-operative societies for supply of pure milk to towns at reasonable rates.

(b) The *phoola* system is penalised under the Prevention of Cruelty to Animals Act, 1890, the administration of which rests with Local Governments.

(c) The measures taken by Local Governments and Administrations for improvement of grazing facilities are described in the report showing the progress made in giving effect to the recommendations of the Royal Commission on Agriculture in India which are available in the Library of the House. As regards the second part the reply is in the negative as the freight rates for cattle are already very low.

STATEMENT LAID ON THE TABLE.

DELAY IN DELIVERY OF LETTERS POSTED IN UPPER ASSAM.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary) : Sir, I lay on the table the information promised in reply to question No. 128 asked by the Honourable Mr. H. P. Barua on the 28th September, 1935.

(a) and (b). Yes.

(c) There are three trains from Upper Assam which the public can utilise for their journey to Gauhati or Shillong. By two of these, passengers can reach Gauhati and Shillong on the second day. The conveyance of mails by two trains would involve a heavy addition to the costs. The possibility of substituting one of the other two trains for the present one is ruled out by the fact that it does not stop at all the mail changing stations, while the substitution of the other would mean a delay of over 24 hours for nearly all the mail matter for places on the Eastern Bengal Railway. Government do not therefore consider it desirable to change the existing arrangements.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, I move :

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, four non-official Members to serve on the Standing Committee on Emigration."

The Motion was adopted.

STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

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

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

The Motion was adopted.

STANDING COMMITTEE FOR ROADS.

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

"That this Council do proceed to the election, in such manner as may be approved by the Honourable the President, of three Members to serve on the Standing Committee for Roads which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1936-37."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : With reference to the Motions which have just been adopted by the Council. I have to announce that nominations for these three Committees will be received by the Secretary up to 11 A.M. on Wednesday, the 26th February, 1936, and the dates for election, if necessary, will be announced later.

PAYMENT OF WAGES BILL.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary) : Sir, Honourable Members may have heard occasional suggestions that the speed of labour legislation might be somewhat slower than it is. If any Honourable Member in this House shares that view, the history of the measure now before us must give him considerable gratification. For it has taken a period of over ten years' examination, deliberation and revision to reach the stage we have reached today. The matters with which this Bill deals first came to the notice of the Government of India prominently in 1925, and in the following year they addressed Local Governments both on the question of the prompt payment of wages and on the question of fines. A substantial amount of information was collected : some of it was published and Government proceeded to formulate legislative proposals. These had reached a fairly advanced stage by 1928 when it was decided to appoint the Royal Commission on Labour, and legislation was naturally deferred until Government could have the advantage of their advice. The matter was reviewed by them between 1929 and 1931 and their proposals necessitated a revision of the original scheme. That revision was completed by 1933 when a Bill was introduced in another place. The Bill was circulated for opinions, and a large mass of opinions, including a number of useful criticisms and suggestions, was received. Unfortunately it was not possible to proceed further during that Assembly and the Bill consequently lapsed. But Government used the opinions they had collected to revise the proposals, and a substantially modified Bill was introduced in 1935 in the Assembly. That Bill has undergone further revision there and it is that Bill which is before Honourable Members today. I might add that if

[Mr. A. G. Clow.]

the Bill is accepted, it can hardly come into force, on account of the administrative arrangements which will be necessary, before 1937. So I think Honourable Members will agree that, whatever the merits or demerits of the Bill, the measure has not suffered from lack of deliberation.

I regret personally that it was not possible to deal with the graver abuses somewhat more promptly but on the whole the delay that has occurred has had distinct advantages. For it has considerably increased our knowledge and increased therefore the experience on which we have to move. For example, I might allude to a paper which is in Honourable Members' hands giving an account of investigations made at the instance of the Government of Bombay in 1934 and revealing a state of affairs of which the Labour Commission certainly had very imperfect knowledge.

Now, there are two main objects underlying this measure. The first is to secure that wages are paid reasonably promptly. The second is to secure that they are paid reasonably fully. And in both directions we have to deal first with the infrequent occasional grave abuses and secondly with an unsatisfactory state of affairs which, though not general, is somewhat more widespread. To deal first with delays in payments, the matter came to our notice initially because of a number of strikes in which workmen struck for their wages and it transpired that they had not been paid for long periods, up to two and three months. These cases, I am glad to say, are very rare but they do occur, and so to a larger extent does the habit of systematically delaying payment of wages to an unreasonable extent. For example, in quite substantial sections of industries it used to be the custom to pay 15 days after the end of the month, and in some unimportant industries much longer delays are quite frequent.

In the same way, with deductions from wages, we have again to deal with grave and serious abuses which, fortunately again, are by no means general and with a more widespread unsatisfactory state of affairs. As regards the serious abuses, I cannot do better than refer Honourable Members to the extremely interesting report which was circulated to them with the opinions and gives the result of an inquiry made by Mr. Mehrban of the Labour Office, Bombay, at the instance of the Local Government. I would like, with the permission of Honourable Members, to read a few short passages from it which deal with possibly the worst cases; these are in the Ahmedabad cotton mills. It says for example:

"Two weaving masters took me into the folding department in order to show me the practice which was adopted. In one of these mills which employs 420 weavers, the value of the total amount of cloth handed over during the year 1932 amounted to Rs. 18,025-15-0 and in 12,996 instances in addition to fines amounting to Rs. 7,899 for bad and negligent work. In the other mill which employs 180 weavers the value of the cloth handed over in 1932 amounted to Rs. 15,698 in addition to fines."

That means that in addition to direct cuts from a man's wages in the form of fines, he has to take a substantial part of the rest in the form of cloth which is spoilt or which is alleged to be spoilt. Further he goes on to say:

"I asked the weaving master whether he or his assistants examined the pieces of cloth before the weaver was fined or before the damaged cloth was handed over. He remarked: 'Look through these two huge piles'. (One of these piles I may say was of cases in respect of which the workers would be fined and the other was of cases in respect of which the cloth was to be handed back to them.) 'Look through those two huge piles. I would not be able to go through that cloth if I were to work day and night for a whole month'."

Later on Mr. Mehrban makes an estimate, which he describes as a conservative estimate, of the amount of spoilt cloth handed over to weavers in the Ahmedabad mills at Rs. 7½ lakhs and says it might easily amount to Rs. 10 lakhs. He

has in addition estimated that the total amount of fines inflicted on weavers in the Ahmedabad mills amounts to Rs. 5 lakhs. I am sure the House will agree that conditions like that are little short of scandalous and I am glad to say that that is not by any means a typical picture of industry. There is, however, on a somewhat more widespread scale a practice of fining and of making deductions in a somewhat arbitrary fashion, and the real difficulty is that in imposing fines or such deductions, the workman is given at present no effective means of redress. The employer may be justified in imposing a fine or deduction or he may not, but in either case there is no satisfactory means open to the workmen of resisting it. In fact, in this extreme case which I mentioned to the House just now, one of the weaving masters said that generally speaking the men do not complain. And if you think it over, you will see that they have no real means of complaining short of a strike, because the average workman has neither the money nor the time to pursue a civil suit. This must be an individual suit to recover an amount which though it may mean a good deal to him is really a small sum. The expenses of the suit would be out of proportion to the results, and the time that it would occupy he cannot spare from his work.

I think I have said enough to show that there is a real need for this measure, and before going on to explain how we propose to deal with the difficulties, I would like to repeat that I do not want the Council to suppose that the abuses or the minor inconveniences to which I have referred are widespread and general throughout industries. They are not. This is primarily a Bill designed to deal with abuses where they exist and it is our hope and belief that to the ordinary reasonable employer it will give the minimum of inconvenience or none at all.

Now the Bill, as the result of the various stages that it has gone through, is a somewhat complicated measure, but Honourable Members will find the essence of it in clauses 5 and 7. The fundamental points are there. Clause 5 deals with the period within which wages must be paid. There is an amendment, I see, on the agenda relating to this clause, and so I will not go into it in further detail now except to say that in the normal case we are asking employers to pay the wages within a week. Clause 7 deals with deductions, and it begins by making all deductions illegal except those which are subsequently sanctioned. There is a long list in sub-clause (2) of clause 7 of possible deductions. These fall into two classes, fines and other deductions, and the subsequent clauses—clauses 8 to 13—regulate the deductions alluded to in clause 7. The essential difference between a fine and any other deduction is this, that the other deductions correspond to some charge or to some service. For example, they may take the form of income-tax due from the employee or of a contribution to his provident fund or of a contribution to a co-operative society or of the rent he has to pay for his house or for other valuable services which many employers render to workmen. A fine corresponds to no definite charge in the form of money. It is a disciplinary measure, and in respect of fines a number of safeguards are provided which do not apply to deductions. For example, the maximum amount of a fine is limited, no fine can be imposed upon children, the period within which a fine may be recovered is prescribed and, most important of all, no fine can accrue to the benefit of the employer. Fines must be credited to funds which are applied to the benefit of workmen. Thus, if this Bill is passed into law, an employer will have no reason for imposing a fine except the perfectly valid and sincere one of maintaining discipline in his factory; and he cannot profit from the fine which he imposes. In respect of deductions, clauses 9 to 13 impose certain restrictions. They are mostly fairly straightforward. Clause 9 which relates to deductions for absence is perhaps a little more difficult but there will be, I understand, a little further discussion of that at a later stage.

[Mr. A. G. Clow.]

The remaining clauses—in fact, the greater part of the Bill—deal with administration and procedure and these have attracted little comment. The surprising thing about this Bill is that comment seems to have been concentrated on details which I personally regard as unimportant. But these provide an experimental and interesting form of procedure, both civil and criminal. We provide special tribunals. We propose to go further than that and provide for joint applications from workmen where they have substantially the same grievance. Clause 16 permits of a joint application from as many as 2,000 or 3,000 workmen and we provide through these tribunals for summary and speedy recovery not only of the sums that may have been wrongfully withheld from workmen but of limited amounts of compensation. In addition to that, criminal penalties are provided; but these will be imposed only secondarily and in some cases. We do not propose to allow a case for deduction to go to a civil court until the first proceeding has been held, and until the authority presiding over the first civil proceeding is satisfied that it should so go and has given sanction. In other words, the intention is that these powers of criminal prosecution should be used for the graver and the more deliberate violations of the law.

I think I have said enough to make the method proposed clear, and I would just add one word on a consideration which is always present to our minds in dealing with labour legislation, and that is the question of cost. So far as administrative costs are concerned, we have tried to reduce these to the lowest possible extent. The Bill, as Honourable Members will see, applies in the first instance only to factories and railways. I do not say that abuses cannot be found in industries that are not covered by the Bill, but we do not propose to apply the Bill or any part of the Bill in the first instance to other forms of industry. We propose to leave it to Local Governments to apply the Bill as and where it is required and as and where they have the means to enforce it effectively. It would be a simple matter to say that this shall cover wide sections of industry, but I suggest to the Council that it would be a mistaken policy to pass legislation which you cannot make effective, to give, in other words, to workmen a right which they would not really be in a position to enforce. I hope that the powers given to Local Governments will be used to check serious abuses as and when they arise, so that the limited administrative action that can be taken will be directed where it is most needed.

Then there is also the cost to the employer. In regard to that I can only say that I know of no measure of the importance of this that is likely to cost the employer so little, and I believe it is likely to cost the good employer, who I think is in the majority, practically nothing at all. In fact the lead has been shown to us in some respects by employers. I would refer to the control of fines of the Bombay Mill Owners Association, for example, and on the side of delays I would refer to the action taken under the inspiration of the Railway Board by certain railways. As Honourable Members will realise, prompt payment is a more difficult matter on railways than in other forms of industry, but by measures designed to divide the workers into different groups receiving payment at different times of the month, the Railway Board have achieved substantial success and have reduced greatly the delay—and some delay I am afraid is always inevitable—which takes place in securing wages to railway workers. I commend the Bill to the consideration of the House.

Sir, I move :

“That the Bill to regulate the payment of wages to certain classes of persons employed in industry, as passed by the Legislative Assembly, be taken into consideration.”
(Applause.)

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Sir, as the Honourable Mr. Clow has pointed out in the very lucid speech which he has made, the Bill is the result of several years of of hard work in the Department of Industries and Labour. The Bill was first introduced in the last Assembly in 1933. It could not be dealt with by the last Assembly and it was introduced again in February, 1935. Thereafter it was referred to a Select Committee and the Select Committee spent several weeks over this Bill. It went into all details and it was able to present a report which would have improved the Bill in several respects from the workers' point of view. To the Bill as it had emerged out of the Select Committee it would have been possible to give an enthusiastic reception. Unfortunately however, in respect of one important matter, to which I shall come later in the course of my speech, an amendment was carried in the Lower House which has to an appreciable extent chilled the enthusiasm which workers feel for this measure. Meanwhile, I propose briefly to examine some of the more important provisions of this Bill.

The Bill deals with payment of wages and deduction of wages. The object of the measure is to see that the employee gets his wage promptly and that deductions are not made by the employer from his wages without sufficient cause. I think the Bill so far as it goes in this respect is very good, but I would like the Government of India to go a little further and to set up a minimum wage machinery at as early a date as possible. I know that the Bill has a limited scope and purpose. It deals with certain grave abuses in certain industries and it may be that Government feel that they must keep this question of payment of wages distinct from the question of a minimum wage machinery. But I would here stress that there is need for some machinery which would see that employees get a fair and suitable wage. There is need for some machinery which would enable the workers, without resorting to the extreme weapon of the strike, a weapon which we thoroughly detest but which in our present system of individual economy is perhaps inevitable, which would, I say, enable the workers to maintain their standard of living. I do not grudge the protection which our employers are getting. But if I stand for protection for our employers, I also stand for protection for our workers. The Whitley Commission went into this question of the minimum wage carefully and their recommendations are to be found in paragraph 173 and at page 214 of their report. They advised a cautious policy, as the summary of their conclusions on page 128 of the Government Report on action taken on the Report of the Whitley Commission would show. Now, Sir, I do want the Government of India to request Local Governments to undertake the inquiry which they have suggested in regard to certain industries. I am dissatisfied in going through the report which has been supplied to us with the attitude of certain Governments in regard to the proposed inquiry, notably the United Provinces, Bengal and Burma Administrations. So much for this minimum wage machinery.

I should like also to say that there is a necessity for some system of standardising wages. Something should be done to standardise wages in certain industries.

Now, Sir, coming to the provisions of the Bill, I am glad to find that the Bill lays down that all payments must be made on a working date. I am also glad to find in clause 5 that the Bill lays down that payment must be made within a period of seven days in respect of establishments which employ less than 1,000. I should have liked the Government of India to have one uniform rule for both factories which employ 1,000 and those which employ more than 1,000 men. As regards deductions, the position is that deductions from wages

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will only be permitted in certain specific cases which are detailed in section 7 of the Bill, and so far as that section is concerned, I think it is a very carefully drafted section and I am in general agreement with the framework of that section. I am glad that fines are prohibited in the case of children and this is in accordance with the recommendations of the Whitley Commission. I am also glad to find that the recovery of fine is not to be spread over a too long period. This again is in accordance with the recommendations of the Whitley Commission. While, Sir, I am not a believer in fines—I should really have liked to see fines abolished altogether, I do not think that they serve any disciplinary purpose at all—I gladly recognise that the clauses in regard to the fines follow the recommendations of the Whitley Commission and the Bill in this respect will distinctly improve the position of the workers.

Sir, there is one clause with which I am not satisfied and that is the clause which says that no wage period shall exceed one month. In paragraph 189 of their Report the Whitley Commission suggested that employers should adopt a system of weekly payment. I will just read out from page 238 the case as they put it for weekly wages :

“The reduction of the wage period itself, on the other hand, would have important effects. Long intervals between wage payments invariably add to the embarrassments of the poor, and have an appreciable influence in binding the worker to the money-lender. The mere purchase of goods on credit is not necessarily equivalent to running into debt and the shopkeeper (who is often the money lender) frequently does not charge interest on the current account for provisions ”.

Sir, the difficulty with a maximum is that it tends to be the minimum, and while I appreciate the difficulties of employers, while I appreciate the difficulties of Government in regard to this matter, I should really have liked to see in the Bill a system of weekly payments embodied.

Then, Sir, I would also refer to the clauses regarding the tribunal and the procedure laid down for that tribunal. Those proposals have my hearty support, particularly the proposal which would enable a number of workmen to present a joint application to the tribunal. Also I find that section 23 would prevent a man from contracting out of the Act. I regard it as a very salutary provision. I shall come now, Sir, to the most controversial clause regarding what are called lightning strikes. While for reasons which I shall state briefly and shortly I cannot approve of the clause—in fact I may say that I am opposed generally to the principle of it—I may state quite frankly that I am equally strongly opposed to lightning strikes. A strike is a weapon not to be used lightly. It is a weapon to be used when all other methods of obtaining redress have failed and when strikers have such legitimate grievances that public opinion will support them. Trade unionists therefore always disapprove of strikes without notice. Sir, I find a trade union leader, Mr. Guruswami, made certain very strong comments about a strike which is going on in Secunderabad just now. The policy of the unions is generally against lightning strikes. In fact, Sir, I do not know that there can be such a thing, strictly speaking, as a lightning strike. A strike very often has a history behind it. It represents in many cases the culminating stage in disputes between employers and employees. Employers know that trouble is brewing and in that case many strikes which are called lightning cannot be described as lightning. It may be that sometimes something may suddenly happen which may upset the mental balance of both employers and employees and you may have a lightning strike. There I quite agree. Therefore the question is not whether lightning strikes ought to be encouraged or discouraged. We all agree that lightning strikes ought to be discouraged. The question is how they can be

best discouraged. Now, Sir, I would submit that they can be best discouraged by the growth of healthy trade unionism. If our employers will look upon labour not merely as an agent in production but as human beings with feelings and emotions very similar to their own, I am sure labour disputes will become less frequent. It is the human touch in industry that will really solve this question of capital and labour. Employers must listen to workers and workers must be prepared to work in co-operation with employers if our system is to function in the way it should function. Industrial peace, Sir, should be our aim. Sir, if our employers and if our employees would live up to the old Indian ideal of *dharma*—it is an untranslatable word and therefore I cannot translate it, this word *dharma* is sometimes translated as duty—if our employers and employees would live up to the old Indian ideal of *dharma*, many of our difficulties would be removed. My real objection then, Sir, to the clause is that it may have the very opposite effect to that which our friends desire. Now I will take a concrete case. Ten men absent themselves on a certain day. Then the employers deduct their wages for 13 days. Then, Sir, this fine itself may become a matter of grievance with the employees and lead to a further strike. We want to prevent strikes. Therefore the real remedy is to be found in conciliation. Enough use has not been made of the machinery provided by the Trade Disputes Act. Sir, it may be said that the clause does not penalise strikes but its aim is to penalise strikes without due notice and without reasonable cause. Now, Sir, here we come to the question of what is due notice and what is reasonable cause. What is due notice? Is it intended that every workman should give individual notice or a notice by the trade union of which he is a member be enough? Why should workers be required to give individual notice when employers can put up only one notice? Then as regards reasonable cause. Is it intended that workers who are fined should go to a court of law and then show that they were not acting in concert and that they had reasonable cause. The onus of proving that they were not striking in concert and they had reasonable cause would be upon the workers, not upon the employer. Would every worker who is proceeded against have to bring a separate suit and how would it help the employer if he had a number of suits against him, if he had a multiplicity of suits against him because of certain action taken by him? Further, Sir, would the courts according to the clause as it stands be able to ascertain the factum and quantum of damages also? Sir, the clause is in the nature of a penal clause and, therefore, one further question that I would like to ask in regard to this clause is this. Would it be open to an employer, firstly, to levy a penalty under this clause and, secondly, also to pursue his common law remedy against an employee for damages for breach of contract? If so, then the clause is open to the objection that it would give to the employer two remedies. Firstly, the remedy of deducting wages; secondly, a suit for damages for breach of contract. But, Sir, I find that according to section 22 :

“no court will entertain any suit for the recovery of wages or of any deduction from wages in so far as the sum so claimed forms the subject of an application under section 15, etc.”

But this section will not bar a suit for damages for breach of contract when an employer deducts wages under the proviso to section 9. So that under section 23 read with section 7 and section 9, the common law right of the employer to proceed against the employee for damages for breach of contract is not taken away, and what has been done by this clause 9 is to give the employer an additional right. My submission, therefore, is that the common law right of the employer to proceed against a worker for breach of

[Mr. P. N. Sāpru.]

contract damages has not been affected by this clause, but an additional right has been given to the employer. Sir, this I would say is not quite a fair arrangement. It is also a fact, Sir, that the clause was inserted at the last moment. It was not discussed in the sub-committee. Opinions of the Local Governments and the various other interests affected by this clause were not taken. A change of this character ought not to have been effected without reference to the various interests involved, without much deliberation and thought. I think, Sir, that Labour has a grievance that in a Bill designed for their benefit there is what they have come to regard rightly or wrongly an anti-strike clause. I am genuinely sorry, Sir, that a measure over which our good-hearted and respected Industries Member, the Honourable Sir Frank Noyce, and his very able and sympathetic Secretary, Mr. Clow, who was a very distinguished member of the Whitley Commission—and Indian Labour can never forget the services which the Whitley Commission rendered—that a good measure over which these two good and sympathetic gentlemen have spent so much thought and care and labour, should have been spoilt by a last-minute change. I would, therefore, Sir,—recognising that it is not possible for us to change the principle of the clause at this stage—appeal to them at least to limit its rigour and severity. Any action taken to mitigate its rigour and severity will hearten and cheer Labour and I am quite sure that they will have an adequate response from Labour circles in any action that they take to mitigate the rigour and severity of this clause. Sir, I would like this House to be wisely conservative. I am not a Conservative myself but I recognise that some of the best labour legislation in England, for example, has been promoted by Tory democrats. I would like the House to be wisely conservative and to hold the balance even between Capital and Labour. Sir, we hear a good deal about communism and the growth of communistic activities in this country. Well, Sir, no one can be more opposed to the principles of communism than a Liberal democrat. Communism is the very antithesis of liberalism. But I think, Sir, there are two ways of dealing with communism. One is the Italian way and the other is the British way and I should like, Sir, a British Government to deal with communism in the British way. Let us be wise and far-seeing in the reforms that we promote. It is only a bold and courageous policy of liberal reform which will stem the tide of communism. Sir, if we can show to our workers that we mean to be fair to them, that we mean to be just to them, that we treat them as human beings, with emotions and feelings very similar to ours, then I am sure that our workers will be loyal to us, will respond to any gesture that we may make to them. We should not get hysterical about communism. We should deal with it in a liberal way. It is by removing the real causes of economic unrest, by promoting wise and far-reaching reform that we can best stem the tide of communism. We should be wise and careful in the employment of our methods.

Sir, these are all the observations that I have to make on this Bill. But before I sit down I would once again make an appeal to the Honourable Mr. Clow to make some gesture to Labour and I am certain that he will meet with response from Labour quarters.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, labour has achieved considerable progress so far as its interests and rights are concerned through legislation which has been passed by the Indian Legislature. There has been considerable improvement in its prospects. But, Sir, whatever recommendations in the report of the

Whitley Commission may be, the problem of labour in India and in England or other European countries is not the same. India has particular disabilities to face and consequently many of the methods or usages that have become common in those countries cannot with advantage be applied to Indian conditions. The Honourable Mr. Sāpru has referred to minimum and standardised wages. I have some knowledge of the working of the Bombay mills, and I can say that, a proper wage for a proper day's work has already been standardised and adopted by most of the mills. For special kinds of work, and turn-out, special wages have been assigned. The workers again are divided into piece-workers and workers who have fixed pay. Such being actually the case, I cannot understand how the system can be improved upon? Every mill and every kind of work cannot possibly have an uniform standard on account of the great diversity of materials manufactured. The question of weekly wages as is the practice in England is a very debatable one. It has been assumed that it will ensure the economic condition and would prevent workers from getting into debt. Anyone who visits the mills in Bombay on pay days will be struck with what he sees. There is a huge crowd of Marwaris, Pathans and other money lenders who actually besiege the workers just outside the main gate in order to get hold of the wages as soon as they have been paid! The result is that men and women go on year after year paying debts from which they are never free. It has been asserted that if weekly wages were introduced the result will be that their fate will be worse even than at present, because they would squander the money and practically be never free from debts. This question has been thoroughly debated and experience has confirmed that the best way of payment of wages is by the month.

With regard to lightning strikes, while this Bill was being debated at 12 Noon. another place, a lightning strike occurred in Bombay in one of the mills. Six hundred weavers who were dissatisfied with some conditions under which they were working went on strike with the result that the looms remained idle. The mill had therefore to be closed. It would thus appear that the grievances of those 600 workers, real or imaginary, deprived the other 5,400 workers, who had no grievances, of their legitimate work and wages. Not content with that, the strikers usually go about in a procession with the view to instigate and exhort other mills to imitate their example in a sympathetic strike. That is the manner in which many strikes in Bombay and elsewhere follow in the wake of one such. Some of those strikes have been found to be based upon unsubstantial grievance. Time after time, they have been found to be based upon puerile or flimsy grounds and yet the workers have been led away by agitators connected with some of their so-called unions. The unions are disorganised. Their membership is very small compared to the total number of workmen in the city of Bombay. They are divided. Some have socialistic tendencies, while others are openly communistic. The result is that it is the poor and ignorant workers who become the victims of their peculiar views or idiosyncracies. The mass of workers is illiterate, unorganised and is easily led away by plausible pleas that benefit, not them but those who lead them astray. Sir, I believe that the progress that has been made in the Department of Industries and Labour, in the interests of workers is due solely to the laudable efforts of the Honourable Sir Frank Noyce. He has done a great deal of good to them and improved their prospects in every possible way. It is to be hoped that labour would now be contented having secured not one but two Magna Chartas.

With these remarks, Sir, I support the consideration of the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to regulate the payment of wages to certain classes of persons employed in industry, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clause 2 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 3 stand part of the Bill".

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That in clause 3 of the Bill after the word 'persons' the words 'or their substitutes' be inserted".

The clause runs:

"Every employer shall be responsible for the payment to persons employed by him, etc."

We know that sometimes temporary substitutes are employed by employees and I want the interests of those temporary employees to be protected. If the wages are paid through the employee, then the tendency for the employee or some other person is to make some deductions from the wages of the temporary substitutes.

THE HONOURABLE THE PRESIDENT: You don't think "persons employed" include their substitutes?

THE HONOURABLE MR. P. N. SAPRU: That is my feeling, Sir. If the employer is not made responsible for the payment to persons—

THE HONOURABLE THE PRESIDENT: "Person employed"—the substitute will be the person employed. A substitute can not be employed without the permission of the employer.

THE HONOURABLE MR. P. N. SAPRU: If that is so, I will not press the amendment.

THE HONOURABLE MR. A. G. CLOW: Sir, I must oppose this amendment. I do not think it is sound in principle. Further, although I am not a lawyer, I very much doubt if it would achieve the object my Honourable friend has in mind. On the question of principle, the substitute is not employed for the employer's convenience. In fact, he is a nuisance from the employer's point of view. The workman goes away and brings a substitute who may be incompetent. If the employer, as a matter of grace, allows the substitute to work, I do not see why he should necessarily have to accept a further liability for him.

On the question of law, if the amendment is carried, the clause will then read:

"Every employer shall be responsible for the payment to persons or their substitutes employed by him, etc."

That means that the employer would only be liable for substitutes whom he had definitely employed. If he has a contractual relation with the substitute, or in other words, if his agent has engaged the substitute, I maintain that he is already liable under clause 3 to the substitute. If he has no contractual

relation with the substitute, then my Honourable friend's amendment would not have the effect of making him liable.

THE HONOURABLE MR. P. N. SAPRU: I do not press the amendment, Sir.

THE HONOURABLE THE PRESIDENT: You have not yet moved the amendment.

THE HONOURABLE MR. P. N. SAPRU: I am not moving it, Sir.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 3 stand part of the Bill".

The Motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 5 stand part of the Bill".

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That after sub-clause (2) of clause 5 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly:

'(3) Where the employment of any person is terminated by the employee with due notice or where he goes on leave with the permission of his employer, his wages shall be paid on the day before the expiry of the second working day on which he terminated his service or his leave begins'."

Sub-clause (2) of clause 5 runs thus:

"Where the employment of any person is terminated by or on behalf of the employer the wages, etc."

If the employee terminates the service with due notice, why should he be in a different position? Where the employer terminates the contract with notice then the wages earned by the employee have to be paid before the expiry of the second working day but if the employee terminates the contract after due notice, then there is no provision in the clause as it stands that the wages earned by him shall be paid before the expiry of the second working day.

As regards the second part, namely, where he goes on leave with the permission of his employer, if he is going on a holiday or on leave, it will be a convenience to him to have the payment made to him before the expiry of the second working day on which his leave begins.

Sir, I move.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras: Nominated Non-Official): Sir, I only wish to enquire—and I hope some Honourable Member will explain—what exactly is meant by the second part of the amendment. The part which I refer to runs as follows:

"... his wages shall be paid on the day before the expiry of the second working day on which he terminated his service or his leave begins".

Evidently it is intended to provide for the time of payment of wages. If the intention is that the wages shall be paid on the day on which the employee terminates his services or commences his leave, then it is unnecessary to refer

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to the second working day after that event. On the other hand if it is intended to fix the expiry of the second working day as the farthest time limit within which his wages have to be paid, then I think we must specify a point of time from which the second working day has to be counted. I venture therefore to suggest that the relevant portion of sub-clause (2) of clause 5 which is quite clear be exactly borrowed for the purpose of this amendment. In other words his wages shall be paid before the expiry of the second working day from the day on which his employment is terminated.

THE HONOURABLE THE PRESIDENT: Then you wish to move an amendment?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON: No, Sir, I am only suggesting this. I am not speaking on the merits of the amendment at all.

THE HONOURABLE MR. A. G. CLOW: Sir, I share Sir Ramunni Menon's difficulty as to the meaning of the amendment, but I think I am fairly clear as to the intention. I feel sure from what fell from the Honourable Mr. Sapru that his intention is that, in the two cases he particularises, the employer should be allowed only two days for payment. Now there are two separate cases. The first is the one where the employment is terminated by the employer with due notice. My Honourable friend asks me why we should treat the case where the employee terminates his service differently from the one where it is terminated by the employer. I would put another question to him, and that is—why should the employer be compelled to treat the man who is no longer willing to stay with him more generously than the man who is willing to continue in his employ? I should have thought that there is a very obvious answer as to why there should be different treatment. If the employer terminates the services of an employee then that is an act not within the power of the employee at all, for which the employer must be responsible. The employer may be retrenching or there may be other reasons. But in this other case it is a definite act of the employee and I do not think it is reasonable that the employee should by that act be able to ante-date the date of payment and so secure an advantage over other employees. That would encourage notices for termination of employment.

As regards the second case, where the worker goes on leave with the permission of his employer, if the employer is good enough to give permission and is a reasonable man, no doubt he will give the wages when he gives the permission. But an employer who did not want to pay on that date would have resort to the obvious remedy of refusing leave, and the amendment would discourage employers from giving permission to employees to go on leave.

THE HONOURABLE THE PRESIDENT: Do you wish to press your amendment?

THE HONOURABLE MR. P. N. SAPRU: No, Sir.

The amendment was, by leave of the Council, withdrawn.

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That after sub-clause (4) of clause 5 of the Bill, the following new sub-clause be inserted:

'(5) The payment of wages to the heirs of a deceased employee shall be made in the manner prescribed.'

THE HONOURABLE THE PRESIDENT: Do you want to proceed with this amendment?

THE HONOURABLE MR. P. N. SAPRU: Yes, Sir.

THE HONOURABLE THE PRESIDENT: I am inclined to overrule this amendment, but I will hear Mr. Clow.

THE HONOURABLE MR. A. G. CLOW: I must take exception to this amendment on a purely technical point. I do not think it falls within the scope of the Bill. The Bill, as defined in the Preamble, is a Bill to regulate the payment of wages to certain classes of persons employed in industry, while this amendment is for a different object. It is to pay wages to persons who are not employed and may never have been employed in industry.

THE HONOURABLE THE PRESIDENT: I entirely agree with the objection taken against this amendment. We are legislating under this Bill for people actually employed and in existence, while the amendment refers to the heirs of deceased employees, for whom we are not legislating and who are not within the scope of the Bill. I therefore uphold the objection and disallow the amendment.

Clause 5 was added to the Bill.

Clauses 6 and 7 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 8 stand part of the Bill".

THE HONOURABLE MR. P. N. SAPRU: Sir, I do not wish to move this amendment.

Clause 8 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 9 stand part of the Bill".

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That for the proviso to sub-clause (2) of clause 9 of the Bill, the following proviso be substituted:

'Provided that subject to rules made by the Government of India in this behalf, if one third of the total number of employed persons, none of whom is a child or an adolescent (as defined in the Factories Act, 1934) or a woman, acting in concert, absent themselves without notice, (as required under the rules but the length of which in no case will exceed half the length of the period of notice which may be required from an employer) and without reasonable cause, such deduction from any such person may include such amount not exceeding his wages for six days or for the actual days of absence whichever is lower, as may be due to the employer in lieu of due notice'."

Sir, after I have moved this amendment there is another amendment which I shall beg you, Sir, to allow me to move.

THE HONOURABLE THE PRESIDENT: You can bring it up after this is disposed of.

THE HONOURABLE MR. P. N. SAPRU: I said what I had to say in regard to the principle of this clause in my speech at the consideration stage. I do not propose to go into the question of principle at all at this stage. The

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clause as it is worded accepts the principle of Sir Hormusji Mody's amendment in the other House and it only seeks to mitigate its rigour. The clause of Sir Hormusji says "ten persons or more". I am suggesting that the figure should be one-third of the persons employed. The number "ten" strikes one as being too small. I have suggested a definite proportion of the total number of people employed.

Then, Sir, the second part of my amendment seeks to reduce the period for which wages may be deducted from 13 days to six days. For one day's absence, Sir, a deduction of wages for six days ought to be quite sufficient. If employees cannot be deterred by having their wages cut for six days, they would not be deterred by having their wages cut for 13 days, we ought to make some gesture towards the employees. There is deep and genuine disappointment with the clause as it stands. Sir, I want this Bill to have a really good reception and I think if something is done to make this Bill a little better in this respect the reception it will have from the workers for whom it is meant will be much better.

Then, Sir, about women and children. I think women and children ought to be excluded.

THE HONOURABLE MR. A. G. CLOW: Sir, before I deal with the details of this amendment I would like to take this opportunity of referring to certain remarks which fell from my Honourable friend in his opening speech, because I am quite satisfied that on the subject of this particular proviso there is a tremendous amount of misapprehension. The impression has got abroad and I believe is honestly held by a number of people—Mr. Sapru himself referred to it—that this is a clause penalising lightning strikes. The words "penalising lightning strikes" I have seen in both Indian and European newspapers which are ordinarily very well informed. I have also seen comments in various parts of India by those who have not had access to the Bill and have not had the time to study it who have obviously got the impression that in this proviso we are introducing some form of penalty; and for that reason I would like to try to explain to the House as briefly as I can what this proviso actually does.

I would ask the House to look at the position if the proviso were not there. We have in clause 7 prohibited all deductions from wages except those that are allowed by later provisions. We allow in sub-clause (2) (b) of clause 7 deductions for absence from duty, but we hedge that about further by clause 9. Sub-clause (2) of clause 9, read without the proviso, provides that the employer cannot deduct from wages on account of the workman's absence anything more than the wage he would have earned during the period for which he was absent. In other words, no work no pay; that is all it says.

Now we come to the question of breach of contract. A number of workmen go off without any notice, without any reasonable cause, acting in concert, on a strike. Under the ordinary contract of employment the employer at this moment has a right to damages for the injury caused to him. Normally those damages would be the period of notice which may be up to a month; in many cases it is a month. Further the employer has not merely the right to damages; he has at present the power of deducting those damages from wages. As a matter of actual fact, he can withhold those sums from wages and thereby compel the workmen to sue him in the civil court. And even when that suit is brought the employer can plead "I am entitled, as a set-off to any wages you claim, to the damages that are due to me under the law". So that, if we did not put in a proviso of this kind, the position would be that we would take away from the private employer all legal power to take from

wages any damages which were due. We should not be depriving him of the right to go to a civil court and sue for them; we should be compelling him to do that if ever he wanted to recover damages for breach of contract. In other words, we would be introducing a very important change and that I think is what was not realised in the Select Committee.

Now it is perfectly true that this proviso takes away from the workman an advantage which he would have had if the Bill had been passed in the form recommended by the Select Committee; I admit that at once. What I deny is that it imposes on the workman any penalty to which he is not open at present. In fact, it has the other effect. The clause, read as a whole, places the workman in a more advantageous position than he holds at present, for it limits the power of the employer to recover from wages damages up to the extent of a certain number of days. It also limits it to cases where workmen act in concert, whereas at present he can do it in the individual case. And there are further limitations possible, because the proviso opens with the words "subject to any rules made in this behalf by the Local Government". In other words, we came across a right and a power vested in employers and we have curtailed that power: we have not curtailed the right. I admit to my Honourable friend that the employer can do what he thinks—go to the civil court and sue for the rest of the damage which he has failed to recover by this means, but I can assure my Honourable friend that I do not believe any employer will ever take that course. We have not in this clause, in other words, conferred on the employer a right to any money which is not his and would not be his independently of this Bill. All we have allowed him to do is to recover, to a limited extent, whatever may be due to him independently of the Bill.

I hope that is clear, because when the clause is described as a clause penalising lightning strikes or a clause imposing a penalty, it is obvious to me that its whole effect has been misunderstood. It is not a clause imposing a penalty. It is a clause restricting the penalty which at present can be imposed and it will not put the workman in a worse position than he is at present; it will leave the workman in a better position than which he at present holds. If we had not inserted the clause then we would not have been making a very important change, because we would have been saying to the employer: "However unreasonable the strike is, however great the injury that has been caused to you, you shall not recover any damages through wages. You must pay those workmen who have injured you, grievously it may be, up to the time they have worked and if you want to recover any damages you must sue them individually in the civil court". Now, that would have been a very important and very radical change; and this, taken as a whole, is not a Bill designed to confer certain rights; it is a Bill designed to secure to persons what are their rights, what we regard as their rights already. Here is a right vested in and exercisable by the employer; what we have done, I maintain, is to curtail it.

I hope that in the light of that explanation the House will be able to appreciate the reasons why I am in opposition to the amendment which we are discussing. This amendment proposes to fix the number of persons employed before the right can be exercised at one-third. Now the reference to 10 persons acting in concert is not inserted because of any magic about the number 10. It is inserted for quite a different reason. The reason is this. If we have no reference to workmen acting in concert, then the right could be exercised for every occasional absence from work. If a workman went away for one day for a marriage or something else and came back again the next day, then the employer would be in a position to deduct for breach of contract. What we intend is that in the ordinary cases of absence the employer

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should not be entitled to retain for himself more than the wage which he otherwise would have paid during the absence, which is obviously a fair proposition. The reference to concert is therefore inserted to secure that position and to ensure that this proviso will not destroy in the ordinary individual cases, which will form 999 out of 1,000 cases, the safeguard inserted in sub-clause (2) of clause 9.

Similarly as regards six days. My Honourable friend says that the worker will not be deterred more by 13 days than by six. Perhaps not. But I think that his argument has behind it again this idea that this is some new deterrent that we are inserting. As I have tried to explain earlier, it is not. It is merely the retention in a much modified form of a right which the employer has and enjoys. I am ready to concede that cases may arise where employers who exercise this right may thereby tend to prolong a strike. But we have been advised by that Government which has had most experience of conciliation that this is likely to do something better than curtail strikes, and assist in some measure in preventing them, and I believe that to be a sound argument. We can only proceed by experience; we must proceed on the advice of those best fitted to advise. And this clause, which I hope the Honourable Member as a lawyer will realise has nothing repugnant to justice, is a clause designed to promote industrial place.

THE HONOURABLE THE PRESIDENT: After this full explanation I presume you do not press this amendment?

THE HONOURABLE MR. P. N. SAPRU: It may be put to the vote, Sir.

The Motion was negatived.

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That in the proviso to sub-clause (2) of clause 9 of the Bill for the words in bracket the following words be substituted, namely:

'that is to say without giving the notice which is required under the terms of their contracts of employment'."

By this provision and the omission of the words "impliedly, etc.", it will be possible for the Government to make rules which would require that these contracts should be omitted or to instruct Local Governments to make rules which will require these contracts to be omitted. That will be the effect of my amendment. I hope that the Government will be pleased to accept it.

THE HONOURABLE MR. A. G. CLOW: I am glad to accept this amendment, Sir. I think it improves the clause distinctly. I hope that Local Governments will ensure that terms of this character are in writing. That should provide a very important safeguard for the workers concerned.

The Motion was adopted.

THE HONOURABLE MR. P. N. SAPRU: Sir, I move:

"That in the proviso to sub-clause (2) of clause 9 for the figures '13' the figure '5' be substituted."

Sir, I would make an appeal to our good-hearted and respected Industries and Labour Member, Sir Frank Noyce. Sir, something ought really to be done to mitigate the rigour of this clause. I am sure, Sir, that if he accepts

this clause the Bill will have a better response. I do hope, Sir, that he and his very able and sympathetic Secretary, Mr. Clow, will make some response in this respect.

THE HONOURABLE SIR FRANK NOYCE (Industries and Labour Member): Sir, I may say quite briefly that I am prepared to accept this amendment. My Honourable friend has appealed to me to abate the rigour of this clause somewhat and I am prepared to meet him to the extent proposed in his amendment. I have ascertained the opinion of those specially interested in the Bill in the other House and I find that the acceptance of this amendment here would receive general acceptance in that House.

The Motion was adopted.

THE HONOURABLE MR. A. G. CLOW: Sir, before you put this clause, I would draw your attention to the fact that a consequential amendment is necessary. With your permission I would move:

"That in the proviso to sub-clause (2) of clause 9 the words 'contract or' be omitted."

These words occur in the second last line and as a consequence of altering the form of the words in brackets this change becomes necessary.

The Motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 to 20 were added to the Bill.

Clauses 21 to 26 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Bill has been amended. Standing Order 48 (?) runs thus:

"If any amendment of the Bill is made any Member may object to any Motion being made, on the same day, that the Bill be passed, and such objection shall prevail, unless the President, in the exercise of his power to suspend this standing order, allows the Motion to be made."

I understand there is no such objection forthcoming from any Honourable Member and therefore I call upon the Honourable Mr. Clow to make his Motion for the third reading.

THE HONOURABLE MR. A. G. CLOW: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, and as amended, be passed."

I have nothing to add to the observations I have already made on the merits of the Bill. I merely wish to thank Honourable Members for the sympathetic reception the Bill has received at their hands.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill, as passed by the Legislative Assembly, and as amended, be passed."

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 26th February, 1936.

COUNCIL OF STATE.

Wednesday, 26th February, 1936.

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

QUESTIONS AND ANSWERS.

ORDER OF FINANCIAL COMMISSIONER, PUNJAB, DISPENSING WITH LICENCE FORM L-10—SALE OF FOREIGN LIQUOR.

29. THE HONOURABLE MR. P. N. SAPRU : (a) Has the attention of Government been drawn to the order of the Financial Commissioner, Punjab, No. 5923-SR., dated the 22nd December, 1928, dispensing with Form L-10 of the licence for the sale of foreign liquor ?

(b) If so (i) Why has the Form of Licence L-10 been retained for the Delhi Province ?

(ii) What are the reasons for not adopting the procedure of the Government of the Punjab in Delhi ? and

(iii) Will Government state whether they propose to remove the anomaly created by the grant of licences in Forms L-2 and L-10 for the vend of foreign liquor under two different styles and terms ? If not, why not ?

(See reply under question No. 33.)

SALES OF FOREIGN LIQUORS AND INDIAN MANUFACTURED FOREIGN LIQUORS UNDER LICENCE FORMS L-2 AND L-10, RESPECTIVELY, IN DELHI PROVINCE.

30. THE HONOURABLE MR. P. N. SAPRU : Will Government please lay a comparative statement of the sales in each kind of foreign and Indian manufactured foreign liquors separately by each licensee holding licence in Form L-2 and L-10, respectively, in the Delhi Province during the year 1934-35 ?

(See reply under question No. 33.)

STANDARD BOTTLES AS USED IN THE PUNJAB AND BOTTLES AS USED IN DELHI PROVINCE UNDER LICENCE FORMS L-11 AND L-15.

31. THE HONOURABLE MR. P. N. SAPRU : Will Government please state whether the standard bottles as used by the Punjab Excise Department are also used by the licensees holding licence in Form L-11 and L-15 in the Delhi Province ? If not, why not ?

(See reply under question No. 33.)

REASONS FOR DIFFERENT STANDARD SIZED BOTTLES FOR DIFFERENT DUTIES.

32. THE HONOURABLE MR. P. N. SAPRU : Will Government please state whether licensees holding licence in Form L-15 in the Delhi Province use the Punjab Excise standard bottles only for those liquors whose

duty is Rs. 6-4-0 per L. P. gallon and use unstandard bottles for those liquors whose duty is Rs. 17-8-0 per L. P. gallon? If so, what are the reasons for the different standard sizes of bottles for different duties?

(See reply under question No. 33.)

MESSRS. DYER, MEAKIN AND CO., DISTILLERS AND BREWERS.

33. THE HONOURABLE MR. P. N. SAPRU: (a) Are Messrs. Dyer, Meakin & Co., Distillers and Brewers, the holders of licence in Form L-1 for the places where they carry on business within British India?

(b) Are no restrictions imposed on them anywhere except in Delhi Province where they can only sell beer?

(c) Did they apply to the Delhi Excise Authority in 1934 to remove the restrictions and to permit them to sell every description of produce of their distillery and brewery?

(d) Has the Delhi Excise Authority rejected the said application?

(e) If the replies to parts (a) to (d) be in the affirmative, will Government please state:

(i) the reasons for the imposition of restrictions by the Delhi administration; and

(ii) the grounds on which the application to remove restrictions was rejected?

THE HONOURABLE MR. A. J. RAISMAN: With your permission, Sir, I propose to answer questions Nos. 29, 30, 31, 32 and 33 together. The information is being obtained and will be laid on the table in due course.

HOMŒOPATHIC SYSTEM OF TREATMENT.

34. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Has the system of homœopathic treatment during the last two decades spread in India, especially in big cities and towns?

(b) Are a large number of bogus degree holders practising without restriction?

(c) Are certain persons getting bogus degrees of M.B., M.D., L.M.S., from foreign countries by sending a few rupees by postal order?

(d) Do Government propose to put a check to the spread of such bogus degrees?

(e) Do Government propose to start a Central Homœopathic College where medical education may be imparted? If not, why not?

(f) Do Government allow bogus foreign degree holders to practise in allopathy medicine? If not, will Government be pleased to state the reasons why bogus homœopathic foreign degree holders are allowed to practise in medicine in this country.

(g) Do Government propose to frame strict rules prohibiting these bogus homœopathic foreign degree holders from practising in India? If not, why not?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a), (b) and (c). Government have no precise information.

(d), (e), second part of (f) and (g). No. The suggestions are primarily for the consideration of Provincial Governments.

First part of (f). Government have so far not found it possible to legislate against this.

INDIAN STORES DEPARTMENT.

35. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Was the Indian Stores Department created for the purpose of centralising all the purchases of Government stores? If so, will Government be pleased to state whether the State Railway authorities are empowered to purchase stores independently of the Indian Stores Department? If so, why?

(b) Do Government propose to issue orders for the purchase of all Government stores for State Railways or for other departments through the Indian Stores Department? If not, will Government be pleased to state the reasons why the Indian Stores Department has been kept in existence and so much money is being spent on the Department?

(c) Was the Indian Stores Department created for keeping a watch over Government purchases from Indian firms and for supporting indigenous industries? If so, what steps do they propose to take to stop the purchases for railways by the railway authorities themselves?

THE HONOURABLE MR. A. G. CLOW: I would refer the Honourable Member to the reply given to a similar question which was asked by the Honourable Mr. Jagadish Chandra Banerjee on the 6th March, 1934, in this House.

MURACO BLACK PAINT.

36. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) With reference to the reply given in the Legislative Assembly on the 24th November, 1933 to part (b) of starred question No. 1069 regarding "Muraco" black paint used on the East Indian Railway, will Government be pleased to state the date and the year when they decided to raise the period of workshop overhauls from two years to three years and the date and the year from which the rule was enforced on the State Railways?

(b) With reference to the reply given on the 20th April, 1934 to question No. 50 in the Council of State will Government be pleased to state whether the Eastern Bengal Railway authorities have been purchasing this 3 per cent. carbon black paint for the last three years without calling for public tenders and, if so, will Government be pleased to state the reasons therefor? Do Government propose to enquire as to who were responsible for such purchases and state the names of such officers? If not, why not?

(c) Has "Muraco" black been submitted to a comparative exposure test by the Government Test House, Alipore, with Indian Stores Department 20 per cent. lamp black paint? Was it found to be superior in durability to those simultaneously tested? If so, will Government be pleased to state the reasons why Messrs. Jenson and Nicholson's 3 per cent. carbon black ready mixed paint at Rs. 3 per gallon and their stiff or moist black paint at Rs. 9-7-0 per cwt. were not submitted to such a comparative exposure test and were not included among those tested along with "Muraco" black?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) 1st April, 1931.

(b) Yes: as the quality of the paint ordered had been found to give satisfactory results during the previous three years, Government do not consider that any action is called for.

(c) "Muraco" special black, ready mixed paint has been subjected to exposure tests in comparison with Indian Stores Department 20 per cent.

lamp black paint and also on another occasion with other paints. It was not found to be the most durable of those tested.

With regard to the latter part of the question, stiff or moist paints are not subjected to exposure tests. In the case of the ready mixed paint, the reference is presumably to Jenson and Nicholson's "Special ready mixed paint for underframes and wagon bodies". This has also been tested by exposure.

IMPORT DUTY ON COCKS AND VALVES.

37. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Are Indian manufacturers of brass and gunmetal cocks and valves handicapped by the present tariff ?

(b) Is 25 per cent. import duty levied on such components of brass and gunmetal as copper, zinc, lead, tin, etc. ?

(c) If so, will Government be pleased to state the rate of duty that is levied at present on imported brass and gunmetal ?

(d) Is the rate of duty on these finished goods lower than the duty levied on the raw materials required for the manufacture of brass and gunmetal in India ?

(e) Do Government propose to lower the duty on the raw materials or to increase the duty on the imported brass and gunmetal ? If not, why not ?

THE HONOURABLE MR. T. A. STEWART : (a) Government are not aware that this is the case. I would refer the Honourable Member to the Department of Commerce Resolution, dated the 28th March, 1925, on the subject of representations regarding tariff inequality.

(b) Copper and lead are subject to an import duty of 25 per cent. *ad valorem*, tin to an import duty of Rs. 312-8-0 per ton, while zinc is admitted free of import duty.

(c) 25 per cent. *ad valorem*.

(d) It is not clear whether the Honourable Member by "finished goods" means brass and gunmetal cocks and valves or brass and gunmetal. The import duty on brass and gunmetal cocks and valves is as follows :

Standard rate 30 per cent. *ad valorem*.

Preferential 20 per cent. *ad valorem*.

The rates of duty on the raw materials as well as on brass and gunmetal have already been stated.

(e) Government see no reason at present to make any change in the existing duties.

SUPPLY OF GUNNY BAGS BY SALT DEALERS.

38. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Did the salt dealers use to supply gunny bags direct to Government whenever they ordered salt from Sambhar and other places ?

(b) Does Government now insist on the supply of gunny bags by local gunny bag dealers at Sambhar ? If so, will Government be pleased to state the reasons why the salt dealers are being forced to purchase gunny bags from the local gunny bag dealers in Sambhar ?

(c) Are local dealers charging salt dealers excessive rates for such gunny bags ?

(d) Do Government propose to stop this compulsory purchase of gunny bags from local dealers ? If not, why not ?

THE HONOURABLE MR. A. J. RAISMAN : (a) Yes, until 1920. Since then the instructions have been that bags if not supplied by the Department should be supplied by the traders themselves through their local agents.

(b) The answer to the first part of the question is in the negative. Traders have the option of buying bags from local bag dealers or of supplying their own bags through their own local agents. The second sentence of this part of the question and part (d) of the question do not therefore arise.

(c) As there are no orders of the Department restricting the business to local bag dealers, the Government is not concerned with the price charged by such dealers.

IMPERIAL LIBRARY, CALCUTTA.

39. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Have the authorities of the Imperial Library, Calcutta, decided to stop the issue of fiction in Indian vernaculars to readers other than research scholars ?

(b) Will Government be pleased to state the method that is being adopted for the verification of research scholars ?

(c) Will Government be pleased to state the reasons why this restriction has been put on ordinary readers ?

(d) Are such restrictions resented by the reading public who visit the Imperial Library ?

(e) Do Government propose to remove the restrictions on the reading public who visit the Imperial Library ? If not, why not ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) Yes.

(b) As no research scholar has so far applied for works of fiction the question of verification has not come up in a practical form. The procedure to be adopted in this respect will be considered.

(c) The restriction has been imposed in pursuance of the desire of the Library authorities to limit the amenities of the institution to serious study. The Library is primarily intended to be a library of reference, and a working place for students.

(d) No. On the contrary the restrictions are favoured by all serious students using the Library.

(e) No. Government see no reason to interfere in this matter with the discretion of the Library Council.

THE HONOURABLE MR. P. N. SAPRU : Is it suggested that fiction can never be serious ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : There is no such suggestion. As I have already said, this Library is a library of reference. It is not a circulating library.

SCHOOLS IN NEW DELHI.

40. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ :
(a) Are there nearly 21 schools in New Delhi with about 6,000 students ?

(b) Have the following schools their own buildings, the rest having hired premises :

- (1) M. B. High School, New Delhi.
- (2) M. B. Primary School, New Delhi.
- (3) St. Thomas High School, New Delhi.
- (4) Jesus and Mary High School, New Delhi.
- (5) Modern High School, New Delhi.
- (6) M. B. Girls' High School, New Delhi.

(c) Can the total number of school-going students of New Delhi be accommodated in the schools having their own buildings ? Are other schools required to meet their needs ?

(d) Have those landlords who have let out their premises to schools been served with notices by the Central Public Works Department, Delhi, asking them to get their premises vacated by schools and to let them out for residential purposes only ?

(e) If the answer to (d) is in the affirmative, did the Central Public Works Department, Delhi, consult the Education Department in the matter ? If not, why not ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : The information asked for by the Honourable Member has been called for and will be laid on the table of the House in due course.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT : I have to announce that the following Honourable Members have been nominated for election to the Standing Committee on Emigration :

1. The Honourable Mr. Bijay Kumar Basu.
2. The Honourable Sir Ramunni Menon.
3. The Honourable Mr. Mahmood Suhrawardy.
4. The Honourable Sir Phiroze Sethna.
5. The Honourable Mr. P. N. Saprú.

As there are five candidates for four vacancies an election will be necessary the date of which will be announced later.

STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

THE HONOURABLE THE PRESIDENT : I have also to announce that the following Members have been nominated for election to the Standing

Committee to advise on subjects, other than "Roads" and "Posts and Telegraphs" dealt with in the Department of Industries and Labour. They are :

1. The Honourable Sir Ramunni Menon.
2. The Honourable Mr. P. N. Saprú.
3. The Honourable Mr. Jagadish Chandra Banerjee.

There are three candidates for two vacancies and an election will be necessary. The date of election will be announced later.

STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT : I have also to announce that the following Members have been nominated for election to serve on the Standing Committee for Roads which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1936-37. They are :

1. The Honourable Mr. Mahmood Suhrawardy.
2. The Honourable Diwan Bahadur G. Narayanaswami Chetty.
3. The Honourable Sardar Buta Singh.
4. The Honourable Sir Phiroze Sethna.
5. The Honourable Nawab Malik Sir Mohammad Hayat Khan Noon.
6. The Honourable Rai Bahadur Lala Ram Saran Das.
7. The Honourable Kumar Nripendra Narayan Sinha.

There are seven candidates for three vacancies and an election will be necessary. The date of election will be announced later.

RESOLUTION *RE* RULES AND REGULATIONS IN HORSE-BREEDING AREAS.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, as this will be the first occasion when His Excellency General Sir Robert Cassels will be taking part in the discussion of a Resolution in this House, I consider it my duty to accord him a most cordial welcome and express my confidence that with the keen knowledge of Indian affairs and with the sympathy which he has all along shown towards the progress of the army in this country, every question which is moved in this House concerning the Army Department will receive sympathetic consideration at His Excellency's hands.

The Resolution which I have the honour to move today runs as follows :

"This House recommends to the Governor General in Council that he may be pleased to introduce the same rules and regulations in horse-breeding areas of the Montgomery district as exist in the Sargodha district".

The subject-matter of this Resolution concerns a small area of the Punjab, and before I discuss the merits of this question I think it would help Honourable Members in forming an opinion on those merits if I related in very brief words the history of horse-breeding development in this country.

[Raja Ghazanfar Ali Khan.]

Sir, the Army Remount Department deserve the congratulations of all those Members who are interested in seeing that a large portion of this money which used to be annually spent on purchasing horses from foreign countries, mostly Australia, is being spent in this country as through the efforts of the Army Remount Department horse-breeding has considerably developed in India. It was some years ago that the Army Remount Department introduced a scheme in accordance with which some zamindars were given two squares of land each in the Sargodha district on the condition that they would keep a mare which would be approved by the Remount Department. The two squares come to about 50 acres of irrigated land on the canal. This colony consists of about 224,000 acres of land and the number of mares is about 10,000. Some time afterwards the Government wanted to extend the scheme to other districts and in the year 1922 they introduced the scheme in the Montgomery district, to which my Resolution relates. In introducing the scheme in the Montgomery district they made certain changes so far as the conditions in the Sargodha district were concerned and I beg to submit that those conditions are really very much discouraging—if I may be permitted to say so they mean very serious hardships on those poor zamindars. While in the Sargodha district they allotted two squares of land for each mare, in the Montgomery district they have allotted only one square, that is 25 acres. Naturally the question will be asked that when these people agreed to take land on these conditions why did they not object to getting a small area of 25 acres and why so many applications were forwarded for squares being allotted on horse-breeding conditions. The reasons are many. Mainly it is due to the acute unemployment in this country and the people naturally rushed at any opportunity which they could get where there was even the slightest chance of earning an honest livelihood. The second reason is that in the year 1922 the rates were very much different from what they are today. Therefore an area of 25 acres also was a great attraction in those days when their income from one square stood approximately at about Rs. 1,000 a year. Now the income from the same square is hardly Rs. 200 a year. The other condition which does not exist in the Sargodha district but has been imposed on these colonists in the Montgomery district is that while in Sargodha these horse-breeders have occupancy rights over that land and when the father dies the eldest son succeeds to the property, in the Montgomery district it is only a 10-year contract. That is, on the expiry of 10 years, the Army Remount Department have the option either to renew the contract or to take away the land from the zamindar. Now this was probably done with a view to make the zamindars take a very keen interest in producing good horses. But, Sir, in the Sargodha district where this condition did not exist the colonists showed the same keenness as the Army Remount Department expected from them. As a matter of fact, Sir, the mere idea that there is no permanency, there is no security, and as the contract is only for a short period it prevents a man from taking any genuine interest in this horse-breeding and naturally makes a person less enterprising. There is no doubt that this 10-year contract acts as a great fear on the minds of these poor zamindars—want of occupancy rights naturally do. The question is whether it is going to be the policy of the Army Remount Department in India to force these zamindars to produce good horses by holding out such threats as they would be turned out after the lease is over or by giving them encouragement. As far as the question of giving them encouragement is concerned, I regret to say that the Government have done very little. I personally think that if the Government could persuade the big turf clubs and other organisations to purchase country-bred horses in preference to foreign horses, it would be such an encouragement to these people that without such threats they would be anxious to produce the

best horses. I would appeal to His Excellency the Commander-in-Chief kindly to hold a searching enquiry into this matter and if he really finds that the conditions are considered a great hardship by the zamindars in that district, he would kindly take early steps to remove their legitimate grievances. I need not detain the House any further, but I would submit that in the Montgomery district those zamindars who are now horse-breeders were allotted one square of land in 1916 during the Great War. The reason was that most of those people had done splendid service in coming to the aid of the army and some of them had lost their lands on account of either water-logging or some other causes of nature and the Government with a view to help those martial classes allotted them 25 acres of land per head. At that time there were no conditions of horse-breeding and they were imposed about eight years later, that is, in the year 1922. Therefore there is no connection between the allotment of the first square and the allotment of this square which was given on horse-breeding conditions. I hope His Excellency will kindly consider my suggestion of holding a searching enquiry into this matter and promising that this grievance will be remedied if he is satisfied that it is a great hardship on the zamindars.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, first I should like to thank the Honourable mover for the kind reference he has made to myself.

I have listened with attention to what the Honourable Member has said; and I am grateful for the complimentary remarks he has made regarding the work of the officers of the Remount Department in the Montgomery district. In view of these remarks, it seems to me to be rather a pity that the Honourable Member should consider it necessary to ask for any change in the rules and regulations for the horse-breeding areas in that district.

It is quite true there is a slight variation between the conditions in the Shahpur area and those in the Montgomery area. In the latter, the horse-breeding tenancy is for a period of 10 years, renewable for similar periods provided that the tenant has carried out his obligations satisfactorily. In the Shahpur area in the Sargodha district of the Lower Jhelum Colony the tenancies are governed by the rule of primogeniture, and as the Honourable Member is no doubt aware, there have in the past been considerable complaints about that system. The real apprehension in the mind of the Honourable Member appears to be that the Montgomery system does not convey sufficient certainty of tenure; but I think his fears on this point are greatly exaggerated. The colony is at present contented and singularly free from complaints. Good breeders are well aware that the system of extensible 10-year leases is merely a formality provided that they fulfil their obligations; and I can assure him that there is no shortage of applicants on the present terms for the few squares which become vacant from time to time in that area. Actually, the colony has only been in existence for a comparatively short period and only one lease has so far come up for renewal. Altogether there are approximately 3,000 breeders in the area, the large majority of whom are fulfilling their agreements satisfactorily; and it would no doubt be of interest to the Honourable Member to learn that, in the opinion of the Remount Department, they see no reason to estimate that more than one per cent., or less, of this number are in danger of being debarred from extending their leases.

In any case, I hope the Honourable Member will agree that Government would be failing in their duty, in the interests of efficiency, if they were to allow bad breeders to continue. The Montgomery conditions were originally framed with meticulous care and with due regard to the weaknesses and failures of the

[His Excellency the Commander-in-Chief.]

Shahpur system. I am afraid I cannot agree with him that he has made out any case for a radical alteration in those conditions. On the other hand, I can assure him that Government realises, just as much as he does himself, the desirability of retaining breeders who carry out their agreements satisfactorily. I can also assure him, although from what he has said such an assurance would appear to be unnecessary, that the interests of good horse-breeders will at all times receive the most sympathetic consideration from the officers of the Remount Department. In the circumstances, I trust that he will not consider it necessary to press the matter further.

Finally, I should like to say that I will certainly consider the suggestions the Honourable mover has made to me.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I really find myself somewhat bewildered, whether I would be justified in withdrawing the Resolution or my duty to my constituency requires me to take a vote of this House on this Resolution. I hope His Excellency will forgive me when I say that the reply has been extremely disappointing. I have tried to explain to the House that this method of compelling people to produce good horses by holding out a threat that at the end of 10 years they will be deprived of the little holding upon which they are feeding themselves and their family and their children is a most unforgivable act of the Remount Department. I am further surprised to find that this horse-breeding scheme has been a failure in the Sargodha district. Sir, I would have very much liked His Excellency to give us any specific instance where the Sargodha colony has failed in producing the best horses. As a matter of fact, it is a fortunate coincidence that this Resolution has been ballotted for a day immediately following the great Horse Show held in New Delhi and the number of prizes which were carried away by mares from Sargodha is probably personally known to all those people who witnessed that show. I entirely agree that the treatment of the present officers in the Montgomery district is satisfactory but is that a reason why the system, however defective it may be, should be allowed to remain in force in that district?

As for His Excellency kindly giving me an assurance that he will consider the suggestions and will see what can be done I would just, with your permission, Sir, read out a passage from the record of last year's debate to show what value these assurances have. This is what His Excellency the Commander-in-Chief said on the floor of this House last year on this very question concerning the condition of horse-breeding colonies in these districts.

THE HONOURABLE THE PRESIDENT: But His Excellency has also stated at the end of his speech that he is prepared to reconsider this matter.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Yes, Sir, I submit that this was the promise that was held out to me last time. It was said:

"In conclusion, I would like to say though on the larger question there can be no alteration the Government do recognise and have always recognised the need of the most sympathetic treatment in regard to this horse-breeding and the grantees and I think this is obvious from the sympathetic behaviour of the Remount Officers who have to deal with them. It is in that spirit that we will now examine every suggestion that has been made by the Honourable mover. The one that struck me most, I admit, was the possibility of having an advisory committee and I will examine that and will also see what action is necessary with regard to each suggestion that he has made as soon as we get it from the shorthand writers of the House."

Well, Sir, I had made a suggestion that as they had standing committees for all the other departments, therefore why not have a standing committee for this particular matter in relation to the Army Remount Department, and this was the reply I received. Well, Sir, one year has passed and that committee was not appointed. So if the assurance simply means that for another year or unless somebody again raises this question, nothing practical will be done, I am afraid I shall not be able to withdraw the Resolution. But on the other hand, if His Excellency will kindly promise that he will start an inquiry straightaway, not through any non-official agency but through any officer he himself likes to depute with regard to the grievances of these horse-breeding colonies, I will feel grateful to His Excellency and will not press the Resolution. Otherwise I am afraid I must.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this House recommends to the Governor General in Council, that he may be pleased to introduce the same rules and regulations in horse-breeding areas of the Montgomery district as exist in the Sargodha district."

The Question is:

"That that Resolution be adopted."

The Motion was negatived.

RESOLUTION RE MILITARY EXPENDITURE.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that the relation of military expenditure to the average income in India should be the same as in the Dominions."

Sir, the demand embodied in my Resolution is not a new one. The question of reducing the military expenditure has been agitating the minds of our countrymen for a very long time and several resolutions have been brought before this and the other House in one shape or other. The purpose of the Resolution is to examine the economic condition of India and to see whether we are in a position to spend such a large amount on our military expenditure and what the other Dominions are spending for the same purpose. The condition of India is well known to everybody. We are lagging behind the other Dominions and nations in our nation-building departments. Our literacy is practically negligible and it is one of the blots of British rule of about two centuries in India. The reason is that we have not got much to spend on our nation-building departments. The Government of India are spending 60 per cent. of our taxable income on military expenditure. On the other hand, the average income of an Indian is somewhere about Rs. 5 per head, whereas in Britain and other countries it is ten times as much. The famous all-white Commission—I mean the Simon Commission—have reported that the average income of an Indian is £8 per head against £100 per head in Britain. There are millions of our countrymen who do not get two meals a day. That is the condition of India. In the face of all this, Sir, we are spending enormously on our military equipment in comparison to the other Dominions. I have not got complete facts and figures for all the Dominions, but I have certain reports where those facts and figures have been given, and the members of the Committee, after examination of all the facts and figures, have definitely stated that we are spending, in comparison to the Dominions, the largest amount of our income on military expenditure. With your permission, Sir

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

I will read one sentence only from the Report of the Capitation Tribunal. In his note of dissent, Justice Sir Shadi Lal says that all facts and figures relating to all the Dominions were placed before the Committee and adds :

"It appears that the ratio of military expenditure of India to her public revenues is higher than in any part of the Empire or in any foreign country. Statistics supplied to us also show that in respect of certain colonies where troops are stationed, the Imperial Government have adopted the rule that the cost to be levied from them should not exceed one-fifth of the total assessable revenue of the colony concerned."

Sir, this is an authoritative statement. From this we find that we are spending a lot in comparison to the Dominions. It was about three or four months ago that an authoritative statement was made under the signature of four important persons and was published in the *Manchester Guardian*. It was signed by Mr. Percy Bartlett, Mr. Eric Hayman, Mr. H. S. L. Polak and Mr. F. G. Pratt. In that letter they say :

"An active and constructive policy of peace and reconciliation, internal and external, is India's most urgent need today. Such a policy would release for constructive purposes much of that heavy defence expenditure whose incidence on the net revenues in India is far larger than in any Dominion and even larger than in Great Britain."

Further on they say :

"There is no country in the world in which the need is greater for Government to apply their energies to the amelioration of the economic condition of the people."

Sir, they base their statement on another authoritative statement made in London in March last to the effect that there was at present no conflict of interest between Britain and the Russian Government on any of the main issues of international policy, and it is urged that the time has come for reduction of the very heavy Indian military expenditure which was said to be necessitated by the Russian menace to India. Sir, whenever this question has been pressed the oft-repeated reply of the Government is that we cannot reduce our forces on account of the menace from the frontiers. Now we are in a better position, as we learn from this statement that a kind of understanding has been reached between the Russian and British Governments. I have therefore brought this Resolution stating that it is time for the Government to reconsider its policy and bring about a substantial reduction in the army expenditure to bring it on a level with that of the Dominion Governments. For our part, Sir, we are of opinion that it was not on account of the Russian menace specially but on account of imperial policy that the strength of the Indian forces has been kept so high. The British Government is compelled to keep a large force in India to meet the needs of their imperial policy, and unfortunately the burden for that force falls on this poor country contrary to what has been done in Australia and Egypt.

THE HONOURABLE THE PRESIDENT: Do you not think that you are anticipating the debate on the financial statement regarding military expenditure?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I am not anticipating that. I am bringing up this point because it is quite a separate question.

THE HONOURABLE THE PRESIDENT: You have not yet come to the real point of your Resolution. You are only referring to general military expenditure.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: The object is to bring our military expenditure to the level of that of the Dominions. In this connection I would just quote only one sentence from the Mesopotamia Commission Report, page 14. In that they said :

"The army in India serves an imperial purpose, because it is unquestionable that the British garrison in India is of incalculable value to the British Government and the Empire generally, in addition to the services it renders to India in particular. Without it, either the imperial garrison in the East would have to be increased, or an imperial reserve would have to be located in the East at the expense of the Home Government."

So that this view was also held by that important Commission, and we are of opinion that the object of keeping the military forces at such great strength in India is chiefly due to this imperial policy. Sir, the situation of Australia is not better than that of India, and it has not so large a military strength. What is done is that Britain keeps a large force at Singapore as a base of operations from where they protect Australia. What are they doing in Egypt? They are keeping about 10,000 British troops at the expense of the British Government and not of the Egyptians. So, what we demand is this. If the British Government considers it necessary on account of imperial policy to keep such a large number of British troops in India, they should do the same as they are doing in the case of Australia and Egypt and pay for their expenses.

We are also handicapped in other ways. In India after the Mutiny a ratio of 2 to 1 was fixed, and that ratio of British to Indian soldiers is being kept till now. Before the Mutiny the ratio was 5 to 1, and with all the gallantry and devotion to duty which our troops showed in the Great War on the fields of Flanders, and even though they went to the length of showing their loyalty when Muslims fought against the Turks, and with all the recognition of this loyalty on all sides, what is the result? The result is that the ratio of 2 to 1 is kept and they have not gone back to the ratio of 5 to 1 which prevailed before the Mutiny. Sir, I put certain questions during the last Delhi session and in reply received the information from Government "that a British soldier costs Rs. 850 per annum while an Indian soldier costs Rs. 285". That is, a British soldier costs three times as much as an Indian soldier. So, Sir, by the reduction of British troops in India, or by even their substitution by Indian troops, we would get a large reduction in military expenditure. It is an irony of fate that in spite of the fact that expert committees after committees set up by Government have given their opinion that British troops should be reduced, but Government was not able to accept their recommendations. I would refer to the Shea Committee. We all know that it was composed of three lieutenant-generals, three major-generals, three colonels and two lieutenant-colonels, and they pronounced that complete Indianisation was a practical proposition within 30 years. May I ask with all submission, Sir, why the Report of that Committee, of their own experts, was not given effect to? Later on another committee was set up; it was presided over by Sir Andrew Skeen and it also expressed the opinion that by 1952 they can Indianise at least half the strength. That also was not given effect to. Sir, in 1921 the Government of India set up another committee, the report of which did not see the light of day until it was placed before the Defence Committee of the Round Table Conference. It was presided over by Mr. Thomas. In that Committee of 1921 there were two Indian Members of the then Executive Council, Sir Tej Bahadur Sapru and Sir Muhammad Shafi. In that Committee too it was definitely decided that the policy should be changed and rapid Indianisation should be introduced in such a way as to bring about complete Indianisation in 30 years. The then Commander-in-Chief, Lord Rawlinson, in his autobiography in connection with this Committee has

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

expressed his personal opinion and said how it was necessary for him to be of the same opinion. In his autobiography he says :

"I have agreed to recommend the reduction of three British cavalry regiments and five British infantry regiments when the internal conditions and the state of the Frontier admits. This is rather faster than I had intended to go in the first instance, but I could not resist the pressure when it came to considering the fact that we had 28 British and only 21 Indian battalions allotted for internal security. It was impossible to defend this proportion which dates from the post-Mutiny days. Now that we have decided to trust the Indians and lead them to self-government, we cannot justify an army of occupation."

These are the views of one of the Commanders-in-Chief in India. From all this the case for the reduction of military expenditure is very strong and we have no other way but to place the views before the Government and I hope that His Excellency the Commander-in-Chief will make out a thorough case to recommend it to the Government of Great Britain. I would therefore through this Resolution most emphatically urge upon the Government that they should bring down the military expenditure in relation to income on the level of the Dominions when the Russian menace is practically over and thereby reduce taxation and enable Government to spend larger sums on nation-building departments to remove the blot on their rule.

With these words, Sir, I move.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I regret greatly that I cannot support this Resolution. Indeed, taking into consideration the race for armaments in Europe, and the Asiatic Pact and Communist incursion in the name of Communist Russia, it is conceivable that we may have to increase our Defence budget. In any case this is not the time to think of reducing the defences of India as the portents all point the other way. The surest guarantee of peace is the strength of our armies. It is true we are poor, and we spend per head of population more of our income than any other country in the world. At the same time we inhabit in spite of our poverty a vast continent which carries roughly about one-fifth of the world population and our army numerically is the smallest in the world. I shall not be surprised if in the next few years the world situation demands an increase in our army rather than a decrease.

I am very sorry therefore that I cannot support this Resolution.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, the Resolution before the House is rather vaguely worded inasmuch as it refers to the income and not to the population ratio of the Dominions and their outlay for defence. No data of their income are stated. A brochure on *Some Facts and Figures about Indian Defence, 1933-34*, was circulated to us, wherein the ratio of defence expenditure *per capita* was laid down thus : India was paying Rs. 1-8-0 only per head of the population ; England was paying Rs. 30 ; though during the current year the average has come to Rs. 50. My Honourable friend the mover will no doubt be surprised to know that Rs. 186 crores is the total for the defence estimate of Great Britain this year ; then the Dominions spend between Rs. 3-8-0 and Rs. 8 ; France Rs. 29-8-0 ; the United States of America Rs. 18-8-0 ; and Japan Rs. 6-8-0 though it has considerably expanded of late. It therefore shows that the arguments that have been advanced by the Honourable mover in support of his Resolution are not quite justifiable in their comparisons. There is one point more. Is it not a fact that the army in India

has been reduced from 238,000 in 1914 to 183,000 in 1933 ? Sir, a further pregnant statement at page 13 is worth consideration. It says :

"The plain fact is that about half the army in India would be incapable of taking the field in the war formations required for any campaign of modern dimensions".

The conditions to which the Honourable Member has referred bear no comparison to those in India.

"The problems with which India is faced are without parallel in any other part of the Empire".

Take for instance the case of Canada, Newfoundland and the Union of South Africa. Those Dominions have practically no fear of invasion by a foreign power. Australia, however, is differently situated and therefore it is that the British Government is spending an enormous amount of money not only in retaining a large body of troops but much more in creating Singapore as a large naval and air force base. In the Pacific a great eastern power has built fortifications in the shape of an inverted letter "L". One arm goes to and is directed towards America ; the other towards the Philippines and further south. Australia thus is very greatly perturbed with regard to its defence. It has also been announced that the defences of Hong Kong are to be strengthened as well. What then is the position of India today ? Is it not a fact that India is being encircled by hostile elements, though ostensibly friendly ? I have not heard of any agreement with the Soviet Government to which the Honourable mover has referred, that under no circumstances they would invade India. There also exist two countries which are concerned with India beyond the north-west, *viz.*, Inner and Outer Mongolia, originally Chinese domains. Outer Mongolia has been already absorbed by Japan and in Inner Mongolia there are large interests of Indian traders who have been badly treated. There is considerable confusion and even a clash between Soviet and Japanese outposts. China sent out a special mission of inquiry in Khasgar and Sikiang under Sir Eric Teichman who has recently returned to India after an arduous overland journey. His report will be submitted to the Chinese Government who will communicate with the British Ambassador. Sir, it would thus appear that everything is not quiet beyond the north-western front. Further the Russian army now consists of 1,300,000 men. It is capable of expansion at any time to ten times as much. Germany is now fully armed. Every nation is fully armed. But the only nation that gave adherence to disarmament and to set an example to the world that it was quite genuine in its desire has had to pay a heavy penalty. Great Britain in pursuance of this policy reduced her defence to such an extent that enormous expenditure has had to be incurred during the current year, as I have stated. Under these circumstances and looking at the way in which India is encircled and looking as well to the internal conditions of the country, it is doubtful whether it would be safe to reduce defence expenditure to any extent.

The Honourable mover says the time has come when the Indian Army should be Indianised in 30 years. Government have initiated the Indianisation of a complete brigade with all its ancillary services which is in process of accomplishment. More than that however it would be impossible to do until experience has demonstrated its success. Sir, only internal conditions are not as good as one would like them to be. We have before us the sad exhibitions of communal clashes in different parts of the country. Suppose, for instance, there was a great war and India was involved in it and simultaneously such conditions prevailed, what would be the fate of the country ? May I remind Honourable members—I do not suppose many of them were even born—when in 1882-83 there was a

12 Noon.

[Sir Nasarvanji Choksy.]

great scare created by the advance of Russia towards the frontier of Afghanistan to Pendjeh. The army was mobilised for the defence of Afghanistan and to prevent further Russian inroads. It is to be hoped that India will not have to face such another contingency. I do believe that the time is not yet ripe for making any further reduction in the army in the immediate future.

Then, Sir, the Honourable mover made reference to nation-building departments. It is not that the army takes up so much of the revenue as to debar further progress in this direction, but defence has to be provided for. Should defence be insecure what becomes of your nation-building programme? So what India wants is security and internal peace and concord. Unless and until these prevail to inspire confidence for a number of years I do not see any probability of reduction in defence expenditure.

Sir, for these reasons, I oppose the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Rai Bahadur Mehrotra. Sir, our army expenditure before the war was in the vicinity of Rs. 27 crores. The relations of the Government of India with the bordering countries were cordial enough before the war and now if I mistake not they are even more cordial and indeed are better than ever existed before. Sir, at the present time unfortunately the military budget, the defence budget expenditure per year continues to be about Rs. 47 crores, and in case we add Rs. 2 crores of deficit on strategic railways and another Rs. 2 or Rs. 3 crores of the defence expenditure which is now incurred by the civil departments, the figure will come to nearly Rs. 52 crores. This expenditure, Sir, is more than half of the total income. I, Sir, feel that this proportion of our military expenditure to our income is most unreasonable. All over the world, Sir, disarmament is the question of the day. Treaties are being entered into between the various countries in order to accomplish that object. I will ask my esteemed friend His Excellency the Commander-in-Chief what is being done in that connection in India. As far as I know, Afghanistan, Nepal, Bhutan, Persia and Siam are all on good and very friendly feelings with the Government of India. As far as the border areas are concerned, the recent expedition to the frontier has resulted in acquiring a most important strategical point of defence which was an objective of the past Commanders-in-Chief for a long time past. I have been myself in the tribal areas many a time and I find that there has been a distinct improvement in the mentality and in the behaviour of the people to keep peace there.

Sir, my friend the Honourable Sir Nasarvanji Choksy has referred to Soviet Russia and to Germany. Sir, since I was a child, in the Punjab in particular, everybody has been feeling for the last 70 years or more that a Russian invasion is coming off, but so far that bogey has proved false. And at the present time, Sir, when you have your friendly sovereigns ruling in the neighbouring countries, there is practically no danger to necessitate the maintenance of such a huge standing army. In case we go over the conditions of the other countries, we find that no where in the world, no where in any other British possession is there comparatively such a big standing army as we have in India. In India, Sir, I am sorry to find that most of the income goes into the pockets of the employees, whether they are civil or military. India's administration ought not to be run for the sake of feeding so many more employees but for the development of the country. Sir, in every other civilised country there is compulsory military training. Trust Indians and do introduce that

military training here. We all like and want British rule. There are some exceptions but their number is very small indeed. In case you introduce compulsory training in India you will find that several crores of people are ready to serve in the army. You can thus reduce the military expenditure very heavily. Some time back the Defence Department introduced the reservist system, why not enlarge upon it? In case compulsory military training is not possible at a near date, why not extend it to those who volunteer for it. The reservist system is much cheaper than maintaining such a huge standing army. Sir Nasarvanji Choksy has observed that Indianisation is going on in the defence force. That, Sir, is simply an eyewash. In case you consider the practical result achieved perhaps it will take centuries to Indianise the army. The pace at which Indianisation is being done is too meagre and too inadequate.

My Honourable friend the mover of the Resolution has told the House what the average income in India per head of population is and how it compares with the income per head in other countries. In the past, when the economic depression was not playing havoc in India, people did not much mind such a huge expenditure on the army. But, for the last few years, after the Great War, the tables have turned and the economic condition of the Indians is going from bad to worse every year. Taxation is increasing and people feel discontented. I am speaking as a zamindar, as an industrialist, and as a commercial man, and I feel that the taxation which we have to pay now is intolerable. Owing to the economic depression, owing to the poor condition of the people, crimes and discontent are increasing. The Honourable Sir Nasarvanji Choksy also said that there is need of the military to protect the civil areas. Most of the troubles which occur in the civil areas are due to communalism. Communalism has been created and forced upon India by the British Government for the cost of which they must hold themselves responsible. This communal policy in India, I beg to say, is the biggest blunder which any Government can commit and the sooner this communal policy is done away with, the more peace there will be in the country. I am now getting an old man. I find from my own experience that 10 or 15 years ago the relations of communities in India were very cordial. We used to join each other in our festivities. But since communalism has been introduced, on the platform, in the councils and in local bodies these communities attack each other. It is a great pity, but for this the Government is to blame.

I come now to the Air Force. When the Air Force was introduced, if I mistake not, His Excellency the then Commander-in-Chief assured this House that the introduction of that force and its increase will result in economies in the army because cavalry and other units will be considerably reduced and there will thus be a saving. On the other hand, we find that there has been no material saving. The salaries of officers which the Army Department are now paying are too high. The Lee concessions and other concessions along with it impose an intolerable burden on India. The University Training Corps were lately introduced, but the pace of their progress is as slow as possible. We are exceedingly grateful to His Excellency Field-Marshal Sir Philip Chetwode for the establishment of the Military Sandhurst at Dehra Dun, but I regret to observe that the outcome of that College will enjoy a lower status in the commissions than those people who are commissioned out from England. That is the feeling of the majority. We feel that although the College has been established at the ardent desire of Indians and by the efforts of Field-Marshal Sir Philip Chetwode, a stigma has been placed on it by lowering the status of its products.

The Honourable Sir Nasarvanji Choksy has also observed that there is a danger from Mongolia. As far as I know, the relations of the Indian

[Raj Bahadur Lala Ram Saran Das.]

Government and the British Government with the Japanese Government are very cordial. It is the Japanese Government who are greedy for the annexation of Mongolia. They are the people who are said to be in great superiority in their tactics and warfare in Mongolia and through their diplomatic actions they have been able to gain a great deal of influence in Central Asia. But as long as they are friendly with the British, the British have got no fear of any invasion from Mongolia. There have been peace agreements between the Germans and the Soviet, and Italians and other countries. Why should not the British Government enter into such agreement with Russia, Japan and Persia in order to pursue a policy of disarmament? Sir, even our Most Gracious Imperial Majesty, the late King-Emperor George V, in many of the messages which His Majesty sent to India has said that

"The defence of India against foreign aggression is a duty of common imperial interest and pride".

Why not follow it? We are grateful to the ex-Commander-in-Chief for getting the War Office to bear a small share of the cost of the troops in India. That share which the British Government bears in the defence expenditure of India is extremely inadequate. Yet, Sir, when in the words of the late King Emperor the defence of India is a matter of imperial concern, I see no reason why, particularly in the present economic condition of India, the War Office should not make a much bigger contribution? There is an army of occupation in Egypt. Why not treat the British Army in India as an army of occupation and let its expenditure be borne by the British Government? Sir, we all feel that the present amount of Rs. 47 crores plus Rs. 2 crores for strategic railways plus a couple of crores in other indirect manners is extremely high. Will His Excellency the Commander-in-Chief explain in what respect there has been a change in the relations of countries bordering ours resulting in the possibility of an invasion of India? Why should the army expenditure in India rise from Rs. 28 crores to Rs. 52 crores? We have not been given any explanation for this. Conditions on the frontiers, on the other hand, have improved. Why, then, is this increased extra expenditure continued to be imposed on India? Why has the military expenditure practically been doubled? When the invasion bogey has been trotted out—

THE HONOURABLE THE PRESIDENT : You have already exceeded your time limit.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : With these remarks, Sir, I strongly support the Resolution and beg of His Excellency to introduce the reservist system and compulsory training in order to effect a huge economy in the defence expenditure.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Resolution, as it has been worded, is so mild that I do not see any reason for any section of the House to oppose it. We have moved, before this, resolutions about economy campaigns and about different methods of recouping expenditure, either through a grant from England or from other sources. But this time my Honourable friend Mr. Mehrotra has left the means to His Excellency the Commander-in-Chief. He simply wants to have the end, and knowing the old principle that the end justifies the means, it does not matter to us what particular measure His Excellency

*Not corrected by the Honourable Member.

the Commander-in-Chief takes as long as we arrive at the desired conclusion. May I remind His Excellency of the golden example which his predecessor has set? When he came to India he found military expenditure standing at something like Rs. 55 crores and when he left it was in the neighbourhood of Rs. 47 crores, a magnificent reduction of Rs. 8 crores. May we hope that His Excellency's term of office will be as economic and that he will live up to the reputation which his predecessor has set up? It is a noble precedent and worth following and I do hope His Excellency will follow it. That action of our late Commander-in-Chief endeared him to the heart of India, in spite of differences of opinion on other matters, and on Sir Robert Cassels we have greater claims because he belongs to the Indian Service.

Sir, various methods have been discussed by Honourable Members whereby reduction may be effected. It is for experts like His Excellency to decide which is the least defective—we cannot have perfection—of the methods suggested to him. The necessity of relieving the general taxpayer from a part of the burden of military expenditure is one which has been admitted, I am happy to say, by the Military Department. Therefore, in support of my statement I should like to read a few words of His Excellency Sir Philip Chetwode on page 219 of our reports on the 24th September, 1935. Referring to the grant made by the British Government towards the cost of military expenditure in India, His Excellency said :

"I think it was in March, 1934 I said on behalf of the Government that we thought India had only obtained bare justice in the award which she has got".

Again, Sir, in another part he said :

"So far from the Government of India and myself opposing this contribution from England, at any time from the time it has been mooted we not only supported it but we did our best by briefing Counsel to appear before the Committee and put forward every possible argument which might influence the Tribunal, and we actually did our best to get more".

That shows that we and the Military Department are at one on the question that the contribution made by the British Exchequer towards the defence cost of India ought to be augmented. The only difference between the non-official and official side lay in the fact that, while we were a little impatient to have everything now, the Government thought that after having received something it is always a better policy to wait and consolidate and then advance. Those are always the military tactics and they have followed them even on this occasion. I for one do not think that the military authorities are to blame for the slow pace at which expenditure has been reduced. Knowing the inability and powerlessness of the people of India, we should not forget that even the officials are not the officials of a sovereign State or even of a Dominion. They have their own shortcomings and their own restrictions. They can only act in the interests of India as far as they are permitted to act. The first and primary consideration which guides the strength of the Army in India is the duties which are allotted to it. If the duty of the Army in India was to fight a third class power, then the military authorities would reconsider their dispositions and could reduce the strength. But, as we know, the duties of the British Army in India are more comprehensive and involve holding their own even against a first class power for some time.

THE HONOURABLE THE PRESIDENT : May I ask you to confine yourself within the scope of the Resolution?

THE HONOURABLE MR. HOSSAIN IMAM : Sir, the reduction of expenditure cannot be brought about without there being a change in the policy

[Mr. Hossain Imam.]

of the Government and the duties of the defence forces. Because we all admit that with the duty which is now imposed on the British Army in India there is very little possibility of reducing the expenditure. Therefore we wish to attack the root cause of the trouble, which is the duty of defending India for a certain time against even a first class power. Unless and until you absolve the Indian Army from that duty, as Sir Philip Chetwode many times pointed out, it will be impossible for us to reduce the strength of the army by even one unit.

Now, Sir, I come to the question whether that duty has been imposed on any other part of the British Empire or not. I challenge the Government to cite the example of any Government under the British Crown which has been saddled with this duty of defending itself for a time against a first class power until reinforcements arrive from Great Britain. The British Government has in its generosity done wonders. One of the wonders is in Egypt, where an army of occupation is maintained without charging the Egyptians a penny. The curious thing is that in 1930 there was a quarrel whether that army, which costs Egypt nothing, should even remain in Egypt. We, Sir, should welcome an army of ten or twenty thousand to be stationed in India at the cost of England. If the Government is so anxious to maintain an army outside the British Isles for the safety of the British Empire, they could not find a better place for it than our own unfortunate country.

Sir, then there is another question which I should, with your permission, like to tackle. It is the question of the army maintained by the Indian States. During the last two or three years we have seen papers from the Military Department giving particulars of the strength of these State forces, of their various formations and other matters of interest. We are very grateful to the Army Department for that brochure, but may I ask that in the picture of the defence of India, British India alone should not figure. The army maintained by the Indian States, should they be brought to the level of a first class army under the guidance, supervision and control even by the military authorities or it should be abolished and the princes be asked to make a contribution to the Imperial Defence Fund and that contribution may be regarded as appropriation in aid of the defence head as is done in England. Any grant coming from other heads is regarded as appropriation in aid. The expenditure of the Indian States is not a negligible sum. The estimate made by the official authorities in India is that the sum involved is more than Rs. 2 crores, whereas the non-official estimate is about Rs. 6 crores. Whatever it is, I venture to suggest that this is not a negligible sum and one to be brushed aside. Indian States have no enemy—

THE HONOURABLE THE PRESIDENT: I would ask you not to refer to Indian States. Those armies are held under special treaties with the Crown.

THE HONOURABLE MR. HOSSAIN IMAM: May I remind you, Sir, that the defence of India is a task involving not British India alone but Indian States as well, especially is it pertinent when States like Kashmir and Kathiawar do not make even an indirect contribution to the revenues of India in the shape of customs. They are being defended without any cost to them—

THE HONOURABLE THE PRESIDENT: They pay for the increased cost of imports.

THE HONOURABLE MR. HOSSAIN IMAM: They keep the duty to themselves and do not make any contribution. (*An Honourable Member*: "Not the maritime States.")

Sir, I was referring to the fact that in the defence picture no part of the defence forces should be disregarded. If you have that army, take advantage of it and include it in your defence forces and consequently reduce that part of expenditure on the British India side which is being incurred because that army is not effective.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Advantage has always been taken of the State forces.

THE HONOURABLE MR. HOSSAIN IMAM: State forces have fought in the war; if they are looked after, they will do very well; there is nothing inherently bad about them.

Sir, the policy of Indianisation, as has been pointed out by my Honourable leader, has not been followed. We had during the last session to complain of the method whereby the pace of Indianisation has been slowed down by the abolition of non-commissioned officers. These devious methods on the face of them have nothing particular to stigmatise it: the result has been to retard the progress. We therefore request the Commander-in-Chief to take whatever steps he likes, whatever method he wishes to adopt to live up to the reputation of his predecessor and reduce expenditure in the like manner.

Sir, I support the Resolution.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, I rise to support the Resolution on principle: I am sure, Sir, that elected, nominated or Government side, all will agree to the principle. Sir, it is a question of difference of opinion as to how to economise the expenses. My friend the Honourable mover of the Resolution is strongly of opinion that the British Army should be reduced. I, as one coming from Bombay side, have not seen the position on the Frontier and I am not therefore able to give an opinion on that. His Excellency the Commander-in-Chief is the best judge of the proportion in which the army should be kept. Of course I am sure that His Excellency is satisfied with the loyalty up to now which the Indian Army has shown. Up to now the principle has been accepted and adopted of reducing the army. Therefore how to reduce, when to reduce and to what extent to replace the British by Indian troops—I think it is much better to leave these matters to His Excellency the Commander-in-Chief. Now, the ratio of pay between the English and the Indian Army is about 3 to 1. Therefore if a replacement of 10,000 is made in the 60,000 British troops, it will effect a saving of Rs. 40 to Rs. 50 lakhs. In an army budget of Rs. 50 crores, I do not attach much importance to Rs. 40 to Rs. 50 lakhs. Of course, every saving is welcome. Sir Nasarvanji Choksy has given us the ratio of the expense per head of the population in the different countries, but he has overlooked one point. In England the ratio is very big; but they have to protect the Dominions, Colonies, and so on. The ratio in Japan is Rs. 6½ as against Rs. 1½ in India per head of the total population. The population of Japan is only one-sixth or one-eighth of India. We should also remember how much Japan has developed and increased her trade and industry with that force, which India has lost—we used to trade a lot with other countries.

I now come to another point. Will His Excellency the Commander-in-Chief inform this House if there is any country where 45 per cent. of the total

[Mr. Shantidas Askuran.]

pay of the soldiers is paid to their officers, Rs. 4 crores we pay against Rs. 9,10 lakhs for the total force? Is there any country where about 21 per cent. of the total pay of the soldiers is spent at the headquarters, where they are sitting in their palatial offices? Is there any instance of this kind in the world? I would also like to know from His Excellency the Commander-in-Chief whether in time of peace, when not even a pound of gunpowder is used, Rs. 35 crores or about four times more than the pay is spent on overhead charges. There are a hundred and one ways of minimising the expenditure, which is very badly wanted.

With these words, Sir, I support the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Honourable Sardar Buta Singh and the Honourable Sir Nasarvanji Choksy have opposed this Resolution. With Sir Nasarvanji Choksy I have a certain amount of sympathy. He is suffering from a complex and that complex is the Soviet complex and therefore he cannot see things in their proper perspective. Sir, personally my sympathies are with pacifism; my sympathies are with reduced armaments. I do not believe in this race of armaments which is going on everywhere in the modern world. Therefore I cannot agree with the militarist point of view. I suffer from no Soviet or communist complex. The real antidote against communism is a bold and courageous policy of social reform. Therefore the point of view that I should like to press is this. Within one year Provincial Governments of an autonomous or semi-autonomous character will be functioning in this country. This year some of the provinces are faced with a deficit. Others are in rather a precarious condition from a financial point of view. We want, Sir, a rapid development of social services; we want more funds for the social services. How are provincial ministers and how are provincial legislatures to deal with this demand for the development of social services? The only elastic sources of revenue that we have in the country are customs and the income-tax and we cannot have any contribution so far as income-tax is concerned to the provinces from the centre until the army expenditure is reduced. If the army expenditure remains at its present level it is quite clear that provinces will not be able to get any share of the income-tax receipts and provincial ministries and provincial legislatures will be able to achieve nothing. Therefore, Sir, the question has got to be approached from the point of view of the Indian taxpayer. The question has got to be approached from the point of view of the toiling millions of this country—millions who cannot have even one proper meal a day. If it is necessary for you to have this large army then England must contribute something towards the cost of this huge army. We do not control our foreign policy. It is the British Government that controls our foreign policy.

THE HONOURABLE THE PRESIDENT: Order, order. I have allowed Honourable Members a certain amount of latitude this morning but I must not under the guise of this Resolution allow a general debate on the military policy of the Government of India. The Resolution is of a specific character and I must say that so far only one Honourable Member, Mr. Shantidas Askuran, has confined himself strictly to this Resolution. In order to save time and as you will all have another opportunity of discussing very shortly the military policy of the Government of India, I would request Honourable Members who now follow to strictly confine themselves within the scope of the Resolution.

THE HONOURABLE MR. P. N. SAPRU: Thank you, Sir.

At the First Round Table Conference there was a special committee appointed to go into this question of Indianisation and there was a memorandum submitted by some very moderate men—I think Sir Provash Mitter was one of the signatories to the memorandum and Sir A. K. Ghaznavi was another. They presented this memorandum to the First Sub-Committee and they pointed out that the total cost of the British garrison is in the neighbourhood of Rs. 27 crores—I forget the exact figure—and they wanted the whole cost of this British garrison to be borne by the British exchequer. Well, these were very moderate men and as my friend the Honourable Mr. Hossain Imam has pointed out, Sir Philip Chetwode, the late Commander-in-Chief, had himself some sympathy with that point of view. It is also a fact that before the Tribunal appointed to inquire into the question of financial adjustment between India and Britain, the Government of India themselves pressed for a larger contribution than has actually been given to us by Great Britain. Therefore, Sir, we should like the Government of India if the British Government is not prepared to reduce the strength of the British Army in India (although we think that the British Army can be reduced with safety in this country), is to take up this question of contribution by Britain to India. We suggest that they should take up this question of the contribution from the British exchequer to the Indian revenues. It is because I want this question to be taken up by the British Government that I am emphasising that we have no control over our foreign policy and therefore it is fair that the British Government who control our foreign policy should contribute something towards the defence of this country.

Sir, with these words, I support this Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Well, as we have heard, Sir, this Resolution recommends a reduction of defence expenditure. There is nothing actually in the wording of the Resolution itself to indicate the grounds on which the recommendation is made, except the bare fact that the Dominions spend a smaller proportion of their income on defence than India does. Before I go on to deal with the speeches made in support of the Resolution, I must first of all explain to the House exactly what it means. There is no necessity to quote a large number of statistics. The plain fact is that India, as a whole, spends about 25 per cent. of her national income on defence, while it will be sufficiently accurate for the present purpose to take it that the Dominions spend—on the average—about 5 per cent. What the mover's proposition amounts to therefore, if taken literally, is that India's defence expenditure should be reduced from somewhere about Rs. 45 crores to something in the neighbourhood of Rs. 9 crores. Well, such an extreme proposition has as far as I know never been placed before Government on any previous occasion—least of all in this House which has a reputation for not advancing wild and impossible proposals. Nor do I suppose for a moment that this is what the Honourable Member really meant. In fact it is clear from his speech that it is not. I merely suggest that the Resolution might have been more carefully worded. What the mover and those who followed him want to know is whether *any* reduction of defence expenditure is possible; and, as far as I could gather, the only fresh ground on which they themselves think that such a reduction should be possible is that there is now less danger than there used to be of an attack on India by a certain great power.

Now, Sir, I do not propose either to give this House a lecture on the military problems of the Dominions as compared with those of this country, or to embark, even if I were permitted to do so by the rules of the House, on

[His Excellency the Commander-in-Chief.]

any discussion of our relations with foreign powers. The mover's case, however, contains two such glaring fallacies that I must expose them before proceeding further.

The first fallacy is that defence expenditure in India is maintained at its present level owing to fear of attack by some great power.

The second is that, if that fear is removed, it should be possible to reduce our defence expenditure to something approaching the level of certain countries whose situation and military problems bear no relation whatsoever to those of this country.

As regards the former point, it is unnecessary to consider whether it is right or wrong to assume that there is no danger of an attack on India by any great power—in Europe or anywhere else. The point is—and the Honourable Member only has to read the Report of the Capitation Tribunal to see it for himself—that the army in India is not maintained on a scale calculated to meet external attack by any great power. It is responsible only for internal security and for the defence of India against the minor danger of *local* aggression on her frontiers : and it is maintained only on a scale sufficient to meet these dangers. There has been no suggestion that these dangers have been reduced : nor indeed is there any ground for such a suggestion.

On the latter point, I can only say that it is ridiculous to compare the defence liabilities of India with those of Australia or New Zealand, surrounded as they are with thousands of miles of sea ; or with those of Canada to whom the only land approaches are through the territory of a friendly power with no territorial ambitions. The point is adequately summed up in the concluding paragraph of Chapter II of the pamphlet entitled *Some Facts and Figures about Indian Defence* ; which I would invite Honourable Members to study once more, even if they have read it already :

“ There is no point (says this pamphlet) in proclaiming that this nation or that is not in any way animated by warlike motives, when the hard fact is that it has doubled its army or trebled its defence expenditure ; and it is even more futile to argue that it is wrong for India to spend so many millions on defence because Canada or Australia, for instance, spend only a fraction of that amount. The problems with which India is faced are without parallel in any other part of the Empire ; and the argument is on a par with the assertion that it should be unnecessary to wear warm clothes in the Arctic Circle because people on the Equator are able to do without them ”.

That, Sir, brings me to the larger and more important issue arising out of this Resolution.

The last seven years have witnessed an enormous reduction in the cost of Indian defence—a reduction which at one point reached the truly remarkable figure of over Rs. 11 crores below the budget for 1930-31. The reduction itself was started and carried through in an atmosphere of world depression and at a time when general disarmament was a live issue. Today we live in quite a different atmosphere. Re-armament is the order of the day. His Majesty's Governments in Great Britain and most of the Dominions are faced with the need for increases in strength and much-delayed improvements in equipment and armaments which will involve very heavy extra expenditure. It is indeed curious that the mover should have seen fit to refer to the analogy of the Dominions at a time when more than one of them have doubled, and more than doubled, their defence expenditure in the last two years.

And what of India ? Those who are never tired of saying that our defence expenditure is dictated by imperial considerations are perhaps wondering why we are not engaged at the present moment in raising the strength of our army in India. We are not doing so because, as far as I can foresee at present, the defence of India does not require such an increase : *but* we cannot afford to stand still. A considerable part of the reduction of expenditure made during the last few years was secured by using up reserve stocks and postponing expenditure on new and up to date equipment and on buildings. We have not allowed the efficiency of the armed forces to deteriorate, but the temporary expedient of living on our own fat cannot go on indefinitely and there is a certain amount of leeway to be made up, and certain adjustments to be made. The present Finance Member and his predecessor have both made it clear that the budgets of the last few years cannot be regarded as representing a new permanent level of defence expenditure. The fact is that if our forces are to be kept, as I am sure the House would wish them to be kept, in a state of efficiency and properly equipped for war, there *must* be an increase rather than a decrease in our expenditure. I am afraid I shall have disappointed my Honourable friend Mr. Hossain Imam, but it would be clearly wrong for me to hold out any false hopes in that direction and after what I have said I hope the House will agree with me that this is emphatically not the moment to ask for a further reduction in the cost of defence.

Sir, I must oppose the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What are the factors which have made His Excellency the Commander-in-Chief or the Defence Department to continue the raised expenditure from Rs. 27 crores to Rs. 47 crores ? What were the factors which have resulted in practically doubling the military expenditure as compared to pre-war times ? What has been the change in the relations of the neighbouring countries and the change in the border, territorial conditions, etc. ?

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

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, only two Honourable Members have opposed my Resolution and the points they raised have been thoroughly replied to by the speakers on this side who have supported the Resolution. His Excellency the Commander-in-Chief was pleased to remark that there were no grounds in the Resolution on which this reduction was sought. It is impossible to give grounds in a Resolution of this nature on which reduction is sought. We have made it plain in our speeches that we want a substantial reduction. I have suggested one or two ways and I have left it to His Excellency himself, who is the best judge how to reduce the expenditure. Our object is only this, that considering the condition of India, it is not proper to spend such a large amount, which His Excellency has put at 25 per cent. of the revenues of the whole of India. If we consider only the taxable revenue of the Government of India, we are expending 60 per cent. on military expenses. His Excellency was also pleased to remark that the Dominions are considering an increase in their military expenditure. They can well afford to do so when they are spending only 5 per cent. of their revenue on military expenses and have hitherto spent such large amounts on their nation-building departments. Consider the state of literacy in the Dominions and in India ; it is only a drop in the ocean. Similarly,

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

their expenditure on public health and other nation-building departments has been relatively much greater than that on military expenditure. Apart from this, their income per head is much greater than it is in India. So, in view of all these facts, even if they increase their military expenditure by one or two per cent., it will be quite legitimate for them to do so.

The other point His Excellency was pleased to raise was about the danger of attack. I do not find that there is any such immediate danger for India. It has been made a bogey for the last 50 or 60 years. In respect of Russia, the relations between Great Britain and Russia are better than they have been for some years back. India is also protected on all sides, save one, by the sea, and for that one side it is not necessary that we should keep British soldiers in such large numbers, when Indian soldiers have proved their gallantry and devotion. Even if we substitute a decent number of Indian soldiers for British and bring the ratio to what it was before the Mutiny, there would be substantial savings. Then, as my friend from Bombay observed, there are so many other directions in which economy can be observed. Where there is a will there is a way. If Government is determined to make economies, they can do so. They have already during the last three or four years economised to the extent of Rs. 7 or Rs. 8 crores, and they could easily reduce the expenditure by a like amount in the near future. My chief object is that there should be a substantial reduction in army expenditure and the money thus saved should be spent on the nation-building departments.

With these words, Sir, I press the Resolution.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council that the relation of military expenditure to the average income in India should be the same as in the Dominions."

The Question is:

"That that Resolution be adopted."

The Council divided:

AYES—17.

Askaran, The Honourable Mr. Shantidas.
Banerjee, The Honourable Mr. Jagadish Chandra.

Barua, The Honourable Sriji Heramba Prasad.

Ghazanfar Ali Khan, The Honourable Raja.

Halim, The Honourable Khan Bahadur Hafiz Muhammad.

Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.

Kalika, The Honourable Mr. V. V. Khaparde, The Honourable Mr. G. S.

Kidwai, The Honourable Shaikh Mushir Hosain.

Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.

Mitha, The Honourable Sir Suleman Cassim Haji.

Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.

Ram Saran Das, The Honourable Rai Bahadur Lala.

Sapru, The Honourable Mr. P. N. Sinha, The Honourable Kumar

Nripendra Narayan.

Suhrawardy, The Honourable Mr. Mahmood.

NOES—31.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.
Basu, The Honourable Mr. Bijay Kumar.
Buta Singh, The Honourable Sardar.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Clow, The Honourable Mr. A. G. Commander-in-Chief. His Excellency the.
Devadoss, The Honourable Sir David.
Ghosal, The Honourable Sir Josna.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
Hafeez, The Honourable Khan Bahadur Syed Abdul.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.

Hallett, The Honourable Mr. M. G.
Ishrat Husain, The Honourable Saiyid.
Jagdish Prasad, The Honourable Kunwar Sir.
Johnson, The Honourable Mr. J. N. G. Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.
Maqbul Husain, The Honourable Khan Bahadur Shaikh.
Maung Aye, The Honourable Captain.
McIntyre, The Honourable Mr. W. T.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Noon, The Honourable Nawab Malik Sir Mohammad Hayaat Khan.
Parker, The Honourable Mr. R. H.
Raghuuandan Prasad Singh, The Honourable Raja.
Raisman, The Honourable Mr. A. J.
Russell, The Honourable Sir Guthrie.
Stewart, The Honourable Mr. T. A.
Thomas, The Honourable Mr. E. F.
Williams, The Honourable Mr. A. deC.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Both these clocks in the Council are not correct. I think this will be a convenient time to adjourn.

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

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

RESOLUTION *RE* EMPLOYMENT OF "DUFFERIN" CADETS.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I rise to move the following Resolution:

"This Council recommends to the Governor General in Council that whenever mail contracts with the shipping companies are renewed, definite conditions be attached to the grant of mail subsidies out of the Indian exchequer about the adequate employment of Indian apprentices and officers in ships belonging to such companies, and that he may be pleased to take further steps as may be necessary—

(a) to ensure that the shipping companies trading regularly on the coast of India take at least two 'Dufferin' cadets as apprentices for training and also employ in their ships qualified officers and engineers trained in the 'Dufferin' and by recruiting annually at least 50 per cent. of such officers and engineers from qualified 'Dufferin' Indian cadets;

(b) to induce the Peninsula and Oriental and other shipping companies which receive mail subsidy and patronage of the Government to employ duly qualified Indian 'Dufferin' cadets as officers on their steamers in adequate numbers."

Sir, it will be within the recollection of this House that on the 17th of this month I put certain questions in regard to the "Dufferin" cadets and their employment in shipping companies. Sir, the answer to those questions will be found at page 17 of

2-15 P.M.

[Mr. P. N. Saprú.]

Volume I, No. 2 of the Council of State Debates. I will at a later stage of my speech invite the attention of the Council to certain figures supplied to me by the Honourable Mr. Clow in the replies which he gave to my question.

Sir, one of the terms of reference of the Indian Mercantile Marine Committee which was appointed by the Government of India on the 3rd February, 1923 was that they should consider what measures could usefully be taken

“for the establishment of a Nautical College in Indian waters for the purpose of training executive officers and engineers of ships”.

The Committee recommended that a training ship should be established in Indian waters and that this ship should be in the form of a Floating Establishment and that it should be maintained by the Government. The Committee before making this recommendation enquired by a circular letter addressed to the Managing Agents of the British India Steam Navigation Company, the Asiatic Steam Navigation Company, the Scindia Steam Navigation Company and the Moghul Line whether they would be prepared to accept for training on board their steamers a certain number of Indians as apprentices from the training ship to be established in Indian waters and employ them when they proved efficient and satisfactory as apprentices and successfully passed their Board of Trade qualifying examinations as mates and masters. Now, Sir, the Committee received an encouraging reply from these shipping companies. They intimated that they would be prepared to take these cadets as apprentices in their ships and that they would be prepared to take them also as officers when they were duly qualified. The point that I want to emphasise is that when a decision was taken that there should be a ship established for this purpose it was emphasised that opportunities would be available for these cadets for employment as officers. The Committee realised the importance of providing careers for these mates. Their point was that it was no use establishing this ship and then leaving the men who were trained on this ship to find careers for themselves. And on page 15 they say :

“While appreciating the readiness expressed by the existing lines to take Indian apprentices and to employ them as officers after they have been fully trained, we have come to the conclusion, after careful consideration, that the success of the scheme we are proposing for the training and future employment of Indian lads so trained should not be left to chance or the goodwill of shipping companies. We are, therefore, providing in our recommendations for the coastal trade that before a license is granted to any company an undertaking must be given that apprentices will be taken to the extent of at least two per ship subject to a maximum of 60 for any one company, and that Indian officers and engineers as they become eligible will be employed up to the extent of 50 per cent. of the total number of officers and engineers employed. In this way it is hoped in course of time to bring about the complete Indianisation of the superior personnel of the coastal mercantile marine”.

So that, Sir, the Indian Mercantile Marine Committee recognised that the question of the future employment of these cadets should not be left to the goodwill of the shipping companies. They thought that there should be some law or regulation requiring compulsory employment of officers in order that the scheme they had suggested might become a success. Sir, it was in 1925 that the Legislative Assembly adopted a Resolution for the establishment of a training ship in Indian waters and it was in 1927 that the training ship was established in the Harbour of Bombay. Then, Sir, the question as regards the prospects of employment of these men who were to be trained in this training ship was exercising the thoughts of all concerned and the then Viceroy,

Lord Irwin, made the following appeal in his speech at the annual session of the Associated Chambers of Commerce at Cawnpore on the 6th December, 1926 :

“Of equal importance to Indian shipping is the question of its personnel. There has for some time been a very natural desire on the part of Indians to take a greater part in the transport systems of their country. The Government has accordingly decided to establish a training ship at Karachi next year, and the Board of Trade have agreed to recognise the course, on the same footing as the Nautical Colleges in England for the purpose of certificates of competency. It is, however, no use training Indians in this way unless they have a career open to them. I hope, therefore, that British shipping companies will co-operate to make the training ship a success by giving fair opportunity of employment to Indian cadets”.

I want to emphasise these words :

“It is no use training Indians in this way unless they have a career open to them”.

The question of subsequent employment after they had been trained was regarded as of fundamental importance by His Excellency Lord Irwin. Sir, the Governing Body of this training ship has also always realised the importance of subsequent employment of these cadets and I understand that Sir Purshotamdas Thakurdas was given an assurance that the Government of India would not hesitate to take suitable action if these cadets did not get employment as officers after they were duly qualified. The Governing Body also, it appears, obtained assurances from the British India Steam Navigation Company, the Asiatic Navigation Company, the Moghul Line, the Nourse Line and the Scindia Steam Navigation Company that they would employ duly qualified cadets of the training ship as officers on their vessels. The Peninsula and Oriental Company, however, were rather reluctant to give any undertaking that they would employ these men as officers in their ships after they had duly qualified themselves on the “Dufferin”. I do not say that they said that they would not employ them. That is not what I say. But they did not express any readiness to employ these men, after they had been duly qualified, in their ships plying in Indian waters. The point that I would emphasise is that the attitude of the Peninsula and Oriental Company in this matter is regrettable. The Peninsula and Oriental Company has been enjoying the patronage of the people and the Government of India. They carry the mails and they are paid certain amounts for the carriage of those mails. We may call it a subsidy or anything else. But the fact remains that they enjoy the patronage of the people and the Government of India. Under the Lee concessions also they enjoy certain benefits. Therefore, their attitude in regard to this matter is, to put it mildly, regrettable.

Again, in 1928, Lord Irwin made the following observations at the annual session of the Associated Chambers of Commerce at Calcutta :

“On the same occasion I spoke of a question of vital concern to Indian shipping, the question of its personnel, and the natural desire on the part of Indians to take a greater part in the transport systems of their country. To help to meet this claim the ‘Dufferin’ Training Ship was established, and I should like to acknowledge the assistance of British shipping companies in helping to start the ship and the interest that their representatives take as members of the Governing Body. It is also a cause for great satisfaction that shipping companies should have shown themselves willing to take ‘Dufferin’ cadets as apprentices, and I earnestly trust that Indian cadets will prove their capacity and will eventually find employment by companies which have given them their apprentice training”.

In 1929, Sir George Rainy, the Commerce Member, conveyed this assurance to the Members of the Indian Legislature :

“While anxious to avoid giving the impression that employment is assured to every passed apprentice, Government desired to emphasise the opportunities of employment which exist for those apprentices who give satisfaction”.

[Mr. P. N. Saprū.]

Now, Sir, the position is that today, out of 99 cadets who joined the training ship in 1927, 1929 and 1930, 15 did not follow the sea career. Of the remaining 84, three joined the River Survey, five took to the engineering line, seven were taken into the Bengal Pilot Service, one entered the Royal Air Force, four were taken in the Royal Indian Navy, and one was absorbed by the Calcutta Port Commissioners. Thus, 21 cadets out of these 84 found employment in service other than service afloat. It would not be possible for shore establishments to absorb so many cadets year after year. Vacancies were kept open in the Bengal Pilot Service which took seven cadets at a stroke. In future years, they will not be able to take more than two per year. Of the remaining 63 cadets, 29 are serving as officers afloat. Twenty-two of them are serving in the Scindia Steam Navigation Company and four are serving in the British India Navigation Company. We have therefore a balance of 34 left. Twenty-four will have completed their sea time by the end of last year and it will be clear therefore that employment will have to be found for 34 cadets as officers during the current year. This is a rather serious problem to solve, for unless the British shipping companies implement their promise, and employ these cadets as officers on their vessels in adequate numbers, it would be difficult to secure employment for these cadets, and unless these cadets are employed, the training ship will not achieve the object for which it was started. Sir, the Governing Body of this training ship has been alive to the importance of this question. In 1931, the Governing Body held a comprehensive enquiry and came to the conclusion that the prospects of employment were uncertain. In 1935, the Governing Body again realised that the problem of employment was becoming serious and they appealed to the Government of India to use their influence with the shipping companies to persuade them to employ these cadets as officers in larger numbers. Now, Sir, this ship was not intended to be in the nature of a public school. It was intended to be an establishment for the training of Indians as naval officers in ships operating in Indian waters, and if we were to try and solve the problem by giving a different turn to the education that is being given to them in this ship, we would not be keeping to the spirit of the declarations that were made when this ship was started. In a communication issued by the Department of Commerce on the 25th November, 1935, it was stated that it should be borne in mind that the object of the training ship was to train boys for a sea career and not add one more to the educational institutes of the country designed to train boys for ordinary vocations. Now, parents when they send their boys to the "Dufferin" have to spend some money on educating them. It costs a parent about Rs. 5,000 to have his son trained in the "Dufferin" and he sends his boy there in the hope and expectation that he will receive employment after he has been properly trained. It will therefore be wrong, after having held out this hope to him, to tell him that he must look upon it as a sort of public school and that the boy must find a career for himself and that Government cannot help him to find a career. Therefore, the position is that the time has arrived when Government should take some action. I am suggesting that Government should carry out the recommendations of the Indian Mercantile Marine Committee. I cannot lay my hands at the moment on the exact paragraph in the Committee's recommendations, but I have taken the recommendation embodied in the Resolution from the Committee's report itself. It is their definite recommendation that conditions should be attached to the grant of mail subsidies out of the Indian exchequer, and clause (a) too is a recommendation of the Indian Mercantile Marine Committee. Now, Sir, so far as the Peninsula and Oriental Company is concerned, it is not employing

at present a single Indian officer. According to the statement which was supplied to us by Mr. Clow, the Peninsula and Oriental Company has been getting large amounts from the Indian exchequer for the carriage of mails. In 1924 the amount paid was £20,100; in 1925, £21,775; in 1926, £23,870; in 1928, £27,599; in 1930, £31,323; in 1931, £30,244. This was for mails. So far as payments for parcel mails is concerned, the amounts were these. In 1926-27, £10,782-19-2; in 1927-28, £12,427-3-5; in 1928-29, £12,080-1-6; in 1929-30, £12,361-13-4; in 1930-31, £10,506-19-10; in 1931-32, £9,575-9-7. Sir, I have got the figures for the earlier period also but I will not trouble the House with those earlier figures. The point that I would emphasise is that it is no use training these men and then saying to them, find a career for yourself. It is no use merely taking them as apprentices. We want them also to be employed after they have obtained their second mate's certificate as officers, and it is not an unreasonable request that British shipping companies, which are operating in Indian waters, should be under an obligation to employ a certain proportion of Indians, duly trained and duly qualified Indians, as officers on their ships. I am not raising any question of coastal reservation. I am not raising any question of licensing these ships. What I am suggesting is that companies which receive patronage, as the Peninsula and Oriental Company does, and as the British India Steam Navigation Company which takes our mails to the Persian Gulf and Straits Settlements does, should be under some obligation to take Indians as officers on their ships. The question of the Peninsula and Oriental Company contract will come up for review in 1939. The Honourable Mr. Stewart will correct me if I am wrong and I should like him and the Department of Commerce to bear in mind this grievance of the Indian public when the question of the renewal of the contract is taken up in 1939. We do not say "employ unqualified men", but we do say that the Peninsula and Oriental Company should be more responsive to the Indian demand in this matter. After all it is a very reasonable demand; we are not asking for something impossible; we are not asking for something which is very extreme or very unreasonable. They have been enjoying our patronage for a very long time and they have made money out of this country. They are making money out of this country. Why should they not give some facility to the nationals of this country for serving as officers in their ships?

That is, Sir, my Resolution and I do not wish to take up the time of the House unduly. I hope, Sir, that this Resolution will meet with adequate response from the Honourable Mr. Stewart and the Commerce Department.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I have to move an amendment to this Resolution of my Honourable friend Mr. Saprū. I request you to suspend the Standing Orders and if you will permit me I will move it.

The amendment is :

"This Council recommends to the Governor General in Council that all possible steps be taken to ensure that employment be found for duly qualified 'Dufferin' cadets in shipping companies operating in Indian ports".

THE HONOURABLE THE PRESIDENT : It is really not in the nature of an amendment at all. It is in the nature of an alternative Resolution. But I am prepared to consider the question of suspending the Standing Order on two conditions : firstly, that the Government Member has no objection and, secondly—it appears to me a more reasonable proposition—if the Honourable Mr. Saprū is prepared to accept your Resolution, the alternative Resolution, in substitution of his. If there is agreement on both these points, I shall probably allow it.

THE HONOURABLE MR. P. N. SAPRU: I am prepared to accept it.

THE HONOURABLE MR. T. A. STEWART: I have no objection.

THE HONOURABLE THE PRESIDENT: I suspend the Standing Order and will allow the debate to proceed on the substituted Resolution which runs thus:

"This Council recommends to the Governor General in Council that all possible steps be taken to ensure that employment be found for duly qualified 'Dufferin' cadets in shipping companies operating in Indian ports".

THE HONOURABLE MR. V. V. KALIKAR: Sir, I warmly thank my Honourable friend Mr. Stewart for accepting this alternative Resolution.

THE HONOURABLE THE PRESIDENT: He has not yet accepted it; he has no objection to your moving it.

THE HONOURABLE MR. V. V. KALIKAR: I am sorry, Sir. I further anticipate that he may accept it, because it is a very sensible and innocent proposition.

Sir, the principle of creating an Indian personnel for sea service was accepted as long ago as 1925. My Honourable friend Mr. Sapru has given us the history in his speech and he has told us that Lord Irwin and the late Commerce Member, Sir George Rainy, accepted the principle that these cadets trained in the "Dufferin" should find an avenue of employment in British shipping companies. That shows that the Government have already accepted the moral responsibility of finding an avenue of employment for these cadets. But the present history is rather disappointing. The figures stated by my Honourable friend Mr. Sapru show that there are about 33 cadets of whom six who have taken the necessary qualification for competence are not employed and 27 who are likely to take the certificate in a month or two have to be employed by these companies. It is really a matter of surprise that the British shipping companies who have been patronised by Government in connection with carrying of mails and in connection with carrying other things have not found it convenient to employ these cadets. I understand that these British shipping companies allow these cadets to act as apprentices on their ships, but they do not engage them as officers. That is the crux of the whole situation. We want these qualified cadets to be appointed as officers, deck officers and officers in the engineering line of these ships, so that the large amount of money that has been spent on this institution by Government, by the public and by the guardians of these cadets should not be wasted and these youths of the country should find employment in these companies. Sir, in 1934, I understand Sir Joseph Bore, the then Commerce Member, while presiding over the prize distribution of this ship said:

"The 'Dufferin' was in a very special sense a nation-building enterprise which commanded the enthusiastic support of every patriot Indian and of every Britisher who wishes to see this country shoulder her responsibility in every phase of her life".

It sometimes occurred to me, Sir, that perhaps these cadets were not fully qualified and therefore these companies could not see their way to employ them. But the certificate given by Sir Joseph Bore and other high authorities clearly show, Sir, that they do not lack the necessary qualifications which should debar in any way their appointment as officers on the ships of these companies. If, Sir, these companies do not employ these cadets, these cadets certainly will not find any avenue of employment in other companies because I understand the Scindia Steam Navigation Company has already engaged 21 cadets. So

they will not find any avenue of employment anywhere else and they will have to return to their normal field in civil life. And if these things occur, the very object of starting the "Dufferin" will be frustrated.

I further understand, Sir, that promises in the past were given by these companies to employ these cadets on their ships as officers but from the figures just now quoted by my Honourable friend Mr. Sapru it seems only four cadets have been employed by the British India Steam Navigation Company and practically no cadet has been employed by the Peninsula and Oriental Company. I therefore appeal, Sir, to the Government that they should impress upon these companies to employ more cadets who have duly qualified themselves for the post and if these companies refuse to accede to this normal request of the Government, they should find a way to impress upon them that these cadets should not be forced to return to ordinary civil life. I therefore, Sir, propose this alternative Resolution for the acceptance of the House as well as of the Government.

With these words, Sir, I submit my Resolution for the acceptance of the House.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, the Mercantile Marine Training Ship "Dufferin" is an institution for all India but I should say it is especially the child of Bombay inasmuch as Bombay has taken a great deal of interest in its working, administration and success. The annual report for the year 1935 indicates that there were 44 officers who had passed out of the training ship, acquired the second or first mate certificates and were eligible to go on foreign ships. Besides that, six of the cadets have joined the Royal Indian Navy. That the question of finding posts for them is now receiving the full consideration of the Government of India and the Governing Body is indicated by a paragraph in the report on page 10:

"Both the Governing Body and the Government of India are very carefully watching the position regarding future employment in the mercantile marine, more especially as the number of qualified officers increases".

That shows that the Government of India is alive to the importance of the question. It is quite possible that they will take every possible care to see that the men who pass out get employment. Otherwise, of course, if suitable employment is not found for all, it might be said that the experiment has not proved as successful as was anticipated. I agree with the amendment moved by my Honourable friend Mr. Kalikar and trust the House will have no objection to adopting it.

THE HONOURABLE SARDAR BUTA SINGH (Punjab: Sikh): Sir, I wish to lend my whole-hearted support to the amendment. A start has been made, but it is a very small start indeed of giving training to our youth in the art of navigation. India with a long coast line depends entirely on the British Navy for defence. Any day we may be called upon to defend this coast line; it is therefore essential that we should have a fairly large number of trained officers who are employed in coastal shipping and who may be available for the Indian Navy. The shipping companies that are at present monopolising the coastal trade ought to employ "Dufferin" cadets largely. Since they have failed to do so, it is but proper that Government should require that these companies should recruit annually officers and engineers for their ships from qualified "Dufferin" Indian cadets.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, the Resolution that is before the House does not bring anything new but reiterates only a portion of the recommendations of the Indian Mercantile Marine Committee which was appointed in February, 1923 and submitted its report in 1924. That Committee recommended amongst other things the establishment of a training ship in Indian waters for the purpose of training young Indian boys as deck officers, and they recommended the establishment of a ship in Bombay. The Government of India was not, as usual, satisfied with the report of the Committee and, as usual, for shelving this very important question imported one Captain Sayer for his expert opinion on the subject. The expert generally agreed with the recommendation of the Committee but stated that he would prefer the Government of India to sanction scholarships for Indian boys, willing to be ship officers, so that they may be trained in the ships "Conway," "Worcester" and "Pangbourne." However, the Government of India agreed with the recommendations of the Indian Mercantile Marine Committee and purchased the ship called "Dufferin" and equipped her with everything necessary to train Indian boys for being employed as deck officers. Sir, in discussing this particular Resolution I do not like to go beyond the scope of the Resolution though I would have preferred to discuss the question of the establishment of a mercantile marine and all the recommendations of the Indian Mercantile Marine Committee's Report, for the reservation of coastal trade. However, Sir, I would refer the House to paragraph 15 of the report which deals with the question of the ways and means for the employment of Indian cadets after their training. In the course of that discussion it is stated as follows:

"The Secretary of State in Council might be asked to extend the same facilities to selected cadets from the Indian training ship to join the Bengal Pilot Service as is at present extended to cadets from the 'Conway,' 'Worcester' and 'Pangbourne'."

This shows that the Committee did not stop by only recommending that Indian boys should be trained as officers but they also considered as to how best openings may be created for them after they were trained. In this connection I would like to refer again to paragraph 23 of the said report where the Committee stated as follows:

"Having provided for the education and training of young Indians for sea life it is necessary to consider what their prospects should be of obtaining employment."

Sir, I give credit to the Committee for taking into consideration from beforehand as to how best to employ the cadets. The present Resolution only aims at the same object. Sir, the opening of employment in the Bengal Pilot Service is limited. I am glad that a couple of years ago some "Dufferin" cadets were appointed to the Bengal Pilot Service. But thanks are due to the European Chambers of Commerce in India who raised a hue and cry against the employment of such cadets in the Bengal Pilot Service. Government as usual being susceptible to European criticism have gone back and practically stopped recruitment of Indian cadets to the Pilot Service. Sir, it only proves how uphill the task is to find employment for these Indian cadets unless some sort of compulsion is put on the European and Indian business men and shipping companies to accept a fixed quota of Indian officers wherever such companies get the mail carrying contracts. A company, either Indian or British, can never expect to get any help from Indian revenues unless they are willing to give us this concession. I therefore feel very strongly that some formal and binding arrangements must be made with the Peninsula and Oriental, British India Steam Navigation and other shipping companies engaged in the coastal trade for giving practical training to our cadets on their ships and also for giving employment to such cadets after the period of apprenticeship. If the

are not prepared to do it, then no contract for the carriage of mails should be given to such companies. I have therefore very much pleasure in supporting the substituted Resolution of my Honourable friend Mr. Kalikar which, to my mind, makes the very minimum demand.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, before dealing with the Resolution moved by the Honourable Mr. Sapru and the amendment—

THE HONOURABLE THE PRESIDENT: It is not an amendment: it is a substituted Resolution.

THE HONOURABLE MR. T. A. STEWART: I beg your pardon, Sir—the substituted Resolution moved by the Honourable Mr. Kalikar, I wish to take this opportunity of contradicting as emphatically as I can the suggestion which has just been made, namely, that Government have reversed their declared policy of Indianisation of the Bengal Pilot Service. On the contrary, they have recently taken an opportunity to re-affirm that Indianisation of that Service is, and continues to be, their policy.

Sir, the Government of India regard with the fullest sympathy the idea underlying the Honourable Mr. Sapru's Resolution. If, for reasons which I shall give, I find myself unable to accept the Resolution in that form, I trust that he and other Honourable Members will understand that the differences between us are differences not of principle but of method. The problem before us is apparently twofold. One part of it is the training of apprentices who have received their preliminary training as cadets in the "Dufferin." So far as I am aware, no difficulties in this regard have ever arisen in the past. That, I think, is the case.

THE HONOURABLE MR. P. N. SAPRU: The problem is only in regard to the officers.

THE HONOURABLE MR. T. A. STEWART: Yes, it is only in regard to the officers. That is the problem with which we are faced. At the end of last year, i.e., in December, the figures were these. Out of 44 officers who had obtained their certificates of competency, 42 were in employment. It is realised, however, that the next batch will in the near future be, from day to day, qualifying and we are presented with the difficult proposition of finding employment for those officers. The estimate of the Managing Committee of the "Dufferin" is that assuming that recruitment goes on at the same rate in the future as in the past, there will probably be 10 officers for whom there will be no vacancies. Before going on to consider the Honourable Mr. Sapru's solution of this problem, I would refer to a suggestion that was made—I think by the Honourable Mr. Kalikar—that British companies, after employing cadets until such time as they have acquired their certificates of competency, then turn their backs on the cadets and take no further interest in them. I am not here to hold a brief for the British companies, but I would like to refute the accusation which is implied in that statement, namely, that we in the Government of India have acquiesced in what can only be termed, if the accusation is true, a callous neglect of the assurances which had previously been given by those companies. If you will bear with me, I will give some figures regarding the cadets who were employed by the British India Steam Navigation Company. We have made a point of endeavouring to find out, as far as possible, what has happened to the cadets who have passed through the

[Mr. T. A. Stewart.]

"Dufferin." Of the first three batches, 23 cadets were trained as apprentices by the British India Steam Navigation Company. There are at present three of those serving as officers in British India ships: five of their best boys were taken for the Bengal Pilot Service; one to the River Survey Service in Calcutta; two to the Scindia Steam Navigation Company; answers are awaited from three cadets to whom posts have been offered; two having just completed their apprenticeship have made no application for employment; one boy is too young and has yet to sit for his examination. Of those who are definitely either not employed or not employable by the company, or elsewhere these are the figures. One refused a job that was offered to him; one unfortunately could not pass the medical tests; one resigned from the job he had and one deserted; one has been found entirely unsatisfactory for further employment. I think, Sir, that in the face of those figures it can hardly be held that there has been any callous neglect of the "Dufferin" cadets by the British companies. You may be interested in this connection to hear this quotation from a letter written by the Manager of a British company operating in Bombay. This is a company which had previously recruited its apprentices from those two famous training ships, the "Conway" and the "Worcester." The Manager writes:

"Our previous sources of supply, namely, the 'Conway' and 'Worcester' have completely dried up since 1932, at any rate one of the reasons being that they feel that preference is given to the 'Dufferin' boys'".

If the "Dufferin" boys feel that they are not being treated as well as they might, they may be comforted to know that their competitors from the "Conway" and "Worcester" are feeling very much the same.

Now, let me turn to the remedies suggested by the Honourable Mr. Sapru.

3.15 P.M.

Those admittedly he has taken from the recommendations of the Mercantile Marine Committee. But in the Mercantile Marine Committee's Report these recommendations found a place in a scheme for the reservation of coastal shipping and the licensing of shipping on the coast. But coastal reservation I submit, Sir, is no longer a live issue, and the Honourable Mr. Sapru has not explained, in the first place, how in the absence of a system of licensing and coastal reservation these suggestions are to be enforced. But assuming that they could be enforced, let us take the first of them, that is to say that it should be made a condition of the grant of a mail contract that a certain number of apprentices should be trained and officers employed. Now, it is unfortunate that the word "subsidy" has been introduced into the discussion. I know my Honourable friend is not responsible. It was the phrase which was used by the Mercantile Marine Committee. (*An Honourable Member*: "And His Majesty's Government".) I am quite willing to admit that the phrase "subsidy" has been used by His Majesty's Government, but not necessarily in the same circumstances. I was going to explain that a subsidy carries with it the idea of something for nothing, a grant in aid. Had the sums which are now characterised as subsidies been in reality something for nothing or grants in aid, then we might have been able to do something. But, as it happens, these really are contract payments. They are payments for services rendered, and if in addition to the condition that the ships must carry mails to certain time tables you are going to impose an extra condition, it is quite possible that the companies will say, "Well, what is the *quid pro quo*; are you going to pay us a real subsidy?" I can understand that if that is the position the Director General of Posts and Telegraphs who is charged with the administration of a commercial department might protest very vigorously against his profit and loss account being encumbered by a charge of this sort

There is another point. Suppose you did make it compulsory that the companies carrying mails should as a condition train cadets and employ ex-"Dufferin" officers. There seems to me to be a possibility that companies which have hitherto voluntarily done so would take the opportunity of saying, "We shall do so no longer". I mention these possible difficulties in order to show that there are difficulties, but I would remind the House and my Honourable friend Mr. Sapru that both here and in another place a promise has been given that before the mail contracts now held by the British India expire in March, 1937, the fullest consideration will be given to the possibilities of providing further occupation for ex-"Dufferin" cadets through the bargaining power that we enjoy in granting a contract.

The Honourable Mr. Sapru's next proposal is that each ship in the coasting trade should train at least two cadets and should recruit at least 50 per cent. of its officer personnel from ex-"Dufferin" cadets. Now if he will forgive me, I will indulge in a little arithmetic. I estimate that there are about 80 ships in the coastal trade, including runs to the Straits and to the Persian Gulf. That means that there would be 160 cadets in training at one time. Their training last for three years, so there would be a yearly recruitment of 53 and a yearly batch ready for employment of the same extent. Now these 80 ships have on the average five officers each, counting the captain, that is to say, in all 400 officers. Let us take it that a sea career extends to 25 years. It follows therefore that there would be 16 vacancies a year. Fifty per cent. of those it is proposed should be allotted for ex-"Dufferin" cadets. Fifty-three are ready trained; the number of posts available is eight. I think my Honourable friend must admit there is something wrong with his scheme.

I turn now to the suggestion that steps be taken to induce the Peninsula and Oriental and other shipping companies to employ duly qualified "Dufferin" cadets. Now I wish the Honourable mover and the other speakers who supported him had been good enough to suggest what steps can be taken. One possible step, of course,—it is the only one I can think of,—is that you should say to the Peninsula and Oriental Company, to the Ellerman and Anchor Lines, that unless they employ ex-"Dufferin" cadets they will carry no Government cargo. Well, I don't think that the amount of Government cargo carried on these ships is of a very large amount.

THE HONOURABLE MR. P. N. SAPRU: Or Government mails?

THE HONOURABLE MR. T. A. STEWART: I am coming to the question of mail. It is quite possible that they would say, "All right, keep your cargo, get a more convenient ship". You might have some difficulty in getting that ship. And then how much further on would you be? Suppose you did say, "We will give our Lee concession passages to the Italian line, we will carry our cargo on the Hansa line". Do you think either of those lines would employ one "Dufferin" cadet? I am quite certain they would not. (*An Honourable Member*: "But they are foreigners".) Well, what is the alternative? You lump together the Peninsula and Oriental and other British lines. If you don't use them you have got to have their foreign competitors. I think therefore that it would be very ill-advised to attempt to do anything by way of compulsion. The result would simply be a recoil upon our own heads. I have said, however, that the Government of India are in sympathy with the idea underlying the Honourable Member's Resolution. Some time ago they realised the difficulties with which "Dufferin" cadets were likely to be faced and they have already taken steps to impress these difficulties as forcibly as possible on all shipping companies operating on the Indian coast. We have not yet got any considerable number of replies, but so far, from one company which has

[Mr. T. A. Stewart.]

hitherto not employed "Dufferin" cadets as officers, I have received the assurance that, other things being the same, they will give preference to "Dufferin" cadets who are suitably qualified. I have also received information that one company has already offered three officerships to cadets and are awaiting their reply. Though, Sir, as I have explained I am unable to accept on behalf of Government the recommendations in the form set out by Mr. Sapru. I feel that the substitute Resolution moved by the Honourable Mr. Kalikar expresses admirably the feelings and policy of the Government of India themselves and I am therefore prepared to accept that substitute Resolution.

THE HONOURABLE THE PRESIDENT: Substitute Resolution moved:

"This Council recommends to the Governor General in Council that all possible steps be taken to ensure that employment be found for duly qualified 'Dufferin' cadets in shipping companies operating in Indian ports".

The Question is:

"That that Resolution be adopted".

The Motion was adopted.

RESOLUTION RE INSCRIPTION OF NAGRI CHARACTERS ON HIS MAJESTY KING EDWARD VIII'S COINAGE.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I beg to move the following Resolution:

"This Council recommends to the Governor General in Council that all His Majesty King Edward VIII's coinage in India shall bear an inscription of its value in the Nagri character".

At the outset I must make it clear that my intention in moving this Resolution is not to raise the Urdu-Hindi controversy. Nothing could be farther from my mind. In fact the form in which I had given notice of this Resolution was as follows:

"This Council recommends to the Governor General in Council to see to it at the time of the issue of His Majesty King Edward VIII's coinage in India that the rupee and such other coins as do not at present bear an inscription of their value in Nagri do bear in future such inscription in the Nagri character also".

All that I intended and all that I intend is that all coinage in India should bear an inscription of its value in the Nagri character side by side with inscriptions in any other languages that it may bear. I hope that the form in which the Resolution has been admitted by the Honourable the President and in which it stands on the order paper bears the same interpretation.

Having made my intention clear in this matter I now come to the reason which has prompted me to bring forward this Resolution. Sir, the sole reason is that I feel that Hindi is a language which is very widely known in the country.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Not in the south.

THE HONOURABLE MR. BIJAY KUMAR BASU: Not in Bengal.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Not in the north at all. In the Punjab nobody understands.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: I understand that Hindi is prevalent in the following provinces in India: Ajmer-Merwara, Assam, Bengal, Bihar and Orissa, Bombay, except Sind, Central Provinces and Berar, Delhi, Madras, the Punjab and the United Provinces. I do not say that the entire population of these provinces are Hindi-speaking, but a considerable section does know the Nagri script. I think that it is only in the provinces of Baluchistan, Burma, North-West Frontier Province, Sind, Coorg, and the Andamans and Nicobar Islands that the Hindi language is not prevalent. So that it will not be wrong to say that the population of those provinces where the Nagri script is prevalent comes to over 33 crores out of the total population of India of over 35½ crores—taking round figures. Thus by far the largest number of the people of India understand the Nagri script. In fact a large number do not know any other script. Hence it is very important that all coinage in India should bear an inscription of its value in the Nagri character side by side with the inscription in English, Urdu or any other language. At present nickel coins, namely, coins of the denomination of one anna, two annas and four annas, do bear an inscription of their value in the Nagri character side by side with inscriptions in other languages. And so do our currency notes. But it is the rupee and other silver coins of smaller denominations that do not bear an inscription of their value in the Nagri character. Why the silver coins should not bear an inscription in the Nagri character passes one's comprehension. I think, Sir, the omission of Nagri inscription on our silver coins is an injustice to that section of the population which can read only the Devnagri script and I consider that the number of such people is very large indeed. I therefore request the Government kindly to see to it that all King Edward VIII's coinage in India bears an inscription of its value in the Nagri character side by side with inscriptions in other languages.

Sir, I move.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support this Resolution which has been moved by my Honourable friend Rai Bahadur Lala Jagdish Prasad. It appears to me, Sir, that some of the Honourable Members of this House have not listened carefully to his speech. The Honourable mover in moving the Resolution has made it quite clear that by moving that Resolution he aims at the addition of Nagri characters, and he does not create or want to enter into any sort of Urdu-Hindi controversy. (*An Honourable Member*: "That is in disguise".) That is not in disguise. I say to my Honourable friend that the forms of Urdu character on the coins can be equally discussed because our Madras friends will say that the great majority of them do not understand them.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir David Devadoss.)

But, Sir, why I support this Resolution is that the coin should be such that its value can be read by the majority of Indians. I know, Sir, that in the Punjab of course Hindi is not so well understood as it is in the United Provinces, the Central Provinces and other provinces. But I say, Sir, take the case of the Punjab. We are not entering the controversy that Bengal should have Bengali characters and the Punjab should have Punjabi characters

[Rai Bahadur Lala Ram Saran Das.]

and Sind should have Sindhi characters, and what we say is that the coin must be in those languages which are most read. Nagri, I say is one of the scripts which are most readable by Indians and so the request of my Honourable friend is modest. I think, Sir, it is just. I do not say take away the Urdu characters. I say retain the Urdu characters but as Hindi characters are much more readable even than Urdu, we ought to have them as well on these coins and with these words, Sir, I support the Resolution and hope my Honourable friends will not enter into the language controversy of the various provinces.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, I had no idea of participating in the debate and I never came with the idea of replying to the two Honourable gentlemen on the opposite benches, but the thing is that they must bear in mind that the Government has given a clear undertaking and that is that when Shah Alam handed over the Dewani of Bengal after the Battle of Buxar, the Government of India clearly gave an undertaking that all the official correspondence will be carried on in Persian or Urdu and Arabic characters. That is, Sir, the pledge that the Government gave us and, Sir, on that we take our stand. Sir, whatever might happen today—you can go and see all the vernacular offices using Persian and Urdu—it has never been Hindi, it has never been Nagri. Well, Sir, we are trying to have a *lingua Indica* and the language for India is Urdu and not Nagri. My Honourable friend says it is not a controversial subject. I say it is full of difficulties. This is a subject which no Muhammadan will ever put up with. The characters here in the court are Arabic characters and those Arabic characters must remain because it is a pledge given by the Government of India. Hunter in his *History of India* clearly lays it down that the Government gave to Shah Alam a clear undertaking that all the court work in the vernacular language would be carried on in Persian and Urdu characters. Well, Sir, I do not know what has prompted my Honourable friend to bring this Resolution forward? If they are not sectarian, then what are they, Sir? Well, Sir, tomorrow I will bring in another Resolution and I will say that I want on the coinage something to be written in Pushtu. Another man will say that he wants the inscription to be Gujarati. A third person will say he wants the inscription to be in Telugu; a fourth in Tamil; and a fifth in Bengali. Well, Sir, how many languages are there and where will be the space on the coin? It is a ridiculous proposal and it is simply preposterous to bring a Resolution of this nature in this House. Well, Sir, with all the force at my command, at least I appeal to my co-religionist Muhammadans that they should be careful not to lend their support to a Resolution of this nature.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Sir, when this Resolution was moved I hardly thought that it was meant to be a serious one or that Rai Bahadur Jagdish Prasad was in a serious mood, but after the interpretation put on his speech by the Honourable the Leader of the Opposition, I have no hesitation in saying that it has been conceived in a very serious mood. I had no idea, Sir, up till now that anybody in India, be he literate or illiterate, when he handles money ever wants to read the inscription.

(At this stage the Honourable the President resumed the Chair.)

Whether this is a rupee or any other coin, whenever it comes into your hands you know what the value of the coin is almost by intuition. I have never heard of any difficulty in recognising the value of a coin even by an illiterate man. If my friend the Honourable mover could give us an assurance that with a Nagri inscription on a rupee it will be worth a rupee and four annas I would certainly ask everybody to accept the Resolution, but I hardly think that will be the effect.

Another thing, Sir, calls for some comment. I am very sorry that even in a matter of this nature my Honourable friend, Sir Akbar Khan of Hoti, of all people should try to give it a communal bias. He has described the proposition as ridiculous and preposterous because according to him Persian was the court language. May I, with all humility and with all friendly feelings, describe his giving this purely innocent matter a communal turn as ridiculous and preposterous?

THE HONOURABLE MR. A. J. RAISMAN (Government of India : Nominated Official) : Sir, when I first read this Resolution, I thought that what the Honourable mover had in mind was that all coins which do not at present bear an inscription in Nagri should in future have one and that would have meant that not merely the silver coinage but also the bronze coinage would have been the subject of this recommendation. The Honourable mover in moving this Resolution did not however say anything about bronze coinage,—the lower coinage. Because the nickel coins at present do bear both the Nagri as well as the Persian and also the Bengali and Telugu characters. Those interested in numismatics might perhaps be interested to note, if they hold a two-anna piece up, that the Urdu is in the north, the Telugu is in the south, the Bengali is in the east and the Hindi is in the west.

The Resolution in the form in which it stands would therefore appear to refer both to bronze and silver. I shall just say a few words first about the position in regard to the bronze coinage, that is to say, the half anna and quarter annas pieces. There are quite a lot of interesting facts about the history of bronze coins in this country, and one thing which happened in the course of that history is that the vernacular nomenclature became curiously confused, so that some of these old coins, many of which are still current, have got the word "pie" or "paisa" meaning different things. There has been a definite confusion. The word has had different meanings in the course of the last 200 years and it would be impossible to use that term again on modern currency. The result is that if we wanted any vernacular inscriptions on the bronze coins, we should have to put "One quarter anna" or "one half anna", or "one-twelfth anna" on what we call "pies"—the twelfth of an anna—and if we were to attempt to run this even in only two vernaculars, the pies, in order to be legible, would soon become a coin about the size of a motor car wheel. (Laughter.) However, my Honourable friend did not deal with the bronze coins and I do not want to make a great deal of a point which he did not actually bring forward. I take it that he was content that the bronze coinage should not be so dealt with. As the same time, it would of course not be logical to deal with silver coinage in one way and leave the bronze coinage as it is.

Now, turning to the silver coinage, the position is this. I ought first to mention to the House that rupees have not been coined since the year 1923

[Mr. A. J. Raisman.]

and it is not possible to say at present when their coinage will be resumed. I believe Honourable Members are aware, in connection probably with the discussions relating to the Reserve Bank, of the position about the quantity of silver rupees in India, and of course the question of coining new rupees does not arise every year, so that, in any case, it is not a matter which is necessarily one for immediate consideration. What I would like to point out is that the main consideration in devising a design for the coin is usually a historical or numismatical one. The coin has a significance in the history of a country just as a stamp has, and continuity in an artistic and aesthetic question of this kind is an advantage. Now, it so happens that the design which is at present on the reverse of the rupee is one which has been widely recognised to be one of great aesthetic beauty. This design, as it now stands, ranks very high amongst numismatic designs. If we were to attempt to introduce further vernacular inscriptions into this design, it would obviously—if you look at it—be necessary to alter it considerably, because, on the design, as it is now, there is very little room for further inscriptions, and the Nagri characters, unlike the Persian, do not lend themselves very well to a *quasi*-decorative treatment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Can you not change the design ?

THE HONOURABLE MR. A. J. RAISMAN : I was pointing out that the design is one which was evolved after considerable thought, and is one which happens to commend itself exceedingly well now and to be of great artistic value. In other words, it is a design which, besides being based on historical tradition, is also intrinsically a good design, so that, ordinarily, one would require very strong reasons for departing from it—strong reasons of a utilitarian or possibly of a sentimental kind. If you see a rupee side by side with a two-anna piece, you realise that the two-anna piece is a crude and ugly coin whereas the rupee (apart from its additional value which of course makes it more attractive) is definitely a beautiful coin. I have here an example of the two pieces of coinage. On the one we have got four vernacular inscriptions and it is, from the numismatist's point of view, an exceedingly un-aesthetic production, whereas the rupee is a very fine coin.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The intrinsic value of the silver rupee is 50 per cent. while that of the ugly small coin is practically at par.

THE HONOURABLE THE PRESIDENT : That does not affect the question at all.

THE HONOURABLE MR. A. J. RAISMAN : If I may say so, Sir, that is if it were true entirely irrelevant. If there is any serious consideration attaching to a discussion about the design of a coin, it must, I suggest, be very largely one of historical tradition and aesthetic value, and from both these points of view, the arguments against the adoption of my Honourable friend's Resolution are strong. There has also been obviously in the House today by no means a unanimous sentiment on the subject so that one could see—

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : There are also the pledges given by the Government.

THE HONOURABLE MR. A. J. RAISMAN : I do not want to go into that particular passage of Indian history. I am not resting any part of my case on the history of the adoption of Urdu as a court language. That is not really directly relevant. It may perhaps be analogous but it is not relevant to the case. (*An Honourable Member* : "A pledge is a pledge".) There was no pledge as far as I am aware in regard to Government coinage. But what is clear is that, in order to make a change in a matter of this kind, one ought to be moved by a strong consideration, which as I say might be one of a unanimous national demand. I venture to suggest that one could hardly put this suggestion on that basis, and if there is no strong reason for a change, then the position is that we would prefer, and it would be good policy and in accordance with tradition in dealing with these matters, that there should not be a change. However, I will say this, that certain feelings on the subject have been expressed in this House and if and when the Government of India come to review this subject I have no doubt that they will take into account the views expressed in this House on the possibility of changing the design. Further than that I would not go.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Sir, at the outset I must tell my Honourable friend Nawab Sir Akbar Khan that I had absolutely no intention to raise a communal controversy of the nature referred to by him. I simply want that all coinage which does not at present bear an inscription in Nagri should bear it along with the Urdu inscription. I do not see any difficulty in that, when in the case of the nickel coins the inscriptions are in no less than four languages, I cannot understand why our silver coins should not bear an inscription in Nagri side by side with the Urdu and English inscriptions.

Now, Sir, the Finance Secretary has pointed out some difficulty about redesigning the rupee, if my suggestion were to be accepted. I think that with the accession of His Majesty King Edward VIII. we will have a new coinage and it is not very difficult to design the rupee and other silver coins so as to include an inscription in Nagri along with the inscriptions in Urdu and English. However I am thankful to the Honourable Mr. Raisman for giving an assurance that when a change in design was felt necessary the Government would bear in mind the feelings that have been expressed from this side of the House in the matter of the inscription on the coinage. In view of that assurance, Sir, I have no desire to press my Resolution.

The Resolution was, by leave of the Council, withdrawn.

DURGAH KHWAJA SAHEB BILL.

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

"That the Bill to make better provision for the administration of the Durgah and the Endowment of the Durgah Khwaja Moinuddin Chisti, generally known as the Durgah Khwaja Saheb, Ajmer, be taken into consideration".

Sir, when I introduced this Bill in the last Simla session I hardly expected that the reception it would receive would be so unanimous, universal and cordial. Since that date I have been flooded with literature from all quarters of India, even from beyond the Frontier, supporting this Bill. In fact the literature sent by various leading men is so voluminous that it was impossible for me to bring it into this House. Therefore I have contented myself with bringing a few hundred telegrams which are in support of the Bill.

THE HONOURABLE THE PRESIDENT : Surely you are not going to read them ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Well, Sir, I do not think it will be necessary for me to read all the telegrams. I will only ask the indulgence of the House to let me read a few telegrams which are of special importance.

THE HONOURABLE THE PRESIDENT : They are written to you by private individuals ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : They are from presidents of various societies, as such, and from leading men.

THE HONOURABLE THE PRESIDENT : That may be, but what special value will that have in a debate of this nature when you are moving consideration of the Bill ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The value of these telegrams is that I think the Honourable Members should know that Muslim opinion in India accepts the principle of this Bill ; because naturally when I ask the House to vote for consideration of this Bill I am asking the House to commit themselves to the principles underlying the Bill, and to prove that the principles are acceptable to the Muslim community at large. I have therefore to show that that opinion has been expressed through representative channels.

THE HONOURABLE THE PRESIDENT : You can mention the names of the bodies from which you have received telegrams, but there is no necessity to read their contents.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Very well, Sir, I will obey your ruling and I will not read the contents of these telegrams.

Sir, before entering into the details of this measure, with your permission I would like to inform the Honourable Members in how much reverence and respect this place to which the Bill relates is held by Muslims all over India. The brief history of this great Saint is this.

The Saint Hazrat Khwaja Moimuddin Chishti (May God bless his soul !) came to India some time about the end of the Twelfth Century A. D. and was in Ajmer in the year 1194 A. D. The Saint's fame for piety spread all over the country during his stay at Ajmer and excelled that of all the saints who had come to this country before him. The King Shamsuddin Altamash himself became a disciple of a disciple of the saint, namely, Hazrat Khwaja Qutbuddin Bhaktiyar Kaki (May God bless his soul !) whose Durgah is known as Qutub Sahib ka Durgah in Delhi. The number of the poor, down-trodden and spiritually afflicted people of all classes and communities who were attracted to the Saint for spiritual solace ran into millions. That is why he is known as the Sultan-ul-Hind or the spiritual king of India to this day and his tomb is the resort of the distressed, the unhappy, the high and the low alike of all communities—Muslims, Hindus, Parsis, etc., who look upon the tomb with equal awe and reverence. There is an *Urs* or anniversary of the Saint held for six days in the month of *Rajab* every year which is attended by at least 50,000 people of all classes and grades of society from every part of India and abroad, including the members of the trans-border tribes, whose interest in the affairs of this institution may be judged from the fact that among the telegrams which I

have received in support of this Bill no less than 150 have come from the North-West Frontier Province and the tribes beyond the north-western border of India. Hazrat Khwaja Sahib died some time during the rule of Shamsuddin Altamash at the age of 97 years. The tomb of this Saint was built by Shamsuddin Altamash, King of Delhi, and the dome by Sultan Mahmud of Mandu. Later on additions were made by the Moghul Emperors and recently by His Exalted Highness the Nizam of Hyderabad, Sir Usman Jah, a noble of Hyderabad, His Highness the Nawab of Rampur and various other devotees and rich men of the country.

After the reign of the Slave Dynasty of Delhi, Ajmer passed under Rajput rule, and very little is known of the history of this period except that the descendants of the Saint, owing to the unsettled conditions of the place, and the ill-treatment of the ruling race, migrated to Malwa. The Moghul Emperors paid the highest respect to the tomb. Akbar the Great travelled on foot all the way from Agra to Ajmer out of reverence and awe. His son Jehangir, who stayed at Ajmer for three years, put a ring in his ear indicating enlistment among the humble slaves of the Saint. Among the biographers of the Saint is also the Princess Jahanara Begum—

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : On a point of order, Sir. How is this relevant to the consideration of the Bill ?

THE HONOURABLE THE PRESIDENT : He is just prefacing the history and he is perfectly in order.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I am sure, Sir, whatever little difference of opinion we may have regarding the various clauses of the Bill, so far as the matter which I am now laying before the House is concerned, even my Honourable friend Mr. Hossain Imam will agree with me.

The endowment to which this Bill relates was made by the Emperor Shah Jehan in 1637 A. D. and the management of this Durgah was directly in the hands of the King Emperor. That is why in the *Wakf* deed you do not find any indication of how the property should be managed. Up to the time that the British came, the arrangements were directly in the hands of the rulers themselves. (*An Honourable Member* : "Question ?") Now, Sir, my friend says that he questions this authority. I will wait with great interest to hear from him as to whether the facts are different.

THE HONOURABLE THE PRESIDENT : You have a very long speech to deliver. I would therefore advise you not to take any notice of these interruptions.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Thank you very much, Sir. I will ignore them.

When the British occupied Ajmer in the year 1818 the management of the Durgah was placed directly in the hands of the British and the British officers used to make all arrangements for this Durgah. This thing continued till 1863, and here in this connection, with your permission, Sir, I would like to read out what the conditions were and how this Durgah was managed. The Government passed an Act, the Madras Act of 1817 and the Bengal Act of 1810, according to which all the temples, mosques and other holy places of worship were taken under the direct control of the British administration. Naturally there was a strong agitation in England against this method adopted by the

[Raja Ghazanfar Ali Khan.]

British Government and as a result of that agitation, another Act was passed in 1863 according to which the Government was required to make a searching enquiry with respect to all places of worship and instead of themselves interfering with the management of religious places to appoint committees to administer those religious places. In accordance with that Act the Government appointed what is now known as the Durgah Committee. Now, Sir, the constitution of this Durgah Committee is this. There are altogether five members; two of them belong to the Khadim community (meaning servants—servants of that holy tomb for the last so many generations); the third is a representative of the *Mutawalli*, the fourth is the representative of the Dewan, also called *Sajjadanashin* and the fifth is an independent Muslim. This independent Muslim is elected by the votes of the Muslims residing in Ajmer town within a limit of five miles of the Durgah. The Khadims are elected by the Khadim community and the other one is the nominee of the *Mutawalli*. I would have strongly condemned the method of election proposed by the Government and the constitution of this Committee, but I might forgive them because in 1867 they did not have any real or proper conception of what an election system is. A man framing rules for election in 1867 would hardly have the same opinion which a man has now in 1936. That is why, Sir, the election rules which they have framed for the appointment of such an important committee will be amusing to most of the Honourable Members here. Whenever any vacancy occurs, a notice is put on all the public places that such and such member has died, and I may here mention that the term of the members of the Durgah Committee is their lifetime. Once a member always a member unless death takes him away from amongst us, and whenever he dies a notice is put up that a vacancy has occurred in the committee and election will take place on such and such date. All the people who are interested in the election are asked to collect in a particular place up to 11 o'clock. When the clock strikes 11, the door is closed and two or three men are posted outside the door and those people who have collected inside walk out one by one and then they are asked: "Whom do you want to vote for?" and after everybody has marched out of the enclosure, votes are counted and the man who gets the largest number of votes is declared the successful candidate.

THE HONOURABLE MR. HOSSAIN IMAM: Under what notification is this the rule?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I will read out the constitution of the Durgah Khwaja Sahib.

"Order by His Honour the Lieutenant-Governor, North-Western Provinces.

:

NOTIFICATION.

No. 602-A., dated the 22nd February, 1865."

My Honourable friend Mr. Hossain Imam will find it in the Ajmer Regulations, Volume M to P, page 785, which lays down:

"Under section 10, Act XX of 1863, the Honourable the Lieutenant-Governor is pleased to prescribe the following rules for filling any vacancy which may hereafter occur among the members of a committee appointed under the Act above named to superintend the maintenance of any mosque, temple or other religious establishment.

All persons who may be hereafter appointed to such Committee—"

THE HONOURABLE THE PRESIDENT: You need not detain the House with these details. Under clauses 7 and 8 of the Bill you have made special arrangements; so there is no necessity to refer to these things.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I know that Honourable Members are satisfied with my proposed method of election, but I wanted to read this for the benefit of my Honourable friend Mr. Hossain Imam.

Now, Sir, coming to this Bill. As I submitted in the beginning, this Bill has received universal approbation, but I must be honest and

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frank and should not take all the credit to myself. As a matter of fact, the credit for bringing this Resolution should be divided equally between the Government, I mean the Political Department, and the Honourable Muhammadan friends of the Council of State, many of whom are present here today. As a matter of fact, Sir, when this Bill was given to me originally, rather when I was asked to bring this Bill in the Council of State—(An Honourable Member: "By whom?")—By some very highly respectable gentlemen whose names I will read out presently. (An Honourable Member: "You did not bring it yourself?") I did bring it myself but it was in consultation with and at the instance of many respectable gentlemen. Well, Sir, this is a representation which is very important and I am sure Honourable Members will be interested to hear it.

"It is an established fact that the Durgah Khwaja Sahib of Ajmer is the refuge of the distressed and unhappy and the centre of devotion of the prosperous and the learned; and that the management of the *wak* of the Durgah is not only unsatisfactory but also lamentably inefficient. Two reasons have been assigned by the District Judges, Ajmer, who have had occasions from time to time to pass orders in the matters connected with the Durgah Sharif.

Firstly.—The formation of the Durgah Committee on wrong principles and on the wrong interpretation of the word 'interested', and

Secondly.—The non-publication of accounts duly audited during the 60 years of the existence of the Committee. That all the members of the Durgah Committee are life members is a further breach of the rule observed by all elective bodies in these times where Government of private and public institutions is left in the hands of popular opinion. Therefore it is very necessary that the account of the Durgah Sharif be audited under Act XLII of 1923 and that the majority of the members for the 'beneficiary' class be replaced by the majority of the members for the 'independent' class and elected for three or five years."

Now, Sir, this has been signed amongst others by some of my Honourable colleagues who are present here today and who, I am sure, will strongly support the Bill which I am now moving before the House. The Honourable gentlemen who signed this, Sir, include the Honourable Mr. Mahmood Suhrawardy, the Honourable Nawab Sir Mahomed Akbar Khan—

THE HONOURABLE THE PRESIDENT: I do not think it is necessary to refer to these matters because the mere fact of their signing will not prevent them from differing on the Bill.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I have no interest in saying that the people should not change their views. I am reading from this printed pamphlet, but I have the original signatures before me and if you will require it I will lay it on the table. To proceed with the names of the signatories, Sir,—there is the Honourable Khan Bahadur Mian Ali Baksh Muhammad Hussain, the Honourable Khan Bahadur Nawab Chaudri Muhammad Din, the Honourable Mr. Hossain Imam of Bihar and Orissa, the Honourable Nawab Sahibzada Sir Syed Muhammad Mehr Shah, who is now a

[Raja Ghazanfar Ali Khan.]

Member of the Legislative Assembly, the Honourable Khan Bahadur Hafiz Muhammad Halim, and the Honourable Saiyed Mohamed Padshah Sahib Bahadur of Madras. Well, Sir, these are the signatures of which I have got the originals before me and in order that no person may have any doubt, I am going to lay them on the table for Members' inspection.

Now, Sir, this was the first consideration which persuaded me to bring in this Bill in the House. The second consideration was, Sir, that a representation agreeing with the principles of my Bill and finding fault with the present constitution of the Committee was signed by some highly respectable leaders of the Muhammadan community in the year 1931. These leaders included the late Maulana Mohammad Ali, Dr. M. A. Ansari, Maulana Mohammad Shafi Daodi, Nawab Sir Sahibzada Abdul Qayyum Khan, Maulana Haji Hafiz Ahmad Said Sahib, Nazim Jamit-ul-ulama-i-Hind, Delhi, Khwaja Hasan Nizami, Mufti Mohammad Mazharullah Sahib, Sahibzada Haji Shaikh Mohammad Rashiduddin, President of the All-India Jamit-ul-Quraish, Maulvi Syed Murtaza Sahib Bahadur, Sir Abdul Halim Ghaznavi, Mr. Mohammad Anwarul-Azim, Mr. (now Sir) Mohammad Yamin Khan, Dr. Ziauddin Ahmad, Mr. Mohammad Azhar Ali, Khan Sahib Shaikh Fazl-i-Haq Piracha, Khan Bahadur Makhdum Syed Rajan Bakhsh, Mr. Abdul Matin Chaudhry, Captain Sardar Sher Mohammad Khan—

THE HONOURABLE THE PRESIDENT: It is not necessary to read all the names because you know they blow hot and cold!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Well, Sir, so these people who are the leaders of India have signed a pamphlet approving the principles of this Bill.

Now, Sir, may I, with your permission, turn to the Government in the Political Department and read out what opinions they have expressed with regard to the present constitution of the Committee and the state of affairs now prevailing?

THE HONOURABLE THE PRESIDENT: That will be more valuable.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you very much, Sir.

But, Sir, I am afraid from the little experience I have of this Political Department that they are too clever and will always find a way out of the difficulty. Although any other Department of the Government of India would have found themselves so much pinned down by these opinions that they would have no other course but to heartily support this Bill. I am very doubtful about the attitude of this Department. Now, Sir, this is what was said in the course of a judgment by Mr. E. B. Howell, District Magistrate, Ajmer, who later became Foreign Secretary:

"I cannot refrain from the comment that this case presents a striking picture of the management of the Durgah, the holiest Muhammadan shrine in India, which, if anything, might have been expected to enjoy some degree of immunity from the unbridled rapacity of its attendants. But with a manager slovenly careless and unbusinesslike to the last degree, besides being by no means above suspicion in the matter of honesty, the greedy horde of his underlings have matters all their own way."

And now I will most humbly appeal to all the Honourable Members to pay attention to the sentence that I am going to read:

"and if the great one to whom the shrine is dedicated can still take cognisance of mundane matters he must contemplate with profound melancholy the degeneracy and incompetence of his modern representatives."

This was the opinion that was expressed in 1908 by Sir Evelyn Howell who was at the time District Magistrate at Ajmer.

And now I will read further, Sir, the opinion expressed by Mr. A. T. Holme, I.C.S., in his judgment, dated 26th March, 1910. He observed:

"All that I can say on that point is that from official experience, I believe that there is a very considerable body of Muhammadan opinion which desires to have a really independent Durgah Committee and to abolish the tyranny, wastefulness and dishonesty which must inevitably characterise the administration of the Durgah affairs by such a body as the existing Committee."

The third opinion is that of the late Sir Charles Watson, Political Secretary. He wrote:

"I share the opinion of my predecessors that the present constitution of the Durgah Committee is lamentably ill-fitted to secure the conservation of the shrine in the interest of the worshippers as a whole. Past experience has shown that the President, who is the only independent member, is powerless in the face of combinations among and quarrels between the other members who are more interested in securing profit to themselves than in using the revenue of the shrine for the charitable and religious objects demanded by an enlightened public opinion. The remedy is to have the Notification of 1867 and Act XX of 1863 amended by legislation."

That is the remedy, Sir, which he suggests. I personally thought—that after receiving all those opinions from their own officers—officers of such great experience—it was both the legal and moral duty of the Government of India to move in the matter and to have brought forward a Bill to effect all these changes. Having failed in their duty, they should welcome this opportunity which has been offered by me by bringing forward a private Bill which would remove all the difficulties which have from time to time been pointed out by these great Political Officers. The other point where all my Honourable friends will agree is that we will be justified in resenting any interference by the British Government in the internal matters of our religious institutions. The present constitution of the Committee is forcing the Government, against their own will, to interfere. Only two years after the Act was passed in 1867, the Commissioner, much against his wishes, had to intervene to stop private quarrels going on between the members of the Committee. As long as Government do not help in passing legislation which would place the control of this shrine in the hands of disinterested and independent Muslims, the present state of affairs is bound to continue and the Government will have to interfere.

I think I have said enough with regard to the opinions expressed by the Political Department and Honourable Members of this House. The second criterion by which a Bill is judged whether it is popular or unpopular is the Press. I do not know whether, in this frenzy of opposition, some of my Honourable friends will not try to minimise the importance of Press opinion in this country. I personally have very great regard and respect for Press opinion, particularly when it happens to be unanimous and there is not a single paper which has dissented in this respect.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Question?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, you can question it, but I would be very much interested to know, and will feel grateful to my Honourable friend if when his turn comes he will read out extracts from some responsible paper. Now, I have got here cuttings from all the papers—

THE HONOURABLE THE PRESIDENT: Order, order. I will not allow you to read extracts from newspapers. This Council is not guided by newspapers.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : If I am not permitted to read any of these extracts, Sir, I will obey your ruling, but I hope you will kindly give me permission at least to read out the names of the papers which have supported this Bill. Without saying what opinions they have given, I will only read out their names—I will just mention the names of the papers which are in favour of this Bill.

THE HONOURABLE THE PRESIDENT : The difficulty will then arise that if you read the names of some newspapers, the other party will read the names of other newspapers which have published criticisms against the Bill.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I have promised that I will not read any newspaper extracts. I will just read out the names only.

THE HONOURABLE THE PRESIDENT : You can mention the names if you think it is of any value.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Thank you very much, Sir. The *Ahsan*, Lahore, the *Inqilab*, Lahore, the *Medina*, Bijnaur, the *Tarjuman-e-Serhad*, the *Haqiqat*, the *Khilafaat*, the *Alhlaque*, Agra, the *Alaman* the *Wahdat*, the *Civil and Military Gazette*, Lahore, the *Statesman*, New Delhi, the *Times of India*, the *Bombay Chronicle*, the *Star* from Allahabad.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Are these all the papers in India ?

THE HONOURABLE THE PRESIDENT : I warned you at the commencement not to take any notice of this opposition.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Thank you very much, Sir.

With your very kind permission, I would now like to read this letter, which has been signed by almost all the leading Muhammadans of the Punjab, supporting this Bill, and that includes people belonging to all schools of thought—extremist, nationalist, pro-Government or whatever they are. Honourable Members will, I am sure, be interested to hear a few names, because they are leading personalities, and it will give them great satisfaction to feel that in supporting this Bill they are also winning the approbation of these people.

THE HONOURABLE THE PRESIDENT : I think you will be rendering greater service to the Council if you speak on the principles of the Bill and convince Honourable Members that the principles embodied in the Bill are sound rather than referring to the opinions of others.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I was going to lay the greatest stress on the merits of the Bill but, after all, Sir, there are two mentalities. Some people are influenced by the opinions of others for whom they have great respect and regard and some would like to form their own opinions.

THE HONOURABLE THE PRESIDENT : Members of Council have their own opinions.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I have no doubt they have.

Coming to the merits of the Bill, Sir, the real operative clauses are very few and they can be described in a very few words. The House is asked to express an opinion whether (a) they would prefer an independent Committee to this interested Committee and (b) whether they would have proper electoral rolls prepared and election held on modern lines or they would like the mediæval system of closetting all the people in one enclosure and taking them out one by one and asking their votes. As a matter of fact, this Bill does not sponsor any new principle. The principles are the same as those which are already in existence. The Committee and the elective system are already there. There are five members and they are elected. There is also adult franchise. According to the rules, anybody who is above 18 years of age is entitled to come and vote. After the people have got the benefit of adult franchise, why should my Bill deprive them of such a benefit? That is why, Sir, it is too early for me to discuss the details. But if any motion is brought by any Member for referring the Bill to Select Committee for making any reasonable modifications, I would welcome the motion.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Would there be female franchise also ?

AN HONOURABLE MEMBER : And what about the Hindu donors ?

THE HONOURABLE THE PRESIDENT (to the Honourable Raja Ghazanfar Ali Khan) : Why do you give way ? If you give way you must expect to be interrupted.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : As a matter of fact, Sir, I attach so much importance to the subject-matter of my Motion that I am afraid of incurring the displeasure of any Honourable Member. (Laughter.) I do not therefore want to disappoint them. I will readily give way if any one makes an attempt to ask me a question.

Therefore Honourable Members must naturally decide whether it is preferable to have an independent committee properly elected or to continue with things as they are. The time is coming when Muslim opinion in India will with one voice demand that all the religious endowments all over India, whose value runs into crores of rupees, should be placed under popular control. Coming from the Punjab as I do, I realise and appreciate the advantages which a community can derive by having their religious places under their direct charge. Sir, it was not many years ago that the Punjab Government passed what is called the Sikh Gurdwara Act. Under the Act the control of all the religious places of the Sikhs was handed over to the Sikh community, with the result that we find the Sikh community now as strong as any other community in India.

THE HONOURABLE MR. HOSSAIN IMAM : Why not then for the entire Muslim community ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The question is asked by Mr. Hossain Imam why not such a measure then for the whole of India ? May I inform him that Ajmer is the only directly administered area and legislation concerning Ajmer can only be brought in the Central Legislature. Legislation concerning places of worship in different provinces can easily be brought in the Provincial Councils. And naturally, Sir, if I were to make an attempt to bring in legislation of an all-India nature in this House, there would be the serious objection taken that inasmuch as the Provincial

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Councils contain a larger number of elected members with much smaller constituencies, they are the most suitable places to pass legislation of this kind affecting religious shrines in their jurisdiction. And now when I have confined myself to this one little place which is directly under the Central Legislature an objection is raised as to why I have not brought in a measure for the whole of India. There is nothing to prevent my Honourable friends bringing in legislation for the whole of India, if they so desire, and I can assure them that without reading what they write I will support any Bill provided its intention is to transfer the control of Muhammadan sacred places to the hands of competent, honest and disinterested elected representatives of the people.

THE HONOURABLE MR. HOSSAIN IMAM: Why not for the Delhi Jama Masjid?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Why not have a minister for *waqfs*?

THE HONOURABLE THE PRESIDENT: May I ask Honourable Members to allow the Member in charge of his Bill to speak? You will all have your opportunity at a later stage to controvert his arguments.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am extremely grateful to you, Sir, for this kind protection, but I may assure you that these interruptions by my friends on the right and left really prove very useful. The Honourable Sir Mahomed Akbar Khan has made the suggestion that we should have a minister for *waqfs*. I do not know, Sir, whether he has studied the fact that the present constitution would allow us to bring forward a Bill that we should have a minister for *waqfs*. I think the number of ministers is limited and all departments of Government are distributed among them and I do not think there will be room for the suggested minister. But if the constitution permits, I can assure you that I will support such a measure, and I will go a step further and say that nobody will be more delighted than myself if the Nawab Sahib were to become the first minister in charge of this portfolio, because he has all along taken a very keen interest in the welfare of his community, particularly in all matters concerning their religion.

Now, Sir, there is one other remark which, with your permission, I shall make about an Honourable colleague of mine, the Honourable Mr. Mahmood Suhrawardy. I shall be failing in my duty if I did not pay him the compliment of saying that if any credit attaches to this movement to pass this legislation, he should be regarded as the pioneer of the movement and not myself. I am not referring only to signatures, which have been contributed by many people.

THE HONOURABLE THE PRESIDENT: We are not distributing credit at this stage!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, among the numerous papers which I have with me I find that the Honourable Mr. Suhrawardy was the first person to raise the question of the Durgah Sharif on the floor of this House by asking searching questions which made it impossible for Government to get away from the real issue.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Those were questions but I did not move a Bill!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, if the Standing Orders and Rules and the rigid control which you have over this House had allowed an expression of opinion in question time, I am sure he would have suggested that a Bill should be brought. But within the scope of the rules he went to the greatest lengths he could in asking a question which reads as follows—

THE HONOURABLE THE PRESIDENT: How is that relevant to the Bill? As I have said, there is no question of giving credit at this stage. You can apportion all credit afterwards. Will you confine yourself to the principles?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Coming back to the contents of the Bill, you will observe that in the Statement of Objects and Reasons attached to this Bill, which brief statement I would ask all the Honourable Members to read carefully, I have said that there is no other consideration for bringing this Bill except what is contained in that statement, which runs as follows—

THE HONOURABLE THE PRESIDENT: They have all read it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am sorry, Sir, but in discussing the Motion that the Bill be taken into consideration, I have thought it my duty to emphasise such portions of the Bill which I think require emphasising. Therefore I am not going to read out the whole Bill but I will confine myself just to one or two sentences. The objects of the Bill are merely to bring about a desirable change in the constitution of the Committee. Now, if my Honourable friends differ from me on a matter of detail, i.e., in regard to the number of members, what should be the franchise, what should be the qualifications of voters, what should be the qualifications of candidates, I may assure them that I will certainly accept whatever suggestions they may make. I have no particular idea with regard to these details, except this, that the Committee should consist of independent Muslim members. Here, Sir, I may be permitted to remove one misunderstanding which might have arisen in the minds of some of my Honourable friends, although I personally think that there is no legitimate ground for such a misunderstanding arising, I may say that the Bill is not at all intended to interfere with the vested interests or the rights of those people who have been enjoying such rights for a long time. As a matter of fact, the source of income of the Durgah may be divided into two parts, one is the revenue from the villages and the rent from the houses in Ajmer, and the other relates to the offerings which worshippers going there make at the Durgah. According to the present custom which I believe is correct—and I am speaking subject to correction on this point, because on all other points I have made searching enquiry, the civil courts also have given decisions that those offerings are divided into two parts, half of which goes to the Dewan and the other half distributed by the Khadims. I have intentionally left that income alone, because I personally think I would be really committing a sin if I deprived those people of the little livelihood which they, who have been or whose ancestors have been serving this great sacred institution for so many generations and for so many years get from these offerings. Inadvertently, Sir—

THE HONOURABLE THE PRESIDENT: Do not these people get wages?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : No, Sir, they do not ; their income is only that which the worshippers offer. That is why I have left that income absolutely out of the scope of my Bill. There are 1,200 families and those 1,200 families are not to be starved by any piece of legislation and the rights which they have been enjoying for generations together must be left alone.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : With your permission, Sir, may I ask the Raja Sahib a question ? Does Islam permit that you should become slackers and that you should depend on the offerings ?

THE HONOURABLE THE PRESIDENT : Order, order. This does not arise at this stage. Will you (to the Honourable Raja Ghazanfar Ali Khan) please proceed ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : If inadvertently something has been put into the Bill which interferes with the legal existing rights of any particular individual or class, I may assure my Honourable friends that I will be the last person to insist upon such a thing remaining in my Bill. Therefore, Sir, I would request them not to kill this measure, not to nip it in the bud. By doing that they may have just a temporary pleasure that they have won or they are victorious or they have defeated me, but I may tell them that we are answerable for our actions to our constituencies, to our community, and, above all, to God ; and therefore in the name of God I would beseech my Honourable friends to consider each and every clause of this Bill dispassionately and without imparting any heat or any irrelevant element into the matter.

Before I conclude, Sir, I would submit that the real controversial question in this Bill is the question of *Mutawalli* being hereditary. As a matter of fact this is the only controversial point in this Bill and I may assure you that if that point was not contained in the Bill there would have been no opposition—not that anybody is personally interested one way or other, but because naturally if a Bill is brought to deprive a man, who claims that he has got hereditary rights, of those hereditary rights straightaway by a stroke of the pen, naturally I can understand some Honourable Members being hesitant in supporting such a measure. In the first place, I beg to submit that I would like to know the clause which affects the question of *Mutawalli* being hereditary or otherwise. There is no denying the fact that under section 3 of the Act of 1863 this Religious Endowment Act was only to be applied to the places where the post of *Mutawalli* was not hereditary. That is laid down in that section, and if my Honourable friends would like me to read the section I will gladly do so, but I think we will have an opportunity later when we go into these details. Here it is sufficient to say that whatever position the *Mutawalli* enjoys at present under the Act of 1863 he will continue to have it ; I would not like anything to be included in the Bill which would adversely affect that position. It is a subject-matter of controversy in the law courts and I would leave the courts to decide this question. That question we can amicably settle. May I request Honourable gentlemen to consider whether there is any justification for opposing this measure or adopting any such tactics which would logically mean the killing of the Bill or that the Bill should not be passed at this session. As we all know, this is going to be the last session of the Council of State, and whatever stage of the Bill we may reach this session it will lapse after this Council adjourns. Anybody who wants to reintroduce this Bill shall

have to take all the trouble over again from the beginning. In view of these considerations I would beg of them to unanimously adopt some solution by which we can arrive at an amicable decision. So much about my Honourable Muhammadan friends. Now, Sir, with your kind permission, I would make an appeal to my non-Muhammadan friends who are here in this House. Some people think that the best policy for the non-Muhammadan members in the matter of legislation of this kind is to remain neutral. I personally think that this will be a very wrong principle to adopt, particularly by this Honourable House, because what would it mean ? It means that we in this country really want a constitution which would set up two separate Legislatures, one consisting purely of Muhammadans, another consisting of Hindus, and the Bills concerning Hindus would be disposed of by the Hindus and the Bills concerning Muhammadans by Muhammadans. I do not think there is any Honourable Member here who would desire such a thing to happen. Now, we are all here to give our verdict jointly on anything which is brought on the floor of the House. Therefore non-Muhammadan members should sit like unbiased judges ; they should listen to both sides, they should carefully read the literature—

THE HONOURABLE THE PRESIDENT : These remarks are a little bit premature ; they may be made after the consideration stage is finished.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I quite realise the mistake, Sir. I request you to be generous hearted to allow me to repeat these remarks at the third reading of the Bill. I am not going to make these remarks any further.

Sir, when this question of heredity is settled, then what remains in the Bill is, I believe, only one other point where there may be some controversy and that is that while in the Bill which I have now introduced I have proposed instead of five members, seven members of the committee, out of whom one shall be elected by the Khadims, one will be a nominee of the Dewan Sahib and five will be Indian Muslims. Here a question may well be asked : Why have you given one nomination to the Dewan Sahib and no nomination to the *Mutawalli* Sahib ? This is a matter upon which there can be an honest difference of opinion.

THE HONOURABLE THE PRESIDENT : It is not necessary to go into these details at this stage.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, this was the only point which was controversial—some of my Honourable friends were interested—and I just wanted to say one word about it and then finish. I personally feel that a *Mutawalli* is an executive officer of the committee and I know of very few instances where an executive officer will sit on the committee and will also vote on his own actions.

Now, Sir, I am very grateful to you, and I am much obliged to my Honourable friends for giving me such a patient hearing. I am sure I must have very nearly exhausted their patience, and now I would only appeal to them to carry on this debate in a friendly and cordial spirit and to see whether we can do anything for the betterment of our community.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill to make better provision for the administration of the Durgah and the Endowment of the Durgah Khwaja Moinuddin Chisti, generally known as the Durgah Khwaja Saheb, Ajmer, be taken into consideration".

As Honourable Members know we have a very important meeting of the Empire Parliamentary Association this evening at half past five, I therefore propose to adjourn the debate on this Bill till the next non-official day.

The Council then adjourned till Five of the Clock on Friday, the 28th February, 1936.

COUNCIL OF STATE.

Friday, 28th February, 1936.

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

QUESTIONS AND ANSWERS.

CONSTRUCTION OF THE NEW HOWRAH BRIDGE.

41. THE HONOURABLE MR. V. V. KALIKAR : (a) Did a deputation of some members of the Legislative Assembly wait upon the Honourable the Commerce Member and the Honourable the Member for Industries and Labour regarding the question of the new Howrah Bridge contract ? If so, when ?

(b) Has apprehension been expressed in certain quarters that the contract for the construction of the bridge might be placed outside India to a non-Indian tenderer ?

(c) Who is the final authority in placing the contract with a tenderer ?

(d) Do Government propose to take steps to ensure the placing of the contract in India with an Indian tenderer ? If so, what steps ? If not, why not ?

THE HONOURABLE MR. T. A. STEWART : (a) Yes. On the 15th February, 1936.

(b) Yes.

(c) The Howrah Bridge Commissioners, subject to the approval of the Local Government.

(d) No. For the reason I have just stated the matter is not within the competence of the Government of India.

TOTAL NUMBER OF OFFICERS IN THE SUPERIOR SERVICE OF THE MEDICAL DEPARTMENT OF STATE-MANAGED RAILWAYS.

42. THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Will Government be pleased to state the total number of superior officers in the Medical Department of State-managed Railways ? How many of these are (a) Europeans, (b) Anglo-Indians, (c) Hindus, (d) Sikhs, and (e) Muslims ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The total number of officers in the superior service of the Medical Department on the State-managed Railways including one Malariologist is 41.

They are as follows :

Europeans	13
Anglo-Indians	3
Hindus	17
Sikhs	3
Muslims	4
Indian Christians	1

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : Will the Government be pleased to state the number of Chief Medical Officers on State-managed Railways ?

THE HONOURABLE SIR GUTHRIE RUSSELL : As there are five State-managed Railways, there must be five Chief Medical Officers.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : How many of them are Hindus and how many Muhammadans ?

THE HONOURABLE SIR GUTHRIE RUSSELL : There is one Muhammadan, I think, and there is also one Hindu.

PRESENTATION OF THE GENERAL BUDGET FOR 1936-37.

THE HONOURABLE MR. A. J. RAISMAN (Government of India : Nominated Official) : Sir, I rise to present the statement of estimated expenditure and revenue of the Governor General in Council for the year 1936-37 in respect of subjects other than " Railways ".

2. The broad picture from the background of which these figures of public finance stand out is one of a continuance of modest and unspectacular, but none the less persistent, recovery from the depths of the catastrophic depression into which India, in common with the rest of the world, was precipitated barely five years ago. Since then, despite the proofs of its extraordinary power of resistance to economic stress which India has provided, we have hardly ventured to count with confidence on any improvement which was not actually in sight, or to reckon any ground as reconquered until we were actually setting our feet upon it. It is only necessary to look round the world as it is today, and particularly at the present plight of many countries less fortunately situated than India, to realize the justification for this attitude of caution.

3. This in brief is what has happened in regard to the estimates for 1934-35, and as we shall see later, for the current year. When Mr. Tallents presented the estimates in this House a year ago, it was anticipated that the year 1934-35 would end with a surplus of Rs. 3.27 lakhs. The final accounts actually disclosed a surplus of Rs. 4.95 lakhs, or Rs. 1.68 lakhs more than we had dared to hope. The main contributing cause was an excess over the revised forecast of Rs. 1½ crores under Customs and Excise, due to an unexpectedly large volume of trade in the closing months of the year.

4. Honourable Members will perhaps recall that it was finally agreed, in the course of last year's Budget proceedings, that after certain other non-recurring objects had been provided for, the whole of the unallocated surplus of the year 1934-35 should constitute a Fund for the Economic Development and Improvement of Rural Areas. The amount of this unallocated surplus was then expected to be about Rs. 1.13 lakhs, but as a consequence of the

improved results which I have just mentioned, the figure now turns out to be Rs. 2.81 lakhs, the whole of which is therefore transferred to the Rural Development Fund. In September last a paper was circulated showing that out of this fund Government had allocated Rs. 15 lakhs for the improvement of the Co-operative Movement and Rs. 92½ lakhs for grants to the Provinces on schemes approved by the Government of India. The balance in the fund therefore stands at Rs. 1,73½ lakhs, and before proceeding further, I shall now explain to the House the way in which it is contemplated that this sum should be utilized.

5. In the first place, it is proposed to make four grants for objects directly connected with the economic improvement of rural conditions and the amelioration of village life. These are :

(1) A grant of Rs. 30 lakhs for Agricultural Research. Of this Rs. 10 lakhs represents the amount still due to the Imperial Council of Agricultural Research of the block grant of Rs. 25 lakhs originally promised to it when it was established. The remaining Rs. 20 lakhs will be used to finance urgent schemes including sugar cane research, and investigations into the dairying side of animal husbandry.

(2) A grant of Rs. 10 lakhs to the Indian Research Fund Association, the amount to be devoted mainly to schemes connected with the prevention or cure of malaria, which is such a blight on the health of India's rural population.

(3) A grant of Rs. 5 lakhs for the benefit of cottage and small scale woollen industries. As was recently announced, the Government of India were not satisfied that a case for protection of the woollen industry had been established, and indeed an important section of the industry made no attempt to present its case. But Government agree with the view of the Tariff Board that the cottage and small scale industry could derive great benefit from technical advice and assistance in marketing arrangements, and they propose to provide Rs. 5 lakhs to be spread over 5 years for this purpose. The schemes financed from this grant will be in the hands of the provincial Departments of Industries.

(4) A grant of Rs. 20 lakhs to the Fund for capital expenditure on the development of broadcasting. The value of this medium for instruction on agriculture, sanitation and other matters of prime concern to the villages is now generally recognized, and this additional grant will assist the further development which is necessary in order to make these advantages more widespread than at present.

6. When these grants have been made there will remain in the Fund Rs. 1,08½ lakhs, most of which will probably be allocated to the Provinces, in the same way as the previous Rs. 92½ lakhs, for expenditure on schemes to be approved by the Government of India. Honourable Members have, I think already been furnished with a description of the schemes which have hitherto been approved. The Government of India are now awaiting further detailed information of the actual progress of these schemes, which they expect to receive very shortly. It will then be possible to review the position and see what modifications are desirable in the conditions of the grants. While the Provincial Governments are of course much more closely in touch with local conditions, the Government of India realize their responsibility for seeing that the money is spent in the most useful and effective way. I may add, Sir, that they intend to keep the legislature fully informed of their decisions and of the manner in which they intend to proceed.

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7. The total of the sums which are thus to be devoted to various forms of rural amelioration is, I suggest, an impressive amount when viewed in relation to the resources of India, and I have no doubt that Honourable Members of this House will agree as to the desirability of spending money on these objects. The field for effort is of course tremendous, but we may reasonably hope that the activities directly financed will in turn provide a stimulus which will result in an ever widening circle of benefit to the villager.

8. That finishes what I have to say about the year 1934-25. I turn now to the figures of the current year 1935-36. Here too the revised forecast shows a surplus of Rs. 2.42 lakhs instead of Rs. 6 lakhs which we anticipated a year ago. Whereas in the Budget we estimated a Revenue of 82.99 crores and an Expenditure of 82.93 crores, we now expect that the Revenue will amount to 86.52 crores and the Expenditure to 84.10 crores. I will now indicate the main causes of these variations.

9. On the revenue side the total excess is Rs. 3.53 lakhs, of which the main component is Rs. 1.85 lakhs of additional revenue from the import duty on sugar. The estimation of the revenue from imports of sugar has always been a matter of extreme difficulty, liable to be grossly falsified by the results and to produce fluctuations which may be a source of serious embarrassment in a budget of the total dimensions of the Indian budget. When your total revenue is in the neighbourhood of Rs. 80 crores and you have a single item which is liable to fall short of your expectations by as much as 3.16 crores, as happened so recently as 1931-32, it behoves you to treat that item with the utmost caution. It may be thought that it is a comparatively simple matter to subtract from India's total consumption of white sugar the total Indian production, and thus arrive at the margin available for imports. But that would merely mean subtracting one variable and unknown quantity from another. We have never known the exact dimensions of India's total consumption—or only have an approximate idea. Similarly while we know pretty well the capacity for factory production of sugar in India we have no accurate means of estimating how much is produced otherwise than in factories, that is in Khandasari. On the facts as we now see them we consider that there must have been a sudden rise in total consumption, and that while factory outturn is exceeding our expectations as proved by the excise figures, Khandasari production has declined. The result is that imports have been maintaining themselves at a figure only slightly lower than that of last year, although the imports in January of this year show a marked decline and are only two-thirds those of January 1935.

10. Besides the import duty on sugar we anticipate excesses in various other Customs heads and also from the excises on sugar and matches. A notable feature is a large drop in the receipts from cotton fabrics of British manufacture but this is more than made up by the duty on non-British imports, mostly of course from Japan, which did not fill up its quota last year and has been making up leeway. We also hope to realize Rs. 40 lakhs more than our original estimate on Income-tax, another index of trade recovery.

11. Further pointers of the same kind are first the greater absorption of small coin, which is likely to produce a surplus of Rs. 16 lakhs under the heading Mint and secondly an improvement of Rs. 19 lakhs under Posts and Telegraphs. This improvement is due in the main to increased sales of stamps and additional receipts from trunk telephone calls, as well as to lower rates of interest. We budgeted for a deficit of Rs. 13 lakhs, but now expect instead a surplus of Rs. 6 lakhs.

12. I said just now that the revised forecast of expenditure in the current year was 84.10 crores against the original estimate of 82.93 crores, an increase of Rs. 117 lakhs. The main causes are the following:

- (i) *Extraordinary payments*.—Here Rs. 41½ lakhs represents the expenditure which is expected to be incurred from civil funds in connection with the Quetta earthquake. This covers all the special arrangements for extra police, public health, the protection of property in the ruined city and the labour and plant required for salvage and site clearance operations. It also includes a contribution of Rs. 10 lakhs to H. E. the Viceroy's Quetta Earthquake Relief Fund, and provision for assistance to the rural population to repair their irrigation channels.
- (ii) *Interest*.—Here a number of different factors are likely to result in a net charge of Rs. 10.63 crores against Rs. 10.39 crores originally estimated, i.e., a worsening of Rs. 24 lakhs.
- (iii) *Currency and Mint*.—The increase of Rs. 10 lakhs, due to a larger demand for currency notes and small coin, is outweighed by the revenue increase which I just mentioned.
- (iv) *Miscellaneous adjustments*.—The increase is due mainly to the additional payments which will have to be made to the jute growing provinces because of the extra yield of the jute export duty, of which they receive half.

13. I shall now explain to the House how it is proposed that the surplus of Rs. 2.42 lakhs, with which the current year is expected to close, should be dealt with. In the first place we propose to allot Rs. 45 lakhs to a special fund for assisting the two new provinces of Sind and Orissa to meet the initial expenditure which they have to incur on providing themselves with the necessary official buildings. It was originally contemplated that the amounts should be advanced and that interest should be charged on the loans until they were repaid. But to do this would be to treat them less favourably than the existing provinces, which started off on their careers with an equipment unencumbered by such debt. Moreover an initial handicap of this kind would have to be taken into account when the subventions which these provinces are to receive are being assessed, and assistance would have to be given to meet it, an unnecessary complication of a simple issue. Of the amount of Rs. 45 lakhs, to which the Government of India's contribution will be strictly limited, Rs. 17½ lakhs will be given to Sind, which already has a considerable number of the necessary buildings, and Rs. 27½ lakhs to Orissa, which starts off with a lesser equipment.

14. This leaves a balance of Rs. 197 lakhs available from the anticipated surplus of the current year. Before explaining how we propose to use this balance I must ask the House to look forward a little into the future and to visualize the situation with which the Government of India will be faced in the first year or two following the establishment of provincial autonomy, which we may assume will begin in April, 1937. In the first place, Burma will be separated, and the separation will leave us Rs. 2½ crores worse off than we are now. In the second place, a beginning will have to be made of those financial adjustments between the Centre and the provinces which the new Constitution entails. We cannot of course at this stage attempt to predict the results of Sir Otto Niemeyer's inquiry, but it would not be prudent to assume that any lesser sum than Rs. 2 crores will be necessitated by the initial adjustments. Of this worsening of at least Rs. 4½ crores we may perhaps, in a spirit of reasonable optimism, reckon that a continuance of the

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present improvements in revenue, together with some reduction in interest charges will in the course of the next two years make good to us the greater part if not the whole. Thus on the basis of the existing level of taxation, and of the present rate of improvement of revenues, the income and expenditure of 1937-38 would roughly balance. But there is another factor in the situation of which Honourable Members will become aware when I have explained our proposals for the coming year—a factor which will have the effect of postponing by one year the date by which we may expect that our revenues will have grown to the figure which is adequate to meet the charges involved by the coming into effect of provincial autonomy. So in order to enable ourselves to shoulder the new load from the start without incurring a deficit we propose that this balance of Rs. 1.97 lakhs should be transferred to a Revenue Reserve Fund, which will be available to tide us over the difficulties of the first year of the new regime. Thereafter we think it justifiable to hope that the continuance of present tendencies will place in the hands of the Government of India resources adequate to enable it to fulfil in reasonable measure the obligations which may be imposed on it at that stage of the new constitution.

15. I come now to the estimates of revenue and expenditure for the coming year 1936-37. We have budgetted for a total revenue, excluding railways, of course, of 87.35 crores, or Rs. 83 lakhs more than our revised estimate for the current year. Of this 54.82 crores represent the estimated customs and excise receipts, which allow for a decrease of Rs. 1.60 lakhs on imports of sugar and an increase of Rs. 1.71 lakhs on other items. I have already explained to the House the position regarding sugar. Slowly but surely—and at times not very slowly either—indigenous production, under the stimulus of the protective duty, has expanded its market and ousted the imports from abroad, and all competent observers are agreed that the day is now rapidly approaching when India will be completely self-supporting. In these circumstances, when the end is virtually in sight, and the only room for argument is whether it will come to-morrow or the day after, what reliance can we place on imported sugar as a source of revenue? In each of the last two years it has exceeded our expectations, and this time it may well elude us again but on the other side. We have taken a figure of Rs. 2 crores, which in the circumstances of the present moment is if anything an optimistic figure. From the excise on indigenous production we look for Rs. 1.96 lakhs, an increase of about 15 per cent. over our revised estimate for the current year.

16. The only other revenue items which I would mention are Income-tax and Currency receipts. Under the former we are reckoning on the more favourable condition of trade to yield us 17.60 crores or Rs. 80 lakhs more than the revised estimate of the current year. Under Currency receipts the estimate of Rs. 81 lakhs includes Rs. 65 lakhs as the Government of India's share of the profits from a full year's working of the Reserve Bank.

17. The total expenditure for 1936-37 we have placed at 85.30 crores. This is Rs. 1.20 lakhs higher than the revised estimate for the current year. The notable features are a decrease under Interest and increases under Miscellaneous Adjustments, Civil Administration and Defence. The increase under Civil Works is due largely to the increased payments to the Road Fund consequent on the increased yield of the duty on motor spirit.

18. Under Interest the figure is 9.20 crores, a reduction of nearly Rs. 1½ crores on the revised figure for 1935-36. The reason is that we shall be getting

the full benefit of the conversion operations of the current year, while at the same time we hope to repay £16.8 millions of 5½ per cent. Sterling Stock which matures next year without floating a fresh loan. Actually the improvement is over Rs. 2 crores, but owing to a change in the method of accounting relating to the Indian Military Service and Indian Civil Service Family Pension Funds Rs. 62 lakhs, representing the interest on the balances in those funds, has for the first time been charged under this head. I may add that the same change results in reductions totalling Rs. 54 lakhs under the headings of Military and Civil Pensions.

19. The increase under Miscellaneous Adjustments is due to the provision of Rs. 1.58 lakhs for subventions to Sind and Orissa, Rs. 1.08 lakhs for Sind and Rs. 50 lakhs for Orissa. As Honourable Members are by this time aware it has been decided that these two provinces shall come into being on April 1st, 1936, before the inception of Provincial Autonomy. It has been recognized that for some years subventions to these provinces will be inevitable, and the definitive size of those subventions will be determined by His Majesty in Council after Sir Otto Niemeyer's report has been taken into consideration. The present subventions are purely provisional in their nature and are in no sense intended to prejudge the issue. They are merely intended to provide the provinces with small opening balances and enable them to carry on for the first year without incurring a deficit.

20. Of the increase of Rs. 64 lakhs under Civil Administration Rs. 11 lakhs is accounted for by the fact that during the current year the cut in pay was still operative on one out of the twelve monthly pay days. Then there are Rs. 18 lakhs for two public health schemes in Delhi. One relates to the method of dealing with the refuse of Delhi, a matter which, as Honourable Members are aware, has provoked strong criticism. A provision of Rs. 13 lakhs has been made for this. The other Rs. 5 lakhs is to permit of a start being made with a scheme for dealing with the sewage, the existing system having been found to be inadequate and defective. The progress of the development of Broadcasting will require a further Rs. 4 lakhs, and under Civil Aviation, where increased maintenance charges follow on the capital programme, we have provided an additional Rs. 5 lakhs.

21. The Defence Budget stands at 45.45 crores, but this includes Rs. 60 lakhs for reconstruction at Quetta and Military stores consumed as a result of the earthquake. The remaining figure of 44.85 crores would seem to compare favourably with the present year's figure, but this is partly due to the change in the method of accounting for the Indian Military Service Family Pension Fund. The correctly comparable figures show that there will be an increase of Rs. 21 lakhs, of which Rs. 5 lakhs is due to the restoration of the remaining half of the cut in pay of British soldiers. The remainder of the increase is more than accounted for by an increased provision of Rs. 20 lakhs for ordnance stores. Honourable Members will recollect that it has been repeatedly pointed out in recent years that the present budget figures cannot be taken as representing permanently the normal level of Defence expenditure. There have in the past been surplus stocks of ordnance stores which are now almost exhausted, and the cost of replacement means an inevitable increase.

22. Besides the provision of Rs. 60 lakhs relating to Quetta in the Defence Budget, there is a provision of Rs. 40 lakhs on the Civil side under the head "Extraordinary Payments". Of this Rs. 12 lakhs is for the continuance of special establishments and site clearance operations and Rs. 28 lakhs for reconstruction. I may mention here that during the current year we estimate that we shall have spent Rs. 41½ lakhs from Civil funds, and Rs. 36 lakhs

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from Army funds on relief, temporary housing and salvage and on the beginning of clearance operations. By the time we have finished clearance and are ready to begin reconstruction we shall have spent nearly a crore. The cost of the reconstruction, both Civil and military, is at present, estimated at something over Rs. 7 crores, but as the work will take 7 or 8 years to carry out, the incidence of expenditure is unlikely to be more than a crore in any single year. That in fact is the rate at which it is contemplated that the programme of reconstruction will proceed.

23. In view of the criticism which has already been made of the method of financing the reconstruction of Quetta from revenue, the Honourable the Finance Member is explaining in another place the principles on which this policy is based. I will here only indicate briefly the main reasons for such a course.

(1) The work will not be productive of any receipts from which the interest and amortization charges of a loan could be met.

(2) We have in recent years made a reduced provision of only Rs. 3 crores for the reduction and avoidance of debt. We cannot now hope for an early resumption of the contributions from Railways to genreal revenues, which would have enabled us to bring the Sinking Fund provision nearer to its former level. We should therefore avoid an increase in the unproductive debt.

(3) If we borrowed to pay for Quetta, the full burden of the additional load would fall on the years which follow the completion of the work. Those will be the years in which the Centre will be due to be distributing a portion of its income-tax receipts to the provinces, and we should do nothing to increase the financial difficulties of that stage, or to diminish the amount ultimately available for the provinces.

24. Under Posts and Telegraphs we are counting on a continuance of the improvement, and a revenue of Rs. 38 lakhs higher than our revised estimate for 1935-36. We have put the gross receipts at 11·88 crores and working expenses at 10·93 crores, so that the figure for net receipts is Rs. 95 lakhs. Against this the interest charges are Rs. 80 lakhs, so that we estimate a net surplus of Rs. 15 lakhs. The expenditure includes an enhanced provision of Rs. 2 lakhs for providing improved postal facilities in rural areas. I may add that it has been decided that the depreciation fund should henceforth be replaced by a fund for renewals and minor improvements. This will take over the existing depreciation fund of Rs. 3,17 lakhs. The annual contributions will be fixed for periods of five years, and for the first five years it has been calculated that Rs. 25 lakhs will be an appropriate figure. This compares with Rs. 29 lakhs provided last year for the depreciation fund.

25. I may now summarize the estimates for 1936-37 as follows :—

	Crores.
Revenue	37·35
Expenditure	85·30
Surplus	2·05

This then is the margin which we consider to be fairly available for reduction of taxation, and I shall now state what the proposals are.

26. In the first place we propose to go as far as this surplus permits towards meeting the claim for the abolition of the emergency taxes upon income. The complete removal of the present surcharge of one-sixth on income-tax

and super tax would cost Rs. 2,76 lakhs per annum, while the abolition of the tax on incomes between Rs. 1,000 and Rs. 2,000, which ranks with the surcharge as an emergency impost, would cost a further Rs. 47 lakhs.—Rs. 3,23 lakhs in all. We cannot therefore remit the whole of this taxation. What we propose is to abolish entirely the tax on lower incomes and to reduce by half the present surcharge, which will therefore be one-twelfth instead of one-sixth. The cost of the proposed reductions is Rs. 1,85 lakhs, and this leaves us with only Rs. 20 lakhs of the surplus for 1936-37 of which it may be said that Rs. 15 lakhs consists of the estimated surplus under Posts and Telegraphs.

27. In the second place, therefore, we propose to make a concession in postal rates which is modest in cost but which we believe will be very widely appreciated we propose to increase the weight of the one anna letter from a half to one tola, and to charge an additional half anna for every additional tola. This will cost Rs. 13 lakhs a year, and will therefore dispose of nearly the whole of the estimated surplus of Rs. 15 lakhs on the Posts and Telegraphs budget.

28. That, Sir, brings me to the end of my speech. In these proposals the prime necessity of maintaining India's credit and husbanding her resources to meet the demands of a new regime have been kept in view. Subject to this guiding consideration, they give such relief as is possible from the burden of direct taxation, while from the fortunate accrual of an unforeseen excess a further measure of benefits is distributed to the millions who dwell in the villages of India. (Applause.)

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, during the next week the Council will sit only on Friday, the 6th March, on which date, as Honourable Members are aware, there will be the general discussion of the Budget.

THE HONOURABLE THE PRESIDENT: Honourable Members, before I adjourn the Council to the 6th March, I wish to point out that on that day the general discussion of the Budget will take place. As a rule there are many speakers on that day and I have therefore decided to convene the Council at 10-30 A. M. instead of the usual time 11 A.M. I also wish to point out that this will necessitate a slight modification in the time of the taking of the group photograph and I trust Honourable Members will be present for the group photograph punctually at 10-15 A.M. on that day. The Council will now adjourn.

The Council then adjourned till Half Past Ten of the Clock on Friday, the 6th March, 1936.

COUNCIL OF STATE.

Friday, 6th March, 1936.

The Council met in the Council Chamber of the Council House at Half Past Ten of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

DISABILITIES OF INDIANS IN ZANZIBAR.

43. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY : Will Government be pleased to state :

(i) Whether they have apprised His Majesty's Government of the disabilities imposed on the Indian community in Zanzibar by the Land Alienation and other decrees passed by the Zanzibar Government ?

(ii) Whether they will place on the table the correspondence that passed between them and His Majesty's Government in this connection ?

(iii) Whether any representation has been received from the Imperial Citizenship Association setting forth in detail information as to how the Indians are adversely affected by the said decrees ?

(iv) What steps they are taking or propose to take to safeguard the interests of Indians in Zanzibar ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (i) and (iii). Yes.

(ii) Government regret that they are unable to lay a copy of the correspondence on the table of the House.

(iv) The matter is receiving the earnest attention of Government and further representations to His Majesty's Government have recently been made.

RATIO FIXED FOR NON-BRAHMINS AND THE DEPRESSED CLASSES FOR APPOINTMENT IN THE CIVIL AND POSTAL AUDIT OFFICES, MADRAS.

44. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY : Is the ratio fixed for non-Brahmins and the depressed classes for appointment in the Civil and Postal Audit Offices in Madras followed while filling up permanent vacancies as in the case of minority communities ? If not, what is the justification for such non-observance in the case of former communities ?

THE HONOURABLE MR. A. J. RAISMAN : No. It is not the policy of Government to give preferential treatment between members of the same community but it is their intention that in the vacancies available for Hindus as a whole there should not be an undue preponderance of any section of the Hindu community.

IRREGULARITIES IN CONNECTION WITH RECRUITMENT TO THE HEADQUARTERS OFFICE, NORTH WESTERN RAILWAY, LAHORE.

45. THE HONOURABLE MR. HOSSAIN IMAM: (a) Was a representation relating to certain irregularities in connection with recruitment in the Headquarters Office, North Western Railway, Lahore, submitted by some Members of the Legislative Assembly to the Honourable Member for Commerce and Railways in December, 1935?

(b) If the reply is in the affirmative, will Government please state if any enquiry was made in connection therewith and, if so, will Government please place the connected papers on the table?

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

(b) An enquiry was made and it was found that there was no justification for the allegations made in the representation. Government are not prepared to place the relevant papers on the table of the House as they are meant for departmental use only.

CONTRACT PLACED BY THE EAST INDIAN RAILWAY WITH MESSRS. JENSON AND NICHOLSON FOR CARBON BLACK READY MIXED PAINT.

46. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: (a) Did the East Indian Railway Administration place a contract for the supply of 43,000 gallons of 3 per cent. carbon black ready mixed paint from Messrs. Jenson and Nicholson either in 1934-35 or 1935-36? If so, will Government be pleased to state whether the East Indian Railway Administration did carry out the exposure test for the paint purchased from Messrs. Jenson and Nicholson? If so, how many years' exposure test was carried out by them and with what results?

(b) Will Government be pleased to state whether the East Indian Railway and the Eastern Bengal Railway maintain any register or record of the results of the tests of paints carried out by them from time to time? If not, why not?

(c) Will Government be pleased to state whether the paint ordered in 1934-35 or 1935-36 by the East Indian Railway from Messrs. Jenson and Nicholson is the same 3 per cent. carbon black which was supplied to the Eastern Bengal Railway by the same firm? If so, was the 3 per cent. carbon black supplied to the Eastern Bengal Railway found unsuitable by Government because of its not having lasting properties?

(d) Will Government be pleased to state the reasons why paints already found unsuitable was patronised by the East Indian Railway authorities?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The answer to the first part is in the affirmative. With regard to the second part, three years working test in service was carried out by the Eastern Bengal Railway and found satisfactory.

(b) Yes.

(c) It is understood that the paint manufactured by Messrs. Jenson and Nicholson, called special black paint ready mixed for wagon bodies and underframes, and supplied to the East Indian Railway, was of the same quality as that supplied to the Eastern Bengal Railway. It is not possible to ascertain from the analysis whether the black pigment contains 3 per cent. carbon black or not, but paint of the quality has been found to give satisfactory

results in service although exposure tests of paint of similar composition made on panels tested under non-service conditions were not satisfactory.

(d) Does not arise.

MESSRS. JENSON AND NICHOLSON.

47. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: Will Government be pleased to state whether Messrs. Jenson and Nicholson is a firm with English shareholders and English capital? If not, what is the total number of shareholders of the firm and what is the percentage of Indian shareholders?

THE HONOURABLE MR. T. A. STEWART: Government have no information.

CONTRACTS PLACED BY THE EAST INDIAN RAILWAY FOR THE SUPPLY OF CARBON BLACK PAINT.

48. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: (a) Was the rates contract against Indian Stores Department tender No. 0-4/M for 1932-33 accepted for the supply of the I. S. D. specification No. G. O. P. 21/1 for 3 per cent. carbon black at three different rates from three different firms?

(b) Was Murarka's 3 per cent. carbon black tested by the Government Alipore Test House? If so, did the East Indian Railway authorities refuse to place any order with the Indian firm for the black paint?

(c) Was the rate of the English firm of Jenson and Nicholson for the 3 per cent. carbon black higher by Rs. 0-12-0 per cwt. than the rate quoted by the two Indian firms of the Murarka and the Napiers?

(d) Will Government be pleased to state the reasons why the East Indian Railway ordered for the supply of the black paint from Messrs. Jenson and Nicholson for 5,000 cwt.?

(e) Will Government be pleased to state the amount of the loss to Government revenues on account of the said transaction?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) It is not a fact that against the tender in question contracts were given to three firms for supply of black paint to Indian Stores Department specification No. G. O. P./21/1 with 3 per cent. carbon black.

Against tender No. 0-4/M. for 1932-33 contracts for black paint were awarded as follows:

(1) Messrs. Napier Paint Works for Indian made paint black stiff to Indian Stores Department specification No. G. O. P./121, which lays down that the paint should contain 20 per cent. lamp black.

(2) Messrs. Jenson and Nicholson for Indian made paint black stiff for underframes and wagon bodies. No Indian Stores Department specification was stipulated for this supply but paint was to be supplied exactly as previously supplied to the railway.

(3) Messrs. Murarka Paint and Varnish Works for paint black stiff for underframes and wagons bodies to Indian Stores Department specification No. G. O. P./121 which lays down that the paint should contain 3 per cent. carbon black.

(4) Messrs. Murarka Paint and Varnish Works for "Muraco" special black ready mixed paint for underframes and wagons.

(b) The paint of Messrs. the Murarka Paint and Varnish Company was tested by the Alipore Test House. The East Indian Railway did not place orders with Messrs. Murarka Paint and Varnish Company, for the black paint stiff tendered by them at Rs. 8-10-0 per cwt. but did place orders for 23,000 gallons of "Muraco" special black ready mixed paint manufactured by that firm.

(c) Messrs. Jenson and Nicholson quoted Rs. 9-7-0 per cwt. for their particular paint and Messrs. Murarka Paint and Varnish Company quoted Rs. 8-10-0 per cwt. for their black paint stiff.

(d) The price of paint is not the sole index of relative value.

(e) Government do not consider there has been any loss in revenue.

STORES PURCHASE POLICY IN RESPECT OF PAINTS USED BY STATE RAILWAYS.

49. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: Do Government propose to make a thorough enquiry in respect of the stores purchase policy in regard to the paints used by the State Railways? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: No. Government do not consider any enquiry to be necessary.

EMPLOYMENT OF WOMEN IN MINES.

50. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA: (a) Has the employment of women as labourers in mines been altogether stopped? If not, do Government propose to stop it shortly? If so, will the men labourers working in mines be put to great hardships owing to want of employment of their womenfolk?

(b) Are women employed in Japan in all industries in large numbers, including mines?

(c) Will Government be pleased to state whether the employment of women labour is prohibited only in coal mines or in all classes of mines and also in open quarries?

THE HONOURABLE MR. A. G. CLOW: (a) No. The employment of women in the underground parts of mines was prohibited with effect from the 1st July, 1929, except in the coal mines of Bengal, Bihar and Orissa and the Central Provinces, and the Punjab salt mines. In the case of these exempted mines the regulations provide for a gradual percentage reduction each year in the number of women underground so as to lead to their total elimination by the 1st July, 1939. The question of advancing the date of prohibition in the exempted mines is at present under consideration. The answer to the last part of the question is in the negative.

(b) I have no precise information; but I believe that in some industries a substantial proportion of the labour force consists of women.

(c) The prohibition relates to all classes of mines, subject to what I have said in reply to part (a), but it is limited to underground work.

STATEMENT LAID ON THE TABLE.

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR IN COUNCIL, GOVERNMENT OF THE UNITED PROVINCES OF AGRA AND OUDH, AND THE RESERVE BANK OF INDIA.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I lay on the table a copy of the Agreement between the Secretary of State for India in Council acting by and through the Governor in Council, Government of the United Provinces of Agra and Oudh, and the Reserve Bank of India.

RESERVE BANK OF INDIA.

[Incorporated under the Reserve Bank of India Act, 1934 (II of 1934).]

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR IN COUNCIL, GOVERNMENT OF THE UNITED PROVINCES OF AGRA AND OUDH, AND THE RESERVE BANK OF INDIA.

AN AGREEMENT made this twenty-fifth day of September 1935, BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR IN COUNCIL, GOVERNMENT OF THE UNITED PROVINCES OF AGRA AND OUDH (hereinafter called "the United Provinces Local Government") of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part.

WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act no. II of 1934) hereinafter called "the Act";

AND WHEREAS by section 21 (2) of the said Act it is provided that each Local Government shall entrust the Bank on such conditions as may be agreed upon with the management of its public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say—

1. This Agreement shall come into force on the execution of these presents.

2. The management of the public debt of and the issue of new loans by the United Provinces Local Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the United Provinces Local Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at all or any of its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt

is for the time being conducted or interest thereon is for the time being payable and the bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the United Provinces Local Government may from time to time direct and shall audit all payments of such interest and act generally as Agents in India for the United Provinces Local Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the United Provinces Local Government.

3. As remuneration to the Bank for the management of the public debt, as aforesaid the Bank shall be entitled to charge to the United Provinces Local Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, viz. :—

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.
- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the United Provinces Local Government or by any officer or officers of that Government authorized in that behalf.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the United Provinces Local Government such fixed sum as may from time to time be agreed upon between the parties on account of the stock certificates referred to in clause 3 (b) hereof, and the Bank shall be also entitled to charge the public (but not the United Provinces Local Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General in Council under the powers conferred upon him by the Indian Securities Act, 1920, (Act no. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues.

4. The responsibility for all loss or damage to the United Provinces Local Government which may result from any act or negligence or omission of the Bank or its Agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any security of the United Provinces Local Government shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto.

5. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the United Provinces Local Government to be addressed to the Governor of the Bank and to be served by being left at the Head Office of the Bank and if given by the Bank to be served by leaving the same with or Addressing the same by registered post to the Secretary to the Government of the United Provinces in the Finance Department and immediately upon the expiration of such notice this Agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

6. Nothing in this Agreement shall operate to affect in any way the obligations imposed either on the United Provinces Local Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

7. The Bank shall be entitled to perform all or any of the matters contained in this Agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the United Provinces Local Government.

8. In the event of any disputes arising as to the terms and conditions of this Agreement such disputes or any differences of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General in Council whose decision shall be final and binding as between the parties hereto.

IN WITNESS WHEREOF Mr. J. L. Sathe, I.C.S., Secretary to the Government of the United Provinces of Agra and Oudh in the Finance Department, by the order and direction of the Governor in Council, Government of the United Provinces of Agra and Oudh, acting for and on behalf of the Secretary of State for India in Council, has hereunto

set his hand and the Common Seal of the Reserve Bank of India pursuant to a Resolution of its Central Board Committee has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. J. L. Sathe, I.C.S., Secretary to the Government of the United Provinces of Agra and Oudh in the Finance Department for and on behalf of the Governor in Council, Government of the United Provinces of Agra and Oudh, acting in the premises for and on behalf of the Secretary of State for India in Council in the presence of

J. L. SATHE,
Secretary to the Government of the United Provinces of Agra and Oudh, Finance Department.

S. D. BAJPAL,
Deputy Secretary to the Government of the United Provinces.

Common Seal
of the
Reserve Bank
of
India.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Sikander Hyat Khan, K.B.E., its Deputy Governor and Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., and Mr. Framroz Edulji Dinshaw, two of its Directors who in token thereof have hereunto signed their names in the presence of

S. HYAT KHAN,
Deputy Governor.
PURSHOTAMDAS THAKURDAS,
F. F. DINSHAW,
Directors.

K. G. AMBEGAOKAR,
Secretary, Reserve Bank of India.

STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: I have to inform the House that the Honourable Sir Ramunni Menon has since withdrawn his candidature for election to the Standing Committee on Emigration. As there now remain the following four candidates for the four vacancies. I declare them to be duly elected :

1. The Honourable Mr. Bijay Kumar Basu.
2. The Honourable Mr. Mahmood Suhrawardy.
3. The Honourable Sir Phiroze Sethna.
4. The Honourable Mr. P. N. Saprú.

GENERAL DISCUSSION OF THE GENERAL BUDGET FOR 1936-37.

THE HONOURABLE THE PRESIDENT: Debate will now proceed on Part II of the General Budget. I wish to inform Honourable Members that I do not propose to fix any time limit for speeches. I will leave that matter to their sound discretion and they will see that their speeches are as concise and brief as possible. I propose to call upon Sir James Grigg to answer the debate any time between 4-30 and 5 P.M. this evening.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, Honourable Members have reason to thank Government for giving them more time this year than they did a year ago to consider the Budget proposals and to offer their comments. The Finance Member had hinted

[Sir Phiroze Sethna.]

ast year and has done so again this year to the practice of reviewing the financial position not of the normal two years but of three. It is likely therefore he may hereafter introduce changes which will be in keeping with the English practice. In this connection I would like to repeat what I said last year that in the Budget such details might preferably be added as would enable us to know the average income per head of population, also if the country is progressing materially or retrograding and whether the standard of living is improving or otherwise. These details are to be found in the budgets of other countries and there is no doubt that they are very helpful. When the Honourable the Finance Member does introduce changes in the form and method of the preparation of the budget, I trust he will bear in mind the suggestion I have ventured to make.

It is a well known fact that our statistical data as regards the economic condition of the Indian people are quite inadequate. It is indeed a matter of great surprise why the Government of India should not be able to collect economic data which would enable us to draw sound conclusions as to the state of Indian agriculture, the actual position of Indian industries and all other points bearing on the economic condition of India. Some time back Dr. Bowley and Mr. Robertson submitted to the Government of India a scheme for an economic census of India with special reference to a census of production and reorganisation of statistics. That report is a valuable publication and the recommendations made therein deserve every consideration. I regret these recommendations have not yet been given effect to. I feel that the Government of India should try and come into line with all great and advanced countries in the world in this important respect. They should not fight shy of publishing such statistical data nor of the inferences however unpleasant they may be, which they may warrant.

Mr. President, there is a common belief in regard to different trades and industries that prosperity or otherwise runs in cycles of years. Perhaps the same might be said in regard to the budgets of the Government of India. The late Sir Basil Blackett had surplus budgets during his term of office. He was followed by Sir George Schuster as Finance Member who unfortunately had deficit budgets but the tide now appears to have turned. This is the second budget presented by the Honourable Sir James Grigg and it is even better than the first, and there is promise of yet better in the years to come and the likelihood or may I say the certainty of no new taxation for the inauguration of the new constitutional reforms in the provinces a possible result on which the Finance Member may well be complimented. A budget is naturally regarded as satisfactory if there is a surplus and there is no fresh taxation. The Honourable Sir James Grigg's expectations of the surplus in the current year have been greatly exceeded and his Budget for 1936-37 is equally, if not more hopeful and particularly so when we take into account that Rs. 1,58 lakhs are reserved for subventions to the newly-created provinces of Sind and Orissa—Rs. 108 lakhs to the former and half a crore for the latter, in addition to the Rs. 27½ lakhs promised to Orissa for equipping Cuttack its capital city with appropriate official edifices and Rs. 17½ lakhs to Sind for a similar purpose.

What the public is concerned with in a surplus budget is to know how the surplus is to be allocated. This is a task which I am sure the Finance Member finds it very difficult to discharge if he hopes he can satisfy all alike. I quite realise the pledge given by Government that the surcharge in income-tax and super-tax would be done away with at the earliest opportunity. The cut in the salaries of 10 per cent. was removed in two stages of 5 per cent. each

and the surcharge of income-tax and super-tax was reduced by only a third 12 months back. There is a strong feeling amongst the public that rather than afford relief in any other direction the remaining surcharge should have been removed first of all. It has pleased the Honourable the Finance Member otherwise. The total abolition of the remaining surcharge would have cost Rs. 2½ crores. I am afraid that if that were done Government perhaps could not have seen its way to have removed the tax on incomes of Rs. 1,000 to Rs. 2,000, which must cost Government nearly Rs. 3¼ crores, and because this relief is of the right sort, namely, for the benefit of the lower middle classes and if Government had to decide between the two as appears to be the case, then I approve of the action of Government and prefer to wait for another 12 months for the total abolition of the surcharge. The lower middle class with incomes between Rs. 1,000 to Rs. 2,000 a year or between Rs. 85 and Rs. 170 per month were certainly hit very hard and needed relief. We do not give remissions to taxpayers in India in respect of the number of children they may have as they do in England and the relief now offered to this particular class in the new budget is bound to be greatly appreciated. One of the most beneficent measures of Lord Curzon's Viceroyalty was the raising of the assessable income to Rs. 2,000 and I hope the limit will not again be lowered unless in times of emergency.

The second relief is in the matter of postage. We full well realise that there is a persistent demand for postal rates to be reduced. This is not so in India alone. Even in Great Britain they are clamouring for a return to the penny postage. Here again the question arises if it would have been possible for Government to reduce the rate of the postcard from nine pies to six pies and at the same time to charge only an anna instead of an anna and a quarter for letters weighing up to one tola instead of half a tola as at present. Now a reduction from nine pies to six pies for post cards would in all probability mean a diminution in the postal revenue of nearly half a crore of rupees whereas increasing the weight that would be carried for an anna from half a tola to a tola would mean a loss of only Rs. 13 lakhs. If Government could not afford the two together perhaps the course they have adopted is the wisest possible in the circumstances. The actual loss by introducing a half anna postage would amount to Rs. 64 lakhs but allowing for a possible 10 per cent. increase in the sale of post cards because of the half anna rate the loss would amount to Rs. 54 lakhs.

I am sure Government have in hand a very large stock of stamps marked an anna and a quarter. I suppose this stock of stamps will now be impressed with the figure of one anna unless Government propose at a very early date to introduce new stamps with the head of the new King Emperor and in that connection if I may be pardoned a digression I would like to enquire if as is the case with our coinage the head of the new Sovereign will face towards the left for on our coins the late Queen Victoria faced towards the left, King Edward VII towards the right, King George V again towards the left and I suppose that King Edward VIII will alternately face towards the right.

The decision last year to set apart a crore of rupees for the purpose of creating a fund for the economic development and improvement of rural areas gave great satisfaction and it is gratifying that Government decided in the course of the year to add further sums which were available to this fund with the result that instead of a crore it stood at Rs. 173½ lakhs. Out of this Rs. 30 lakhs are proposed to be devoted to agricultural research, Rs. 5 lakhs to cottage and small scale woollen industries, Rs. 20 lakhs for broadcasting in villages and Rs. 10 lakhs for the prevention and cure of malaria. This Rs. 10 lakhs will be given to the Indian Research Fund Association but it is not quite clear if

[Sir Phiroze Sethna.]

the amount is earmarked exclusively for the prevention and cure of malaria or that the Indian Research Fund Association could devote the sum or a portion of it in research work in connection with other diseases if it thought fit to do so. In this connection I would like to point out that this Fund which formerly received a grant of Rs. 7 lakhs a year from the Government of India has been greatly starved and now receives only Rs. 1½ lakhs with the result that it has to encroach upon its reserve fund to the extent of Rs. 4 to Rs. 5 lakhs a year with the result that this fund will be completely wiped off at the end of another six or seven years. This Research Association is doing excellent work and it behoves Government to see that if they cannot restore the previous grant of Rs. 7 lakhs, now that financial conditions have improved they will increase the grant of Rs. 1½ lakhs to something approaching its previous level.

Whilst out of this Rs. 173½ lakhs allotments are made for different purposes I have just mentioned, I wish a certain amount were set aside expressly for the purpose of improving the educational, economic and the hygienic condition of the classes known in popular parlance as the depressed classes. They have been long neglected and it is high time that Government afford them special relief. I have thought it fit to table a Resolution to this effect which I hope to be able to move in this House in the course of this month and to use the words of the Finance Member himself, I hope he will treat the request in "no niggardly fashion" when he can spare the funds.

The Finance Member expects an increase in the revenue from income-tax and super-tax which of course is an indication that conditions are improving in the country and which we hope will justify the expectations of larger surpluses in the coming years. Government have appointed a Committee to recommend changes in the existing Income Tax Act and we hope that amongst other recommendations the Committee will carefully consider the suggestions made by the commercial community that the present rule of losses incurred in business in any year are not allowed to be carried forward to the following years will be altered. This rule is unduly severe. In the United Kingdom such losses I believe are allowed to be written off from the profits of the next six years. If the Committee will not follow the English rule let us hope that they will suggest that such losses be written off from the profits of at least the next three years. This will be a relief to the commercial community whose incomes can never be regarded as stationary but are bound to fluctuate and sometimes to fluctuate violently.

The item of military expenditure in the budget is one which year in and year out is given great importance to and rightly so. This item formed the subject of a special Resolution in this House some days ago when His Excellency the Commander-in-Chief hinted that instead of a decrease there is likely to be a further rise and the Honourable the Finance Member has supported him in his Budget speech by saying that more money will have to be spent for Ordnance stores, etc. The Budget for 1936-37 provides for Rs. 45.45 crores for Defence which is 51.3 per cent. of the expected revenue of Rs. 87.35 crores for the year 1936-37 which from the Indian point of view is certainly a very large amount. We will admit there are two sides to the question but I do think that the Indian point of view needs to be considered sympathetically by Government and every endeavour made to bring down military expenditure always bearing in mind the late Lord Kitchener's advice who laid down that economy should be the handmaid of efficiency.

In days of prosperity one is tempted to ask Government to undertake expenditure which may not be regarded as normal. Honourable Members

will remember that about six or seven years ago the Government of India decided to have mural paintings on the walls not only of the Secretariat at New Delhi but also in India House in London. The work was started at both places but it had to be discontinued for want of funds. Now that there is a surplus, might I suggest that at least half a lakh of rupees be spent this year towards this purpose? At the India House in London the idea was to have a wall space of 11,000 square feet covered by such paintings. At first only 1,400 square feet were covered and the work suddenly stopped for shortage of funds. Later the attention of Government was drawn to the fact that if nowhere else at least in the Reception Hall there should be such paintings and 700 square feet in the Reception Hall wall were so decorated. This means that only about 2,100 square feet or about a fifth of what was originally intended was taken in hand and completed in India House. The work in London was done by artists from Bengal alone. Bombay men could not compete for the four scholarships which were offered to do the work at India House because at that very time they were busy doing the decorations in the Secretariat at New Delhi. My submission is that the work might now be continued and an amount be allotted for both the Secretariat at New Delhi and the India House in London and I would also suggest that care be taken to invite artists from different provinces to complete the work. The High Commissioner, Sir Bhupendranath Mitra, when drawing the attention to the work already done at the India House expressed the hope in the speech he made that subsequent work would be entrusted to artists from different provinces of India so that the British public may get to know of such artistic work done in the different provinces.

We hear and read criticisms of the policy of Government in regard to the excise on sugar. Hardly any other industry in this country at any time has shown such a phenomenal advance as the sugar industry today. The imposition of a protective duty has resulted within only five years in the sinking of nearly Rs. 25 crores in this industry and whilst there were only 32 factories in 1931-32 there are about five times that number today. Their number is estimated at 154 and some more are in the course of being promoted. It is urged that the levy of an excise duty on sugar at the present stage is harmful to the industry. This excise duty is to an extent a set off against the loss to Government of import duty because of the gradual decrease in the imports of sugar but if the excise duty were removed instead of helping the factories it would result in an indiscriminate increase in their number and consequent reduction in the price of sugar owing to increasing competition which would prove the ruin alike of both efficient and inefficient concerns. At the rate this industry is growing it will soon become a question of the survival of the fittest and excise duty will weed out the inefficient ones.

There is however another matter in connection with the sugar industry

which needs the attention of Government. I know that there does exist a concession rate to ports at long distances but it is only in some cases and this should be extended widely. It is the heavy rates of railway freight which cuts the ports and distant places out of the indigenous market and it enables foreign sugar to be imported in spite of the heavy protective duty. If therefore a part of the excise duty could be utilised for the purpose of bringing about a reduction in railway freights Indian sugar could find a much larger market than is the case today. Sugar is produced in India today of the value of more than Rs. 17 crores a year and more than Rs. 6 crores or 40 per cent. goes to the cultivators and the balance of 60 per cent. is practically spent entirely in India whereas in the case of imported sugar nothing goes to the cultivators and 33 per cent. leaves the country in liquid cash.

[Sir Phiroze Sethna.]

In his Budget speech last year the Honourable the Finance Member was not quite sure whether he should extend the period for protective duty against foreign salt. He did so however by introducing a Bill later to that effect and that period now expires on 30th April, that is within less than two months from now. The question is in regard to the future. Those interested in the salt industry in Western India and at Aden are grateful to the Finance Member for giving them opportunities during the current year for placing facts and figures before him. They have asked for a continuance of the present rate of duty and for a fixed number of years after which if necessary this duty on imported salt might be done away with altogether. The matter, we understand, is receiving the consideration of Government. The present rate of duty is 2½ annas per 100 Bengal maunds. This rate prevents foreign salt coming from Europe except from Hamburg alone which is due to dumping. If this rate of 2½ annas is lowered any further perhaps foreign salt from ports west of Suez would not be imported as they would have to pay Suez Canal dues but any reduction from 2½ annas will certainly enable Italian salt works at ports in the Red Sea to glut the Indian market which will mean a heavy loss to Indian and Aden manufacturers. This contingency will I hope be avoided and those interested in the trade naturally await the Finance Member's decision with great interest. At the same time I feel confident that even the Bengal consumers would not like to see their market flooded with foreign importations.

It is urged in some quarters that the Finance Member deliberately underestimated the income side in his figures for 1935-36 and has pursued the same policy in his Budget for 1936-37 with the idea of doling out the surpluses for diverse purposes instead of reducing taxation to a greater extent right from the start. I do not think that can be regarded as fair criticism for the budget figures at the best are but an estimate and it is better that the estimates err on the side of caution so that if they are exceeded and if there are surpluses the same could be distributed in the following year rather than over-estimate from the start and meet with disappointment at the end of the year and consequent increased taxation.

THE HONOURABLE THE PRESIDENT: I understand that today being Friday Muhammadan Members have to attend prayers. If the Honourable Muhammadan Members rise earlier in their places they are more likely to catch the President's eye.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, before I commence my remarks on the Budget I should like to congratulate the Honourable Mr. Raisman on the fine speech he made in introducing the Budget. It was a very lucid speech and it stated everything that was required in as concise a manner as possible.

Mr. President, I am reported to be rather a severe critic of the Finance Department of the Government of India, and therefore if I also join with Sir Phiroze Sethna in his dictum "that it is better to be conservative in estimating income", it should not be taken that I am actuated by any motive save that I regard it as a canon of sound finance. Another matter in which I have the misfortune to differ from my countrymen is in regard to the outcry against the financing of Quetta reconstruction from revenue. There too I agree with the Finance Department that this should not be met out of capital

but out of revenue. I have been advocating the course to the Commerce Department for the last three years "that capital investment should only be made in those things which are likely to give us a direct return, and other expenditure, whether it is for utility services or not, if it does not promise to pay its way should not be financed from capital".

Sir, the explanatory memorandum of the Finance Secretary is this year a little shorter than it used to be formerly. There has been an economy campaign of four pages in the explanatory memorandum, whether intentionally or not I do not know. But we do hope that the information which used to be given in this memorandum will continue to be given in full. I find that the Finance Member has also economised in his speech. We used to get some reference to trade conditions in India from the former Finance Member, but this year there is no mention of the trade of the current year. There is another document which we used to receive with the budget papers, giving important items as to the trade and commerce of India—probably compiled by the Director of Commercial Intelligence and Statistics. But this year that document has not been given to us.

The prosperity of the country is not dependent on the income which the treasury derives. It depends on the moral and material condition of the country and the best index of prosperity is our export trade. If there is an improvement in our export trade, if there is an increase in the index number of prices—these two are sure and certain guides to prosperity. The mere fact that our income is higher, and that we are getting accommodation in the money market at cheaper rates, does not show prosperity. Rather I should say the fact that money is available to Government at cheap rates shows that there is no profitable investment possible for the money. It shows that our industrial progress has been retarded, that no money is being invested in industries. It proves that as people cannot find any other avenue of investment, they are going in for Government securities at low rates of interest. Therefore it should not be regarded as a sign of prosperity. I do not blame the Finance Department for all our ills, but I do claim that if they do not realise that we are still in a bad way, that our trade and commerce has not improved, they are likely to neglect it more than they have done in the past. It is from this point of view that I wish to impress on the Finance Department the desirability of doing something concrete to improve our prices. May I just remind the House of one fact which will illustrate my point. The value of the principal agricultural produce of my province, Bihar and Orissa, was something in the neighbourhood of Rs. 137 crores in the year 1928-29, while last year for which we have figures the value of the principal crops of Bihar and Orissa fell to Rs. 55 crores. We are having 40 per cent. of the income that we used to have in the year 1928-29. Does that show that we are anywhere even in the neighbourhood of prosperity?

THE HONOURABLE THE PRESIDENT: Is that not the case all over India?

THE HONOURABLE MR. HOSSAIN IMAM: It is not the case all over India. In the Punjab it was Rs. 76 crores in 1928-29: this year it is Rs. 40·11 crores, which is nearly 55 per cent. There are other provinces even more unfortunate than Bihar and Orissa. In Burma the prices have fallen from Rs. 63 to Rs. 23 crores. All rice-producing provinces are in the trough of depression and nothing has been done to ameliorate our condition.

The care which the Honourable the Finance Member has shown for provincial autonomy is really admirable, but I hope that he will not be content

[Mr. Hossain Imam.]

by providing for a surplus budget for himself but he will see to it that the provinces when they inaugurate provincial autonomy do have surplus budgets. If he can achieve this, I think he will deserve the thanks of India. Personally I would not have tapped the match excise duty. That was an item of taxation which ought to have remained in reserve for the inauguration of provincial autonomy. Unless we have some sources of income in the centre on which we can fall back, we cannot give anything to the provinces from income-tax receipts, and without that it is impossible for most of the provinces to balance their budgets.

Sir, there is one item in the speech of the Honourable the Finance Member to which I wish to refer particularly. That, Sir, is in paragraph 31 in which he refers to repayment of the sterling loan. It will be in the memory of this House that I have been trying to induce the Finance Department to do this very desirable thing for the last three years, but my experience, Sir, has been very sad. The promises even of the Finance Member have been honoured by breach. The pledges given in this House by the Finance Secretary have been dishonoured. Last year the Honourable the Finance Member in his speech as well as in the explanatory memorandum said that he would repay maturing obligations without contracting any fresh sterling loans, but we know that that did not transpire. Since 1932 we have repaid enormous sums of sterling loans, but not one of them has been paid back without contracting fresh sterling borrowings. I would therefore request the Finance Member to tell us whether he has been authorised to make this announcement by Whitehall, whether he has authority from the powers that be—

THE HONOURABLE THE PRESIDENT: I do not think that is a fair question to put to the Finance Member.

THE HONOURABLE MR. HOSSAIN IMAM: Without that assurance the promise is not worth the paper on which it is written. For the last four years promises of this sort have been made by the Finance Department with all solemnity, but dishonoured. I am insisting on this because this happens to be the last sterling loan which is repayable; for five years there will be no sterling loans repayable. The next one comes in 1942. Therefore we wish to be assured that it is not an empty promise but there is something behind it.

Then, Sir, I was really surprised that our rate of interest *plus* incidental expenditure which we have to pay for our ordinary loans is much below what we have to pay for our other obligations. This is something extraordinary. The usual course is that other obligations are contracted in order that they may be the cheaper method of financing our requirements. But here the opposite is the case, whereas the over-all cost, including service of loans, management of debts, writing down of premiums and discount, etc., the all-inclusive rate on our loans comes to 3.75 per cent. On our other obligations the composite rate is almost 5 per cent. The total amount involved in our other obligations is Rs. 247 crores only and the interest charge and the all inclusive cost comes to Rs. 12.15 crores. That gives a rate of 5 per cent. It is something anomalous that our other obligations should cost nearly 50 per cent. more than our loan operations. I therefore request the Finance Department to look into the matter and inaugurate a policy whereby this anomaly may cease at least from the next year.

Then, Sir, I come to the Reserve Bank. The Reserve Bank represents at the present moment all the assets which we had in the Paper Currency Department as well as in the Gold Standard Reserve, with the exception that a sum of less than Rs. 40 crores which was a non-interest paying asset has been removed from there and kept back in the Government Treasury. But the difference between the income which we used to derive from those heads and the present income is so enormous that it does require some explanation from the Finance Department for the very much reduced earning capacity of this Department. Mr. President, under the heads XVI, XXVII and XXVIII, three heads of income which used in former days to give the income from the Currency, Mint and Gold Standard Reserve, in the year 1934-35 our income was Rs. 349 lakhs, whereas this year from those three heads we are going to get only Rs. 188 lakhs; in other words, we are having an income of only half of what we actually got in 1934-35. That is something which ought to be explained and we ought to know why there is such a decrease in our income.

I regret that our English expenditure also has not in any way been reduced. Our expenditure in 1934-35 after debiting the English income was Rs. 31 crores; this year we are budgetting for an expenditure after taking into account our English income, of Rs. 31.32 crores. There is an appreciable increase in our English expenditure, if we note the reduction of Rs. 122 lakhs in interest charges this year. That, Sir, is a thing which we can never like. We would rather have it the other way round than in this way.

Then, Sir, I should have liked the Honourable the Finance Member to have said something more than he did about the Silver Redemption Fund. A bare statement that our securities have deteriorated and therefore we are going to have a smaller income is insufficient. It is secretive in view of the fact that formerly when we had the Gold Standard Reserve a quarterly account of it was published. We used to know exactly what were the securities held in the Gold Standard Reserve. Why has the procedure been changed? Cannot the account see the light of day? Was it because it was so badly held that it had already deteriorated, that it was not considered advisable to publish any explanation or any facts and figures about the holdings? Why is it so? Although we have differed fundamentally on the question whether it was right for Government to start the Silver Redemption Fund without consulting the Legislature or not, that does not mean that no information should be communicated to us. Are we Sudhras that the Vedic mantras should not be listened to by us? According to the Finance Department no one but those who are in power have any right to know how these funds are held.

THE HONOURABLE THE PRESIDENT: Where is it laid down?

THE HONOURABLE MR. HOSSAIN IMAM: I say, Sir, the practice, the convention was for the Gold Standard Reserve accounts to be published always. In the English constitution, Sir, as we all know, more things are done by convention and tradition than by written law.

Sir, there is one item of expenditure in which I think the Finance Department has been unduly stingy. I refer to the Department of the Honourable the Leader of the House—the Department of Education. For three or four years, Sir, we have been asking that the cuts in the Aligarh and Benares Universities should be restored. Every year, Sir, we are promised that something will be done but when the year is finished and the next year comes, we find

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that we are where we were before. It is not sufficient for the Finance Member to promise in the other House that he will look into the matter. This thing does not involve a big expenditure,—it is only an expenditure of Rs. 60,000. He has crores to distribute. Cannot he find Rs. 60,000 only to give to these two Universities, and make an announcement in this House that he is going to restore the cut that has long been overdue? I know there are other deserving departments under the Honourable the Leader of the House which also have a claim for restoration. They may be looked into. But this is so patently a just demand that I do not think it is sportsmanlike of the Honourable the Finance Member to withhold his consent.

Then, Sir, about the disposal of the surplus. While I am quite in agreement that agricultural and rural reconstruction should go on, the other items of his surplus disbursement do not meet with my approval in the same degree as this one does. Sir, it is a well known fact that in England all the realised surplus is devoted to the amelioration of debt, and automatically it goes into the sinking fund account. We, Sir, too, would have liked that in view of the fact that our sinking fund provision has been reduced, we should have a like provision that all realised surplus should automatically go to reduce our debts.

THE HONOURABLE THE PRESIDENT: What about the Aligarh University?

THE HONOURABLE MR. HOSSAIN IMAM: Well, Sir, that is in the current income. I do not want the restoration with back effect but if he is so kind as to give them all back dues perhaps we might reconsider our criticism.

Sir, the Budget shows that there is prosperity for the Government, that there is a reduction of surcharge for rich men, there is relief for the middle classes, but the Budget is singularly devoid of any gesture for the poor. Not one of the taxes which hits the poor man, not one of his amenities or requirements have been looked into by the Finance Department. Railway fares have not been reduced by the Railway Department, customs duties have not been reduced by the Finance Department. The salt duty is there, and the kerosene duty is as high as ever. In his concluding paragraph the Honourable the Finance Member said that he has tried to steer a clear course and give something to everybody. But has he? I should like him to enlighten the House as to what he has done for the masses. Even in the disposal of the surplus it is problematical whether it is given with altruistic motives of advantage for the masses or whether it is only a propaganda to wean them from the Congress.

There is one thing about the disposal of back funds which does call for some explanation from the Government. It is a strange system, Sir, that we make a block grant which is subjected neither by the Central Legislature nor by the Provincial Legislature to the detailed votes of the representatives of the people. If you regard it as a central fund a detailed report ought to be submitted to the vote of the Assembly. If you regard it that the Assembly has authorised you to give it to the provinces, the Provincial Councils should have a say in its disposal. A general Resolution is brought forward in the local Councils that this scheme be approved and the whole thing goes merrily ahead. It is not the right policy. When you say that you are trying to give us partial responsibility, when we are going to enter into a phase of provincial autonomy very shortly, is it advisable that this grant should be regarded as non-votable, as something essentially for the up-keep of Government? The only grants which are not subjected to the Provincial Legislature are

those which are for the preservation of the steel frame. Are we to take it that this grant also is of the like nature and that our conjecture that it has been indulged in just to give the Congress a back kick is true? Is it expenditure which is in the nature of police expenditure that it cannot be submitted to the vote of the House? Either it should be submitted to the vote of the Assembly or to that of the local Councils; otherwise there will be no assurance that this money is being spent in the right manner and in the right place. We have grave suspicion that this money will be spent in order to give relief to some pets of the Local Government. If a zamindar happens to be in the good books of the collector, his villages will come in first for the expenditure from this fund, rather than a zamindar who has the misfortune to belong to the Congress. This, and other things, of the same kind may happen. The scheme is very wide, it gives very great discretion to the local officers and even the provincial officers will have very little control over the disbursement of this fund. Therefore, Sir, I request the Honourable the Finance Member to reconsider the position regarding the method of disposal. We are thankful to the Honourable the Finance Member for these small mercies and we hope that next year he will go one better in this matter of realised surplus.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, before I commence my speech, I would like the Honourable the Finance Member or his Secretary carefully to note my points and give me a reply, because sometimes we do make our criticisms and we get only evasive replies. It is very unfortunate, Sir, that there are very few Honourable Members who can talk about the financial aspect. First, we have unfortunately lost you, Sir, who is a great financier, and secondly, Professor Kale; still I hope that some response will be made to what little criticism we do make in the House.

Sir, I must congratulate the Honourable the Finance Member on his feat of having another surplus budget this year and I sympathise with him when he desires to convey the impression that India has been showing marvellous powers of recovery from economic troubles, but the fact of the matter is that it is not really so. No doubt there have been increases of revenue under nearly all heads of income, but it can hardly be said that the process of recuperation in India's economic position has set in more strongly now than in past years. For example, it is not at all reflected in the Railway Budget which has shown a serious fall in its earnings. To my mind, the policy of protection has led to a decrease in the total volume of long distance traffic between the ports and the inland centres, for in case it has been really successful, it must have created a larger volume of internal trade along with an increase in the volume of long distance traffic between the internal centres of a big country like India. It should not be urged also that the fall in railway earnings has been due to the rail-road competition, for the extent of the rail-road competition has been very much exaggerated out of all real proportion.

On the side of tax-revenue and non-tax receipts which are the two main sources of Government's income, a careful analysis of the financial position hardly warrants any rosy view of the future. On page 3 of the explanatory memorandum, we find that during the years 1923-1928 which are regarded as five years of prosperity before the present depression set in, the Government relied on net tax-revenue to the average of Rs. 67 crores and 67 lakhs a year. But the revised estimates for 1935-36 show that the income from this source has gone up to Rs. 76 crores and 17 lakhs, and in the year 1936-37 it is estimated to stand at Rs. 75 crores and 8 lakhs. Thus there is an increase of nearly Rs. 8 crores in the tax-revenue after the year 1928. What then are

[Sir Mahomed Akbar Khan.]

we to think of the financial system under which, in a period of acute depression, the pressure of taxation has increased by more than Rs. 8 crores as compared to the taxation in a period of comparative prosperity during the years 1923—1928? In the year 1932-33 Sir George Schuster, faced with a similar situation, explained on the occasion of introducing his budget of that year :

“That the need for increasing the tax-revenue has been forced upon the Government by the tremendous drop in the returns from the economic activities of the Government and in the economic productivity of the country, on which the revenue from taxation depends”.

Again in the year 1935-36, the net non-tax revenue has been only Rs. 4 crores 47 lakhs and is expected to be even less in 1936-37. This means that whereas the burden of taxation has been increased up to the extent of more than Rs. 8 crores during the period of economic depression, there is no likelihood of an appreciable reduction in it in the near future owing to the effects of this depression on the national finances. Hence the fact remains that in spite of two successive surplus budgets, the financial position of the country is full of uncertainty and that we cannot look upon the future with equanimity and self-possession. At any rate the clouds of depression are not lifting at all. On the other hand there is an urgent need to cut down Government expenditure as much as possible and lower the taxation at least to the level of the period before depression, if not to a lower level.

The position of the agriculturists is as precarious as before owing to the low prices of their products and the crushing burden of their indebtedness. No foreign markets to sell out their produce at advantageous rates have so far been found out by the Government in spite of the constant representations of their representatives in this House to achieve something at least in this direction also. I may say, Sir, that Trade Commissioners have been appointed and everything else has been done, but we have not seen any outlet so far and nothing has been suggested to us as to how to sell our produce and in what market. Their actual condition is really of a pauper demanding every sympathetic consideration to relieve them of it at every moment, but it is really a matter of surprise for me to find that nothing substantial to encourage them in their present plight has so far been taken in hand by the Government, and I am really pained to observe that the agriculturists as a class who form nearly 80 per cent. of the population of this country and with whom the fortunes of the masses are linked up, are in the midst of the acutest depression. It is the duty of Government therefore to devise some means to relieve them of it at the earliest possible opportunity. At the same time it is also the duty of Government to stop the export of gold forthwith, for it is making the country poorer day by day. According to the latest estimate the total value of gold exported from India since Great Britain went off the gold standard now amounts to Rs. 2,63,30,77,821, i.e., two thousand six hundred and thirty-three millions of rupees. To prevent such a heavy drain of gold, the Government of India ought to have resorted to some export duty on it, so that in case of its not having the desired effect it would have ultimately resulted in bringing in a tremendous lot of income to the Government.

Now, Sir, I would like to invite the attention of the Honourable the Finance Secretary to page 11 of his explanatory memorandum. At the bottom of that page, we find that in the year 1935-36 the protective duty on cotton fabrics of British manufacture yielded Rs. 80 lakhs less than the budget estimate, while the protective duty on non-British cotton fabrics yielded Rs. 90 lakhs more than its estimated income. In the estimates for 1936-37, the expected

yield in the case of cotton goods of British origin would be greater than the revised estimate for 1935-36 by Rs. 40 lakhs, while the yield from non-British cotton fabrics is expected to be less by Rs. 35 lakhs. Does this mean that the Government expect a revision of the protective tariff in such a way as to give preference to Lancashire and discriminate against non-British goods as demanded by the Lancashire delegation?

Reductions and alterations in the income-tax are undoubtedly welcome and the raising of lower level for income-tax would be a source of relief to the small man of the country, but a little more effort on the part of the Honourable the Finance Member to abolish all surcharges on income-tax and super-tax would have been highly appreciated by those effected by them. Surcharges on income-tax and super-tax, Sir, were imposed for a period of a year and a half only along with the salary cut of the servants of the Government of India, and it is really strange to see that of both these measures devised to make up the deficits in the Government budget, the salary cut of Government servants has been restored *in toto* a year ago, while the surcharges are still allowed to continue and it cannot be said with certainty as to when they are going to be abolished. Sir, the only purpose of the existence of any Government is the welfare and the well-being of its subjects and all this depend on the burden of taxation borne by the subject community. In the case of this poor country we find that the interest of the subjects is always put next to those of Government servants. I do not grudge their emoluments, but as a matter of fact since they are drawing high salaries it makes no difference to them whether the cut in their salaries is restored to them at once or a little later. But the poor taxpayer is groaning under the burden of taxes and justice demands that he should be relieved of it as soon as possible.

Besides this, the existing rates of income-tax and super-tax are proving too hard on the general taxpayer and especially the rates of the super-tax. This tax at the time of its imposition in the year 1918-19 was represented by Sir Malcolm Hailey, the then Finance Member, as a purely war measure. It is now more than 15 years that the war has terminated and yet this tax is still tied to our necks with all its exorbitant rates. Personally, I am in favour of a universal rate of tax and I think it would be much better if the Government could see the advisability to adopt this form of taxation. Taxes in graduated rates are just like a millstone round the neck of the taxpayer and I would therefore impress upon the Honourable the Finance Member that a substantial reduction in the present rates of income-tax and super-tax is urgently called for.

Again, Sir, our system of income-tax assessment is replete with many defects. It is a matter of candid admission that India is a poor country as compared with England or any other country of the West. In England the rate of income-tax is not so high as in this poor country. Family concessions which are allowed in England for wife, children and dependents are nowhere forthcoming in the Indian Income Tax Act. Again, there is an exemptable minimum of £130. If a man's income is £700 a year, he is given the advantage of decreasing it by £130 and thus his assessable income is taken at £570, but there is no such concession in India. The taxpayer here does not receive any compensation through the provision of unemployment relief by the State or contribution to unemployment insurance like many other countries of the world. Moreover, there is no provision to allow compensation of losses in business as is the practice in United Kingdom. All these deficiencies in the matter of making assessments are worth consideration and provision in the Indian Income Tax Act. I hope the Honourable the Finance Member will very kindly see to it as soon as possible.

[Sir Mahomed Akbar Khan.]

Postal concession on letters is a small concession. No doubt, it will benefit the business man and the middle class, but I am afraid the poor masses will not derive any advantage out of it. The poor people who are in an overwhelming majority than others cannot have the means to write covered letters and are therefore more in the habit of using post cards only. Hence it is highly imperative that there should be a reasonable reduction in the price of the post card. At the same time reduction of the book and the packet post rates to the former level of half an anna for every five tolas will be very much appreciated.

On the expenditure side much necessity is generally felt to reduce the military budget still further, and although His Excellency the Commander-in-Chief explained in the other day that it will be impossible to do so in the near future owing to the present-day necessities of keeping apace with the up-to-date standard of military equipment, yet I hope that he will be graciously pleased to do all in this connection at a favourable opportunity. Next to that the civil expenditure stands in urgent need of considerable economy. There is little justification for the restoration of salary cuts so long as the burden of taxes remains considerably heavier than before. Moreover, it is necessary to realise that the prevailing depression in India can hardly support the present-day top-heavy structure of administration. The scales of salaries which are unduly high should be reduced considerably, especially in view of the fact that the purchasing power of the rupee has increased a great deal during the period of economic depression.

I would also like to make a passing remark on the public expenditure to be increased on relief and reconstruction in Quetta. Since it is made chargeable to central revenues and it is the second instance of this kind, the first being in the case of the Bihar earthquake, I am afraid the Government is creating a precedent for themselves to follow in the event of such-like calamities in other provinces. I do not grudge it. It is a very creditable thing. But I would like to know whether, if an earthquake or some other calamity were to occur in another province, the Government of India's help would again be forthcoming? That is what I should like to know?

With regard to the deficit provinces, I must say that in the first place there is no need to create new ones, for it unnecessarily augments the burden of taxpayers who are already groaning under its unbearable weight. The new provinces of Bihar and Sind has entailed a further expenditure of Rs. 158 lakhs on the budget of the country, and although I do not expect that settled facts can be unsettled, but what I do contend is that these poor provinces should cut their coat according to their cloth. For instance, they should be advised to avoid all costly paraphernalia of administration and in case this policy is pursued, I hope it will be possible for them to cut down not only the initial expenditure but a good deal of the subvention sum much to the relief of the already harassed taxpayer.

Now a few words with regard to the utilisation of rural development fund. The grant of Rs. 30 lakhs for agricultural research is quite welcome, but I wish that the agency for disseminating the results of research amongst the peasants should be efficient enough, otherwise the expenditure of this money from the rural development fund will not justify itself. Secondly, the grant of Rs. 10 lakhs to the Indian Research Fund Association mainly for schemes connected with prevention or cure of malaria is a step in the right direction. But I feel that more money should have been found for the prevention or cure of many preventable endemic and epidemic diseases besides malaria and for

the improvement of general sanitation, and this money should have been obtained from the general revenues rather than from the meagre resources represented by the rural development fund. Thirdly, one may welcome the grant of Rs. 5 lakhs for the benefit of cottage and small scale woollen industries. But when there are numerous cottage industries which equally deserve the fostering care of the Government I do not understand why an isolated industry should have been chosen for special favour? I wish the Government had spared more money for fostering the development of cottage industries in rural areas, specially in view of the fact that the growth of such industries would create supplementary employment for the agriculturist and relieve the extreme pressure of the population on the soil.

Sir, these are my remarks. I want some replies to my criticisms.

THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal: Muhammadan): Sir, as I rise to support the Budget presented by the Honourable the Finance Member, my joy and delight know no bounds, and I hardly find words to thank the Honourable Member. It is much to the credit of the Honourable the Finance Member that he has once more won our gratitude by presenting to us a surplus Budget. Sir, I should be very much misunderstood if it is assumed that I have been carried away by the mere personality of the Honourable Member, but I can say with great confidence that every man having the welfare of the country at heart should feel the same way and should come with sincere gratitude and thanksgiving to one who has spared no pains to stabilise the finances of the country.

Only the other day, we had the occasion of finding that the Railway Budget ran a big deficit, and today, when we put them to contrast the relief is more vividly brought out. Today, we find ourselves confronted by the second budget of Sir James Grigg with a realised surplus for 1934-35 of almost Rs. 5 crores, instead of Rs. 3½ crores estimated a year ago. For the year 1935-36 he gives us a budget with a surplus of Rs. 2.42 lakhs which speaks of his great abilities in handling the finances of India.

The average business men and middle class people had to face very great hardships when in the year 1931 Sir George Schuster, with a view to balance the finances in those terrible days of world-wide economic depression, imposed a surtax of 25 per cent. But the then Finance Member assured us that as soon as the finances took a better turn, he would abolish the surcharge to whatever extent it was possible. Happily we are finding gradually his worthy successor has reduced the surcharge to two-thirds of what was imposed in 1931. I hope those affected by the surcharge will now find great relief, and enjoy perfect ease at their hearts. I fervently hope that if the Honourable Member persists in the steady progressive way in which he has hitherto handled the finances, I have every hope that we should in the near future get rid of the surcharge which was undoubtedly a great burden on the people of India.

One great relieving and happy feature of the Budget is that the Honourable Member has, with a clear insight to the reasonableness of the claims of income-taxpayers reverted to Rs. 2,000 annually, as the minimum taxable income, and has thereby totally abolished taxes for incomes between Rs. 1,000 to Rs. 2,000.

Another very right move which he has so appropriately taken in the direction of removing the difficulties that must have been experienced by every correspondent of letters, is that he has raised the weight of one anna letters from half a tola to a tola.

[Khan Bahadur Syed Abdul Hafeez.]

It is highly gratifying to note that he has, over and above those reliefs mentioned, kept a considerable amount for the subvention of Sind and Orissa and a considerable amount has been credited to the reserve fund for the purpose of financing the central budget in the coming days of provincial autonomy.

From the balance of Rs. 1 crore 73½ lakhs of 1935-36 surplus in the rural development fund it has been proposed to allocate Rs. 30 lakhs to agricultural researches. Here, Sir, I cannot resist the temptation of remarking that undoubtedly and pre-eminently an agricultural country as India is, and as seven-tenths of the total population of this vast country is depending for their livelihood on agriculture, it would have been, in my opinion, far more advisable if a greater amount was allotted for the betterment of ways and means for greater and better quantities of agricultural products. The cultivators in our country, I must say, who possess land which surpasses in productive power any land of the world, can hardly derive its fullest benefit only because of the want of modern knowledge in agriculture, and because of their adherence to the ways and means of their great, great grand-fathers. I should also like to point out in this connection that the amount kept for the prevention of malaria is much lower than could reasonably be expected.

Sir, in my constituency, whenever I was out in the countryside, I was benumbed to see those panic-stricken ghastly faces of the peasants suffering from that fatal disease which we call malaria, which every minute lessens their numbers by one. Sir, if it is to be realised that so long as I had been speaking here, some ten men must have died of malaria in Bengal. I think the cruelest heart will question about the propriety of the amount allocated for the purpose, and I should ask the Honourable Member to bestow his utmost attention to the prevention of this dire fatal disease that is making the thickly populated villages of Bengal almost deserted day by day.

Sir, another outlay of the surplus of the 1935-36 Budget which is apt to raise some grunts of unrest and discontent among certain communities is that for initial building equipment. Sind has Rs. 17½ lakhs, whereas Orissa is to have Rs. 27½ lakhs. Sir, in the name of fairness and justice, I should say Sind ought to have an equal amount for the above-mentioned purpose, if not greater.

I think I have clearly stated my views on the Budget and I conclude with thanks to the Honourable the Finance Member and the Secretary of the Finance Department for with them at the helm of the finances of India, we shall steadily advance towards better days, when the finances of India will be on a firm footing then we shall have no more anxiety about them.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, the budgetary position has been one of gloom and anxiety since 1931 and it is a great relief to find that after all it has been possible for Sir James Grigg to present a bright Budget. The Finance Member is to be congratulated on his clear statement and the admirable handling of statistics. The abolition of the tax on incomes between Rs. 1,000 and Rs. 2,000 and the substantial reduction in surcharge would mean a great relief to the taxpayers. The welcome reductions in the postal rate is another much needed relief which will be appreciated by the people of the country. I hope it will be possible for the Finance Member to give a reduction in the rate of the post card also in the next year.

The allocation of funds for agricultural research and rural uplift is a bright feature of the Budget although the money allotted under this head is not sufficient. Sir, the prices of agricultural produce in the country are still very low. Wheat was selling at Rs. 2-2-0 per maund at Amritsar and Lahore yesterday. The zamindars all over India are in great distress. Vigorous measures should be taken for rural relief and for finding markets for the agricultural produce of India. The provincial deficits revealed in the provincial budgets show that it would be most difficult for the provinces to carry on under the new constitution and that there is a danger of provincial autonomy being wrecked from the financial point of view. The remedy for the situation lay in a determined attempt to improve the agricultural position and to remove the poverty of the ryots.

I would also urge strongly that the cuts to the Universities of Benares and Aligarh should be restored as early as possible.

* THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal : Non-Muhammadan) : Sir, I think I ought not to depart from the almost established tradition of this Honourable House but must congratulate the Honourable Sir James Grigg and his colleagues of the Finance Department, this year more so, for having been able by a piece of good fortune to present us with a surplus Budget. At the same time, to be fair the people of this country must also come in for their share of the praise for bearing the burden of emergency taxations almost to the breaking point. It is therefore very natural to expect that they are the people who must get some relief out of this surplus. For a number of years taxation after taxation has been piled upon them. What in the nature of import duties, both protective and revenue, and excise duties, the people of this country have been practically bled white. The Finance Member points out that he has made a reasonable compromise between the claims of the agricultural producer and the claims of the direct taxpayer. But what sort of a compromise it is one fails to understand.

When there is a surplus, the services get the first consideration and their pay cut is restored. Next comes the surcharge-wallahs who get a reduction of their surcharge. The next lot are the people who pay income-tax on an income of below Rs. 2,000. But the poor agriculturists who form the bulk of the population and the teeming millions of day labourers who can scarcely manage to have two square meals a day are exactly in the same position as they were a few years ago. All the indirect taxations are there. The prices of the primary commodities are still heavily depressed. The agriculturist is unable to earn enough to pay land revenue and defray the expenses of agriculture. What attempts have been made, if one may inquire, to find a ready market for agricultural produce? Is there better marketing facilities for local produce? Has much been done to improve the breed of cattle and has village sanitation and health been properly looked into? These are some of the problems which must attract the attention of the Government and remedies found out before relief is meted out to the direct taxpayer.

It will no doubt be contended by the Honourable the Finance Member that the rural development fund is there to be utilised for this purpose. In fact, last year, in introducing the budgetary proposals, Sir James Grigg proposed that the fund so allocated for rural development would be utilised for schemes approved by the Government of India which will improve the

* Not corrected by the Honourable Member.

[Mr. Satyendra Chandra Ghosh Maulik.]

economic position of the people. Second, it will be devoted only to schemes which the Local Government would not otherwise have been able to undertake in the immediate future. Then again he goes on further to say :

"Whether those schemes take the form of the introduction of improved methods of agriculture, the establishment of industries to give employment to, and increase the income of, the cultivators, or measures designed to effect a general improvement in the condition of village life".

is to be worked out by the Local Governments according to their individual needs. He goes on further to express that the Government of India have a very deep concern for the welfare and prosperity of the cultivators. Now, let me inquire to what extent the benefits sought to accrue to the agriculturist have really accrued? Has there been any scheme started which would really improve village life? Have the unemployed been provided with employment? Has sanitation in rural areas been improved? Has there been an increase in the income of the agriculturist? Some of the Provincial Governments have undertaken schemes with very little or no tangible result. What could easily have been financed from provincial revenues is now being financed from this allocated fund. I urge that these schemes before they are finally sanctioned should be thoroughly examined by the Public Accounts Committee.

Now, Sir, I understand the Government of India stock a huge amount of quinine. Why not let the malaria-stricken people get this medicine at the cost price? Bengal is a province where malaria is a great menace and she also is the province where the Government of India have cinchona plantations. But even out of this commodity the Government of India is making a large profit. Why not distribute free quinine and lower the price of quinine so that it would at least bring relief to the people who suffer from this malady? The loss in income may be met from this rural development fund.

Then again, coming as I do from that part of Bengal which was one of the centres of the silk industry and which produces the once fashionable Carmichael handkerchief, I would urge that the silk industry be revived. It would help the agriculturists to a great extent inasmuch as they would be able to meet their rents and other demands from the sale of silk and keep the paddy for their own personal use. It would on the other hand countermand the slump in jute. But here again we have to be protected against artificial silk flooding the market.

About the deduction in the postal charges, I think it has already been pointed out by various speakers who have spoken before me that we welcome it though we may not be very grateful for it. But that I would suggest is the reintroduction of the half anna post card. It was said by the Honourable the Finance Member in another place that it would cost a lot of revenue—to the tune of about Rs. 50 lakhs. But as he has on his own admission departed from the orthodox canons of finance he might as well utilise some of the surplus for introducing the half anna post card. That would be very much welcomed by the people and he would earn the thanks of the whole of India.

Coming now, Sir, to that department of the Government of India which works, if I may so, in the zenana of the Imperial Secretariat—I mean the Defence Department—it calls for a certain amount of criticism. Year in and year out, both in this House as well as elsewhere, the non-official Members have urged a reduction in the army expenditure but with very little result. Only the other day, in reply to a Resolution moved in this House, His Excellency the Commander-in-Chief said that we might expect an increase in the army expenditure. That is not a very good sign. Of the Defence

services affected, the Administrative and Army Headquarters, Staff of Commands, etc., consume more than half of what is required to keep the fighting forces. This is a thing which requires careful scrutiny. The Indianisation scheme, if properly pursued, would bring about a reduction in those expenses. A country where the masses are in extreme poverty cannot indulge in the luxury of such a huge standing army. What I mean to suggest is reduction of the standing army and an increase in the reserves. In the reserves you get the nucleus of further expansion in case of emergency. Another thing is to expand the territorials and bring them up to the requisite standard of efficiency. They are the second line of defence and they are less costly to maintain.

Finally, Sir, I would request the Honourable the Finance Member who watches carefully the political barometer and is anxious to see that the political thermometer may not rise to endeavour to reduce the burden of taxation for the masses, to make the people happy and contented and win their hearts. Do not kill the goose that lays the golden egg.

"Princes and knights may flourish and fade,
A breath has made them a breath can take,
But the bold peasantry the country's pride,
When once destroyed can never revive".

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, I congratulate the Honourable the Finance Member on the good fortune which he has had in the two budgets that he has presented to us last year and this. On both occasions he has been able to announce surpluses. Sir, if it were a choice between cautious estimating and over-estimating, as a business man I would every time prefer the former procedure. But I must repeat the complaint which has been made from many quarters during the last few days that the Honourable the Finance Member, in resorting to this practice of under estimating his revenues, is not fair to the taxpayer. He has made claims in the course of his Budget speech that he believes in orthodox finance. But, Sir, may I ask him whether it is not a cardinal principle of orthodox finance that no more should be taken out of the pockets of the taxpayer than is absolutely necessary for the requirements of the Government? A surplus, Sir, clearly indicates one thing only, namely, that the taxpayer has not had his due measure of relief. Last year, at any rate, the Finance Member had the excuse of being new to the country. On that occasion, Sir, he ignored the advice of the business community in India with the result that he has admitted this year that they were right and he was wrong. By under estimating his revenues and denying relief to the taxpayer, he is, if he will permit me to say so, hampering the return to normal economic conditions in this country. I must add, Sir, that he is again committing the same mistake, for it is my firm belief that he would be justified in budgetting for a larger revenue this year and affording more relief to the taxpayer. There is absolutely no justification, in my opinion, for retaining the surcharges on income-tax and super-tax.

Sir, I would apply two main tests to the budget statement presented to us. In the first place, does it reflect the real conditions of the masses of the people in this country? Secondly, Sir, I would ask, is there any suggestion in the Budget of any measures for reviving the economic well-being of the country? On neither of these two standards, Sir, can this year's Budget be regarded as satisfactory. I was astonished to read his statement that India has a marvellous power of recuperation from economic troubles. If he seriously means to suggest that because there is a surplus it is a legitimate conclusion that India is on the road towards economic recovery, there will be very few who will agree with him.

[Mr. Shantidas Askuran.]

May I ask him, Sir, whether he has forgotten the Railway Budget presented by his colleague, the Commerce Member? May I ask him further whether he has read the statements made by the Finance Members of the various provinces? I referred last year in my speech to the great straits to which the Bombay Presidency had been reduced by the economic depression and the new measures of taxation to which she has had to resort to make both ends meet. Anyone coming from Bombay need not be reminded of the severe curtailment of expenditure even on essential services in my presidency.

In your province, Sir, the Central Provinces, the Finance Member observed last week that all works of progress were at a standstill and schemes of development had been held up indefinitely.

The Governor of the United Provinces observed:

"We find that so far from having any surplus that can be devoted to improvements and development, we are faced with a most formidable condition of deficit".

Sir, it is not necessary to elaborate this argument further. It is the provinces which in the main are responsible for the nation-building departments and they are being starved, though I gladly recognise that some little assistance has been given by the Government of India last year and this for rural uplift and other schemes designed to improve the health and welfare of the people.

While on this point, Sir, I would like to congratulate the Honourable Member on increasing his grant to the Imperial Council of Agricultural Research, and I particularly welcome the active interest he is showing in dairy farming. Here is a field somewhat neglected in the past, but well worth the attention of the Honourable Member for increasing possibly by hundreds of crores the economic resources of the agriculturists.

I also welcome the grant of Rs. 10 lakhs for anti-malarial work. I am one of those who feel strongly on this question of fighting malaria. I would invite the Honourable Member's attention in the name of suffering humanity, particularly to the following remarks of the Public Health Commissioner:

"India cannot herself produce anything like the amount of quinine her population requires and present prices make it largely a prohibitive luxury to most of her people. It is urgently important that larger quantities should be made available, for it is difficult to suggest other means of succour to the millions who suffer from this deadly disease".

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir Phiroze Sethna.)

Let me now turn, Sir, to some other aspects of the Budget. Having taken part in a debate on our defence expenditure in this House only a few days ago, I need not repeat the arguments I used then, except to observe that the first speech of His Excellency the Commander-in-Chief has caused considerable disappointment. Can His Excellency seriously deny that the army in India does serve an imperial purpose? Is it not always available and sometimes used for purposes other than the defence of India? Is it not true further that the Imperial Government has a predominant voice in determining the cost and the organisation of the army in India? His Excellency's predecessor, Sir Philip Chetwode, said in a debate at Simla in this House last September that it was a very good thing that the question of a contribution from British revenues for our defence expenditure should be discussed, though he regarded the time as inopportune for asking for a contribution. At the same time, he added, both the Government of India and he personally had the fullest sympathy with the hope that

eventually Britain should pay more. Sir, we maintain the view that today Britain's economic and financial condition is unique in the world and she must consider the question immediately of an adequate contribution to India's military expenditure. I would urge both His Excellency and the Government of India to renew their efforts in this direction and continue them until success is achieved.

Assuming, Sir, for the purposes of argument that the army in India is intended mainly for internal security purposes, may I ask whether the expenditure of more than half of our general revenues on defence can be justified either on grounds of economy or statesmanship? There are many millions of the unemployed both among the educated classes and the masses in India. I quite agree with His Excellency Sir Harry Haig who, in addressing the United Provinces Council last week, referred to the unemployment problem as affecting the future development of India in a vital manner.

"No State can thrive", he said, "unless suitable employment can be found for the great majority of our young men. If hopes are disappointed and ideas turn sour, we are in danger of poisoning the life of the community".

The Right Honourable Sir Tej Bahadur Sapru speaking on the same subject this week frankly confessed that if he were an educated young man today, with all avenues of service blocked, his mind would certainly run on anti-Government lines. Here, Sir, is the line which the Government of India should actively pursue for safeguarding internal security—not by piling up our defence expenditure which is an intolerable burden on the community, but by following that Professor Keynes has recently called (in his book on *The General Theory of Employment, Interest and Money*), "a national investment programme". I would commend the wise observation of so eminent an authority to the notice of the Finance Member. He laid great stress on nations providing themselves with full employment by their domestic policies.

I must also say a word, Sir, about Quetta. Nothing that I have heard on this subject has shaken my conviction that in the first place the estimate of Rs. 7 crores for the reconstruction of Quetta is far too extravagant, having regard to our slender resources. I have a fear, moreover, that the original estimate may be exceeded, as has happened with several major schemes in this country. The Finance Member, I suggest, should apply the pruning knife with the utmost vigour. Secondly, Sir, may I ask why, when so great a part of our debt is productive, he should be afraid to rebuild Quetta out of borrowed funds and afford some more relief to the taxpayer this year? Quetta expenditure is, for all practical purposes, defence expenditure. Is Britain not spending this year £300 million on her armaments programme and all of it from borrowed capital? If battleships and aeroplanes can be built for the defence of a country on borrowed money, why should Quetta stand on a different footing? The Honourable Member cannot have it both ways. Sir, if he advocates and defends the principle of debiting such capital expenditure to revenue, will he allow that principle to be observed by income-taxpayers also and grant them exemptions for those amounts? It seems as though the Finance Member acts on the basis of "Heads I win, tails you lose"! Sir, I would also like to add one further observation. Both the Right Honourable Sir Shadilal and Sir Muhammad Sulaiman who were members of the Indian Defence Expenditure Tribunal in 1933 spoke of the frontiers of India as not only our frontiers, but also imperial frontiers of the first importance; their protection being an imperial no less than an Indian interest. Quetta, beyond question is an imperial frontier post. Expenditure on Quetta, therefore, should come out of British as much as out of Indian revenues. I would urge

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the Finance Member and His Excellency to put their heads together and demand at least half the cost of Quetta reconstruction from His Majesty's Government.

Sir, if the Finance Member will not mind my repeating it, the country has been passing through grave economic distress. Let him look at his own figures. The loss resulting from the raising of the income-tax level from Rs. 1,000 to Rs. 2,000 is Rs. 47 lakhs. In other words, Sir, there are in this country not even 150,000 persons who possess a taxable income of between Rs. 1,000 to Rs. 2,000. It is manifestly unjust that with our economic resources so seriously depleted, he should not afford some measure of relief greater than announced in the Budget which amounts, according to my calculation, to about 2 per cent. only. I would beg of him most earnestly to consider whether he cannot remove the surcharges on income-tax and super-tax completely? Secondly, Sir, I would ask him what the poor man gets out of this Budget? Is it impossible for the Honourable Member to agree to the reduction of the price of the post card to half an anna—a measure which will cost him, as he thinks, not more than half a crore, though personally I regard this figure as too high an estimate. Much more than that amount, Sir, lies concealed, in my opinion, in his under estimating of revenue for the forthcoming year.

In concluding my observations, I would ask the Honourable the Finance Member to look back over the last few years and see the enormous load of extra taxation that we owe to his predecessor. Taking advantage, I fear, of the lack of organised opposition in the Central Legislature, no less than Rs. 35 crores of extra taxation have been imposed on this country since 1930, which has been a period of rapidly dwindling incomes. According to the latest issue of the *Annual Trade Review* (for 1934-35) the value of agricultural produce in India has fallen between 1928-29 and 1933-34 from Rs. 1,021 crores to Rs. 474 crores, a decline of over 53 per cent. Can the country bear and can this Legislature tolerate the maintenance of taxation at this high level and see the money disappear mostly in the increase of administrative cost?

Where, Sir, is the prosperity of the country? Do the provinces reflect, can the representatives of the rural areas, the landlords and the zamindars in this House, support this claim of the Honourable Member? The cultivator knows only too well that there is no margin of profit in growing cotton or wheat, oilseeds or any other crop today. If there were prosperity in this country, would Provincial Governments be compelled to consider in a time of financial stringency the remission of land revenue? Sir, the Honourable the Finance Member must forgive me for saying that living for the most part in Simla and Delhi, with occasional visits to some of the provincial capitals and brief contacts with the business and commercial people, cannot give him a real picture of the economic crisis in the country. If he wishes to know the actual condition of the people in the rural areas, he must leave the beaten track and try to see things for himself. The Honourable Member says he is busy thinking of provincial autonomy. But, Sir, let me tell him that no constitution can succeed without adequate funds for programmes of social and economic reconstruction.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, I rise rather nervously, because I understood from what the Honourable Nawab Sir Mahomed Akbar Khan said that he was proposing to have an earthquake if the Government of India would agree to pay for it!

It seemed to me that when I listened to the Honourable Mr. Raisman a week ago in this House that most of the Honourable Members received with mild approval the position and proposals so clearly explained by him,

with one sad exception. My Honourable friend Mr. McIntyre received with apparent glee the reference to the separation of Burma from India and to the consequent effect on the finances of India. Now, curious as it may seem, these references had exactly the opposite effect on me—I felt a brother's love for Burma that never occurred to me before.

The Honourable the Finance Member in discussing the Budget last year suggested that "imaginative financiers usually end up in gaol". Now I must emphatically disagree with him on this particular point. He has had the great advantage of being connected with the Treasury of what is probably the financially best-managed country in the world, but I can assure him after many years of experience of business that in business imagination is essential. If you seriously consider what has happened in our lifetime you will, I am sure, be forced to the conclusion that without imagination with regard to what might or probably would happen in the future practically none of the advances that have been made would have in fact occurred. Government is only managing an extraordinarily large business. It is, I submit, because he refused to exercise or at any rate, give effect to, his imagination that his estimates have been so considerably inaccurate. Excess of caution can in my opinion be just as harmful as the lack of it.

It seems to me to be almost a confession of incapacity to take up the attitude which the Honourable Mr. Raisman laid down in this House when introducing the Budget that we must count on no ground until we are actually setting our feet upon it. That explanation I cannot accept, and I am in this dilemma that I am driven to the only probable alternative which I can find in my mind and it is a serious one: it means that the Finance Member is failing in his duty which is to lay before the Legislature his considered views. If I am right he is deliberately treating expected income as unexpected non-recurring revenue.

Had I not heard the detailed proposals for next year in this House before I read the speech of the Honourable the Finance Member, I would have been encouraged to hope he had changed his views when I came to the place where referring to the revenue anticipated from sugar, he ventured upon what he described as an "enlightened guess".

I wish that he could have seen his way to apply that attitude of mind a little more liberally as, for my part, I feel sure that, had he done so, he would have been ready to discontinue altogether the surcharge on income-tax and super-tax.

Bitterly disappointed as I am and disagreeing with him as I do, I also feel in some doubt as to whether he has really followed the proper lines upon which the partial cessation of these surcharges should be brought about.

He first provides, and I think rightly, for a *total abolition* of income-tax on incomes between Rs. 1,000 and Rs. 2,000 a year and then proceeds to *halve* the surcharge on income-tax and super-tax respectively. It does seem to me that it would have been more consistent either to reduce the income-tax on incomes between Rs. 1,000 and Rs. 2,000 and to reduce the surcharges on income-tax and super-tax or, having started by abolishing the tax on small incomes altogether, to abolish the surcharge on income-tax wholly next, leaving the last stage to be reached by the abolition of the surcharge on super-tax.

I would like to say how pleased I am that the Government of India take the view they do now with regard to Broadcasting. I regard it as one of the most important means of helping the country forward that is at present available and I was sadly perturbed when a few years ago Government took up

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an attitude completely opposite to that which they are apparently adopting today. I hope that they will continue to do all that they feel it is possible for them to do to assist Broadcasting, and that one result will be the selection of much more suitable announcers than some of those at present employed.

Compared with most nations of the world we are in a fortunate financial situation, due very largely, as every member of Congress knows in his heart of hearts, to our allegiance to the British Crown and our attachment to sterling.

With your leave, Sir, I would ask the Honourable the Finance Member to take to heart the following short quotation from a letter published in *The Times of India* on the 3rd instant from Lord Haig to Sir William Robertson, written at a time when the position in France was extremely critical :

"The only point I am not in accord with you on is the desirability of issuing such pessimistic estimates from your Intelligence Branch. They do, I feel sure, much harm and cause many in authority to take a pessimistic outlook, when a contrary view, based on equally good information, would go far to help the nation on to victory.

"Personally, I feel we have every reason to be optimistic".

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay : Nominated Non-Official) : Sir, it is a matter of satisfaction that the gloom that pervaded the previous budgets has to some extent been dispelled by the two budgets which the Honourable the Finance Member has presented to us. Apart from that, Sir, my special thanks are due to him for implementing the proposals contained in the Resolution which this House passed last session with regard to the Report of the Drugs Enquiry Committee. I am glad that the sum of Rs. 30,000 has been sanctioned to initiate the work in the Bio-Chemical Section of the Central Laboratory at Calcutta ; as also in the Bombay Presidency, where the Haffkine Institute is about to undertake a similar enquiry. This is just a beginning, but I do hope that as time goes on, more money will be found for these objects that will be for the ultimate good of the population. With regard to the grant of Rs. 10 lakhs to the Indian Research Fund Association for improvement in the conditions of village life and rural population, it has been laid down that the amount shall be mainly devoted to schemes connected with the prevention and treatment of malaria.

(At this stage the Honourable the President resumed the Chair.)

Previous speakers have already alluded to the subject and on more than one occasion I have brought it up before this House. All that I would say is that rural uplift—whatever funds may be spent upon it through Imperial or other channels—will be of no use unless the health of the population is conserved in the first instance and unless malaria-ridden tracts are freed from this scourge. Research will no doubt be directed to the prevention and cure of malaria ; these researches will take considerable time, but we possess in the meanwhile a remedy for immediate use. I see no reason why it has not been fully availed of.

Sir, in a Resolution that I moved in this House two years ago I referred to the use of the remedy that was cheaper than quinine, equally efficacious and the manufacture of which did not involve as much expense as quinine. We have known for a number of years that the cinchona plant from which quinine is prepared is very delicate and besides requires the optimum of conditions for its growth. I then pointed out that there were other species of cinchona that were hardy and capable of cultivation in ordinary climates. The alkaloids derived from these are being prepared at present on a small scale in Madras plantations. It has been named *tolaquina* and consists of

about 25 per cent. of quinine combined with other alkaloids. Government once held large stocks of quinine ; and over 60,000 lbs. have been given to the provinces for free distribution, in addition to their normal free distribution and now about 150,000 lbs. have been retained as a reserve. But, Sir, there exist vast areas in this country where the hardier species can be planted. I regret, however, to say that the matter has not been explored as it should have been ere long before. The time has arrived when the Imperial Council of Agricultural Research should be entrusted to take up the cinchona question. This body alone will be able to carry out further research if required and perhaps may be able to find something better than *tolaquina*, in case this drug is not eventually found to be as efficacious as has been hitherto declared. I am at a loss to understand the policy which has dictated the cultivation of cinchona in India. May I invite the attention of the Honourable the Finance Member to the November 1935 issue of the *Indian Medical Gazette*, where the whole quinine policy has been fully discussed ? It was shown therein that India has been lagging far behind other civilised countries in the production of a remedy that is of immense value to the masses. Look, for instance, at Italy. It has vast plantations in her African colonies and within two or three years it will not only be self-sufficient but will be exporting quinine. And here with our vast resources of soil, climate, etc., we have to depend upon the mercy of a foreign confederation to supply us with by far the most vital necessity for ensuring good health. It is not that the manufacture and sale of quinine has been unremunerative ! Then I should like to ask why we stand where we do in this regard ?

Next, Sir, I come to the question of schemes for rural uplift. Numerous questions are involved in it and it is not by a little scheme here and a little scheme there that rural uplift can be made to achieve results. The first consideration is that India is beset with great difficulty owing to the fragmentation of holdings. Unless and until these holdings are consolidated there can be no improvement—not by legislative action—but by mutual and friendly adjustment and co-ordination among those concerned. Punjab has already demonstrated the feasibility of such consolidation. Another scheme of rural uplift which can well be copied is that associated with the name of Mr. Brayne. That has been adopted also in the Punjab and has done immense good. I therefore say, Sir, that the resources which have been placed at the disposal of the Provincial Governments should not be frittered away in small schemes here and there that are not likely to show results or prove attractive and useful. They should be directed to larger schemes in one or two districts that are likely to strike the imagination of the people with their utility and adaptability and serve as fruitful models. It is to be hoped that when the reports of last year's grant are received and new schemes are suggested, the Honourable the Finance Member by exercising his rights over the grant will see that those schemes are of practical benefit.

Then, Sir, I come to the question of the grant of Rs. 30 lakhs to the Imperial Council of Agricultural Research for sugar research and animal husbandry including dairying. I am afraid we are in a very sorry plight with regard to the slaughter of milch cattle in India. The late Vice-President of the Imperial Council of Agricultural Research at the conference called here two years ago in drawing the particular attention of the Members of the Legislature to this subject, expressed the fear that if this practice was persisted in, the time may come when India, a pastoral country, shall have to import milk and butter from Australia and New Zealand. The evil is not confined to one part of the country. It appears that in Bombay the best breed of milk cattle used to be imported from Kathiawar. This stock has been annihilated and the result is

[Sir Nasarvanji Choksy.]

that it has had to import from some districts in the Punjab. And why? Because of certain barbarous practices that rendered the animals infertile.

THE HONOURABLE THE PRESIDENT: We have discussed that question the other day. Will you now confine yourself strictly to the Budget?

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Then, Sir, there is a nascent industry that affects the revenues of the country and that is the sugar industry. Every ill that it is alleged to labour under has been laid at the door of the excise duty. But the fact of the protective tariff is overlooked. Inexperience, mismanagement, failure to profit by expert advice, over capitalisation and cut-throat competition are responsible for its ills. They should set their house in order and not try to get rich quick. The work of the Imperial Council of Agricultural Research shows what an amount of both money and time is being devoted to research problems of sugar. Questions relating to the growth of sugarcane crops or utilisation of molasses, etc., have been and are being investigated. I think the time has arrived when India should be self-sufficient provided the industry is run on sounder lines. Sir, there are one or two questions about the enormous importations of sugar into Kathiawar from Java. It has been stated that the import of 50,000 tons has disappeared somewhere without payment of excise duty. Kathiawar's imports of sugar have increased sixteen fold within two years and yet Kathiawar has exported its own production of sugar into British territory to the extent of over 15,000 tons. That is far in excess of its productive capacity. Is not all this rather strange and inexplicable?

Then, Sir, with regard to the general question of education, I would invite attention to my observations during the discussion of the Criminal Law Amendment Act last session. I then said that we did not require ever-increasing battalions of graduates who cannot find employment, and I asked whether it would not be worth while closing our universities for a few years until the present unemployed have been provided for. Well, Sir, what does the last report of the Government of India on Education say on the subject? It says:—

“The time is coming when the question of deliberate restriction must be considered in the interests of efficiency and in the interests of lessening educated unemployment”.

There is so much of unemployment that it will be physically impossible to cope with it. The number of university scholars is steadily increasing and at present they stand at over 113,000. There is an yearly increase of over 6,000! It is all very well to say: “Back to the land”, but prices of agricultural produce shall have to advance considerably before this policy could succeed. And in the interim what should be done is the main question.

Finally, I have to invite the attention of the Honourable the Finance Member to one item which would bring him more revenue and that is the restoration of the stamp duty on cheques which was discontinued some years ago. It is likely to bring in a handsome return as it is only the better classes who make use of cheques. The revenue from this duty may well be allocated to the different provinces.

Well, Sir, I congratulate the Honourable the Finance Member for the great interest he has evinced in the economic development of India and I

do hope that in the years to come he will present us with even a brighter outlook.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan): Sir, it is very gratifying to find a surplus budget a second time for the next year after several years of deficit budgets. But I greatly hesitate in agreeing with the Honourable the Finance Member that the increase in revenue is an index of the fact that recovery in India's economic position has set in, because the actual state of our national economy, despite these surpluses, does not reveal much cause for satisfaction. No doubt the proposal of relief that have been announced as a result of surplus in the Budget are most welcome so far as they go, but the state of affairs revealed points to the criticism that the relief to the over-burdened taxpayers has been considerably delayed. The speech of the Honourable Sir James Grigg shows that both in 1934-35 and 1935-36 the revenue was under estimated. And if there had been no miscalculation and the taxes had been reduced in 1934-35 the rate of what the Finance Member calls the economic recovery would have been certainly greater. The way the Finance Member proposes to distribute the surpluses justifies his claims of financial orthodoxy, but I fear he is relying too much on what he calls India's “marvellous power of recuperation from economic troubles”. The leading figures on the revenue side may suggest that foreign trade shows signs of recovery but it cannot in my humble opinion be regarded as synonymous with economic recovery. While the Finance Member might well be congratulated on the lucky budget, he must realise the parlous state of the country as a whole. Look at the hungry masses and the growing unemployment among the classes. About half the provinces are bankrupt, the railways are a drag on the general finance and the central budget looks like a mere actuarial statement on the raising and spending of money without any structural change in economic policy. I would therefore ask Sir James Grigg not to trust the country's “marvellous power of recuperation” as a substitute for a definite policy to make India as self-contained as possible.

As I have already stated, the proposals of abolition of income-tax on incomes between Rs. 1,000 and Rs. 2,000 the reduction of surcharge on income-tax and super-tax from one-sixth to one-twelfth and the increase in the weight of one anna letter from a half to one tola and the adoption of a scale of an additional half anna for every additional tola, are satisfactory so far as they go. But the failure to reduce the price of the post card is deplorable. I attach very great importance to its reduction to half an anna in the interest of the poor masses. Sir James Grigg is reported to have stated in reply to criticism about this in the Lower House that this would mean a loss of roughly half a crore of rupees, that a margin of two lakhs surplus in the postal budget is an optimistic estimate and that central revenues should not be used for subsidizing a commercial department. But, Sir, at a time when some other reliefs are being given because we have got a surplus budget, surely this being one of the most needed reliefs ought to be conceded. As to the contention that the postal department is a commercial department the Government should not overlook the fact that this department is also a public utility department and must be dealt with in that perspective also.

I am glad to note from the reply of the Finance Member in the Lower House that the question of restoration of educational grants is under the consideration of the Government and that a decision would be reached before long. I hope that the Government will bear in mind the necessity of restoring the

[Rai Bahadur Lala Jagdish Prasad.]

grant to the Benares Hindu University and the Aligarh Muslim University without a cut.

As regards income-tax I join the Honourable Sir Phiroze Sethna in reminding the Government of the public demand that has not yet been conceded, that the losses in incomes of assesses should be carried forward to three years in assessing income-tax.

Sir, I understand that the proposal of re-shuffling of portfolios in the Government of India is engaging the attention of the Government and they have accepted the principle of creating a separate Ministry for Communications. In this connection, it is not clear whether the idea is to place one of the existing Members of the Executive Council—

THE HONOURABLE THE PRESIDENT: That does not form part of the Budget. Will the Honourable Member please confine himself to the Budget?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: But, Sir, on the occasion of the discussion of the Budget, we can discuss everything.

THE HONOURABLE THE PRESIDENT: I allow a certain amount of latitude but this is a matter which purely concerns the Government of India—as to what they propose doing in their departments—and this is not the time to refer to it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Lastly, Sir, I must request the Government to tackle the problem of unemployment. Educated middle class unemployment is a menace which is assuming gigantic proportions in the country. It may be said that the solution of the problem largely depends upon the revision of the system of education and the expansion of industries and agriculture which all are provincial subjects. But the Government of India cannot divest themselves of their share of responsibility in the matter. There is little hope, for example, of industrial development without a revision of the currency and tariff policies by the Government of India. In this connection the House might be aware that the United Provinces Government set up a strong committee in 1934 under the distinguished chairmanship of the Right Honourable Sir Tej Bahadur Sapru which last year investigated into the problem of unemployment in the United Provinces and has lately submitted its report making a number of valuable recommendations in the way of solving the problem. Only the other day the report of that Committee formed the subject-matter of discussion in the Provincial Legislative Council. It will be interesting to note what the Right Honourable Sir Tej Bahadur Sapru stated in the Council so far as the share of responsibility of the Government of India in this matter is concerned. He stressed that the Government of India could not divest themselves of their share of responsibility in tackling the unemployment problem and urged that wisdom, experience, expediency and self-interest counselled that they should frankly recognise that it was time for them to bestir themselves in the matter lest they might be overwhelmed by deluge which he could distinctly foresee would overtake us if the elders of this generation refused to be interested in problems affecting the minds of the younger generation who were their future hope.

Let us hope that this view expressed by an eminent statesman and an ex-Law Member of the Government of India will not fail to have the desired

effect on the Government of India so far as their duty in this important matter is concerned.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Mr. President, Sir, let me join in the chorus of praise to the Honourable the Finance Member on his being able to produce a surplus Budget for 1936-37. I must not omit to congratulate the Honourable Mr. Raisman on his very lucid exposition of its details. The Honourable the Finance Member richly deserves our thanks for restoring the old state of things by raising the taxable minimum to Rs. 2,000. Assessing incomes between Rs. 1,000 and Rs. 2,000 caused a real hardship to the lower middle classes and the heartless manner in which the temporary staff employed for the purpose roped in people hardly getting Rs. 30 a month, created a good deal of discontent against the Government. The relief is not only well merited but also timely.

On page 4 of the Financial Secretary's explanatory memorandum the saving in cost of collection is given as Rs. 5 lakhs. It ought to be more, for the then Finance Member after lowering the minimum to Rs. 1,000 notwithstanding our protest that the cost of collection would consume a good portion of the expected income, came forward with a request for a grant of Rs. 18 lakhs—I am speaking from memory—for the pay of additional staff. This temporary or additional staff should be ruthlessly dispensed with. It is our sad experience that when Government appoints new or temporary staff the tendency is to invent reasons for its continuance until further orders. Seeing that we have tided over the crisis all the emergency taxation should be removed *in toto* and the reasons for not doing so are not sound. The Government should not hoard up like a private individual to provide against a possible rainy day. "Sufficient unto the day is the evil thereof" should be its motto, for it can always raise its revenue to meet its demands.

Some relief has been given as regards postal rates, but a greater and more welcome relief would have been the reduction in the value of the post card to six pies. The Honourable the Finance Member stated in another place that the loss would be half a crore if three pies are given up. He has not evidently taken into account the larger volume of business that would accrue thereby. There was a time when a post card cost only three pies. Did the Postal Department work at a loss then? It was the Telegraph Department that was losing heavily. If his fears are well founded let him raise the cost of press messages a little. He can be sure of increased income. Everybody, including the Finance Member, is afraid of the Press. If more income is wanted why should he not reimpose the stamp duty on cheques? He is sure to get Rs. 10 lakhs thereby if not more. When the stamp duty on cheques was abolished some years ago, it was said the Government wanted the people to be cheque-minded? What about the poor ryot and the labourer who are only post card-minded. Their claim for relief is greater and more reasonable than that of the well-to-do who could afford to have bank balances. Where relief is needed it is not given; where it is not needed it is given.

"Unto every one that hath shall be given and he shall have abundance, but from him that hath not shall be taken away even that which he hath".

It is very laudable on the part of the Government to try to improve the dairying side of animal husbandry. Let me offer a suggestion. The Provincial Governments ought to be told that it is bad policy to keep all waste lands

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in the plains as forest reserve. I am speaking with special experience of Madras where the Forest Department in its enthusiasm has enclosed waste lands even near villages and towns as forest reserve with the result that the breed of cattle has greatly deteriorated for want of grazing facilities. This dog in the manger policy ought to be given up for it is not a paying concern and tends to irritate the people on account of the unscrupulous actions of the forest watchers and guards. The Government may say: "Forests" is a provincial subject. I am aware that in Madras it is not only a provincial but also a transferred subject. Inasmuch as the Government is giving a substantial sum for a very proper and necessary object it might as well impress upon the Madras Government the desirability of disafforesting all forest reserves in the plains in order to facilitate the free grazing of cattle.

Madras has been for some time bitterly complaining of the apathy of the Government of India to its urgent and crying needs. The cocoanut industry is being killed by the dumping of copra by Ceylon on the Indian market? Hundreds of thousands of people who depend upon this industry are in a very bad plight. Unless immediate relief is given something serious will happen, especially in Malabar. It is to be regretted that there is nothing in the Budget to indicate that the Government is intending to save this industry from extinction.

Madras wants protection against the importation of foreign rice. Some relief was given last year but that is not sufficient. I take the following figures from the answer given by the Commerce Member on the 11th ultimo in the other House. The imports from Siam from April to December, 1935, were:

	Tons.
Rice	7,765
Broken rice	47,973
Paddy	18,400

The newspapers say that there were large imports of rice from Siam during the last two months. I am not able to give correct figures but the total will be several thousand tons. The net result is that the price of paddy has gone down considerably. I learn that paddy is now selling in the southern districts at about 16 to 20 Madras measures for a rupee. The ordinary ryot is unable to pay the land and water-tax by the sale of the whole of his produce. How is he going to live and where will he find the seed paddy for the next cultivation? He is sinking into hopeless debt and becomes virtually a slave to the money-lender. Unless relief is granted immediately there will be great distress among the agricultural population.

Madras has embarked upon large schemes like the Mettur project which have brought into cultivation thousands rather hundreds of thousands of acres of land. In most parts of the presidency paddy is the only crop which could be raised. The Honourable the Finance Member may say: "Oh, Madras has a surplus budget, why do you complain?" Anybody who looks below the surface will see that the Madras Government was constrained to give a remission of 12 pie of its land revenue this year as well as last year and this remission is not an adequate relief. We should be thankful for small mercies. The ryotwari system with its fresh settlements every 30 years saps the lifeblood of the people. Madras is able to balance its budget by practising rigorous economy and by curtailing even necessary expenditure.

Many of the transferred departments are practically starving. The Government of India is indifferent, I will not say callous, to the claims of Madras. It is a far cry from Delhi to Madras. We seek a remedy which will benefit the Government of India as well. By imposing a duty of Rs. 1-4-0 per maund on rice, Re. 1 on paddy and by raising the duty on broken rice by two annas Madras will get some relief and the central revenues will be benefitted to the extent of at least Rs. 20 to Rs. 30 lakhs. Last year the duty of 12 annas per maund on broken rice brought in Rs. 10 lakhs. It is not my intention to provoke inter-provincial jealousy but it must be admitted that the Government of India readily yields to the demands of the more clamorous and boisterous provinces. It is ready to give subventions here and subventions there, doles here and doles there, but turns a deaf ear to the legitimate demands of Madras which will harm nobody. It is the old old story of the younger son who wasted his father's substance in riotous living is welcomed with music and dancing and supplied with any quantity of veal, whereas the sober, dutiful, law-abiding elder son is not given even a kid to make merry with his friends.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadan) : Sir, I take this opportunity to congratulate the Honourable the Finance Member and the Honourable the Finance Secretary on their good fortune in presenting a surplus Budget for the second time in succession. The Finance Member has a realised surplus of Rs. 495 lakhs for 1934-35, a revised estimated surplus of Rs. 242 lakhs for 1935-36 and has estimated a further surplus of Rs. 205 lakhs for 1936-37.

I first turn to the estimated surplus of Rs. 205 lakhs for 1936-37 which is going to be utilized in giving relief in income-tax and surcharges and concessions in postage. The fixing of the taxable limit at Rs. 2,000 and the reduction of surcharges are really very welcome features of the present Budget. This, as well as the postal concessions, will be greatly appreciated by the middle class people. But what about the poor man's post card? The increase in the rates of income-tax and postages were emergency measures and they are going to be wiped out to the satisfaction of all concerned. But the three pice post card which was also an emergency measure has been left out of account. I submit that the Finance Member will see his way to reduce it to the level of half an anna and help the poor.

Out of the surplus of 1935-36, Rs. 45 lakhs is going to be given away to Sind and Orissa and the balance of Rs. 197 lakhs will be transferred to a revenue reserve fund to provide against the first year of provincial autonomy.

Last of all, Sir, I turn to the balance of Rs. 173½ lakhs out of the surplus of 1934-35 which will be available in the rural development fund and if properly spent will go a great way to ameliorate the condition of the poor villagers. Grants for agricultural researches, for development of cottage industries, for schemes for prevention or cure of malaria ought to help the villager very much indeed. Another grant of Rs. 20 lakhs for the development of Broadcasting ought to go a long way towards the education of the cultivators and the masses and I hope every province will have her due share of it. Then the bulk of the balance of Rs. 108½ lakhs will be allocated to the provinces to be spent on rural development work. In this connection, Sir, I beg to submit that instead of allocating it on a rural population basis it should be allocated according to the actual needs of the country. Many thickly populated areas have already their municipal amenities but many a sparsely populated area has not the barest amenities for existence even. It is there that such benefits are most needed, there where the people die for want of the least medical aid, where men and cattle drink water from the same polluted pool, where there is no means of

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communication or where there are apologies for roads which during the rain^a are nothing but buffalo wallows, I hope the Government will help the needy. It is only by improving such areas that the superfluous population from overcrowded places may be diverted thereto to the best advantage of the country and the State.

But, Sir, however thankful one might be to the Honourable the Finance Member for all these small mercies, I am sorry to say I do not find anything to enthuse over the Budget revelations. When I think of them I cannot forget that my poor province of Assam has been made to contribute towards these surpluses a sum to the tune of Rs. 144 lakhs annually, taking the average for the last three years, on account of the excise duty on motor spirits and kerosene without the least recompense. And that at a time when her financial condition is dangerously desperate. Here is a province ranked to be a major one with a population of 9½ millions and a revenue of about Rs. 2 crores and 28 lakhs and the deadweight of her debts to the Central Government at the end of 1935-36 will be about Rs. 2 crores and 12 lakhs! That is her plight!

Sir, I repeat what I said in the last year on this occasion that our financial difficulties are not our creation. We have never been extravagant on our own account at any time. As a matter of fact the administration of Assam has been an administration of financial asceticism. But in spite of all this, the province is over head and ears in debt today and sinking more and more into the morass of insolvency. Our difficulties began along with the Meston Settlement and ever since Assam has been subjected to grossly unfair treatment. The provincial contributions under the Award were fixed according to the "increased spending power of the provinces" and as Assam was showing some apparent increase in power the Committee was of opinion that her spending power was really increasing without taking into consideration that she was very much undeveloped when compared with the other provinces. And Assam was made to contribute annually about Rs. 15 lakhs to the Central Government under the Award till 1928. Bihar and Orissa was never poorer than Assam but she never paid an anna under the Award. Bengal paid her contribution for a year only and no more and in 1925-26 Madras was granted a remission of Rs. 126 lakhs, United Provinces Rs. 56 lakhs, the Punjab Rs. 61 lakhs and Burma Rs. 7 lakhs. In 1926-27 these provinces were granted a total remission of Rs. 125 lakhs. But poor Assam was made to pay her full quota even then. May I ask, if this was a good deal and a fair one? Do you call it fair treatment? Not that Assam acquiesced in the injustice of this dispensation. As late as 1922 a cry of halt was raised by the Honourable Member from the Assam Valley in the Legislative Assembly but it was only a cry in the wilderness and the Government never paid any heed to it. Assam went on suffering the inequity of the settlement. The people are very poor, they cannot pay their land revenue from year to year, they are already heavily taxed. Floods have become a normal feature of the province and malaria and kala-azar take their toll as usual and money is not available for relief to the unfortunate. Over and above the Meston Award, Assam was forced to meet some expenditure on the Frontier administration and the Assam Rifles. The administration of the Hill Districts and the excluded areas is a part of her obligations to be met from her slender means. Could inequity go further?

Sir, another factor that is contributing to the insolvency of this province is the administration of the deficit district of Sylhet. In 1912 when the province of Eastern Bengal and Assam was again split up on linguistic and racial basis and Assam was made a separate province, this district was tacked to Assam

on the ground of administrative convenience. Assam has to contribute annually Rs. 16 to Rs. 18 lakhs towards this deficit district. The people of Assam have been agitating for long for its separation but the Government has turned a deaf ear all the while. Has not the Government separated Orissa to give relief to Bihar and Sind to relieve Bombay and on ethnological and linguistic grounds? Do not the same principles apply in the case of Assam? The people of Sylhet also desire a separation. Only in the last year their representative in the Assembly, Mr. Basanta Kumar Das, M.L.A., advocated the cause of this separation. He said:

"Sir, as it is well known, the districts of the Surma valley are Bengali-speaking districts in the province of Assam and they have been clamouring to be tacked to Bengal".

Now unless a separation is effected this province will never thrive with a drag of a deficit district that has nothing in common with the rest of the province.

Sir, the Government of Assam has all along been protesting against the shabby treatment meted out to the province. When representation before the Joint Select Committee was denied to Assam a Memorandum was submitted to it and it was pointed out that Assam's average revenue between 1921-22 and 1930-31 was Rs. 244 lakhs during which period Rs. 80 lakhs had to be paid to the Central Government under the Award and Rs. 110 lakhs was taken annually by the centre on account of excise duties on oil and Rs. 30 lakhs on account of tea export duty. Is it any wonder that the province is in debt today to the tune of over Rs. 2 crores?

Sir, the Government and the people of Assam have all claimed with one voice the refund of this excise duty but it has come to no avail. And none has fought for this duty more vehemently than our Governor, Sir Michael Keene, who will always have the gratitude of the people and it was in sheer desperation that His Excellency in the course of his address to the Council said:

"Truly the sheep grow the wool but others wear the warm cloth".

We are glad that Bengal has scored a remission of a moiety of her jute duty. The case for remission of the oil duty to Assam is even stronger. The jute crop could be raised every year but the oil pumped out does not flow back again. It is diminishing the very capital wealth of the country and still the province cannot touch an anna of this duty from her own mineral wealth.

And yet Assam is going to be made an autonomous province! The Joint Select Committee have recommended an increase in our revenues but in what form it should be, they have left it to the discretion of Sir Otto Niemeyer's Committee to decide. The growing and ever expanding needs of a backward and undeveloped province like Assam cannot be met from a fixed inelastic subvention. What we want is a rich expanding source of revenue to develop our province with and this excise duty on our oils will be an adequate source of revenue for the purpose. When will the Government of India relax their grip and let us have what is rightfully ours? Sir, the standard of expenditure and administration in Assam is at the lowest and to enable her to carry on as a really autonomous province she has to be assured of a barely adequate standard. To establish her High Court and University, to develop her communication and undeveloped resources, to give aid to the sick and to maintain her frontier defence and police she has to be assured of just adequate resources.

Sir, in the last year I had the privilege of moving a Resolution on the floor of this House to appoint a committee to devise means and ways for giving

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relief to the province and I withdrew it on the assurance of the Honourable Finance Secretary that

"There is no possibility of the case of Assam going by default. Assam will be one of the first cases which this body (Otto Niemeyer Committee) will have to consider".

Now, Sir, this body has come and sat and Assam was represented by two official representatives before it. I wonder why non-official opinion was not consulted by this body? Assam was not given any representation in the third Round Table Conference and neither was she given any representation before the Joint Select Committee and that is how her case went by default. Now only we hope that this time the official representatives have made out a strong case for Assam and fully retrieved lost ground.

With these few words, I resume my seat.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadian): Sir, I entirely agree with one of the remarks the Honourable the Finance Member made in closing his Budget speech this year when he said: "I cannot expect that everybody will find it agreeable". It is nothing but the truth as it is very difficult that there should be entire agreement from every corner on a budget like the Budget of India. But, Sir, what is required is that the Honourable the Finance Member should produce a budget which may find maximum agreement from the non-official side. As I examine the Budget, I do not find that there is maximum agreement and therefore, Sir, I am not in a position to offer any congratulations so far as the budget proposals are concerned.

Sir, there is no doubt that we have a surplus budget. But let us examine and see whether those surpluses have been brought on account of the labours of my friend, the Finance Member. We all know that emergency taxes were levied for a definite period of 16 or 18 months but unfortunately they have been carried on year after year and it is the result of those emergency taxes being carried on for such a long time that fortunately gave us surplus budgets for the last two years. What ought to have been done and the proper course was that immediate relief ought to have been given and taxes should have been lowered but this was not done and so naturally we find a surplus budget last year as well as this year.

Then, Sir, to a certain extent it is also due to what the Honourable Member said in his Budget speech that India's economic and political barometer are both rising. Sir, I agree with him to a certain extent that they are rising and I hope the progress will continue for years to come. There is one great difficulty, as I find it, and it is this, that the estimations are incorrect. They were incorrect last year and they are incorrect this year too, as I should say, and the result is that in the year 1934-35 the anticipation of surplus was Rs. 3 crores and 27 lakhs but when actuals were taken into consideration the surplus came to Rs. 4 crores and 95 lakhs. That is an excess of Rs. 1 crore and 68 lakhs.

Then, Sir, in the Budget of 1935-36 they anticipated only an excess of Rs. 6 lakhs but what has turned out? On the basis of the revised estimates they are now expecting an excess of Rs. 2 crores and 42 lakhs,—from Rs. 6 lakhs to Rs. 2 crores and 42 lakhs. It cannot be called anything but lowering the estimation of the income. It is just possible, Sir, that this figure may still be exceeded when they come to actuals and we may find some more excess than what they are anticipating so far as the 1935-36 figures are concerned. In the year 1936-37 we find that they have placed revenues at Rs. 87 crores and 35 lakhs and expenditure at Rs. 85 crores and 30 lakhs. They are expecting a surplus of Rs. 2 crores and 5 lakhs this year. Here again, Sir, we consider that the surplus will turn out to be much more than what they are expecting as I find from some figures of excise duty on sugar as well as import duty on sugar.

Now, Sir, let us examine the proposals of the Honourable the Finance Member for disposing of the surpluses of all the three years. From the surplus of Rs. 1 crore and 73½ lakhs for 1934-35 the Honourable the Finance Member proposes to give a grant of Rs. 30 lakhs for agricultural research. I am wholly in agreement with this amount. Rather I consider that it is not what we would like to have, because we all know that agriculture is the main industry of India and the main income is derived from agriculture. Therefore, what is necessary is that a larger amount should be spent on the development of agriculture. Research stations should be established in the interiors and demonstrations should be held practically in a group of villages, say, about five, so that the agriculturists may try to increase their yield on the basis of these demonstration farms.

Then, Sir, Rs. 10 lakhs have been proposed to be given to the Indian Research Fund Association. I think that is also a very laudable object. The Government is very much neglecting the public health of our rural areas. The provincial finances are not in a position to spend as much as is required. If the provinces get some help in this direction it will do good to the masses in the rural areas.

Sir, Rs. 5 lakhs have been proposed to be given for cottage and small scale woollen industries. I consider this also very proper. No consideration has been paid to middle class unemployment. If a larger amount is spent on cottage industries, we are sure that a large number of middle and educated classes will be employed and one of the burdens on the Government will be reduced. I find that Rs. 20 lakhs have been set apart for the development of Broadcasting. I have nothing to say so far as broadcasting is concerned. But when the Honourable the Finance Member says that this will help the economic development and improvement of rural areas, I beg to differ from him. The question before the rural areas is not luxuries of this kind. The foremost question before them is the question of bread. My Honourable friend should first try to give them enough to eat and clothe themselves with. After that, these luxuries can come in. We all know that millions do not get two meals a day. When such is the condition of affairs, I do not think that this amount, or any amount on this item, will be much appreciated in the rural areas.

Now, I come to the surplus of Rs. 242 lakhs in the Budget for 1935-36. My Honourable friend proposes to give Rs. 45 lakhs for assisting Sind and Orissa. I think my Honourable friend is giving this sum without considering the claims of other provinces. I do not say that it should not be given. But it would have been better if a proper allocation of funds had been made at the time of the inauguration of provincial autonomy when all the budgets of the provinces had been taken into consideration. As this sum is being set apart in this Budget, I take it that my Honourable friend wants to catch the votes of the Members hailing from those provinces, as was done last year when

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the jute excise duty was given to Bengal and Bihar. My Honourable friend then created a division and made a threat that if such-and-such things were not passed, these provinces will not get the benefit of the excise duty. Naturally, the votes were divided. I consider this offer as nothing but an offer to catch votes at this time of the year.

Now, Sir, so far as the surplus for 1936-37 is concerned, I find that Government expect a surplus of Rs. 205 lakhs. They have proposed the abolition of income-tax on incomes up to Rs. 2,000. This will consume about Rs. 47 lakhs. They have also proposed reduction of half the present surcharge, bringing it to one-third of the original tax. This will consume another Rs. 1,38 lakhs. The third proposal is to increase the weight of envelopes from half a tola to one tola. I am wholly in agreement with all these proposals. I would submit some more proposals for the consideration of the Honourable the Finance Member as I consider them very urgent. I must say at the outset that they are surely very expensive and may demand about Rs. 10 to Rs. 15 crores. But I cannot refrain from urging them on Government. It is necessary for the Government to help the masses by reducing the price of the post card to half an anna. We are told that this will require about half a crore, but I think that provision for this is very necessary. As many Honourable Members have urged in this and the other House, this taxation should be reduced as it will help the masses. Then, Sir, I would propose that the salt tax also should be reduced. If it is not possible to abolish it altogether or to reduce it to a large extent, I propose that it should be reduced from Rs. 1-4-0 to Re. 1 and shall deal with this in connection with the Finance Bill.

Sir, it is very necessary that Government should turn their attention towards middle and educated class unemployment. We all know that the province from which I hail set up a very important committee under the Right Honourable Sir Tej Bahadur Sapru. It has submitted its report which was discussed in the local Legislative Council and there was a unanimous verdict by the Council that the recommendations of that Committee should be given effect to as far as finances permitted. The non-officials were ready to tax themselves if the amount was earmarked for this purpose. I think it is the duty of the Government of India also to tackle this very important problem, and spend some of its income on it and give grants to all the provinces. In this connection it will not be out of place if I mention that if they do not know about the unemployment of other provinces, they can set up an all-India committee and thresh the problem out before giving any grants.

Sir, there is one other duty in which Government have been lagging, and that is the duty of removing illiteracy. Very little has been done by the Government during their rule of about two centuries. The percentage of literacy in India is very negligible. I shall leave the question at that as I have tabled a Resolution on it. I would also request the Government to spend more in developing the co-operative movement. This is the one movement through which the agriculturist could derive real benefit. We are aware that Government was pleased to grant about Rs. 15 lakhs last year. That is only a drop in the ocean. When the provinces are producing deficit budgets, it is the duty of the Government of India to come forward and help to develop the movement.

Sir, I would lastly bring one other point to the notice of the Government and that is about the sugar excise duty. My friend Sir Phiroze Sethna has said enough on this question and I do not want to dilate on it, but I must submit that it was on account of the import duty in 1932 that this industry developed in a very short time, and the capitalists have invested about Rs. 25 crores in the industry. It was never expected that an excise duty would come so soon. The result is that many factories, owing to this duty, are tottering and

are not making as much profits as was expected. (*An Honourable Member* : "Badly managed".) My friend says that they are badly managed. I can quote instances of several factories which are under the management of experienced people, and they have either produced a deficit budget, or have paid a 6 per cent. dividend. I have found from their budgets that a lot of money goes to pay the excise duty. However, this duty has been levied and I have nothing to say except that in return we expect that the Government will do everything to develop sugar cane cultivation.

THE HONOURABLE THE PRESIDENT : There are several other speakers and you have already had 20 minutes.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I will finish, Sir, in five minutes. They should spend larger amounts in developing sugarcane. That will not only benefit the mills but also the agriculturists. In my province which produces more than 50 per cent. of the sugarcane in the whole of India, we all know that the cultivators do pay their whole year's rent out of the yield they get from sugarcane. The cultivators of other crops do not get enough to pay their rent. So it is necessary for their protection that this industry should be developed and researches made. It is unfortunate that Java should produce as much as 40 tons an acre while in India we can hardly produce 15 tons an acre. And while the percentage of recovery of sugar in Java is about 13 per cent., it ranges between eight and nine in India. If proper research is undertaken and the cultivators are taught which seed to grow, when to manure and with what kind of manure, I am sure they will be largely benefitted.

Now, Sir, I have given so many proposals and a very pertinent question might be put to me as to where the money is to come from? Sir, it is the duty of the Treasury benches and not of the Opposition benches to suggest where the money should be got. It is for them to make the arrangements. But just to help them I am prepared to suggest ways and means of getting the money. We on this side of the House have been impressing upon the Government that they should levy an export duty on gold. They have not done so. May I ask why have they not done so when opinion is unanimous from Chambers of Commerce and non-official benches in this matter? We all know that gold is being drained from India and if all the gold is drained India will be a dead body.

Then, Sir, in India the services are getting very high salaries. There is no country in the world with which these salaries can be compared. There is absolutely no reason for a poor country like India to pay such high salaries. We are of opinion that there should be a 20 per cent. cut on all salaries above Rs. 500, a 10 per cent. cut on salaries ranging between Rs. 100 and Rs. 500 and a 5 per cent. cut on salaries between Rs. 50 and Rs. 100, and there should be no cut below Rs. 50. I think the Government would be able to save about Rs. 3 or 4 crores if they carry out this suggestion of mine and they will not be doing anything which other countries are not doing and will in fact be following their example.

Sir, we were told by His Excellency the Commander-in-Chief the other day we are spending 25 per cent. of the revenues on defence expenditure while other Dominions are spending only 5 per cent. I do not see any reason why we cannot reduce the expense to that extent also. Why should we not bring it to the pre-war level and make a saving of about Rs. 15 crores. As long as India spends 25 per cent. of its revenues on defence expenditure there

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is absolutely no hope of doing anything for the nation-building departments either for removing illiteracy or developing rural areas or anything else. We cannot find the money unless we cut the defence expenditure.

Sir, the Honourable Finance Member was pleased to admit in the other House that the railway finances are bad. If it is so then why should they not set it right. If they are properly looked after I am sure there will be surplus instead of deficit in railway budgets. When the railways were Company-managed they were making a lot of profit, but when they have come under the Government of India they are producing deficit budgets. It shows that something is rotten in the State of Denmark and they must set it right.

Sir, I have to say a word about the Quetta expenditure. My friend hailing from Bombay has said enough and I entirely agree that this Quetta expenditure should not fall on the Government of India. It is certainly meant for imperial purposes, and if the Government is going to spend Rs. 7 crores on it the whole amount should come from Great Britain and not from India.

Lastly, Sir, although I know that my Honourable friend the Finance Member will not accept it, we have to place before him the fact that as long as the ratio is not going to be brought down there will be no salvation for India.

THE HONOURABLE MR. W. T. MCINTYRE (Burma Chamber of Commerce): Sir, this is the last Budget of the Government of India in which the province of Burma is directly interested. Speaking on behalf of the interests in that province which I represent, I must express keen disappointment that the Honourable the Finance Member has not found it possible wholly to abolish the surcharges on income-tax and super-tax. The abolition of income-tax on incomes below Rs. 2,000 will come as a welcome relief to a large class of well-deserving people and I congratulate them on their good fortune. May I be permitted to remind the Honourable the Finance Member that the other income-taxpayers are the only class remaining bearing the burden of direct emergency taxation?

I am grateful indeed for such crumbs as have fallen from the rich man's table and I trust the Honourable the Finance Member will not think me greedy and will pardon my curiosity, if I enquire what the position of Burma is likely to be in respect of a share in that revenue reserve fund which he proposes to create out of the surplus for the year 1935-36?

The Honourable the Finance Member in introducing the Budget for 1935-36 expressed his extreme disappointment that it had not been possible to take the first steps in the revision of the revenue tariff in a downward direction and he then expressed the opinion that the tariff was too high, that it was far too complicated and that on both counts it was a restraint on trade recovery. These views are so completely in accordance with those of the interests I represent, that the Honourable the Finance Member will realise they entertained high hopes that this year would witness a beginning being made with the revision of the tariff. I give the Honourable the Finance Member every credit for his good intentions and if on this occasion the will must again be taken for the deed I would remind him of the condition engendered in those whose hopes are deferred.

Burma has a special interest in the Budget of the Government of India as the Trade Agreement lays down that tariff schedules in operation at the date of separation of Burma from India shall remain effective in both countries in respect of goods imported into either from other countries. It is true that

there are provisos allowing changes to be made under certain conditions but to commence with India's tariff will be Burma's tariff. I do trust the Honourable the Finance Member will bear that fact in mind when he is framing his budget next year when I do hope the financial position will warrant him in making a start with the revision of the tariff. May I add that if he cannot undertake a wholesale revision, I do beg that he will see his way to abolishing the import duty on machinery which to Burma is specially obnoxious?

Burma is anxious to get off to a good start next year. The interests I represent are concerned that her first budget should not be loaded with emergency taxation. They prefer that power to impose emergency taxation should be held in reserve. In 1937-38 the Honourable the Finance Member estimates that the separation of Burma will cost the Indian Exchequer Rs. 2½ crores. Well, Sir, Burma will need every anna of it in providing for her liabilities and establishing her credit. Towards that end, may I express the hope, Sir, that this revenue will be as wisely administered as I know it would be if it were still coming under the dominion of the present Finance Member of the Government of India?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, I do not know whether I should congratulate the Honourable the Finance Member on this Budget or not, but I cannot help saying that the Budget he has presented to us shows a surplus and his speech shows that prosperity has begun. So far as prosperity is concerned, I think we are all being illusioned. The Finance Members of late have rather developed the habit of under estimating the income and for the last three years we find that this practice is being followed. This, Sir, I must say is not a proper thing to do. As I have already said, in India as far as the budget is concerned the budgets are not framed purely on financial lines, but they are, I must say, now being framed on mainly political lines. It is what I may call financial jugglery to put any sort of budget that the Honourable the Finance Member likes to put before us. We find that the surpluses which have been shown so far are being spent away in capital expenditure which ought not to be borne by revenue. As far as Quetta expenditure is concerned, the thin end of the wedge has been put in now in meeting that capital expenditure from revenue. The total expenditure so far estimated is Rs. 8 crores for the reconstruction of Quetta and this year Government has put in Rs. 78 lakhs in the Budget for that purpose to be spent from revenue. That policy is not right and to spend that money for capital out of revenue is, I should say, a great injustice to the taxpayer who is already being burdened with heavy taxation.

Sir, what are the causes of these surplus budgets for the last three years? One of the causes is that the income is under estimated. The second cause is that the deficits of railways and other departments are neglected. In case we take into consideration the railway deficits, our general budget shows a deficit. In case we go deeply into the figures, we find that the budgetary position put before us is a myth and that that has been done to meet certain political ends. The third cause which some people say is that in order to meet all the present defence expenditure and high salaries of the officers, budgets are put in this form. Sir, in case we give it our full consideration we find that as far as the underestimation is concerned only Rs. 4 crores have been allowed to the sinking fund. I am going to illustrate how the Honourable the Finance Member underestimated the expenditure. That, Sir, Rs. 4 crores works out to one per cent. for the sinking fund. Then, Sir, over and above this comes the underestimating in sugar excise, under estimating in kerosene duties and so on and so forth. Sir, instead of the Finance Member

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trying to fulfil the pledges of his predecessors he is going to relieve the taxpayer piecemeal. The Honourable and gallant Nawab of Hoti, the Honourable Sir Phiroze Sethna and the Honourable Mr. McIntyre from Burma have very strongly pleaded that the least the Finance Member could have done would have been to abolish the surcharges. That, Sir, is also the complaint of the commercial community,—that surcharges have not been done away with, adequate reduction in postal rates has not been effected, no family allowances have been given in assessing income-tax and business losses have not been allowed to be carried forward while assessing the income-tax.

THE HONOURABLE THE PRESIDENT: That could not be done under the present Act.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, with due deference I might say that where there is a will there is a way. The Act could be amended. But, Sir, the time has come when the taxpayer expects that the Government pledges should be fulfilled. In the way in which the political budgets are being put before us, we are day by day losing hope as to when these pledges are to be honoured. Sir, favourable trade balances continue to be shown in the blue books. Whether they are really favourable balances or not everybody knows. Favourable balances of trade are being caused solely and simply on account of the unrestricted export of gold and, Sir, we find that year by year the exports of gold are increasing which shows that the capital resources of the people which ought to have gone in for useful purposes are being frittered away to foreign countries. I quite agree with a number of my colleagues who have advocated that the general public at large is against this flow of gold from India. There ought to be a heavy gold export duty to stop this gold flight. Sir, various reasons have been put forward by the Government that this flight of gold does not materially affect India and that on the other hand it benefits the agriculturists. Sir, gold is the national reserve of a country and when, Sir, this artificial or I should say this illusory favourable trade balances vanish on account of the stoppage of gold, how will the Government of India show such balances, how will they meet their monetary obligations in other countries? Sir, unfavourable balance of trade is always to be remitted in gold and that time is coming fast when India will have to do that, but to its sorrow it will find that there is not much gold left in India. It is time now, Sir, that the flight of gold should be stopped by enforcing a heavy export duty. Sir, how can there be prosperity of the people when the prices of agricultural produce do not materially increase. My Honourable friend Mr. Shantidas Askuran gave the figures which showed that the value of the total agricultural produce of our principal provinces fell between 1928-29 and 1933-34 from, say, Rs. 1,021 crores to say Rs. 473 crores. That shows, Sir, what is the condition of our agricultural classes. I am grateful to the Government for the policy of rural uplift and for the grants that it is making for that purpose, but, Sir, may I ask the Government whether they have solved the unemployment problem in the villages, whether they have created any marketing facilities for the poor zamindars, whether or not they have seen that the poor zamindar at the present level of prices has got enough after paying and meeting the land revenue. Sir, I expected that this House would be furnished with a leaflet of how the money allotted last year for rural uplift has been spent. We expect, Sir, that on this occasion when the Budget is being presented and discussed that information ought to have been given. The Honourable Finance Member, Sir, has this time not given us a survey of

the general economic position in India. That, Sir, we expect from him every year and I do not know what were the reasons which led him to keep that information from this House.

Sir, rural uplift is a very noble object but we must see that the money spent on rural uplift should not raise the standard of living of the poor masses, particularly at a time when their economic position has abnormally fallen. I find, Sir, that this policy of increasing the standard of living and giving more amenities of life to those who cannot afford it has not been in the interests of India and my Honourable and gallant friend, the Nawab Sahib of Hoti, will endorse me when I say that this policy in the frontier has weakened financially and perhaps socially the position of masses who live there. Their mode of living has been entirely changed and instead of leading a robust and healthy life they have now been led into luxuries and other amenities, which the urban masses have the misfortune to have.

Sir, no effort has been made by the Government to raise the prices of agricultural produce. Every time, when in this House or the other House Members have insisted on a change in the present exchange ratio, the Honourable the Finance Member has brushed it away summarily. This speedy disposal of this demand for a change in the ratio is a very important demand. When the export of gold stops, Government will be forced to change the ratio, for if we take the world level of prices, the agriculturist gets 12½ per cent. less in the value of his produce than he ought to get otherwise. All the countries in the world have depreciated their currency, but in India we find it appreciated. Rural uplift is simply an eye-wash. It is a noble object, but, Sir, where is the object in raising his standard of living and his expenditure when he cannot afford it? He is practically a pauper. To make him feel that he ought to move in higher society and live in a better building and live comparatively in luxurious ways—I do not think that is in his interest.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: While his stomach is empty.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Therefore, Sir, the dawn of prosperity painted by the Honourable the Finance Minister is not true. Take the case of the commercial people. Is there any prosperity or any signs of their prosperity? Our Finance Member himself has budgetted for a lower figure of income from taxes next year. That is, he himself admits that the country is not prospering and that the income under this head is likely to fall during the coming year. Otherwise, he would not have put in a lower receipt from income-tax. The rural uplift money is also being spent in making the land produce more than it is doing at present. My friend the Honourable Mr. Mehrotra compared the yield per acre of sugar cane in India with that of Java. The vital question to the agriculturist in India is that they cannot find a market for their normal produce. If you add to their produce, you will be adding to their difficulties. So, Sir, you must move in a manner in which you do real good to the agriculturist. The agriculturist is the root base of all prosperity in this country, as on the tiller of the soil rests commerce and industry. We find that commerce and industry is not being encouraged to the extent that it deserves.

THE HONOURABLE THE PRESIDENT: You have already exceeded your 20 minutes.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I will take only two or three minutes more, Sir. I would like to inform the Honourable

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Member what at least I expect from him as far as remission in taxation is concerned. Post cards ought to have been reduced to one pice. The three pice charge on a post card is too much. The trunk telephones ought to have been encouraged and increased. Salaries of all officers ought to have been reduced in order to meet the real state of the country. Duty on kerosene oil, which is mostly used by the poorer classes, ought to have been reduced and the cheapness of money ought to have been availed of for works of utility and for expansion of ways and means of development. I feel disappointed, Sir, as His Excellency the Commander-in-Chief is not present here today although we expected that on the points Honourable Members raise today, regarding the military expenditure he would give a reply. I must again press that the present military expenditure is intolerable and ought to be reduced at least to the pre-war level as soon as possible.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Mr. President, before I proceed to discuss the Budget I would like to lay before you a suggestion for your consideration. This House is given only one day each for the General Discussion on the Railway Budget and the General Budget. As this House has no power to discuss the list of demands, it is most reasonable that we might be given a fair chance of discussing the Budget properly which is not at all possible in the course of the one day that is now allotted to us under the Rules and Standing Orders. I would therefore request you, Sir, as the custodian of our rights and privileges

THE HONOURABLE THE PRESIDENT: May I correct you? Time for discussion of the Budget is fixed by the Governor General himself under the Act.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: We would request you, Sir, to arrange with Government to get us at least two days for the General Discussion on the Railway and the General Budgets.

THE HONOURABLE THE PRESIDENT: I have already pointed out that Government has nothing to do with it.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Sir, last year this time, some Members in the other House described the Finance Members of all countries as belonging to one of the hard-used tribes, because they are used to strong terms, in which they are always criticised irrespective as to whether they produce surplus budgets or deficit budgets. I, on the other hand, Sir, would like to describe them as belonging to a tribe of jugglers all the world over. They, by their jugglery of figures, produce surpluses or deficits. Particularly in India, the Finance Member by his jugglery of figures probably produce surpluses or deficits irrespective of the actual prosperity or adversity in the economic condition of the country. The Finance Member and all his underlings under the present system of bureaucratic administration, dominated by Whitehall, are expected to produce deficits, when the Indian industries are to be crippled or at least to be checkmated in their development, by means of the levy of such taxes as excise duties on new industries like sugar or matches. On the other hand, he is probably expected to produce surpluses when the cut in pay of the officers are to be restored or the income-tax surcharge is to be abolished. The Honourable the Finance Member in the course

of his Budget speech stated the other day that the excess revenue of Rs. 40 lakhs on income-tax is clearly due to the improvement in trade being greater than we expected. Sir, this is a picture which is a direct negation of the picture placed before us by another colleague of his when he presented his Railway Budget a few days ago. The Railway Member deplored that due to adversity in trade, both internal and external, the railway income from goods traffic is being reduced from year to year. I, for one, Sir, am more prepared to believe in the Railway Member's statement, which I believe depicts more correctly the economic picture of the country. The present surplus of the Finance Member appears to be the result of a dictation from the gods at Whitehall. The Secretary of State knows in his heart of hearts that unless surplus budgets are shown at this present critical juncture it would not be possible to thrust the constitutional reforms on the provinces and in the centre against the wishes of the majority in this country. The Opposition against the coming reforms will be strengthened if budgets are shown as deficit budgets. Sir, even taking it for granted that the Budget of 1935-36 has proved actually to be a surplus budget, I feel inclined to believe that the incomes were under estimated when the Budget was presented last year. It was also I think done

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with a motive. It was probably done with the idea of strengthening the causes for the levy of excise on sugar and matches, two of the infant industries in India at the time. The rulers of India know further that unless and until the central budgets can be shown as surplus budgets, there will be no chance of increasing the number and pay and allowances for the heaven-born services in the near future. Already we are hearing that European boys are not forthcoming for filling the posts of the imperial services in India. This was exactly the cry in the British universities just before the last reforms was introduced in 1919. I am apprehensive that the present cry is also made with the motive of making out a case for still further increasing the European element in those services. Though the Budget is a surplus one, yet the way in which the surplus has been distributed is worthy of the foreign bureaucratic administration. The poor man's post card remains untouched whereas the rich man's envelope is reduced by half. Probably as the tin gods themselves mostly use envelopes therefore the postage for envelopes has been reduced! The income-tax surcharge is also reduced not for the benefit of the poor but for relieving the richest of the rich, who are none else but mostly the British commercial magnates and business men. The poor man's kerosene duty and salt duty has been treated as a sacred trust bequeathed to the present Finance Member by his predecessors.

So far as the army budget is concerned I am afraid His Excellency the Commander-in-Chief has already given us a broad hint the other day that we must be prepared not for reduction in military expenditure but for an increase in it. The increase in military expenditure in India at a time when the whole world is thinking seriously about the limitation of armaments and the army appears to me to be paradoxical. I may be pardoned, if I ask His Excellency as to whether all these present-day talks of limitations of armaments is nothing but diplomacy. The real truth probably is that India must be re-armed to the teeth in readiness for another world war in the near future. I will not be far from the truth if I say that India was made an independent member of the League of Nations for obtaining an independent quota of armaments. In other words the total quota of armaments to be obtained for the United Kingdom and India together will be far above the parity of the armaments of other nations. If this be the underlying policy of the Government of the United Kingdom in the name of diplomacy, then I do not know what is hypocrisy in the world. India's present military expenditure is more than what she could

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bear. If today a national Government is established I think the first thing they will do is to stop the unnecessary military expenditure incurred mostly for imperial purposes in the name of the defence of India. It is surprising, Sir, to see at page 25 of the budget estimates for defence services that the British cavalry in India is costing about Rs. 8½ lakhs on pay and allowances whereas the Indian cavalry is costing only about Rs. 3¼ lakhs by way of pay and allowances. From the same book at page 30 we find that British cavalry consists of only eight regiments and Indian cavalry consists of 21 regiments. If the cost is worked out on these data, it proves that on an average each British cavalry regiment costs about a lakh whereas each of the Indian cavalry regiments costs about Rs. 20,000. Even this comparison will be misleading as in each of the Indian regiments there are not less than 14 British officers holding King's commissions. If I had sufficient time at my disposal I could have proved the same disparity in the expenses on British and Indian infantry, artillery and other services. It is therefore self-evident that if the effective forces of the Indian Army is completely replaced by Indian regiments without completely Indianising the officers' cadre, the military expenditure can easily be brought down to nearly half the total cost of the defence services, if not to one-third. Sir, I then draw the attention of the House to page 22 of the budget estimate of the defence services. From the comparative figures given therein for the years 1934-35, 1935-36 and the budget estimate for 1936-37, I find that the net expenditure on effective services in 1934-35 was about Rs. 35½ crores, in 1935-36 the figure rose to about Rs. 37 crores and in 1936-37 it has been further raised to about Rs. 38¼ crores. Sir, I would ask His Excellency the Commander-in-Chief to give us some more detailed explanations as to how the charges on effective services are being increased year after year? Within the last three years the cost has gone up by about Rs. 2½ crores. I think this was the reason why His Excellency was preparing the public mind to expect further increases in military expenditure. Unless and until we are given a definite undertaking as to the gradual reduction in military expenditure year after year till a minimum is reached, India as one man should refuse to give all supplies to the Government by way of taxation.

Then, Sir, coming as I do from a province whose financial position is in a very precarious condition, I can not be satisfied with the proposals contained in the Budget. Bengal's claim to the return of the jute duty was accepted by the Joint Committee when the question for the coming constitutional reforms were being discussed. It was even suggested that the loss in central revenues that might accrue, owing to the refund of the whole of the excise duty to Bengal, might be reimbursed by the imposition of the excise duties on matches and sugar. The Government of India took advantage of those suggestions for the imposition of excise duties on matches and sugar, but refunded only half of the jute duty to Bengal. The Government of India had no justification to levy the match excise unless and until they refunded the whole of the jute duty to Bengal. I for one feel, Sir, that the Government of India may rightly be accused to have committed a breach of faith and breach of trust. They increased the central revenues by the match excise and are over jubilant with the present surpluses at the cost of my province. I know that His Excellency the Governor of Bengal is strenuously fighting for the refund of the whole of the jute duty, as without this duty, it is impossible to carry on the day-to-day administration of Bengal. Sir, to my mind, if any body had any claim to those surpluses that are expected in 1935-36 and 1936-37 it was my province of Bengal. In this connection it will not be out of place to

mention that the Honourable Sir John Woodhead, the Finance Member of the Government of Bengal, in presenting the next year's budget the other day deplored that in spite of fresh taxations during the current year the financial position of the province is still far from satisfactory. In spite of all efforts on the part of His Excellency the Governor of Bengal and his Government, there is a deficit of Rs. 5 lakhs during the current year and an expected deficit of Rs. 51 lakhs in 1936-37. At the same time it will be a revelation to many that the *per capita* cost of administration in the province of Bengal, which I have the honour to represent as an elected Member, is the lowest, viz., Rs. 1-8-0 as against the *per capita* cost of administration of Rs. 2-8-0 in Bihar and Orissa and Rs. 8 in Bombay. Sir, because my province carries on the administration at the lowest *per capita* expenses, it is no argument that she must be penalised by the refusal of the return to her of the whole of the jute duty. In this fight for the return of the whole of the jute duty to Bengal, I think I am fighting as well for the other provinces, like that of Assam and Bihar and Orissa as they would also get the refund of the proportionate amount from the total collections of the jute duty. I hope and trust the Finance Member, whom I am glad to find here today, will bear this in mind and take steps to refund the whole of this jute duty in the near future so that Bengal at least will be able to make two ends meet.

Sir, these are the observations I have to make in the discussion of the General Budget.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, at the outset I should like to say that we are very grateful to the Honourable Mr. Raisman for a lucid review of our financial position. If you will allow me to say so, the statement which he made was clear, short and business-like. Coming to the statement itself, we find that we have been having surpluses now for the last three years. The final accounts for 1934-35 disclose a surplus of Rs. 495 lakhs. The actual figures exceed the revised forecast by about Rs. 186 lakhs. The surplus had been originally anticipated at Rs. 327 lakhs; it has actually turned out to be Rs. 495 lakhs. The revised estimates for 1935-36 again disclose a surplus; they disclose a surplus of Rs. 242 lakhs; the anticipated surplus was only Rs. 6 lakhs. The surplus was really Rs. 358 lakhs, but it is offset by an excess of expenditure of Rs. 117 lakhs. Therefore the question that naturally occurs is: what is the explanation for this wide variation between original estimates and the revised estimates? The Honourable the Finance Member has pointed out that this wide variation is due to increased yield from the import duty on sugar and he says that the real explanation for it is that there was increased consumption of sugar in India. Now, Sir, was it very difficult in February, 1934, when the budget statement was made by the Finance Member to forecast this big surplus? The variation is very wide, Rs. 6 lakhs and Rs. 353 lakhs, and it is a pertinent question to enquire whether we have not been under estimating our revenues—I do not say deliberately, but the fact remains that there is under estimation of revenues.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir Phiroze Sethna.)

Sir, the Finance Member has not given enough credit to those who told him last year that the figure anticipated from the import duty on sugar was low and that the failure of the cane crop and the inadequate protection given to the sugar industry were bound to lead to an increase in the yield from the sugar duty. Sir, we have been supplied with figures in regard to imported sugar but we have not been supplied with figures regarding the yield from the sugar produced at home and what was more relevant was the figures regarding the sugar

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produced at home. The point that I wish to emphasise is that these surpluses have been obtained by maintaining taxation at a very high level. It is quite easy to produce a surplus if you maintain taxation at a very high level. The Finance Member is a very orthodox economist. He believes in 19th Century finance and surely he knows that it is not good finance to budget deliberately for surpluses. Surpluses should go first towards the reduction of taxation and therefore it is not an unreasonable demand that these surpluses should be utilised towards the reduction of taxation in this country which is very high, and particularly high so far as the poorer section of the community is concerned. The commercial community too has an understandable grievance in the matter of the surcharge on income-tax. So far as Government servants are concerned, their salary has been restored; the Government was in indecent hurry to restore the salary cut, but so far as emergency taxation is concerned it continues because the commercial community is not the favoured child of the British Government.

Sir, the position may have improved from the budgetary point of view, but the real question that we want to know is, has it improved from an economic point of view? Is the condition of the country better from the economic point of view? Is there more prosperity in the country? Have agricultural prices gone up? Is the condition of the zamindars and tenants better in the provinces? The Finance Member says: "Look, what a wonderful magician I am. I told you I would bring back this country to prosperity and I have brought it back to prosperity". Well, Sir, the answer to that is that the real state of the country is not reflected in this surplus. You can produce surpluses by having smaller sinking funds. The provision for the sinking fund now is Rs. 3 crores: it used to be in the neighbourhood of Rs. 6 crores in 1932-33. You can produce surpluses by reducing your interest charges; our interest charges have gone down. But the question that you have to answer is: Is there more prosperity in the country? And if you want to find out whether there is more prosperity in the country, then you must examine your export and import position and the question that I would like the Finance Member to consider is: Have we got a balanced economy in this country? Is our export trade increasing? Have we not been maintaining a favourable balance of trade by export of gold from this country and what will be the position when this export will stop? Sir, it is all right for temporary sojourners to say, "After us the deluge"! But we who live permanently in this country have to take a longer view of the situation and we cannot be indifferent to the position of our export trade. Sir, I have the figures of the export trade before me but I will not tire the House with those figures and the view therefore that I would stress is that from the point of view of an economist who believes in a balanced economy the position is not hopeful for the country. The Finance Member says: Your method is no good. You told me that I would never be able to have surpluses. You told me that the position of the country was very bad. Look at the figures. We have increased revenues from import duties and so on. So obviously your criticism is unfair; your criticism is wrong. My answer to that line of criticism is this. We Indian critics have no chance of putting into effect our views. But you have the chance of putting into effect your views. Therefore, you cannot say that if you had tried our remedy—(our remedy is that of a lower exchange; our remedy is that of an export duty on gold; our remedy is that of borrowing freely for productive purposes)—you cannot say that if we had a chance we would not have done better than you have done, because we have never been tried. You have been tried and you have been found wanting. So far

as we are concerned, our views have never been put into operation. And therefore you cannot say that our criticisms were wrong and your view was right. The real state of the country is reflected in the Railway Budget and the provincial budgets.

Sir, social phenomenon is very complex and we cannot be as precise as we are in mathematics. No one can say his view is absolutely right and somebody else's view absolutely wrong. And therefore it is not fair for any one to dogmatise in regard to questions which concern the economic welfare of the country. And therefore the Finance Member would do well to occasionally remember that after all there is some sanity in his Indian critics also, that they too have the interests of the country at heart, and that they too give some thought to questions which concern him as well as them.

(At this stage the Honourable the President resumed the Chair.)

Sir, what are the results of his policy? Growing unemployment not only among the educated classes but among the masses and if he wants to know what the real position in regard to unemployment is, I would respectfully advise him to read the report of a committee which was appointed by the United Provinces Government which submitted its report only last month. He will find, Sir, from that report that the position of the middle classes is very bad so far as my province is concerned. I do not think that other provinces are any better off. The position of the professions is very bad. The lawyers, doctors, engineers, all have been hard hit by this depression, and we see in our professions no revival of trade. We say in our actual experience we are not finding any signs of recovery or prosperity.

Sir, so much for the general aspects of the Budget. So far as the actual allotments of this surplus are concerned, I will also very briefly indicate my point of view. I approve of the grant of Rs. 40 lakhs to agricultural research. Agriculture after all is the main industry of this country and we cannot give too much to agricultural research. I also approve of the grant of Rs. 10 lakhs to the Indian Research Fund Association. But, Sir, I am not able quite to understand why Rs. 5 lakhs have been given for the small woollen industries. Is it as a sop for the refusal to give protection to the woollen industry that these Rs. 5 lakhs have been allotted? And so far as Broadcasting is concerned, well, I may be pardoned for saying that I do not believe in this broadcasting business. Of course, it is said that these Rs. 40 lakhs will not be used for political purposes. Of course, Government is never political. It is only we who are political. We do not really know what this money will be eventually used for.

Then, so far as this rural reconstruction is concerned, let us be quite frank about it. We said last year that we approved of this rural reconstruction business. We all want rural reconstruction. But we want you to consult us in regard to the way in which you are going to spend this money. It was suggested that you might appoint a joint standing committee of both the Houses to advise you in regard to the suggestions that you received from Provincial Governments. Well, that suggestion has never been given effect to and so far as non-officials are concerned, they have had no lot or share in this rural reconstruction work. I should have thought that the best agency for rural reconstruction work was a non-official agency and that Government would have co-operated with non-official agencies for the development of rural areas.

Then, Sir, there is another item on which I should have liked to see some money spent by the Honourable the Finance Member. Sir, the British Government of this country has expressed great concern for the depressed classes. They have great love for the depressed classes. The Delimitation Committee

[Mr. P. N. Sapru.]

too has discovered that cumulative voting, which is a form of separate electorates—it practically comes to that—is necessary in order that these depressed classes might be protected from the Poona Pact. But, Sir, it has never occurred to the Government to allot some money for the uplift of this class whose trustees they claim to be. Sir, surely in a budget of such dimensions it was possible for the Government to provide a sum of Rs. 50 lakhs for the educational uplift of this class? Educational opportunity, Sir, is fundamental to economic opportunity and therefore I say that it would have been proper for the Government to allot some money for the educational uplift of these classes. I make this suggestion even at this stage to the Finance Member and if he can find Rs. 50 lakhs for the educational improvement of the depressed classes, so far as I am concerned I should be very grateful indeed. Sir, we have every sympathy with these classes. They are bone of our bone and flesh of our flesh. (*An Honourable Member*: “Brahmin and Harijan?”) No, Sir, our sympathy is much more real than the sympathy of Christian missionaries and Christian zealots.

Then I come to the taxation proposals. I have already said Sir, that the payers of big income-tax have a legitimate grievance because the salary cuts have been restored while the surcharges still remain. Essentially this is a rich man's budget. While there is some relief for the lower middle-class there is no relief for the poor man. The price of the post card continues to be three pice. We want villages to be opened up. We want these villagers to write letters occasionally to their friends. The present rates hit the villagers very hard. Therefore I would beg of the Honourable the Finance Member to consider favourably the suggestion that the rate on the post card should be reduced to two pice, or even one pice as was suggested by my Honourable friend Mr. Mehrotra.

Nothing has been done to meet the sentiment in regard to the salt tax in this country. It might have been possible to reduce the salt tax by a small margin. One rupee per maund could have been substituted for the present rate of Rs. 1-4-0 per maund. But nothing has been done here.

Just a word about the military expenditure. The defence budget this year will stand at the figure of Rs. 45.45 lakhs. We are threatened with higher defence budgets in the years to come, because we are told that the present budget figures do not represent a permanent level of defence expenditure. Our view is—and we shall repeat that view in this House in season and out of season—that the defence expenditure in this country is too high. It is a view which was stressed by Sir Walter Layton in a very able memorandum which is attached to the main report of the Simon Commission. There are economies suggested by the Honourable Mr. Shantidas Askuran in his speech on military expenditure the other day in this House. But apart from those economies, there is one direction in which you can retrench, and that is, by reduction of British troops in this country. The present ratio was fixed at the time of the Mutiny. Then you are suffering from the Mutiny complex. Can you not get rid that complex even after 60 or 70 years of stay in this country? Can you not trust the Indian after 60 or 70 years? If you cannot, then you are not paying a compliment to your rule of 60 or 70 years in this country. We do not want you to reduce the actual number of troops in this country. You can replace gradually British troop by Indian troops. A British soldier costs three or four times as much as an Indian soldier. If you make a reduction in British troops, you will be reducing the military expenditure. There are other ways in which you can, while maintaining the

efficiency of the army, reduce expenditure. Suggestions have been made that you should develop the Territorial forces in India, and that you should have a second line of reservists in India. But all these suggestions are never carried out, and will never be carried out, because the military policy is dictated by certain political considerations. Unless you can get rid of these political considerations, the military budget will remain as high as it is today. We want you to substitute a policy of trust for a policy of distrust.

THE HONOURABLE THE PRESIDENT: May I ask the Honourable Member to conclude his speech?

THE HONOURABLE MR. P. N. SAPRU: I have got no other observations to offer. Sir. The Budget is one which does not really reflect the real condition of the country.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Kalikar): I hope you will be as concise as possible and not repeat what has already been stated.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): I will try, Sir. I congratulate the Honourable the Finance Member because he has given some relief to the middle classes. I also congratulate him because he has not piled up additional taxation. But, Sir, I cannot congratulate him—and I do not endorse his view—that prosperity has returned to India and that the Budget is really a surplus budget. The surplus which he has shown is due, in my humble opinion, to some causes—one of which is the maintenance of the high taxation which was imposed to meet the situation arising out of the depression. The other cause is under estimation of revenue. I also think that if some items of expenditure which are essential for maintaining the national credit had not been reduced we would not have had this surplus. I therefore cannot share his view that the surplus is a real surplus. It may be a surplus so far as paper accounting is concerned. He may say that prosperity has returned to India, but taking into consideration the deficits in the other provinces and the condition of the masses, I am not in a position to endorse the view that prosperity has returned. Sir, various suggestions have been, and are being, made about the change of the ratio and the export duty on gold, but those suggestions are not given effect to. I do not claim to be an expert in financial matters but I do claim to have some knowledge of the agriculturist and looking at the Budget from the agriculturist's point of view I cannot say that it is a budget in the interests of the agriculturist. The prices of agricultural commodities have not gone up. India is admittedly an agricultural country and if exports of raw materials do not increase I submit that the condition of the agriculturist is just the same as it was four or five years ago. So if my Honourable friend the Finance Member says that prosperity has returned to India, I should like him to be disillusioned as soon as possible.

Well, Sir, he has distributed the surpluses for the last three years and I do not want to quarrel with him on that account, but I want to submit that his first duty in distributing the surplus was to decrease the burden of the taxpayer and so increase the capacity of the taxpayer as well as the agriculturist to pay taxation. My friends have made requests to him about decreasing the rate of the post card. I do not know how far that will appeal to him, but from the speech that he made in the other House I infer that it would involve a cost of about Rs. 50 lakhs and that he was not going to subsidise a commercial

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department. I do not quarrel with him about subsidising a commercial department, but I request him to think of this decrease as a sort of programme of rural uplift, because for the agriculturist this is the only means of communication. I would not have complained if he had not given concessions in regard to postal rates on letters, but I seriously contend that he would have earned the appreciation of the masses and of the agriculturists in especial if he had found ways to reduce the rate of the post card.

Sir, just as other provinces have put in a word in their own interests and as my Honourable friend Mr. Askuran has cited a sentence from the speech of the Finance Member of my province, I must also bring to the notice of the Government of India that my province has been having a deficit for the last three or four years. We have willingly taxed ourselves to meet the deficiency and all sources of taxation have been explored. It is now therefore the duty of the Government of India to come to the rescue of my province when provincial autonomy is going to be established shortly.

Sir, as to the grants for rural uplift, I have no quarrel with him, but I submit that the grants should be made in such a way that the expenditure of the Provincial Government in this connection can be scrutinised, so that the grant may really be employed on projects useful to the agriculturist and not be diverted to something else.

Sir, much has been said about the defence expenditure. I do not want to say much in that connection, but I must submit that an authoritative statement by two Judges on the Capitation Tribunal has been made that some portion of the Indian Army is meant for imperial purposes. If that is so, it is the duty of the Government of India to press on the British Government to give more money for the maintenance of that portion of the army.

I finally submit therefore that so long as the prices of agricultural commodities do not go up, so long as industries do not flourish and so long as the emergency taxation which you have imposed on the taxpayer is not removed, I am not in a position to call it a prosperity budget.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I beg to offer my tribute of congratulation to the Honourable the Finance Member for the most encouraging Budget that has been presented in recent times. Every Member of this House knows only too well with what pessimistic feelings last year the Honourable Finance Member presented his Budget for the current year. The Honourable Member's fears have now been belied, and he attributes his conservatism of the past year to the belief that he imposed in his inexperience on the Cassandra-like prophecies of certain persons. Now that he has gained sufficient experience of this country, he seems so fully confident of its marvellous recuperative powers, in the economic sphere that he ventures to colour his prudence with a little imagination and says that this would not in any way offend the strict canons of financial orthodoxy which he himself advocated last year. I once again wish to congratulate the Honourable Finance Member for his boldness, and I hope and trust that his expectations will be only too well justified.

The Honourable Finance Member has in disposing the surpluses, taken upon himself the impossible task of pleasing every one. He has tried to please the agriculturists, the industrial and commercial classes, the middle classes and the services. But I must frankly say that he has failed to please the poor man. The poor man has still been denied his privilege of using the half anna post card.

It is very refreshing to note that Government propose again to allocate more than a crore of rupees for the rural reconstruction scheme in the provinces. Though, as pointed out by some, these small doles to the provinces might not be sufficient to launch upon vast schemes all of a sudden, yet I hope that the doles the Central Government have been distributing recently should be an encouragement to the provinces who should, in their turn, supplement the subventions of the Imperial Government and utilise them to the best advantage of the masses, the responsibility for whose welfare, especially under the coming constitution, lies on their shoulders. The establishment of rural dispensaries is one of the crying needs in the villages and I trust that the Provincial Governments who have been asked to formulate schemes will pay sufficient attention to this most urgent need.

The results of the agricultural and other research institutions, on which Government have been spending large sums of money in recent years, have admittedly been of great advantage to the agriculturists and the industrialists, and it is but proper that Government should encourage such institutions. The subvention to the benefit of the small scale woollen industry is, no doubt, very small, but we hope that the way in which this amount is utilised for the improvement of the woollen industry will determine the future policy of Government in regard to the enhancement of this sum.

Broadcasting is going to play a vital part in the affairs of every civilised nation, and I hope all the Members of this House will gladly welcome the demand under this heading.

The boldest step the Finance Member has taken this year is in the matter of income-tax. He has been pleased to raise the amount of the taxable income from Rs. 1,000 to Rs. 2,000 and he has thus earned the gratitude of thousands of petty merchants and middle class people. He has also been pleased to reduce the surcharge on income-tax from one-sixth to one-twelfth, but this has not satisfied the upper classes. The Finance Member has made an optimistic estimate indeed of the revenues from income-tax for the coming year, counting on the continuance of the improvement of the economic and trade conditions in the country, and if only the Finance Member had shaken off his conservatism in respect of other items also, he could very well have got rid of the whole of the surcharge on income-tax.

Another important item in the Budget to which I wish to make particular reference is in regard to the alteration in postal rates. I cannot call it a reduction in postal rates. In fact, the Finance Member himself preferred to call it a postal concession, which he said, will be generously welcomed if not gratefully received. I cannot call it a reduction, because, if there is a reduction in certain cases, there is to be an enhancement in certain other cases. The increase in weight of the one anna letter from half a tola to one tola is certainly a relief, but the adoption of a scale of an additional half anna for every additional tola is not so alluring as it seems to be. In fact, it is in the main, an enhancement of the postal rate. To take one or two examples, at present we have to pay only one and a quarter anna for a letter weighing two tolas or two and a half tolas, whereas under the proposed system, we have to pay one and a half annas and two annas respectively. The post card, as I have already said, is the poor man's necessity. There has been an insistent demand for the half anna post card and now Government have got large surpluses on hand. I do not therefore see any reason why Government should not show this concession now at least to the poor man. The creation of a revenue reserve fund without giving relief to the suffering masses, I would call a luxury, and I strongly deprecate the idea. I hope the Honourable the Finance Member will himself admit that it is not a wise economic principle to starve the family to

[Diwan Bahadur G. Narayanaswami Chetty.]

pay the premium. The Government may say that the balance of Rs. 1,97 lakhs which they propose to transfer to the revenue reserve fund is a non-recurrent resource and that, according to orthodox financial principles, it cannot be utilised for covering up any deficiencies that may result from the restoration of the half anna post card, which will be a recurring demand. But I would say that the balance that the Government propose to transfer to the revenue reserve fund is not a balance that has been achieved merely as a result of emergency taxation, in which case they would be justified in calling it a non-recurrent resource, but, on the other hand, this balance is largely due to the under estimating of certain sources of revenue—and this is repeated year after year and it cannot therefore be called non-recurring.

I should like to thank the Government on behalf of the salt manufacturers of Ennore for the concession shown to them by the Central Board of Revenue. I do hope that the Central Board of Revenue will make them a little more permanent in their holding and that the question of some more concessions will be favourably considered when the matter is placed before the Central Board of Revenue.

Before concluding I would once again congratulate the Honourable Finance Member for his generous Budget, and I would earnestly request him to follow a bold policy of economy, retrenchment and reorganisation. It is only such a policy that can prevent the political thermometer from rising. May I rest assured that the Honourable Member with his vast experience of English budgets will do his best to prevent this rise?

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I am afraid I do not regard the Budget as an indication of prosperity. The real state is revealed by the fact that while the value of agricultural produce for the whole of India stood at Rs. 10,34 lakhs in 1929, it was only Rs. 4,73 lakhs in 1934, thus registering a fall of 53 per cent. in values. The figures later than 1934 are not published so far. Then again balances in banks are no indication that money is circulating freely. In the period mentioned above currency was contracted to the extent of Rs. 50 crores, and expansion so far as I have been able to ascertain is limited to about Rs. 2 crores. The Budget really is evidence that the Government of India are unable to put forward any constructive policy. Newspapers constantly point out what measures other countries have taken to meet the situation. India has been suffering from economic sickness and our financial pandits both at Whitehall and Delhi have been content to watch and wait.

This, Sir, I submit, is not what the country desires and we should like to know what is the economic policy of the Government of India?

The Budget is merely an auditor's report, a summary of accounts, and we may well say that these accounts are well and carefully kept, but what of initiating schemes of development for removing the famine in money which has been inflicted on the agricultural population.

Now, Sir, let us take sugar. The excise duty has yielded Rs. 35 lakhs more than was anticipated, while customs duty on sugar has yielded Rs. 1,85 lakhs more. The additional income that has flowed into the treasury on account of railway freight on sugar cane and transport of sugar, income-tax on income yielded by sugar factories are not negligible, and we may say that these have yielded substantial income. Could not the Honourable the Finance Member see his way to lowering the excise duty on sugar and thus raising the

price of sugar cane which will add a little to the income of the agriculturists? What are the reasons for keeping the duty at its present level?

Then again the Finance Department has generously helped the income-taxpayer, but what of the poor agriculturists, whose burdens are heavy and who have borne it with such patience? Could not the Honourable Finance Member give each province its share of the surplus with this undertaking that an equal amount should be remitted in land revenue. I felt it my duty to bring my views to the notice of the Government of India. I am, however, thankful for small mercies and I trust that if the Finance Department apply their mind to planning prosperity it can do a great deal to improve trade and thereby world peace.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I am sure the Honourable the Finance Member must be a little bewildered as to whether the number of congratulations which he has received on his Budget exceeds the number of adverse criticisms made both in the other House as well as in this House. He would be further bewildered if he were to sum up the various suggestions which have been made by Honourable Members with a request that the Honourable the Finance Member may kindly give effect to them immediately. It was suggested to him that the postal rates on post cards should be reduced; all surcharges should be removed; the salt duty should be reduced and large amounts should be paid to the different provinces, more money should be spent on agricultural needs and some money should also be invested on relieving unemployment. If all these proposals are put on paper and the Finance Member is to seriously consider all these suggestions, I do not know what he will do. As a matter of fact I had no mind to take part in this debate, because I personally find that this is a Budget which does not require any speeches. But for this convention that one day must be devoted for the general discussion of the budget, I am sure there would have been very little room either to congratulate or to condemn. As I find that since the Finance Member has come to India he has been taking some interest in the welfare of the rural areas and as I come from a village, I consider it my duty to thank him on behalf of the villagers for the little he has done for them. He has been responsible at least for concentrating the attention of Provincial Governments and also the public towards rural people.

The second object for which I congratulate him is setting apart a sum of Rs. 20 lakhs for Broadcasting. I am sure this broadcasting scheme will do a lot of good both to the urban as well as to the rural people. I can say, Sir, from personal knowledge that the Controller of Broadcasting is a true well-wisher of this country and he is definitely determined to see that the Government do not use this broadcasting scheme for any political motives. I am sure if he succeeds in his attempts this broadcasting will soon become extremely popular. As regards the villager, Sir, the chief difficulty is that a very small portion of this money actually reaches him. Most of it is spent by the departments which are in charge of spending money. As a matter of fact Government departments have been multiplied so much and there is a separate department for every little work.

We read in the reports that 14 tons of quinine was distributed to the villagers but I am sure that not even one-tenth of this quantity reached the villagers actually. The Finance Member should realise that the villagers really require relief in three or four directions. First to make their financial condition better. As far as health is

4-45 P.M.

[Raja Ghazanfar Ali Khan.]

concerned, if we go to the villages we find big headlines: "Have ventilators in your house". Buy mosquito nets", etc. But the question is, where is the money to come from? I remember a man lecturing on this rural uplift and he said: "Everybody must buy a mosquito net to protect himself". But the villagers said: "Where are we to get beds from?" When the villagers have not got *charpays* to sleep on, what is the good of asking them to buy mosquito nets? Then, Sir, under the orders of the district officers a large number of ventilators are made in rooms in different villages but one day when an officer went to inspect them he found that they were closed down by the villagers putting some pieces of cloth in the holes on account of the cold. They said: "We have not got enough clothing to protect ourselves from the cold". Therefore, Sir, I would ask the Finance Member if merely this setting apart of a crore or a crore and a half will bring any specific relief to the villagers? The Provincial Governments are having deficit budgets. They have during the last few years been forced to close down schools, to close down hospitals, to neglect roads, not to make any arrangements for the marketing of produce. So under these circumstances, how does he expect that rural people will derive any substantial benefit from it?

Well, Sir, I think I shall be placing the Honourable the Finance Member under a great obligation if I resume my seat and give him an opportunity of replying to these questions. Therefore, Sir, all other detailed remarks about rural uplift I will postpone till another day.

THE HONOURABLE SIR JAMES GRIGG (Finance Member): Sir, I am extremely glad to have this opportunity of penetrating into this Upper Chamber and into this atmosphere of sober calm. It is an unusual atmosphere and unusually peaceful for me and the speeches have been of an unusually scientific and inquiring nature and of a much less condemnatory nature than I am accustomed to.

Also, there is another unusual feature in today's debate—very unusual inasmuch as I have been getting a certain amount of commendation—and commendation too from very unusual quarters. I think my Honourable friend, Mr. Hossain Imam, at least two if not three times, expressed approbation of the Budget. I think I am right in saying that this is the first time he has agreed with anything that I have done. (*An Honourable Member*: "With anything that anybody has done!") And for this rare and refreshing fruit I must express my grateful thanks.

Well, Sir, the main thesis of the debate here, as in the House below, is the question whether or not I have underestimated. Now in the Lower House I was able to answer Members who took one view by producing other Members who took a different view, and there was very little left for me to do except to face one person with another. But in this House I can do more than that. I can produce four Members who have themselves taken opposing views on the same subject. They are Mr. Shantidas Askuran, Rai Bahadur Lala Jagdish Prasad, the Leader of the Opposition Rai Bahadur Lala Ram Saran Das, and Mr. Sapru.

Mr. Sapru put it in the crudest and shortest form. There is not a surplus but nevertheless you must use it in giving more away in reductions of taxation and in providing more money for social work. Well, now, let us take Mr. Shantidas Askuran. He said, as I understood him, Cautious estimating is all very well but you are overdoing it: you are definitely under estimating and you are showing every sign of going on doing it. That was one side of the picture.

But another side of it was: This Budget does not reflect the condition of the country at all. The country is in dire distress. There ought not to be a surplus at all. Look at your railways. Look at your deficit provinces. I think he about cancelled himself out.

Then take Rai Bahadur Lala Jagdish Prasad. He also took both lines. Don't you believe in this recovery business. There isn't any recovery. But still you have been under estimating and you are going on doing it. I think I have already summarised not unfairly the argument of Mr. Sapru. If I may repeat it for the information of the House: There is no surplus but nevertheless you have got quite a lot of money to give away if you will only do it.

Of course, in addition to the four self-destructive Members there was a large number of Members of the House who ranged themselves on one side or the other and I think I can produce a fairly even balance of forces there. First, my Honourable friend, Sir Phiroze Sethna, said that all these criticisms about underestimating and deliberate underestimating were quite invalid. He took the view that caution in estimating was not only legitimate but wise and I am extremely grateful to him for his weighty support in that matter. Again, Mr. Hossain Imam too approved of caution in estimating. He approved whole-heartedly of meeting the Quetta instalments from revenue as they accrue and not by borrowing them and leaving somebody else to pay for them. His support too I am grateful for, and as I said in my opening remarks it is particularly refreshing in that it is rare. Mr. Kalikar said that there was not a real surplus, if I understood him aright, and I think the Khan of Hoti, yes, he said that there was no real recovery—look at the railways, and the future is full of uncertainty—there certainly is not a surplus at all.

Well, now, we come to the others. Mr. Ghosh Maulik took the view that I had underestimated and had been doing it deliberately for quite a long time. Mr. Parker, I think, I have got his remarks down, said imagination is essential but I had been showing excessive caution and I had been failing in my duty by deliberately underestimating. I myself had said that sugar revenue was only an enlightened guess: so guess again and when you guess leave more room for reduction in taxation. Sir David Devadoss said: You must remove all emergency taxation. You are underestimating and anyhow sufficient unto the day is the evil thereof.

So you see there is not very much agreement on this question of underestimating and perhaps therefore there is room for a dispassionate examination of the facts again. It is true that the railways are in deficit and that the provinces, a great many of them, are in deficit too. I explained that the deficit position of the railways, though it would be serious if it was not put right quickly and put right partly by measures within the control of the Government of India but even more by a greater measure of co-ordination and co-operation between the provinces and the centre.—as I say I explained that, though the railways were in deficit and would have to be put straight, that the existence of the deficit was not necessarily conclusive evidence that the state of affairs at the centre generally was now disastrous or even depressing. Obviously there are special factors at work in the railways. I mentioned the question of road competition. I mentioned in the Lower House and I mention it here casually in passing that the protective policy of the Government of India, whatever may be said on the one side or the other about it, has undoubtedly resulted in a loss of revenue to the railways, and that figure has been estimated by the North Western Railway on one commodity of sugar alone at Rs. 30 lakhs a year. You may approve of a policy of protection or you may not approve of it, but what is undoubted is that it does lose the railways money by substituting for

[Sir James Grigg.]

the long lead traffic from the ports short leads appropriate to internal distribution. Anyhow, as far as the railways are concerned, they are not at present conclusive evidence one way or the other. But there will be a disaster if they are not put straight, and put straight very quickly. Everybody is agreed about that. But the existence of deficits in the provinces is undoubted. It is a fact to which I will return later, because it is a fact to which I have attached the greatest possible importance in framing the Budget. Let us first examine my own figures. The Budget of 1934-35, which were not my figures but the figures of my predecessor, resulted in a surplus. A year ago I provisionally estimated that that surplus would be something over Rs. 327 lakhs. It has turned out to be Rs. 168 lakhs higher. I estimated also a year ago that the surplus of the current year, 1935-36, would amount to Rs. 6 lakhs only whereas it is Rs. 242 lakhs. The figures of 1934-35 and the figures of 1935-36 are both about Rs. 2 crores better than I then anticipated. It is thus quite clear that the degree of under estimating which I was guilty of last year was at the most Rs. 2 crores. I think you must assume that in framing estimates for the next year, knowing perfectly well or having been convinced now of the existence of this under estimate of Rs. 2 crores, this has been corrected. I believe that that has been done. The only possible big item on which there is room for difference of opinion is the case of sugar. It was on this that the Honourable Mr. Parker took me to task. I dealt with this question of sugar in the Lower House, partly in my Budget speech and partly in the speech winding up the Budget debate. There is no doubt that every year the estimates of sugar revenue have been wildly inaccurate. They have never been less than a crore wrong, but they have not been uniformly wrong in one direction. In some years they have been excessive, in other years they have been too low. Last year they were too low. This year we have put the figure at Rs. 2 crores and I do not in the least mind confessing, as I have confessed already, that that estimate is in the nature of an enlightened guess. Since the estimates were framed, two further months' figures of customs receipts have become available. There was a large drop in the receipts from the sugar import duty in January, and there has been an almost stupendous drop in February. In January, we got Rs. 17 lakhs of sugar revenue as against Rs. 25 lakhs in the year before and against an average of Rs. 33 lakhs for the first nine months of the year. In February the figure is only Rs. 5 lakhs, so that you will observe that in order to realise the estimate of Rs. 360 lakhs which I framed six weeks ago for the purposes of the Budget, we have got to collect Rs. 42 lakhs on account of the sugar import duty in March. I do not believe there is the slightest chance of getting this. All our information goes to show that it will be quite a small figure. So, already it looks as if the figure of Rs. 360 lakhs for the current year is quite definitely on the high side, and if it is quite definitely on the high side, then I think that the figure of Rs. 2 crores for the following year is on present indications at any rate pretty optimistic and certainly not pessimistic. Taking those two sets of facts together, the General Budget estimate and the position of the sugar import, I do not believe that there has been any under estimating for the year which is about to commence and that means that the amount of money available for tax reduction is not appreciably more nor I hope appreciably less than the figure of Rs. 2 crores on which I have counted. Anyhow, supposing I have been cautious. What is the first necessity of the financial situation as I see it today? That first necessity is occasioned by the fact that provincial autonomy is due to start in a year's time. In fact, every Honourable Member of this House has pointed out that a large number of the provinces are in deficit. Practically every Honourable

Member pleaded that these provinces should be made solvent by the centre before they start on their autonomous way. It has been recognised in the Government of India Act, 1935, and in the Report of the Joint Select Committee, that subventions would have to be given to a number of them to put them straight. I am free to confess that my own desire is—and it is the desire also, I think of the Government of India—that we should, in the financial adjustments which would have to take place in connection with provincial autonomy, we should contribute as much as we can spare towards starting the provinces off on their autonomous way at any rate solvent. As I said in my Budget speech, we have got to find next year about Rs. 2½ crores for the separation of Burma. The Honourable Member from Burma asked how much of the Rs. 197 lakhs Burma will get. All of it and a good deal more.

THE HONOURABLE MR. W. T. MCINTYRE: I am glad to hear it.

THE HONOURABLE SIR JAMES GRIGG: I gave as a provisional figure that we could not rely on having to find less than about Rs. 2 crores if we were to solve the problem of the deficit provinces. Taking the two things together, we have Rs. 4½ crores extra to find next year. With that burden ahead of us, it is no good taking chances. It is no good saying, "Let the future take care of itself". The future is there. We know what it has got for us. It has got to be taken care of. That being so, I am certainly not prepared to take any very serious risks of the future. Incidentally, a large number of Members have today asked for more money for agriculture. Well, that is primarily a provincial purpose, and I take it that in future you have got to look mainly to the provinces for beneficent expenditure under that head. Their asking for more money for agriculture is quite inconsistent—whether they get it direct or through the medium of the provinces—with demanding at the same time that the surcharges on income-tax shall be reduced.

Now I will come to the other points which have been raised during the debate today. One which attracted the most attention was the post card. I think practically every Member mentioned it. This would mean a recurring cost of Rs. 50 lakhs a year. The word "recurring" is rather important, because of certain suggestions that were made towards meeting the cost of it. Now if I have carried you with me in saying that I have not under estimated my revenue in the Budget for the next year, there is quite clearly no margin of Rs. 50 lakhs on the General Budget to pay for the reduction of the post card rate by three pies.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Broadcasting was not such an emergent expenditure to be incurred this year as the reduction of the post card rate.

THE HONOURABLE SIR JAMES GRIGG: Which broadcasting do you mean? The non-recurrent or the recurrent? That was a suggestion by another Member opposite and I will come to it in a minute. But even if there were a margin on the General Budget, there is certainly no margin on the posts and telegraphs budget, and in spite of the disapproval which has been expressed at my orthodoxy in that respect, with the horrible spectre of the railways in front of me, I am not going to be a party in any way to subsidising the commercial departments from the General Budget. If you do it for the posts and telegraphs, there is no earthly reason why you should not do it for the railways, and once you start on that the central budget and the railways are both alike going to suffer. But there was a suggestion made—and I think that was the suggestion to which Rai Bahadur Lala Ram Saran Das was referring—from one of the benches behind him that we should raid the rural development

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fund to pay for the cost of the reduction of the post card. But the rural development fund is a single non-recurring item of Rs. 108½ lakhs, and the cost of the post card reduction is a recurrent figure of Rs. 50 lakhs. If you capitalize the Rs. 50 lakhs that comes to Rs. 10 or Rs. 12 crores, and you cannot get Rs. 10 or Rs. 12 crores out of Rs. 108½ lakhs. It is no good applying a non-recurrent reserve to recurrent objects, and, although there is room for a certain amount of argument as to what is recurrent or non-recurrent, the cost of reducing the post card is recurrent and your revenue will be permanently Rs. 50 lakhs lower than it otherwise would be, and there is no doubt that the rural development fund is non-recurring. But even if there was not that objection to the suggestion, I certainly am not prepared to divert money from the purposes of village development to pay for the first or second year only the cost of reducing the post card rate.

Then a number of Members referred to the distribution of the grants from this rural development fund. The fact that they assume that the grants are going to be distributed shows that they do not wish to be taken very seriously in saying that the fund should be raided to pay for the cost of reducing the post card rate, and Mr. Hossain Imam, Khan Bahadur Syed Abdul Hafeez, Khan Bahadur Nawab Chaudri Muhammad Din and the Leader of the Opposition himself all are very curious to know what is to be done about the distribution of the rural grants. We are pressed to distribute them in such a way that the Government of India could satisfy themselves that the money was not going to be wasted. That is a request for which I have every sympathy, and again I am sorry to keep on referring to my Budget speech but I did say there that it would be necessary to review the working of the grants which were made last year. We have asked for reports from the Local Governments on those grants, which are due now at any moment, and in the light of those reports we shall consider and decide what conditions will be attached to the second lot of grants to be made. My own view is—but I am not pontifical about it—that the Government of India should restrict to a much narrower category of scheme the grants which they are prepared to allot, and in that way to prevent diffusion of effort and to concentrate the grant on some really useful work or at any rate to concentrate it so that it would be more effectively applied over a narrower area. I gather from the sense of the debate today that that was the general feeling here too.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May we understand that the amount for rural uplift will not be spent in raising their cost of living?

THE HONOURABLE SIR JAMES GRIGG: I do not quite see how it can but I think I can give that assurance with 100 per cent. certainty.

Two or three Members also raised the question of carrying forward losses for income-tax. Well, that is a suggestion to which I am completely unable, even if I wanted, to find any objection on theoretical grounds or on equitable grounds. It certainly ought to be done when funds are available, but there are a number of projects for reduction of taxation which I think could not be put in a lower category of urgency, and it is no good my pretending that think there is any immediate prospect of this quite desirable reform being carried into effect. However, there again I do not wish to be too pontifical. As the House knows, there is a Committee of income-tax experts considering the whole question of income-tax law and administration, and it may be that

they will produce suggestions which will enable this reform to be done more quickly than I can see it being done at the present moment.

I might touch for a minute on a more abstruse point raised by Mr. Hossain Imam. He raised the question of what is happening to the export trade and what is happening to prices. He regarded those as the two necessary indicators to prosperity. In the case of the export trade I would agree with him completely; in the case of rising prices I would not agree with him so fully. Recovery of prices from a very low level is obviously an indication of improving conditions. But the rise of prices to an unsafe level caused by inflationary methods is extremely unhealthy. So I do not think I can entirely agree with him in the matter of prices. But as regards the export trade, there is no doubt that an increase in the export trade is an indicator of returning prosperity. But unfortunately the Honourable Member has got his facts wrong. Prices are rising—slowly if you like, or perhaps you don't like—prices are rising; I think the Calcutta index number has shown quite a distinct rise in recent months. And certainly the export trade shows an improvement over last year and the improvement has grown rather quicker in recent months. So that, even though the Honourable Member may not be satisfied with the rate of recovery, certainly in the two indicators he laid before us there is definite indication of returning prosperity. Perhaps here I can permit myself one disconnected and general remark. There is undoubtedly at the present day a great discrepancy between the prices of agricultural products and of manufactured products. Well, that is undoubtedly an indication of a want of freedom in international trade, in external trade, and that discrepancy of course bears doubly hard on the agriculturist in that he pays more for everything he buys and gets less for what he sells. That discrepancy is there. It exists in practically every country of the world, and it is undoubtedly due to the restrictions which are placed upon international trade by so many nations, and among them in some respects India too I am afraid.

One or two Members complained that the Government of India were doing nothing in the matter of supplying quinine to the population. Well, that was answered by Sir Nasarvanji Choksy, who pointed out that the Government of India had recently distributed between 50,000 and 60,000 lbs. of quinine to provinces free on the condition that they were to use it over and above the net amount they would normally supply to the population. A lesson that I draw from this little incident is clearly the Government of India publicity is not good enough and I think I shall have to address an admonition to my colleague on the left to advertise his good works a little more. Sir Phiroze Sethna referred to the grant of Rs. 10 lakhs to the Research Fund Association and asked whether I was going to be obstinate in insisting that this should be entirely spent on malaria. The answer is that the use of the word "mainly" was intended to imply a reasonable latitude. I certainly contemplated mainly malaria research. I do not in the least intend to take up an unreasonable attitude and I will be content to leave my Honourable colleague on my left to administer that grant or to decide upon its application in consultation with the authorities of the Association without tying him down in any very rigid way.

Two Honourable Members, one on behalf of each, asked questions about the restoration of the grants to Aligarh and Benares. As I have already said, the Government of India have taken up the question of restoration of the cuts in the remaining grants under their control. I think they are practically entirely confined to medical services and education, though I think there have been one or two archaeological grants which have been cut down. That question

[Sir James Grigg.]

has been taken up and it is being examined and I hope Honourable Members will soon see their aspirations realised. (Hear, hear.)

I do not want to go into it at any great length, but I would like to say a word or two on the subject of borrowing to pay for the reconstruction of Quetta. It has not been given that prominence that was given to it in the Lower Chamber and indeed opinion was not so condemnatory here of this orthodoxy as it was in another place. Therefore I need not add very much to what I have said in my Budget speech on the matter, but I am very glad to see that I get weighty support from Mr. Hossain Imam in this matter; I am most grateful for it, and if I may say so without any attempt at patronage I think it is in a way legitimately encouraging me to believe that I am right in this matter. Another Honourable Member took the other line, but for reasons which I found rather unconvincing. The Honourable Mr. Ghosh Maulik said that the reconstruction of Quetta is defence expenditure. Of course it is and that is precisely the reason why it ought to be charged to revenue and not to capital and why it would be quite illegitimate to borrow for it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it not capital expenditure?

THE HONOURABLE SIR JAMES GRIGG: You can argue that question if you like; it is merely playing on words. It is expenditure which it is appropriate and proper to charge to revenue and I understand that in the Government of India system of accounts there are quite a large number of grants—and in all the provincial budgets there is a head called Capital Expenditure charged to Revenue. This is one of those cases.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Should we understand that Rs. 8 crores—

THE HONOURABLE SIR JAMES GRIGG: Will the Honourable Member let me continue?

Then I might touch for a brief moment, because this is also another subject on which I have been compelled to make observations in the past, on the subject of gold exports. My views on that are completely unchanged. I do not regard gold exports as an evidence of distress at all in the present circumstances, but even supposing you grant that a large part of the gold that has been exported is distress gold, let us examine for one second the project of putting an export tax on it. I think in the case of gold, for which there is a free world market, there is no doubt whatever than an export tax on gold would fall on the ultimate seller. The ultimate seller—I am making the assumption for purposes of argument, I do not believe it. Honourable Members opposite do—is the distressed agriculturist and therefore an export tax on gold is another means of increasing the burdens of the distressed agriculturist. I was surprised that the Nawab of Hoti took that line. He is a stern—and judging from his opening remarks—almost a threatening supporter of the agriculturist.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Ultimately it comes. It is not in the interest of India, whether it is taxation on the seller or anybody else.

THE HONOURABLE SIR JAMES GRIGG: If you put an export tax on gold, that tax is ultimately borne by the agriculturist who sells the gold and *ex hypothesi* that agriculturist is in distress taking the assumption of the Honourable Members opposite, and the plan just simply boils down to putting a tax on the agriculturist—another tax on the agriculturist. Even apart from all considerations of balance of trade and so on, I am certainly not going to stand for anything of that sort.

THE HONOURABLE MR. HOSSAIN IMAM: In gold we have a privileged position in the market.

THE HONOURABLE SIR JAMES GRIGG: Oh, no, we have not. I am taking up a number of the detailed points and I hope the House is not finding that I am going into too much detail. But Sir Phiroze Sethna raised the question of Government statistics. Well, I think it very right that he should raise that question. In some respects our statistical equipment is lamentably inadequate.

THE HONOURABLE MR. R. H. PARKER: Very late in getting it too.

THE HONOURABLE SIR JAMES GRIGG: And very inadequate. At the time when the Bowley-Robertson Report was received money was very scarce and the report had to be put aside. Now of course we are not quite so tight in the financial sphere, but all the same I personally am not sure whether the recommendations of Dr. Bowley and Mr. Robertson do cover the most urgent needs of India in the way of statistics. But anyhow this question is being taken up again and I hope that we shall be able in the course of a few months to provide some machinery for improving the statistical equipment of the Government of India.

Two Members raised the question of the sugar excise and I was very glad to see that both of them exploded the legend that the sugar excise has done great harm to the development of the sugar industry. In the case of one of them, one with whom I have had arguments on fiscal questions before, I might perhaps say that this conversion of his gives me great pleasure and I am almost tempted to add, "Is Saul also among the prophets?" The same Honourable Member asked that railway freights on sugar should be reduced and that the excise duty should be diverted into a reduction of railway freights. I think the Honourable Member's memory has betrayed him for once in a way for railway freights have been reduced on sugar and reduced quite recently. Be that as it may, I certainly do not believe and could not possibly accept the theory that the yield of the excise duty should be diverted in order to reduce railway freights. It is only another way of diverting money from the central exchequer to subsidise a commercial department and I believe that to be thoroughly unsound.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What about the unemployment problem?

THE HONOURABLE SIR JAMES GRIGG: That is a matter for considerable discussion; and I have no time to deal with it. But apart from that, you must address your question to somebody else.

There are a number of other technical points raised by Mr. Hossain Imam and the Khan of Hoti also raised a number of points and rather shook his fist at me saying, "If you do not answer, there will be trouble!" But I am afraid that I am much more frightened of the President than of the Khan of Hoti and I think I had better leave those for another occasion!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: But, Sir, one thing I do want to know, whether on page 3 where you show Rs. 40 lakhs more in the textile industry, is the Tariff Board going to raise the taxation on foreign textiles or what is the idea?

THE HONOURABLE SIR JAMES GRIGG: I know nothing whatever about the contents of the report of the Tariff Board. It has not yet been received by the Government of India and the Government of India do not know when it will be received. But what is indubitable is that there has been a postponement of imports of Lancashire goods pending the receipt of that report and one assumes that, in whatever way the uncertainty is removed, that postponement will be made up in the current year. Our estimates of revenue are naturally based on the existing rates of duty.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: No, but I say it is going to be something extra on foreign goods.

THE HONOURABLE SIR JAMES GRIGG: The Honourable Member can have his own opinion: he can prophesy as much as he likes about the contents of the report: it is no good arguing with a prophet—you can only disagree with him!

For the rest, the general line of Members was. Well, this is not a bad Budget but there is not enough of it. And Raja Ghazanfar Ali Khan gave a list of some of the things that I was expected to do in addition to what I have already done. First of all, all income-tax surcharges must be removed. That is about a crore and a half. Then book packets, that is only a small item—about Rs. 5 lakhs. Post cards Rs. 50 lakhs. Abolish the super-tax—Rs. 2 or Rs. 3 crores. Salt—I was not quite clear whether it was to be 5 annas or 9 annas. If it is 9 annas, it is something over Rs. 3 crores. Carrying forward losses, another crore. More money for agriculture, an indefinite amount. Rs. 50 lakhs for *harijan* work. The reduction of trunk telephone rates. The removal of at any rate some of the customs surcharges, particularly those which weigh on the poor man. I am very glad to have that admission—which is very rare in India—that customs taxation does weigh on the poor man. The duty on machinery should be removed. I think that is about a couple of crores too. Well, I have only been able to give a small dividend on this. But I have done all that I can do to the best of my belief and it is no good my promising anything more in the current year. And I will end up as I began by saying that I consider that my main job is to see that provincial autonomy, which is only a year off now, can be financed within the resources of the Government of India and without imposing any fresh taxation. That is the real crux of the matter and I certainly am not prepared to be a party to doing anything which endangers that supreme object. (Applause.)

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I just want to make a short statement that we shall meet now on Wednesday the 11th.

The Council then adjourned till Eleven of the Clock on Wednesday, the 11th March, 1936.

COUNCIL OF STATE.

Wednesday, 11th March, 1936.

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

QUESTIONS AND ANSWERS.

ACTION TAKEN ON THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON AGRICULTURE.

51. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to lay on the table a statement showing what action they have so far taken on the recommendations of the Royal Commission on Agriculture presided over by the Marquess of Linlithgow?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I would invite the Honourable Member's attention to the reports on the progress made in carrying out the recommendations of the Royal Commission on Agriculture. Four such reports have so far been issued and are available in the Library of this House.

HOLDING OF ELECTIONS TO THE PROVINCIAL LEGISLATURES UNDER THE NEW CONSTITUTION.

52. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state when the elections to the Provincial Legislatures under the new Constitution are likely to be held?

(b) Is there a general feeling that the holding of the elections of the Provincial Legislatures under the new Constitution should be accelerated?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) and (b). It is not possible to state at present when the provincial elections under the new Constitution will be held. The Honourable Member may, however, rest assured that everything possible is being done to avoid unnecessary delay.

INSTRUMENT OF ACCESSION OF INDIAN STATES TO THE PROPOSED ALL-INDIA FEDERATION.

53. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to lay on the table specimen copies of the Instrument of Accession of the Indian States to the proposed All-India Federation, if details of such Instruments are framed?

(b) Will they be pleased to state the probable date of the inauguration of the All-India Federation?

(c) Is there a general feeling that the Federation should be inaugurated as early as possible?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) The Instrument of Accession has not yet been finally drafted.

(b) It is impossible to make a forecast at this stage.

(c) The Government of India are aware that such an opinion is held in certain quarters.

AMOUNTS ALLOTTED TO PROVINCIAL GOVERNMENTS FOR RURAL UPLIFT.

54. THE HONOURABLE SIR PHIROZE SETHNA: With reference to the allotment of Rs. 100 lakhs provided for in the Budget for 1935-36 for economic improvement in rural areas, will Government be pleased to lay on the table a statement showing the amounts allotted to each of the Provincial Governments?

THE HONOURABLE MR. A. J. RAISMAN: I would invite the Honourable Member's attention to the statement laid on the table of the House by the Honourable Mr. P. C. Tallents in reply to the Honourable Mr. V. V. Kalikar's question No. 42 on the 17th September, 1935.

THE HONOURABLE SIR PHIROZE SETHNA: Is any percentage out of the allotments made to the Provincial Governments earmarked for the benefit of the depressed classes?

THE HONOURABLE MR. A. J. RAISMAN: Not so far as I am aware, Sir. But if the Honourable Member will read the statement which was then laid, he will be able to form his own conclusions as to how far these schemes of improvement, of which details are given, are likely to benefit the depressed classes.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: In view of the public feeling that non-officials are not included in the several schemes prepared by Government, will Government consider the feasibility of associating non-officials in these schemes?

THE HONOURABLE MR. A. J. RAISMAN: I submit, Sir, that that does not arise directly out of this question, but I think the suggestion was made at the time of the budget last year and that a reply was given on that subject. The position is that these grants have been placed at the disposal of Local Governments and the proposals which the Local Governments have made have no doubt been made in response to general suggestions forthcoming in the province. I am not aware that Local Governments have made any special arrangements for consulting non-official opinion as to the actual administering of the grants.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: In view of the strong opinion expressed at the time of the discussion of the last budget in this Council and in the Assembly, will Government be pleased to give instructions to Local Governments to associate non-officials also?

THE HONOURABLE THE PRESIDENT: That is a question asking Government to take action and I disallow it.

CREATION OF AN AGRICULTURAL CREDIT DEPARTMENT.

55. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state whether Mr. Darling's report on the creation of a special Agricultural Credit Department has been received and considered by them and, if so, what action they have decided to take thereon?

THE HONOURABLE MR. A. J. RAISMAN: Mr. Darling was appointed on special duty to report on the co-operative and agricultural credit movements to the Reserve Bank in order to assist the Bank in the formation of the Agricultural Credit Department. His reports which are primarily intended for the consideration of the Board of the Reserve Bank are still being considered by the Bank which has asked the Government of India to obtain from Local Governments further information regarding co-operative banks and credit societies and other agencies engaged in the business of money-lending. The Bank propose to formulate their proposals for the creation of the Agricultural Credit Department when this further information is available. I would also draw the Honourable Member's attention to the remarks of the Reserve Bank on its Agricultural Credit Department in its annual report.

PRESENT STATE OF THE CO-OPERATIVE MOVEMENT.

56. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state whether they have received Mr. Darling's report on the present state of the co-operative movement?

(b) If so, will they be pleased to lay it on the Council table, and

(c) Will Government be pleased to state what action they have taken thereon?

THE HONOURABLE MR. A. J. RAISMAN: (a), (b) and (c). I would invite the attention of the Honourable Member to the reply just given to his question No. 55. As I have already stated the report is primarily intended for the consideration of the Board of the Reserve Bank, and Government are not in a position to make any statement regarding its publication until the Bank have formulated their proposals for the creation of the Agricultural Credit Department.

MANNER IN WHICH INDIAN COMMISSIONED OFFICERS WILL BE EMPLOYED ON EDUCATIONAL DUTIES.

57. THE HONOURABLE SIR PHIROZE SETHNA: With reference to the reply given on 11th February, 1935, by His Excellency the Commander-in-Chief to question No. 13, will Government be pleased to state whether they have considered the question of the manner in which Indian commissioned officers will be employed on educational duties and, if so, what decisions they have arrived at with regard to that question?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Government have decided to postpone further consideration of this matter until the officers concerned are better qualified by length of service to undertake the duties in question.

THE HONOURABLE SIR PHIROZE SETHNA: What is the length of service required? How many years' service?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I cannot tell you exactly, but I should say roughly 11 or 12 years' service.

PROTECTION TO THE INDIAN SUGAR INDUSTRY AGAINST COMPETITION FROM JAPAN.

58. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state what steps, if any, they propose to take to further help the Indian sugar industry in successfully competing with Japanese sugar?

THE HONOURABLE MR. T. A. STEWART: No action is called for as imports of sugar from Japan during recent years have constituted only about one to two per cent. of India's total sugar imports.

BOOKS BANNED IN INDIA DURING THE LAST TEN YEARS.

59. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to lay on the table a statement showing the names of the books, Vernacular or English, published in India or abroad, which they have, within the last ten years banned under the Press Act or any other enactment?

(b) Are Government aware that the late Mr. V. K. Chiplunkar's essay on *The Condition of our Country* (in Marathi) is regarded as a piece of classical Marathi literature? and

(c) Have they considered the desirability of removing the ban against it?

THE HONOURABLE MR. M. G. HALLETT: (a) I regret I am not prepared to lay a list of the books on the table, the compilation of which would involve much labour.

(b) and (c). No such publication has been proscribed so far as I am aware.

THE HONOURABLE SIR PHIROZE SETHNA: Do I understand the Honourable Member to say that the publication I have referred to in (b) is not banned?

THE HONOURABLE MR. M. G. HALLETT: I could not trace it in the list of banned books. If it was banned, it was banned a long time ago. I could not find it anywhere. Probably it is not banned.

ACTION TAKEN ON THE RECOMMENDATIONS OF THE TAXATION ENQUIRY COMMITTEE.

60. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state what action they have taken up to date on the recommendations of the Taxation Enquiry Committee?

THE HONOURABLE MR. A. J. RAISMAN: I quote from the Honourable the Finance Member's reply to Professor Ranga's starred question No. 49 on the 6th February, 1935, in the Legislative Assembly:

"The recommendations of the Indian Taxation Enquiry Committee related not only to central taxation but also to provincial and local taxation, which are primarily the concern of the Provincial Governments and local authorities. So far as they were concerned with the distribution of the different sources of revenue between central and provincial, their recommendations have since been superseded by those of the Joint Select Committee of Parliament. Several of the Committee's recommendations with regard to central taxation have however been accepted by the Government of India and effect has been given to them by the Legislature from time to time. I may mention the abolition of the export duty on tea and hides, the abolition of the cotton excise duty, the imposition of income-tax on the income derived by tea planters from manufacture, the regrading of the income-tax, and the lowering of the limit for super-tax to Rs. 30,000."

FINANCIAL RELATIONS BETWEEN THE PROVINCIAL GOVERNMENTS AND THE FEDERAL GOVERNMENT UNDER THE NEW CONSTITUTION.

61. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state what recommendations, if any, they have made to the Secretary of State for India, with a view to so adjust the financial relations between the Provincial Governments and the Federal Government under the new Constitution as to enable the former Governments to have sufficient funds to develop the nation-building departments?

THE HONOURABLE MR. A. J. RAISMAN: The Government of India have made no recommendation to the Secretary of State. The matter is within the jurisdiction of the Financial Enquiry now being undertaken by Sir Otto Niemeyer.

PROCEDURE FOLLOWED IN TRANSFERRING INDIAN CIVIL SERVICE OFFICERS TO THE JUDICIAL BRANCH OF THE SERVICE.

62. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state whether there are any principles or rules laid down by themselves or the Provincial Governments or the Secretary of State for India, according to which members of the Indian Civil Service are, after a certain period of service, transferred to the Judicial Department or are such transfers made arbitrarily?

(b) If there are any rules, will Government be pleased to lay them on the table?

(c) If not, will they consider the desirability of formulating such principle or framing rules?

THE HONOURABLE MR. M. G. HALLETT: (a), (b) and (c). The Honourable Member presumably refers to the allotment of Indian Civil Service officers to the judicial branch of the service. After a period of preliminary training officers are called upon to say whether they prefer to serve in the judicial or executive branch of the Service. Though the officers' preference is taken into account, Local Governments are not bound by that preference but allot to the judicial branch those officers who have shown an aptitude for that work. There are further orders to the effect that officers may be definitely selected for the judicial branch at any stage between five and eight years' service. Before they are permanently appointed to be District and Sessions Judges, they should undergo a period of training for 18 months in the posts of munsif and subordinate judge, or additional district judge, and thereafter, if the High Court so recommends, they may be granted study leave to the United Kingdom for the purpose of reading in barristers' chambers and passing the Bar examinations under such rules as may from time to time be prescribed by Government. Ordinarily, this leave will not be granted to any officer after the twelfth year of service.

THE HONOURABLE MR. HOSSAIN IMAM: Are the officers put in the judicial line reverted again to the executive line if they are found unsatisfactory by the High Court?

THE HONOURABLE MR. M. G. HALLETT: Yes, Sir. It sometimes happens that an officer tried as a judge fails and he is put into the executive line, but not very often.

THE HONOURABLE SIR PHIROZE SETHNA: Is it a fact that more Indians are transferred to the judicial side than European civil servants?

THE HONOURABLE MR. M. G. HALLETT: I think that is probably correct, the reason being that Indians have probably more aptitude for judicial work.

PAY OF FUTURE ENTRANTS TO THE INDIAN CIVIL SERVICE.

63. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state whether it is proposed to reduce the scale of salaries of future entrants to the Indian Civil Service?

(b) If any change is under consideration, will Government state if the "overseas allowances" will remain at their present level?

THE HONOURABLE MR. M. G. HALLETT: (a) As explained by me in this House in reply to question No. 79 on the 18th March, 1935, the Secretary of State decided to postpone further consideration of this question until after the passing of the Constitution Act. The question is now being further considered.

(b) The question being under consideration and discussion, I am unable to anticipate what the decision will be. The question of "overseas pay" will of course be considered.

PRINCIPLES OR RULES UNDER WHICH MEMBERS OF THE INDIAN CIVIL SERVICE ARE APPOINTED TO THE PROVINCIAL SECRETARIATS.

64. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state whether there are any principles or rules according to which members of the Indian Civil Service are appointed by the Provincial Governments as assistant secretaries, deputy secretaries or secretaries in the provincial secretariats?

THE HONOURABLE MR. M. G. HALLETT: The posts of secretaries to Local Governments except in the Public Works and Marine Departments, are reserved for members of the Indian Civil Service under section 98 of the Government of India Act read with Schedule III thereof, Part 2 of Schedule VII-A and the note in Schedule IX-A of the Superior Civil Services Rules, a copy of which will be found in the Library of the House. The posts of deputy secretaries are not so reserved by Statute but for purposes of recruitment two posts in Madras, three in Bombay and two in Bengal have been included in the Indian Civil Service cadre of those provinces and are accordingly treated as reserved for members of the Indian Civil Service as laid down in Part 2 of Schedule VII-A read with Note 1 in Schedule VIII-A of the Superior Civil Services Rules. In other provinces these posts are not reserved for members of the Indian Civil Service but may be held by them at the discretion of the Local Governments. As regards the posts of assistant secretaries these are neither reserved for, nor borne on the cadre of, the Indian Civil Service and as far as the Government of India are aware have never been held by a member of that Service.

THE HONOURABLE MR. HOSSAIN IMAM: Has the Government listed any of the posts in the Secretariat to the Provincial Service men?

THE HONOURABLE MR. M. G. HALLETT: The question refers to posts for the Provincial Service. Some of those have been given to members of services other than the Indian Civil Service, that is to say to members of the Provincial Services.

IMPROVEMENT OF THE HORSE-BREEDING INDUSTRY IN INDIA.

65. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state if, as a result of the debate on the Resolution moved in this House on 22nd August, 1934, any steps have been taken for the improvement of the horse-breeding industry in India? If so, what are they? If not, why not?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: As the Honourable Member is aware the subject is primarily the concern of Provincial Governments and a copy of the debate on the Honourable Member's Resolution in the Council of State on 23rd August, 1934 was forwarded to all of them. Action is being taken by race clubs, the number of races allotted to Indian-breds has been materially increased, an additional class for Indian-bred horses has been recognised by the Calcutta Turf Club and certain other facilities have been given which should be of assistance to owners of Indian-bred horses.

RACING STAKES GIVEN BY TURF CLUBS TO ARAB HORSES.

66. THE HONOURABLE SIR PHIROZE SETHNA: (a) Are nearly Rs. 12 lakhs given annually in racing stakes by Turf Clubs to Arab horses imported into India?

(b) Are only about Rs. 2½ lakhs similarly given specifically to Indian horses?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Up to date figures are not available.

SUBSIDIES GIVEN TO INDIAN HORSE-BREEDERS.

67. THE HONOURABLE SIR PHIROZE SETHNA: (a) Have Government been obliged to subsidise certain Indian horse-breeders by grants of land on horse-breeding conditions?

(b) Will Government be pleased to state the average cost of home-bred remounts drafted into the army?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Grants of land which at the time was generally speaking unproductive, were made on horse-breeding terms in the Lower Jhelum and Lower Bari Doab Canal Colonies when these colonies were founded.

(b) If the figure produced by dividing the normal overhead charges of the Army Remount Department by the number of remounts actually drafted into the army is taken as the average cost of an Indian-bred horse, it is Rs. 1,400. This is not, however, a fair average as it takes no account of the brood mares and other horses not purchased by the army which go respectively to meet the needs of breeders and to supply the ordinary economic requirements of the country.

ADOPTION OF THE METHODS OF THE GOVERNMENT STUD FARM, PYAWBWE, BURMA, FOR IMPROVING THE HORSE-BREEDING INDUSTRY IN INDIA.

68. THE HONOURABLE SIR PHIROZE SETHNA: Has the attention of Government been drawn to the methods of the Government Stud Farm at Pyawbwe, Burma, and will Government consider the advisability of adopting those methods, fully or with suitable modifications, towards improving the horse-breeding industry in India?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Government are aware of the methods used at the Burma Government's Stud Farm at Pyawbwe, but do not consider that what is perfectly suitable for providing the limited needs of Burma in the matter of small ponies is suitable to the requirements of the army in India.

CREATION OF A RESERVE OF HOME-BRED HORSES.

69. THE HONOURABLE SIR PHIROZE SETHNA: What steps have Government taken, or propose to take, for creating an adequate reserve of home-bred horses in India, to be available in time of emergency?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I trust the Honourable Member will be satisfied with my assurance that adequate steps have been taken to ensure that the number of horses required on mobilisation will be available.

IMPORTATION OF ARAB HORSES INTO INDIA.

70. THE HONOURABLE SIR PHIROZE SETHNA: (a) Are nearly 600 Arab horses annually imported into India?

(b) Are about 3 per cent. of these imported horses found suitable or subsequently used for breeding in India?

(c) If 3 per cent. is incorrect, will Government state the correct percentage?

(d) If the answer to part (b) is in the affirmative, why is it that this number of Arab horses are permitted to be imported?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) Yes, approximately.

(b), (c) and (d). Exact percentage is not known. There is no restriction on import.

THE HONOURABLE SIR PHIROZE SETHNA: Will the imports decrease if there are larger racing stakes for Indian horses?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: That is a matter of opinion. It is not asking for information.

PROVISION FOR INDIAN HORSES IN THE ECLIPSE STAKES.

71. THE HONOURABLE SIR PHIROZE SETHNA: Do the terms of the Eclipse Stakes make no provision for Indian horses while thoroughbred horses from any other part of the world can be entered?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The answer is in the affirmative.

THE HONOURABLE SIR PHIROZE SETHNA: Will Government give reasons why Indian horses are excluded from this race?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I really, Sir, must ask for notice. I do not know why Indian horses have been excluded.

RUNNING OF THE ECLIPSE STAKES IN BOMBAY.

72. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government state whether the race known as the Eclipse Stakes run in Bombay was started in 1924 and what is the average number of entries every year since its start?

(b) Does this race offer Rs. 50,000 and Rs. 17,000 and Rs. 8,000 respectively to the second and third horses?

(c) Was this race introduced for the improvement of horse-breeding in India?

(d) Since this race was started in 1924 has it been won nine times in thirteen years by geldings?

(e) In the last Eclipse race run on 8th February, 1936, out of 12 entries were as many as five geldings?

(f) How many stallions and mares run in the Eclipse Stakes have subsequently been used for breeding purposes in India?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Information is being collected and will be supplied to the Honourable Member on its receipt.

RACING OF ARAB HORSES IN NORTHERN INDIA.

73. THE HONOURABLE SIR PHIROZE SETHNA: Will Government state whether the Calcutta Turf Club have recently issued instructions to the racing executives in Northern India to stop the racing of Arabs altogether in Northern India?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The instructions referred to apply only to meetings held under Royal Calcutta Turf Club rules.

IMPORTATION OF ARAB AND AUSTRALIAN HORSES INTO INDIA.

74. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to give the number of

(i) Arab and (ii) Australian horses that were imported in India during the financial years 1933-34 and 1934-35?

(b) How many Arabs and how many Australians out of these imports were used for breeding purposes in India?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD:

	1933-34.	1934-35.
(a) (i) From Iraq	721	599
(ii) From Australia	2,525	2,927
(b) Information is not available.		

EMPIRE MARITIME POLICY.

75. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state if their attention has been drawn to the following observations in regard to the formation of an Empire Maritime Policy made

by Mr. Runciman as President of the Board of Trade in the House of Commons on the 3rd July, 1934 :

"I need not add that in considering these problems it is essential to have the co-operation of the Dominions and India. We must bear in mind not only the position of tramp shipping, but the position in some of the great liner trades especially those between different parts of the Empire which are menaced by subsidised foreign competition. We are therefore informing the Dominions and India of the position as we see it and seeking their views as to the possible lines of action."

(b) If the answer to (a) be in the affirmative, will Government be pleased to state whether they received a despatch on the subject of the Empire Maritime Policy from Sir John Simon, the then His Majesty's Secretary of State for Foreign Affairs, in the last quarter of the year 1934 ?

(c) If the answer to (b) be in the affirmative, will Government be pleased to lay on the table a copy of the despatch together with a copy of the reply of the Government of India thereto, if any ?

(d) Will Government be pleased to state if they have consulted, or are prepared to consult, the commercial and particularly the shipping interests in regard to the subject-matter of the despatch mentioned above ?

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

(b) In pursuance of that statement a communication was addressed to the Government of India by the Secretary of State for India.

(c) I regret I am not in a position to do so, as the communications are confidential.

(d) No.

RESERVATION OF THE INTER-IMPERIAL TRADE TO THE BRITISH FLAG.

76. THE HONOURABLE SIR PHIROZE SETHNA : (a) Will Government be pleased to state whether they have received any despatch from the Board of Trade in England in connection with the Reservation of the Inter-Imperial Trade to the British Flag ?

(b) If the answer to (a) be in the affirmative, will Government be pleased to lay on the table a copy of the said despatch together with a copy of the reply of the Government of India thereto, if any ?

(c) Will Government be pleased to state whether they have consulted or are prepared to consult, the commercial and shipping interests before forwarding their reply, if any, to the Board of Trade ?

THE HONOURABLE MR. T. A. STEWART : (a) No.

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

ARREST OF MR. M. K. BOSE.

77. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : (a) Has the attention of Government been drawn to a report published in the *Amrita Bazar Patrika* on the 11th May (town edition) 1935, under the heading "Mr. M. K. Bose arrested" ? If so, was he arrested by the railway police for any offence committed against the railway ?

(b) Did the railway police make any enquiry before the arrest of Mr. M. K. Bose ? If so, what was the report of the police ? Do Government propose to lay on the table a copy of the police reports ? If not, why not ?

(c) Were Mr. M. K. Bose and his servant arrested on the 10th May, 1935, at the Howrah station platform ? If so, under what section of the Railway Act or the railway laws were they arrested on the platform ? Were Mr. M. K. Bose and his servant released on personal recognisance bonds ? Was any case instituted against Mr. Bose and his servant after the arrest ? If not, why not ?

(d) Will Government be pleased to state whether any regret was expressed by the railway authorities for the arrest of Mr. Bose and his subsequent release without any case having been instituted against him ? If not, why not ?

(e) Was Mr. Bose accompanied by his daughters besides his servant ? Did they travel from Hazaribagh to Howrah in a compartment which did not bear any sign to show that it was a ladies' compartment ?

(f) Were Mr. Bose and his companions harassed at several stations throughout the night by the railway officers accompanied by the police, threatening arrest in case he and his companions did not shift to another compartment ?

(g) Did some railway staff holding railway passes want the compartment occupied by Mr. Bose and his daughters for themselves ? Was the refusal of Mr. Bose to give up the compartment to these railway pass-holders the reason why he and his daughters were harassed throughout the night and finally arrested ? Do Government propose to enquire into the matter ? If not, why not ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) The reply to the first part is in the affirmative : as regards the second part, I understand the arrest was made because it was believed that an offence had been committed.

(b) The railway police arrested Mr. Bose on the strength of information telegraphed from Burdwan station. The subsequent enquiry however disclosed that there had been a "mistake of fact". Government do not consider that any useful purpose will be served by placing on the table a copy of the police report.

(c) Mr. Bose and his servant were arrested under section 119 of the Indian Railways Act and were released on personal recognisance bonds. No case was instituted against him for the reason given in reply to part (b) of the question.

(d) I understand a full and ample apology was made to Mr. Bose and accepted by him.

(e) Yes.

(f) At Asansol and Burdwan stations Mr. Bose and his servant were asked by the railway staff to move into another compartment and were told that, in the event of non-compliance, they would render themselves liable to arrest.

(g) Government have no information. I am, however, ascertaining from the Agent, East Indian Railway, whether this was the case.

DELAY IN DELIVERY OF LETTERS AT TIRUKALIKUNDAM NEAR CHINGLEPUT,
MADRAS PRESIDENCY.

78. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Will Government be pleased to state:

(a) Whether Tirukalikundram, near Chingleput on the South Indian Railway, is a famous place of pilgrimage in India and a health resort for the people of the Madras Presidency, which is growing in importance from day to day?

(b) Whether letters from Madras are delivered late in the day at Tirukalikundram?

(c) If the answer to (a) and (b) is in the affirmative, whether they will enquire into the reasons for the late delivery of letters?

(d) Is there any telegraph office attached to the existing post office?

THE HONOURABLE MR. A. G. CLOW: (a) Tirukalikundram is a place of pilgrimage but I am not aware of its growing importance as a health resort.

(b) and (c). A copy of the question will be forwarded to the Postmaster-General, Madras, within whose competence the matter lies, for such action as he considers necessary.

(d) No.

AVERAGE NUMBER OF YOUNG STOCK HORSES PURCHASED BY GOVERNMENT
FOR THE ARMY.

79. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state:

(a) What is the average number of young stock per annum in the areas subsidised and controlled by Government which is not purchased by Government for the army?

(b) What is the average price obtained by the breeders for these Government rejections?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) An average of 3,350 young stock horses were produced annually during the last three years of which half were fillies and therefore not required by Government. An average of 1,059 were purchased by Government. The corresponding figures for mules were 781 and 538.

(b) Government have no information as the selling is done by individual breeders in the open market.

COMMUNITIES FROM WHICH THE NORTH WESTERN RAILWAY RECRUITED
DURING APRIL TO DECEMBER, 1935.

80. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state the communities to which the persons belonged who were recruited to the North Western Railway in each of posts advertised in the *Tribune* of Lahore in its issues of 16th April, 1935, 18th April, 1935, 19th June, 1935, 7th July, 1935, 18th July, 1935, 11th October, 1935 and 27th December, 1935?

THE HONOURABLE SIR GUTHRIE RUSSELL: I lay a statement on the table giving the required information.

Statement showing the results (community-wise) of the new recruitment made on the North Western Railway as a result of the advertisements published in the *Tribune* referred to in the question.

1	2	3	4 Results of the Selection Board.					5 Total recruited.	
			Hindus.	Muslims.	Domiciled Europeans and Anglo-Indians.	Other minority communities.			
						Sikhs.	Indian Christians.		Parsis.
Reference to advertisement published in the <i>Tribune</i> .	Category of staff for which recruitment was to be made.	No of appointments advertised.							
1935.									
6th April	} Station master group students Welfare assistants . . . Apprentice permanent way inspectors. Station master group and commercial group students. Guards, class I, grade I. . Station master group students .	85	22	52	1	9	1	..	85
8th April		7	1	4	1	1	..	..	7
9th June		10	2	6	1	1	..	..	10
17th July		52	12	38	..	7	1	..	58*
8th July		19	..†	16	1	2	..	..	19
11th October		50	9	35†	..	5	1	..	50
17th December									

* Six men were recruited in excess of the posts advertised to meet wastage.

† Absence of any recruitment of majority community was due to reserving three additional posts for the Muslim community in excess of their 60 per cent. reservation towards making good short recruitment of this community in 1934.

‡ The recruitment of Muslims in excess of their 60 per cent. reservation is accounted for as follows:

To make good shortage of this community from recruitment in 1934, and

To make good wastage from recruitment in 1935, etc.

INSTRUCTIONS ISSUED TO THE NORTH WESTERN RAILWAY ON THE SUBJECT OF MINORITY COMMUNITIES.

81. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has the North Western Railway been ordered to carry forward the deficiencies of minority communities to make up their communal proportion as laid down by the Railway Board? If so, what are the detailed instructions on this subject?

THE HONOURABLE SIR GUTHRIE RUSSELL: The North Western Railway was instructed to take steps to see that the percentage fixed for Muslims under the orders of Government from July, 1934 was fully worked up to. Government are not prepared to lay detailed instructions issued in this connection on the table of the House as they are meant for departmental use only.

PERCENTAGES FIXED FOR VARIOUS COMMUNITIES ON STATE RAILWAYS.

82. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what are the percentages fixed for the various communities for the recruitment of new entrants on each of the State Railways? Will such percentages apply even in those branches of railway services where one community preponderates over others? If so, why?

THE HONOURABLE SIR GUTHRIE RUSSELL: I would invite the Honourable Member's attention to the orders contained in Railway Board's letters No. E34 CM113, dated 12th December, 1934 and No. E35CM120, dated 9th August, 1935 and paragraph 74 of the Report by the Railway Board on Indian Railways for 1934-35, Volume I, in which the position has been fully explained. Copies of all these documents are available in the Library.

REPRESENTATION OF VARIOUS COMMUNITIES ON THE NORTH WESTERN RAILWAY.

83. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether the figures given in the annexed statement concerning numbers of loco. drivers, shunters and firemen community-wise on each of the divisions of the North Western Railway are correct? If so, how does Government intend to make up the due communal proportion in the future recruitment of each community in each division?

Statement of number of drivers, shunters and firemen employed on 1st April, 1931 by each community.

Division.	DRIVERS.						SHUNTERS.						FIREMEN.					
	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Sikhs.	Indian Christians.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Sikhs.	Indian Christians.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Sikhs.	Indian Christians.
Rawalpindi	19	8	13	114	5	1	3	5	11	117	3	...	4	7	58	444	14	1
Lahore	30	14	13	87	10	1	5	7	11	77	4	...	9	16	102	293	21	7
Delhi	32	15	42	66	5	3	4	3	55	98	7	...	9	12	237	248	29	9
Ferozepur	3	4	16	61	3	...	1	3	17	63	7	...	5	3	46	181	10	1
Multan	5	10	18	48	5	1	1	3	14	38	2	...	4	10	59	158	13	2
Quetta	15	17	3	20	...	...	3	...	5	23	1	1	6	6	43	92	21	...
Karachi	13	23	9	105	...	5	3	10	27	95	2	1	11	18	63	385	9	1
Total	117	91	114	501	28	10	19	30	140	506	26	3	48	72	608	1,801	117	25
Grand Total	863						729						2,673					

THE HONOURABLE SIR GUTHRIE RUSSELL: Government have no information as to whether the figures given by the Honourable Member are correct and they do not consider any useful purpose will be served by collecting the information. Orders regarding the representation of minority communities apply to the North Western Railway as a whole and not by divisions.

SURCHARGE ON RAILWAY FREIGHT ON COAL.

84. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether they intend to withdraw surcharge on railway freight on coal? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: In view of the present financial position, Government regret they are unable to consider the withdrawal of the surcharge.

TRAVELLING TICKET COLLECTORS, NORTH WESTERN RAILWAY.

85. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state the reasons which led the North Western Railway to treat the travelling ticket collectors differentially in matters of scale of salaries and allowances as compared to other train running staff? Do Government intend to reconsider this decision at an early date?

THE HONOURABLE SIR GUTHRIE RUSSELL: Government have, during the last five years, already replied to more than 400 questions concerning travelling ticket inspectors, travelling ticket examiners and similar staff on the North Western and East Indian Railways in the other House giving detailed information covering almost every aspect of this subject and I would refer the Honourable Member to these replies.

Government have given the whole subject their very careful consideration and have granted the staff concerned the maxima concessions in pay, allowances and prospects that they consider justifiable. Government are not prepared to revise these orders and in the circumstances consider that no useful purpose will be served by providing further information on this subject.

PURCHASE OF THE BENGAL AND NORTH-WESTERN RAILWAY AND ROHILKUND AND KUMAON RAILWAY.

86. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether they have decided to purchase the Bengal and North-Western Railway and the Rohilkund and Kumaon Railway when their present terms of contract expire? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: The matter is under consideration.

SAVINGS EFFECTED ON STATE RAILWAYS DUE TO THE DIVISIONAL SYSTEM.

87. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what savings in the cost of establishment have been effected in the annual expenditure on each of the State Railways, since the "divisional system" has been introduced?

THE HONOURABLE SIR GUTHRIE RUSSELL: 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 the Honourable Member asked on the 20th September, 1932 and 23rd September, 1932 respectively in this House. This is the only information readily available with Government.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Has there been any change since?

THE HONOURABLE SIR GUTHRIE RUSSELL: I cannot understand in what way.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: In the way of expenditure.

THE HONOURABLE SIR GUTHRIE RUSSELL: I really could not tell the Honourable Member that, off-hand.

RIGHT OF APPEAL OF EMPLOYEES OF STATE RAILWAYS TO THE PUBLIC SERVICE COMMISSION.

88. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether on State Railways whenever any enquiry is held against any officer or subordinate, the person aggrieved has a right of appeal or redress to the Public Service Commission? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: Presumably the Honourable Member refers to State-managed Railways. If so, the reply is in the negative. Under the Public Service Commission (Functions) Rules, a copy of which is in the Library of the House, the Government of India consult the Commission regarding officers' appeals and cases involving disciplinary action against officers.

POOLING OF ENGINES ON STATE RAILWAYS.

89. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether the system of pooling locomotive engines on each of the State Railways resulted in economy and better punctuality and efficiency in running of passenger trains?

THE HONOURABLE SIR GUTHRIE RUSSELL: Locomotive engines are not pooled with a view to improving punctuality and efficiency in the running of passenger trains. The success of the policy of pooling engines is to a large extent reflected in the few new engines purchased and the large number of engines broken up without renewal during recent years.

COST OF ANNUAL REPAIRS DUE TO THE POOLING OF ENGINES.

90. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly lay on the table of this House, a comparative statement showing the cost of annual repairs to locomotives running on the pool system? What is the number of engines (locomotives) standing for want of repair as compared to the pre-pool period?

THE HONOURABLE SIR GUTHRIE RUSSELL: No separate statistics relating to pooled and non-pooled engines are available. No increase in the annual cost of locomotive repairs or in the number of locomotives awaiting repairs has been apparent since the pooling system was introduced and extended.

GRANT OF FREE PASSES TO EMPLOYEES OF STATE RAILWAYS AND DEFINITION OF "FAMILY."

91. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state the definition of "family" as far as the grant of free passes is concerned to the employees of the State Railways? Does the family include the adopted son or daughter or adopted parents? If not, why not? Will Government kindly lay a copy of the relevant rules on the table of this House?

THE HONOURABLE SIR GUTHRIE RUSSELL: I am laying on the table relevant extracts from the Free Pass Rules of the five State-managed Railways from which the Honourable Member will observe that the term "family" is interpreted differently on the various railways. Except on the Burma Railways, adopted children are eligible for passes, but not adopted parents. A limitation in the number and category of dependent relatives is necessary in the public interest.

EXTRACTS FROM THE PASS RULES OF THE STATE-MANAGED RAILWAYS.

Extract paragraph 34 from the Burma Railways' Pass Rules.

34. The term 'family' includes the wife and legitimate children and step-children of an employee, provided they are residing with and are wholly dependent on him. Sons of 18 years of age, and married or widowed daughters or step-daughters will not be considered dependent. If the employee is a bachelor or widower, the term 'family' will include either a widowed mother, or a sister being a spinster, provided that she is residing with and is wholly dependent on him.

Extract from the Eastern Bengal Railway Pass Rules.

68. *Family.*—The term "family" includes wife, legitimate sons and step sons under 18 years, unmarried or widow daughters and step-daughters of any age, and married daughters under 18 years, of an officer residing with and wholly dependent on him. It may also include not more than two dependent relatives.

Note.—Passes will not be granted for more than one wife at a time.

69. *Dependent relatives.*—The term "dependent relative" includes mother, if a widow, sisters including step sisters, unmarried or widow and brothers including step brothers under 18 years residing with and wholly dependent on the officer.

70. *Adopted children.*—Adopted children (sons and daughters) are not eligible for passes unless the employee has first obtained a court certificate to the effect that he has legally adopted such children. This certificate must be placed on the employee's personal file. Adopted children should always be shown and recorded on the pass as such.

Extract from paragraph 20 from the East Indian Railway's Free Pass Regulations.

20. The term 'dependent relative' only includes persons who are actual members of the employee's household and exclusively dependent on him for the means of subsistence. It will not include any male person of an age to earn his own living, nor the wife or children of such person. The limit of the age of a dependent male youth should be 18, except those who are attending school or university. It may include an adopted child.

Extract paragraph 26 from the Great Indian Peninsula Railway's Rules for the issue of Free Passes and Privilege Ticket Orders.

26. In the above rules the following definitions are to be understood unless there is anything stated to the contrary.

The term family includes :

- (a) (i) Wife or wives (not more than two).
- (ii) Sons and step-sons under 18 years of age.
- (iii) Unmarried and widowed daughters and step daughters of any age.
- (iv) Married daughters and step daughters under 18 years of age provided they reside with and are wholly dependent on the employee.
- (v) Sons and step-sons over 18 years of age on production of a certificate from the Principal of the school or college which they are attending.
- (b) The term 'dependent relative' shall not include any person who is not an actual member of the employee's household and entirely dependent on him for means of subsistence. It may include an adopted child.

Not more than two dependents should be included in any pass.

Dependent relatives include :

- (i) Father.—If he is unemployed and in such a condition as to be beyond work, and entirely dependent on his son/daughter for support and a permanent member of his/her household.
- (ii) Mother.—If she is a widow or her husband is unemployed and in such condition as to be beyond work, and entirely dependent on her son/daughter for support and a permanent member of his/her household.
- (iii) Sister.—If she is unmarried or a widow and entirely dependent on her brother/sister for support and a permanent member of his/her household.
- (iv) Brother.—If he is under 18 years of age, unemployed and entirely dependent on his brother/sister for support and a permanent member of his/her household.
- (v) Brother over 18 years of age on production of a certificate from the Principal of the school or college which he is attending.

EXTRACT PARAGRAPH 25 FROM THE NORTH WESTERN RAILWAY'S PASS RULES.

25. *Dependent relatives.*—(a) The term 'family' includes :

- (i) wife ;
- (ii) legitimate and step-sons under 18 years ;
- (iii) unmarried daughters and unmarried step-daughters of any age ; and
- (iv) widowed daughters and widowed step-daughters of any age of an officer residing with and wholly dependent on him.

It may also include not more than two dependent relatives. The term 'dependent relatives' includes mother or step-mother, if a widow, sisters and step-sisters unmarried or widowed, and brothers and step-brothers under 18 years, residing with and wholly dependent on the officer.

(b) An employee may apply for passes for an adopted child (son or daughter) provided he has first obtained a court certificate, stamped with the seal of the court, to the effect that he has legally adopted the child.

SAVINGS EFFECTED IN THE ARMY DUE TO THE INTRODUCTION OF MOTOR TRANSPORT.

92. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state what yearly savings have been effected by the introduction of motor transport in various army units ? What corresponding reduction has been made in the number of transport animals and in the cost of the units concerned ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The collection of the detailed information asked for would involve considerable expenditure of time and would serve no useful purpose. Although the cost of *maintaining* certain mechanized units may be less than the cost of *maintaining* equivalent

non-mechanized units, there is probably no saving on the whole when the initial cost of mechanization is taken into account. Moreover the value of mechanization is not to be judged purely by the economies which may result from it, but also by the increased mobility and general efficiency for war that it produces.

SAVINGS EXPECTED DURING 1936 DUE TO THE CHEAP PRICE OF FOODSTUFFS.

93. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state what savings they expect this year from cheap prices of foodstuffs as compared to previous years ? What are the prospects for next year in this connection ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : There is likely to be a slight increase in the cost of foodstuffs this year as compared with last, and for the purpose of the Defence Services Estimates for 1936-37 a small rise in cost has also been allowed for.

TIME OF ARRIVAL OF THE GRAND TRUNK EXPRESS AND DELAY IN THE DELIVERY OF LETTERS AT NEW DELHI.

94. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY : Will Government be pleased to state :

- (a) The time at which the Mail arrives at New Delhi from Madras ?
- (b) Whether Government are aware that Madras tapals are delivered at certain important places in New Delhi as late as 1 P.M. or even later ?
- (c) If the answer is in the affirmative, whether Government propose to issue instructions to the authorities concerned so that letters are delivered earlier than at present ?

THE HONOURABLE MR. A. G. CLOW : (a) If the Grand Trunk Express arrives punctually, mails from Madras conveyed by it are timed to reach the New Delhi Post Office at 8-40 A.M.

(b) The position is that if the Express to which I have referred arrives punctually the mails can be sent out for delivery at 10 A.M. from the New Delhi Post Office, but if the train is running late the mails have to wait for the next delivery which is at 1 P.M.

(c) No. As I have explained, later delivery, when it occurs, is due to causes outside the control of the postal authorities, and short of making special arrangements for delivery which would be unjustified, further expedition can hardly be secured.

STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

THE HONOURABLE THE PRESIDENT : I have to inform the House that the Honourable Mr. P. N. Saprú has since withdrawn his candidature for election to the Standing Committee in the Department of Industries and Labour. As there now remain the following two candidates for the two vacancies, I declare them to be duly elected :

1. The Honourable Sir Ramunni Menon, and
2. The Honourable Mr. Jagadish Chandra Banerjee.

DURGAAH KHWAJA SAHEB BILL.

THE HONOURABLE THE PRESIDENT : The House will now proceed to debate the Bill of Raja Ghazanfar Ali Khan which was postponed from the 26th February.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, before we commence the discussion of this Bill, I should like to have a ruling on a constitutional point of order which arises in connection with this Bill. This Bill was introduced in the Simla session and we Members of the House did not know whether the sanction of the Governor General was obtained or not. It was only recently that I came to know that the previous sanction of the Governor General was not obtained and I would like to place before you, Mr. President, the relevant section of the Government of India Act, section 67 (2), which says that it shall not be lawful without the previous sanction of the Governor General to introduce at any meeting of either Chamber of the Indian Legislature any measure affecting the religion or religious rites and usages of any class of British subjects in India.

THE HONOURABLE THE PRESIDENT : Will you please let me know whether you made any inquiry whether the Governor General's sanction was obtained or not ?

THE HONOURABLE MR. HOSSAIN IMAM : Yes, I made an inquiry, Sir, on the 3rd or 4th. We found that the previous sanction had not been obtained. And it being a part of the Statute that previous sanction must be obtained, since a Standing Order in the Manual of Business, section 66, lays down that if any question arises whether a Bill is or is not a Bill which requires sanction under the Act it shall be referred to the Governor General and his decision on the question shall be final. I therefore ask you, Sir, to order that it was not competent for any one to decide the question of the requirement of the Governor General's sanction to a Bill, and, secondly, that the sanction not having been obtained it would be *ultra vires* for the Legislature to discuss this Bill. I therefore ask your ruling, Sir, and request the Honourable Member in charge of the obtained Bill to withdraw it in order to facilitate action.

THE HONOURABLE THE PRESIDENT : What has the Honourable mover got to say ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I am surprised that my Honourable friend Mr. Hossain Imam only recently learnt that the Bill requires the Governor General's sanction and that the same had not been obtained. I think, Sir, I owe it to the Honourable Members of this House as well as to those people who are interested in this Bill outside that I should describe briefly the history of the Bill. What happened was, Sir, that when I gave notice of the introduction of this Bill previous to the Simla session, I applied for the Governor General's sanction to be kindly obtained for the introduction of this Bill. To this letter, Sir, I received a reply from the Legislative Department that this Bill did not require the Governor General's sanction. That letter is No. F.-258/315-C. & G., dated—

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THE HONOURABLE THE PRESIDENT : Will it in any way help you that you received a written reply from the Government of India ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I only want to assure the Honourable Members that as far as my duty was concerned I did apply for sanction, and I got a reply in writing from the Legislative Department that the sanction of the Governor General was not required. Well, Sir, this reply I have read very carefully. It does not say whether the matter was referred to the Governor General or not.

THE HONOURABLE THE PRESIDENT : But you will admit that the Governor General's sanction is necessary ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : But, Sir, this is another point which I submit requires your decision. It is stated that any Bill which concerns the religion or religious rites and usages of any class of British subjects in India requires the previous sanction of the Governor General in India. I submit, Sir, that this Bill does not come under that qualification because it merely concerns the management of the property which is in the possession of a religious institution. Therefore, strictly speaking, it does not come under that class. But assuming that this Bill comes under that class, I would like to know whether the Governor General's sanction was obtained or not ? If the matter was referred to the Governor General, Sir, and the Governor General decided that his sanction was not required, then I beg to submit that there is no point of order in what Mr. Hossain Imam has said because it is only the Governor General who can decide whether any particular Bill requires his sanction or not.

THE HONOURABLE THE PRESIDENT : You have to satisfy me that the papers were sent to the Governor General.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, the letter I received says :

"I am directed to inform you"—now, Sir, it does not say by whom. It says "I am directed to inform you that the Bill in question does not require the previous sanction of the Governor General".

Well, Sir, after this letter, I was naturally satisfied that the Bill did not require sanction. There is one point I would lay before you. The Honourable Mr. Hossain Imam ought to have raised this question at an earlier stage. The Bill after it was introduced at Simla was published in the Gazette of India and the procedure is that whenever the Governor General's sanction is obtained it is clearly noted that the Governor General's previous sanction has been obtained.

THE HONOURABLE THE PRESIDENT : Assuming that the Governor General's sanction was necessary, how does the delay in raising this plea affect the question ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Well, I personally submit, Sir, that it will not make a thing legal which is otherwise illegal merely because this point has been raised at a later stage ; and as far as my friend's suggestion, that I should withdraw the Bill, is concerned, I would only submit that, after all, Sir, you are the custodian of the rights of the Members of this House. I have made an honest attempt to introduce this Bill and conform to all the formalities of the law.

THE HONOURABLE THE PRESIDENT : I can see that so far as you are concerned it was no fault of yours. That is perfectly apparent to me. But at the same time, if the sanction is necessary, even if this Bill is passed, how will it be a valid measure ?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : But, Sir, I must admit that if the sanction was necessary and was not obtained, even if this Bill is passed, this will be such a serious legal flaw that all my efforts would have been useless. Therefore, Sir, I leave the matter entirely in your hands to decide what the proper course would be for me to adopt in this connection.

THE HONOURABLE THE PRESIDENT : I had some notice that the Honourable Mr. Hossain Imam was going to raise this objection today and I have therefore given this matter my most careful consideration. The point taken by the Honourable Mr. Hossain Imam is that this Bill affects the religion of a class of British subjects in India and therefore requires the previous sanction of the Governor General, which it admittedly has not received. I am informed that the relevant facts are as follows. The Honourable mover in giving notice of the Bill requested that the previous sanction of the Governor General should be obtained if necessary. The Department of Government concerned was of opinion that sanction was not required, and having inferred from the language used by the Honourable mover that he had left the matter in their hands, concluded that no question arose within the meaning of sub-rule (3) of rule 19 of the Indian Legislative Rules. Consequently, the Department made no reference to the Governor General under that sub-rule but merely informed the Honourable mover that sanction was not required. The opinion of Government that sanction was not required was of course binding upon no one, for the effect of sub-rule (3) of rule 19 is to vest the decision of that question in the Governor General alone. If therefore the point raised by the Honourable Mr. Hossain Imam had been taken when the Honourable mover rose to move for leave to introduce the Bill on the 26th September last my course would have been clear. I would then have directed a reference to be made for the decision of the Governor General and would not have allowed the Honourable mover to move for leave to introduce until the Governor General's decision had been obtained. But the Honourable Mr. Hossain Imam's omission to take this objection in right time cannot affect my decision in any way. The Bill has now been introduced and we are now at the consideration stage and it appears to me that the stage at which a decision could have been obtained from the Governor General in accordance with sub-rule (3) of rule 19 has expired. If that sub-rule is read in its immediate context, that is to say with sub-rules (1) and (2) it is in my opinion quite clear that it operates only at the stage when the validity of a notice of intention to move for leave to introduce a Bill is in question. In my opinion, therefore, the Chair has no jurisdiction to stay proceedings on this Bill pending a reference to the Governor General of the question whether previous sanction was required and should have been obtained to its introduction. I would however invite the Honourable mover's attention to certain considerations which in my judgment are relevant to the course of action which it would be prudent for him to adopt. Sub-section (2) of section 67 of the Government of India Act provides that it shall not be lawful without the previous sanction of the Governor General to introduce at any meeting of either Chamber of the Indian Legislature any measure affecting *inter alia* the religion or religious rights and usages of a class of British subjects in India. If therefore this Bill affects the religion of a class of British subjects in India, the unlawfulness at which sub-section (2) of section 67 is aimed has already

been perpetrated, in that the measure has already been introduced without the necessary sanction. Further, since the sanction required is previous sanction to the introduction of the measure, no *ex post facto* grant of sanction would cure the unlawfulness. In other words, assuming the Bill to have required previous sanction, the only means of curing the failure to obtain the necessary sanction would be for no further proceedings to be taken upon this Bill and for the Honourable mover to introduce a fresh Bill with the necessary previous sanction. The Honourable mover would in my opinion be well advised to take this course. He will observe that, while in respect of provincial legislation it is enacted in the proviso to sub-section (3) of section 80A that an Act subsequently assented to by the Governor General shall not be deemed invalid by reason only of its requiring the previous sanction of the Governor General, no corresponding provision is made in respect of central legislation, with the result that in the event of this Bill being passed by both Chambers and receiving the assent of the Governor General, it may well be that its validity would be subject to challenge in the courts on the ground of a necessary previous sanction not having been obtained. I cannot however dictate to the Honourable mover the course which he should adopt and my ruling on the point raised by the Honourable Mr. Hossain Imam must be that, unless the Honourable mover elects to adopt the course which I have suggested, the debate on the Motion before the House and all further proceedings on the Bill must take their normal course, but in that case, the Honourable Member should be prepared to take the necessary risks.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I am very grateful to you for the kind advice you have given me. As far as the point of order is concerned, you have ruled that the discussion will proceed but I personally consider that I will be well advised in accepting your advice and withdrawing the Bill. I would therefore ask your permission to withdraw the Bill, and I hope to send in a fresh one today and apply for the necessary sanction.

THE HONOURABLE THE PRESIDENT : I compliment you on the prudent course you have adopted.

The Bill was, by leave of the Council, withdrawn.

RESOLUTION RE INDIANISATION OF THE PUBLIC SERVICES PARTICULARLY WITH REFERENCE TO MUSLIM RECRUITMENT.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa ; Muhammadan) : Sir, I rise to move :

"That this Council recommends to the Governor General in Council to consider the question of Indianising the Public Services under the Government of India in relation to the questions of Muslim representation and reduction of pay of future entrants".

Sir, this Resolution is not mandatory. It is an innocuous thing. It is a method adopted by us to raise discussion on questions of public importance on which we wish to know the action taken by Government and to press our own grievances. My Resolution deals with the subject of Indianisation, particularly with reference to the recruitment of Muslims and the pay and emoluments of future entrants. Indianisation was once upon a time looked upon with disfavour by Government. Inefficiency and other impediments used to loom large on the horizon of Indianisation. But times have changed and with that the policy of Government has also changed. It is now much more in line with public opinion, although its pace is slow. I readily concede that there has been a steady advance towards Indianisation. The only difference now between Government and ourselves is about the pace of Indianisation. We

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wish that it should be accelerated while Government are not yet ready to change the pace very much. Incidentally, I should like to warn Government that their policy of Indianisation is proving a dismal failure from two points of view. Firstly, Sir, Indianisation at the present moment is becoming more and more an area monopoly. There are services which are the preserve of the Madrasis; other services are in the clutches of the Bengalis, and there are yet other services which have become the monopoly of our Punjabi friends. Some unfortunate provinces like far-off Assam, my own unfortunate province of Bihar, the Central Provinces and the Frontier, although they form about one-third of the population of British India, do not get even one-thirtieth of the services under the Central Government. The enterprising portion of the population are always to the fore and when one man comes in, his entire family get a sort of preferential treatment, with the result that people of other provinces are totally excluded. In this exclusion there is no differentiation. Hindus and Muslims both fare badly, and we realise that after all there is something in provincialism. The Muslim is as anxious to get service for his Hindu provincial man as the Hindu is to get service for the Muslim from his own province. I welcome this attitude which I have sometimes found in Honourable Members of this House. What I am trying to do is, in addition to having a reservation for minorities, to get a conventional reservation for provinces also. My defence of this demand is that the very idea of Indianisation originated from the principle that the disbursement of Government should go to enrich the nationals of the country. The first principle of civics, as you know, Sir, is that the function of civilised governments is to make a better and more equitable redistribution of the material goods of the world. This fundamental principle is controverted if we allow certain classes or certain communities or certain areas to monopolise Government services. It is for this reason that I wish to bring to the notice of Government the lamentable position which we Biharis and Assamese, the Central Provinces *wallahs*, the Frontier men, and the Burmans occupy in the services under the Government of India. To me it is very sad, because at the present moment the Home Department is in charge of Mr. Hallett, who himself is a Bihar civilian and to whom all of us have looked for the redress of our grievances. It is not an exaggeration to say that he is one of the most popular officers that Bihar has yet produced. We are proud of him and we hope that he will do something substantial to remove our grievances. One method which the Government of India can adopt is to take in their central and other services men from the provincial secretariats, men who are already in service, and have passed their examinations or have undergone some test. They are quite competent, tried hands, and they would be quite able to discharge the duties in the Government of India offices. You could adopt the system of asking Provincial Governments to send contingents of such men off and on. I do not say it should be adopted for the purpose of filling all vacancies, but in order to remove the anomaly of the meagre representation of certain provinces, you may ask the local secretariats to send you a Hindu or Muslim, as you require, to fill the places in the Government of India. It is only a question of will, Sir. If there is the will the Government can find many ways of doing this. It is not my policy to criticise only. I always like to give them some suggestions, and although I do not dogmatise I leave them free to do what they like so long as there is the intention to remove our grievances.

Now, Sir, I come to the main part of my Resolution about Muslim representation. Much has been said by Government Members and by the public,

that Government has done this, that, or the other, for Muslims. But my complaint is that whatever may have been done is not yet apparent. What is apparent is that there are many defects and many loopholes of escape in the way of giving effect to the Resolution of the Government of India. It is freely stated that Muslim boys are deficient; they do not come up to the mark; they have to be nominated. All these charges are thrown at our door. No doubt they are partial or half-truths. But the reason is not to be found in the inefficiency of the boys. It is to be found in causes outside their control. It is a well known fact that a vast majority of examiners in India belong to non-Muslim communities, and I have to admit with shame that, as there are black sheep everywhere, so in the body of examiners too there are people who are approachable and who can be influenced. I do not say they are all like that, but there are black sheep everywhere and some of them are like this. Secondly, there is a certain amount of communal prejudice also responsible for the failure of Muslim boys to get good marks. To experienced examiners there are any amount of indications in the answers to show the nationality or religion of the examinee, and sometimes inborn prejudice plays a part in withholding due marks from Muslim boys.

THE HONOURABLE THE PRESIDENT: Do you suggest that examiners do that intentionally?

THE HONOURABLE MR. HOSSAIN IMAM: Well, sometimes there is unintentional injury also, Sir.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadian): Are the names of the examinees written on the papers?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. But that is a thing you can find out from the answers. For instance, in a history paper the trend of the answers will tell you what community a boy belongs to and an examiner can take a partial attitude if he wants to. This is particularly the case in competitive examinations when boys have grown out of the school stage and formed opinions on subjects. But apart from all this, is an academic qualification the one guiding principle for success and for suitability in the services? I would suggest to the Government to make an inquiry as to how many governors and executive councillors from the Indian Civil Service were those who stood first in their examinations. It does not necessarily follow that those who stand first make the best officers. In many cases you will find that those who have not done well in examinations have made good. There are in public life many instances of men without academic qualifications, who are proved leaders of thought and who have attained great success in business. The trouble with us is that we make every means an end in itself. Competitive examinations were adopted as a system in order to get over the difficulty of favouritism, the fear that without such a system certain classes and communities would be favoured. It was just a *via media* to avoid that possibility. They have served their purpose, but they have also shown their defects. It is for this reason that I say that undue weightage should not be given to the results of competitive examinations alone. Other factors should also be taken into consideration.

THE HONOURABLE THE PRESIDENT: By the examiners?

THE HONOURABLE MR. HOSSAIN IMAM: By the appointing authorities. For instance, they have themselves admitted the deficiencies of the

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examination system by having also the *viva voce* test, which is nothing more than a system of faking notes and giving marks on principles other than mere literary ability. And you know that in the Government of India examinations an appreciable portion of the marks is given to the *viva voce* examination. I have said this just to point out the difficulties which existed in the old days, but now since the reservation circular was issued, some of the departments have adopted a different method. When it is the turn of Muslims to compete and come in, stiff tests are put to Muslims than would ordinarily be the case for the others. We have come across cases in which Muhammadan boys were subjected to much stricter tests than was the case for the other communities: sometimes there was no examination for other communities, while for Muslims there was a severe test.

I would like to refer to the wide and numerous loopholes which Mr. Hallett's circular has left for evasions of the intention of the Government. These loopholes are so big that evasions have become the rule rather than the exception. The first loophole is that technical services are not subject to reservation. That as a principle may be quite sound; in effect it becomes a measure of evasion. Sometimes posts which are not in reality technical are declared technical and no reservations are made. There are two remedies for this. One is that we should make a rule that Muslim boys should be taken in as probationers.

THE HONOURABLE THE PRESIDENT: I am very sorry you are discussing such an important Resolution on communal lines.

THE HONOURABLE MR. HOSSAIN IMAM: The question in itself is not communal, but rather national. Everyone who lives in India, whatever be his religion, whatever be his country of origin, is entitled to a due share of the services in the Government, because we all contribute to the central revenues and as such we are entitled to get disbursements from Government.

Sir, in the beginning I concentrated on the area question. Now I am dealing with the second aspect of the question of the religious monopolies. I was referring to the question of technical services. One method is that Muslim boys may be taken as probationers at very nominal rates. I do not wish that they should get any pay except just to meet their daily expenses so that when they are trained they may get a position. The second method is that technical and non-technical posts should be taken together and on the composite whole a proportion should be fixed for recruitment, taking into account the technical posts. If you have 10 vacancies out of which six are technical and four non-technical, the Muslim quota should be fixed for the two services taken together and not only for the four posts which are non-technical, on a composite basis. The second difficulty that I find in the circular is that reservation has been made in *initial appointments*. This was done in order to guard against Muslims claiming their quota in promotions. There is a show of sense and justice in the Government's consideration that there should be no communal tinge in promotions. The best men should get the best jobs, but what I wish to bring to the notice of the Government is that what might have been a perfectly legitimate thing, has been reduced to a means of evading their due share to Muslims. The proportion of men who used to be promoted is steadily rising. Five or six years ago it was not the rule to find more than 20 per cent. of the posts filled by promotion. Now there are departments in which 50 per cent. of the posts are filled by promotion. I therefore suggest that reservation should be in the total recruitment and after deducting the number of men who

have got promotions the quota should be fixed in initial recruitment. For instance, if there are 100 posts and 50 men are taken by promotion and 50 are taken by initial recruitment, according to the present rules the Muslim is entitled only to 12 places, although he may not have secured a single seat by promotion. We wish that the Muslim quota should be fixed at 25 and if 10 men come by promotion that number should be deducted from the initial recruitment and only 15 men appointed. I do not want any injustice done to the sister communities, but I do demand that there should be justice to Mussalmans.

Then, Sir, there was a very good question raised by my Honourable Leader when we were discussing the Railway Budget, about the quota of the minorities where they happen to be in a hopelessly small number. His demand was that special consideration should be shown to the minorities where they are very meagrely represented. I endorse that remark of my Leader and I would commend it to the attention of the Government. Sir, the injustice to Muslims has been so glaring, their grievances are so just that I do hope that the Government will see the justice of our demand and take some practical steps to ameliorate our condition.

I now come to the question of pay and emoluments for future entrants. The House will remember that in the Simla session of 1931 I moved a Resolution on this subject, where I gave a great deal of facts about the excessive nature of the pay of the Government of India officials. I do not wish to weary the House with those details, but it will suffice to say that even under the present new scales the pay in India is the highest in the world in its ratio to the *per capita* income of the population. In no country does the pay of the higher officials bear such a high ratio to the *per capita* income as is the case here. Sir, it is a well known fact that in India every man, woman or child is an indirect taxpayer. It is also admitted that 80 per cent. of the population of India which is directly dependent on agriculture now get half the income which it used to get before 1929. The price of agricultural produce has so fallen that we do not get more than 50 per cent. of the income which we had before 1929.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Thanks to the exchange ratio.

THE HONOURABLE MR. HOSSAIN IMAM: As my Honourable Leader says, a great deal of this is due to the 1s. 6d. exchange. I am not here considering the causes; I am simply stating facts. The income-tax return also shows that our business community is no where near the prosperity which we had in 1929.

Then we all know that the introduction of reforms in the provinces is going to cost a lot of money to the provinces and necessarily some reduction in the heads of income of the Government of India. Because nothing comes out of nothing. We will have to give certain heads of income to the provinces in order that they may balance their budget. Then we must not lose sight of the fact that Burma is going to be separated, that there is going to be a further reduction in our income of about Rs. 3½ crores due to the separation of Burma. All these facts point to one thing alone. That is, that we must reduce our administration cost if we are to give any relief to the taxpayers, if we are not to burden them with further and further taxation. The only remedy is to reduce this state of things. I beg to submit, Sir, that when the revised scales of pay were first adopted the Government did not realise the full nature of the depression and its effect on the finances of the Government of India. If they had realised, Sir, they would not have left the pay as high as they have done. The

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reductions have been paltry and nominal in the beginning and right at the top you find that there is practically no reduction. I refer to the emoluments of the Secretary of State's services. The policy of Indianisation, Sir, should be given a new lease of life. Indianisation up till now has been adopted with a view to change the avenue of expenditure, that our money should go to Indians and not to foreigners, but now we wish that the Government should adopt the method of Indianisation because *it would mean a cheaper form of government than the former government*, and in this connection, Sir, I have to state that I do not blame the Government alone but our public men as well. Our public men have not realised that Indianisation to be effective, to be a real success, must mean a cheaper and a better kind of service. Our men do not require that amount of money which Europeans used to require. (*An Honourable Member*: "Why not?") Because they are working in their own country and they have a different standard of living. The difficulty is that everyone in India is affected by the inferiority complex. We think that a difference in pay means inferiority. (*An Honourable Member*: "Certainly".) It does not. It means that we are proud of our country and we are prepared to serve it on less pay than those who have no place in the country. The result of our past policy is that we have created a sort of brown bureaucracy who have no sympathy with the people, who breathe European air and who think like Europeans. I am ashamed of such of my countrymen. I want our men to be proud of being Indians and to have the idea of service in their lives. Only very recently, when our former Commander-in-Chief adopted a new scale of pay for cadets of the Indian Army, there was a hue and cry and everybody was saying that it was an injustice that Indian boys should be given less pay, and it was left to an Englishman to tell us (and we ought to be ashamed of it) that Indians are drawing the same pay as Englishmen draw in their own country, with their higher standard of living, with their higher cost of living. A European officer in England is content to get a certain scale of pay, but it is not sufficient for Indians in India.

Incidentally, Sir, I should like to say that it is a bit hard that promotions of men from one grade to another is still being made on the old scales of pay. While you are getting new men for the same post why should you promote men who have no claim on the higher services? There should be one of the two rules. Either there should be restriction of promotion to 20 or 25 per cent. as in the provincial services, or there should be a rule that promoted men will draw the new scales of pay.

THE HONOURABLE THE PRESIDENT: Would that not be a breach of faith?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir, because we do not give any guarantee to any service man that he will be promoted to a higher grade. We may promote him or not promote him; he has no lien on the higher service. I am not referring to the graded system of service. But when you raise a man from the third class to the second, and from the second to the first, from superintendents to assistant secretaries, and so on, it is there, Sir, that I say that either of these methods should be adopted. Either there should be a reduction in the number of promotions or the promotions should be on the new scales of pay. Sir, the Government of India with all their defects are far more sympathetic to our demands than the Secretary of State could possibly be. It is for this reason, Sir, that I have confined my Resolution to the services of the Governor General. I have neither dealt in my speech nor have I made my

Resolution effective for the Secretary of State's services. Because there I know that the Government of India is as powerless in certain respects as we ourselves. We all sail in the same boat and I do hope that they will do something substantial and something effective to reduce our cost and to give us due representation.

Sir, I move.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, my Honourable friend Mr. Hossain Imam has brought a very moderate Resolution before this House. He asks the Governor General merely to consider certain questions. Sir, when questions are put before us, I do not think we can be accused of refusing to give due consideration to any suggestions that are made. Possibly in some cases, when the suggestions are rather absurd, my consideration may not take very long. In other cases, when suggestions of some value are made but which present difficulties, then my consideration may be rather prolonged and it may take some time before the final decision is reached. However, I think the Honourable Member is fully aware that there is no reluctance on the part of the Governor General in Council or on the part of the Home Department to refuse to consider any suggestions which are made to them about these questions which are referred to in this Resolution.

His Resolution, when I first saw it, seemed to me a little vague and I could not quite tell what he was driving at. But he was good enough to tell me a day or two ago the points that he was going to rise. The Resolution has reference only to the services under the Governor General in Council and not to services like the Indian Civil Service and the Indian Police under the Secretary of State. The first question he raised was Indianisation. I do not quite understand why that question has been raised, because all these services are already entirely Indianised. But his real object was not to introduce Indianisation, but what I may call provincialisation. He spoke for the backward tracts—the minor provinces, such as Bihar and Assam—and he contended that Madras, Bengal, Punjab and other provinces got a larger share of appointments. Well, Sir, we have always held that India is really one country, that there should be a spirit of nationalism in India and that in regard to appointments there should be open and free competition between all the parts of the country. The Honourable Member apparently wishes to have percentages fixed for the provinces just as we have fixed percentages for the minority communities, and in particular the Muslim community. This view we have always opposed. The same claim is often put forward in provinces. I have seen it myself. In a province you have a district which is possibly neglected or considers that it is neglected. For historical or other reasons, it has not such a good system of schools or colleges available for its boys, and as a result that district gets few of the central appointments under the Local Government. It is possibly the same thing in regard to the central appointments. Speaking again from my own knowledge of Bihar, as long as Bihar was tacked on to Bengal, it certainly suffered. The Bengali got many more appointments under the then Government of Bengal than the Bihari. But the reason for that was that the educational facilities of Bihar were not so good as those of Bengal. Ever since the Government of Bihar was started, improvements have been made in the educational facilities and the result has been that the boys of Bihar are now quite able to hold their own with the Bengali. I see no reason why, if they are enterprising, boys from Bihar or Assam should not come up and compete successfully at the competitive examinations which are now held for entrants into the various services under the control of the Governor General in Council. So, speaking for myself,

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I am not in favour of introducing a spirit of provincialism which I think is in conflict with the real spirit of Indian nationalism. Anybody should be eligible for service whether he comes from the North-West Frontier Province or from Madras, whether he comes from Assam or from Sind and I have no doubt that from these backward provinces boys will come forward who will be equally suitable for these appointments.

That brings me on to the further point that the Honourable Member raised about the examinations—that the form of examination was not entirely suitable in some cases and that it might well happen that a boy who passed first in the examination was not likely to make as good an officer as a boy who was lower down in the list. That, I am quite prepared to admit. We frequently see cases of that—that a boy with purely academic or literary qualifications does not make an entirely good officer. But, as the Honourable Member himself observed, we try to counteract that by the system of *viva voce* examination which takes into account the boy's record, points other than purely book learning, and his general character and capacity. Speaking for myself, again, I should like to see the marks for *viva voce* increased in all examinations provided proper *viva voce* examinations can be held. But in the examinations to some services the number of candidates is so large that the practical difficulties of holding a *viva voce* examination are very great. These, I think, were his main arguments with regard to "Indianisation," which as I have said in his case really meant "provincialisation." He then went on to the question of Muslim representation and to the effect which was being given to the orders contained in the Resolution of the Government of India of July, 1934. He contended that there were still loopholes and that these loopholes enabled designing people to defeat the object of that Resolution. I will read to him from one of the orders that have been issued which will show the way in which we are dealing with these questions and doing our best to stop loopholes. This was a case of the Audit and Accounts Department. That Department is, I admit, largely manned by Hindus, mainly, I think, because they have got a better head for figures than most Muhammadans have, and therefore are most suitable for that department. But we are trying our best to get Muhammadans in up to the percentages which we have fixed. It is a matter in which the Auditor General himself takes a very keen personal interest and he is taking all steps to see that all the loopholes, if they exist, are blocked up. It is on his strong recommendation that we agreed to make special regulations for that department. What we said in dealing with the matter is this:

"The Governor General in Council is satisfied that special difficulties exist in applying the policy of communal recruitment to the Audit and Accounts Department. The difficulties are that members of the minority communities and especially Muslims, have not in the past served in the Audit and Accounts Department in appreciable numbers, that they do not at present apply readily for employment in this department and that those who do enter the department are apt to find the work uncongenial and to seek a transfer to some other department early in their service. In view of these special difficulties which do not exist in the central departments generally, the Governor General in Council is pleased to confirm the orders passed by the Auditor General as regards communal recruitment in the Audit and Accounts Department."

That shows, I think, that we are paying considerable attention to these loopholes and doing our best to fill them up. We have practically completed the work of issuing instructions as to how these percentages ought to be applied to the various departments under the Central Government especially the outlying circles. There is only some small department in which the detailed figures have not yet been worked out. Then, after the 1st of April, we shall be getting returns showing how this scheme is working. When we

have got these returns we shall be in a better position to see whether, as the Honourable Member suggests, there are loopholes or not. He further suggested that the object of the Resolution was being defeated by increasing the number of appointments that were being made by promotion. Whether that is a fact or not, I do not know. I do not think myself that is very likely to happen, but I will bear the point in mind and will see if anybody is trying to defeat the object of the Resolution by making a larger percentage of appointments by promotion, compared to what the practice was before. Whether we could fix a quota for recruitment based on the number of appointments made by promotion as well as by direct recruitment is rather a more doubtful matter, and I am not prepared to say definitely whether that suggestion can be accepted or not. However, it is a point which I undertake to consider.

A further suggestion made by the Honourable Member was that in services where minorities are at present very inadequately represented, special measures should be taken to procure representation in increasing numbers. That, as far as I can see, would mean going away from our percentages. That, certainly, I am not prepared to do. We fixed these percentages with great care and we are applying them with great care and to make exception in particular cases would inevitably give rise to considerable difficulties and disputes.

Finally, he got on to the question of the emoluments of Government servants. He contended that the Indian Government servant should be lower paid. I was wondering whether he would go as far as to advocate the Congress doctrine that nobody was worth more than Rs. 500 a month, or possibly less. He did not, I was glad to see, go as far as that. His contention was that the financial position of India was extremely bad. Not being a financier, I cannot say much about that. But I listened with very great interest to my friend the Finance Secretary's speech the other day and it seemed to me there were rays of hope in that speech and that we can look forward to the future in a spirit of optimism. The pay of all services under the Government of India was very carefully considered in the year 1932-33 at a time when the financial position of the Government of India was a great deal worse than it is now, and I think there is no doubt that in considering the question at that time the Government did take into account what the financial position was. But that is not the only point to take into account. We have to consider what an officer's market value is, what the expense of his training and education has been, especially in the case of technical posts. In other words, you have to give your servants a wage worthy of their capacity. Whether we can make any further reduction for new entrants is I think extremely doubtful. The whole matter has been very carefully considered, and the rates are not in my opinion unduly large as compared with the remuneration which people get in private employment. When we have new governments in the saddle they no doubt will be able to deal with this question, and it would be far more suitable for Provincial Governments of the future or the Federal Government of the future to tackle this question than for us to make a new revision after we have completed one only two years ago. I think the Honourable Member also said some posts at the top of the services had been omitted, but I cannot find that that is the case. The revision referred not only to the general posts in the service but in most cases to the posts at the top. In the case of some technical posts no final decision has been made, because each case has to be considered on its merits and with reference to the individual whom it may be necessary to employ.

Those I think are the main points which he raised; when I get a printed copy of his speech I will see whether there are any points which I have omitted to mention, but I can assure him that if I find there is anything in

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his suggestions I will give then full consideration ; if I think there is nothing in them I will give them summary consideration and dismiss them. But they will have consideration and I trust on that assurance he will withdraw the Resolution.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I was rather disappointed by the reply of the Honourable Home Secretary in regard to my aspect of Indianisation, which he preferred to call provincialisation. I am still unconvinced, and believe a time will come when provincialism, as he calls it, will be the rule of the day. However both of us have to wait for public opinion to be educated on that question.

I am really grateful to the Honourable Home Secretary for the assurance which he has given here about Muslim representation. I would request him that the returns he get should include the two items I have raised about the Muslim quotas in the different services for which he has fixed no percentages, as well as the quota of Muslims coming through promotions. If he gets figures for these two items I feel sure that he will be convinced that our case is based upon justice and that we have made out a case for the revision of those items.

He also referred to the question of emoluments and he suspected that I am an advocate of the Congress system. I would like to remind him that even in 1931 I stated, and I state it again, *that I am an unashamed admirer of the British Government administration of its home affairs*. The scales of pay and emoluments in England in relation to the *per capita* income of Englishmen are the best and most adaptable method for the Government of India. If the ratio of the English pay to the average English income were adopted in India and the pay here bore the same ratio to the *per capita* Indian income, we would be more than satisfied. That is all that we wish the Government to do and that will not be very different indeed from the Congress scale, if you work it out.

Then I forgot to say in my opening speech that Muslims in the officers' rank of the army are faring very badly. Although we do not want that there should be any fixed quota, at least His Excellency the Commander-in-Chief can exercise his power of nomination to make good the communal deficiencies which appear in the admissions to the Military Academy at Dehra Dun. Even among the cadets from the army the representation of Muslims is very deficient. I would make a special request to the Commander-in-Chief to bear this in mind when he next exercises his option to nominate.

In view of the assurance given by the Honourable Home Secretary, I ask the leave of the House to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE JOINT STANDING COMMITTEE ON INDIAN DEFENCE.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I rise to move the following Resolution :

"This Council recommends to the Governor General in Council that he may be pleased to constitute a Joint Standing Committee on which both Houses of the Indian Legislature should be adequately represented through elected representatives for the purpose of consultation and advice on problems connected with the defence of India".

Sir, I am not in this Resolution raising any big question of policy. I am not raising any question of the transfer of Defence or of Indianisation. It is a very moderate Resolution and I shall endeavour to put it as moderately as I can. Perhaps you will allow me, in order to explain my Resolution to explain the present constitutional position in regard to Defence. The constitutional position today is that the Legislature does not vote defence supplies. We can discuss questions relating to army expenditure only with the previous assent of the Governor General. The army budget is open to discussion but it is not votable. The Executive in charge of the army is absolutely irresponsible. Now, Sir, what will be the position hereafter ? The declared policy of the British Government in India is that defence to an increasing extent shall be the concern of the Indian people and not the British people alone. Now, if effect is going to be given to this policy, then something should be done in the direction of increasing the association of Indians and Indian Legislatures with defence administration. The Indian Statutory Commission in their report, volume II, page 176, made the suggestion which I have put forward for acceptance by this House. They had made certain recommendations in regard to the reconstitution of the Central Government and after explaining what those recommendations were, they go on to say :

"The Central Legislature as now constituted could not vote supplies for the army appropriations of revenue for this purpose, in accordance with the arrangement we have assumed, would be authorised by certificate of the Governor General. But we should like to see the constitution of some Committee on Army Affairs on which the Central Legislature, and in time we hope the Indian States also, would have representatives for the purpose of discussing and keeping in touch with military questions".

Therefore, Sir, I have the authority of the Statutory Commission in my favour ; the recommendation that I am asking this House to accept is one which has the support of the Simon Commission behind it. If Defence is to be transferred some day, then it is quite clear that our endeavour should be to have a well-informed public opinion in regard to defence affairs. We must have in the Legislatures a more instructed opinion in regard to army, navy and air force questions. His Excellency no doubt thinks that our criticism is at times one-sided and academic. The reason for our criticism at times being one-sided and academic is that we have no experience of defence affairs and we are given no opportunity of having experience in defence affairs, and if we are not given opportunities of acquiring experience of defence administration, then you cannot reasonably blame us for insufficient knowledge of defence questions. Sir, my Resolution relates to the interim period between now and the new Constitution, though the position under the new Constitution so far as Defence is concerned will not be better ; it will in some respects be worse, because today we have three Indian Members of the Executive Council who are responsible with other European colleagues for the whole administration of India, but under the new Constitution Defence will be a reserved subject solely under the charge of the Governor General. Sir, there is nothing very extreme about this demand. We have Standing Committees attached to other Departments of the Government—Emigration, Finance, Department of Industries and Labour—

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : And Roads.

THE HONOURABLE MR. P. N. SAPRU : And Roads. I believe my Honourable friend Mr. Suhrawardy is a member of the Roads Committee and therefore he remembers the Roads Committee all right.

I think, Sir, these committees prove at times helpful to the departments concerned. Why should this Defence Committee also not prove helpful to

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the Department of Defence? Questions often arise as to whether troops should be sent or should not be sent to some part where it is necessary for troops to be sent. If you have got a Standing Committee, then you can easily keep in touch with legislative opinion, because legislative opinion will be reflected on this committee. I do not want to stress this point very much, but certain assurances were given by His Excellency the late Commander-in-Chief, Sir Philip Chetwode, when the Indian Navy Bill was under discussion and when there was an Adjournment Motion in this House in regard to the despatch of troops to Abyssinia. The opinion of the Joint Committee would be valuable in regard to questions of recruitment, in regard to the pace of Indianisation and the experiment of Indianisation which is being carried on, in regard to the Indian Military Academy, in which we are all interested, and in regard to the stores purchase policy of the army and finally in regard to questions regarding defence expenditure. Now, Sir, the position is that we do not vote supplies. Supplies do not come to us for voting.

THE HONOURABLE THE PRESIDENT: But the Resolution is so widely worded as to include any subject relating to Defence.

THE HONOURABLE MR. P. N. SAPRU: I will just invite the attention of the House to the Resolution. It is not so widely worded as the Resolution in the other House.

THE HONOURABLE THE PRESIDENT: We have nothing to do with the other House.

THE HONOURABLE MR. P. N. SAPRU: We want a Standing Committee on which both Houses should be adequately represented through elected representatives for the purpose of consultation and advice on problems connected with the defence of India.

THE HONOURABLE THE PRESIDENT: The problems may include anything.

THE HONOURABLE MR. P. N. SAPRU: I have not said all problems. I only mean specific problems connected with the defence of India.

THE HONOURABLE THE PRESIDENT: It would be difficult to draw the line of demarcation.

THE HONOURABLE MR. P. N. SAPRU: I do not say that my Resolution is ideally worded. I am indicating what I imagine or what I think ought to be the functions of this committee which would serve as a liaison between the Legislature and the Defence executive. The committee would have these duties: Firstly, it would have the duty of advising on questions referred to it by the Department of Defence. Secondly, it will have the duty of considering the army budget and commenting on the army budget, that is, on the big questions of policy raised by the army budget. I do not want the army budget put to the vote of the Legislature; that is not my suggestion, but certainly there will be more instructed criticism of the army budget if the army budget comes to us with comments from a committee which would be a reflection of the Legislature. Thirdly, I would also give the committee the right of raising discussion on any question themselves and asking for papers;

I would also give the right to His Excellency the Commander-in-Chief to refuse or to disallow any such discussion and it would be open to the Defence Member to decide whether any papers which the committee wants placed before them should or should not be placed before them. Sir, if the committee wants any papers to be placed before them and the Defence Member thinks that they cannot consistently with safety be placed before them, then it would be open to him to say that those papers are of a confidential nature and they cannot be disclosed without prejudice to public safety.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Sir Phiroze Sethna.)

It is said that there is no such committee in any other part of the world. The answer to that line of argument is that in no other country have you an executive which is answerable not to the Legislature of the country itself but to the electorate and Legislature of a country situated 6,000 miles away from India. Besides, Sir, the statement that there are no committees attached to departments in other countries is not wholly true. Now, we know, for example, in the United States of America and in France the committee system has been developed and committees there exercise vast influence, particularly the Committee on Foreign Relations in the United States; it exercises vast influence over foreign policy. Of course it is said that these committees impair the responsibility of the executive. Well, Sir, with the safeguards which I have enumerated, there is no danger that this committee would impair the responsibility of the executive; the responsibility of the executive is not going to be affected by my Resolution at all or by the constitution which I am providing for this committee. The responsibility for decision would rest with His Excellency the Commander-in-Chief and the Executive Council. This committee would only be an advisory committee, a committee for purposes of consultation and advice on specific matters referred to it from time to time by His Excellency in his discretion. I feel, Sir, that such a committee would not encroach upon the proper authority of the Commander-in-Chief. It would be really a sort of help to him. Sir, our feeling at times is that the Army Department is wholly out of touch with public opinion. You cannot reasonably blame us for entertaining that feeling because the Army Department is regarded as a department which we must not touch. Well, if we have some Members of ours on the Army Committee we will be more in touch with the Army Department and army questions will be discussed in this House in a less prejudiced atmosphere than at present. Sir, we want an instructed public opinion on army and foreign affairs questions and if we have a committee of this kind it will be possible for us to have that instructed public opinion. It will then become possible for us to have men who have acquired some knowledge of army questions. Sir, it is said, what will after all these men who will be appointed by the Legislature contribute to defence administration? Sir, Parliamentary Government is government of the amateur and the expert, both. Under a parliamentary system of government both the amateur and the expert contribute and I would say in all humility that we amateurs, if we are allowed to serve on an Army Committee, would have something to contribute and that contribution would make army administration more in touch with public opinion in this country. Sir, there is no reason really why this experiment should not be tried. If you find after some time that the experiment is not successful you can scrap the experiment. But do make a beginning. And finally I should like to say that we have at all events the support of the Statutory Commission behind us; the demand that is embodied in this Resolution is not of a revolutionary character, is not of a very extreme character; it is a demand of a very moderate character. We

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are not asking you to transfer Defence though we may think that Defence should be transferred. We are not asking you to Indianise the army immediately, though we think that the pace of army Indianisation can be accelerated. What we are asking you to do is to set up some committee which would keep in touch with you and which would enable an instructed public opinion to grow up in this country, which would provide material for future Defence Ministers in this country. That is really, Sir, the object of this Resolution and I would ask the support of all sections of the House including the non-official European group. Sir, I have read with great admiration the speech of Sir Leslie Hudson in another place and I hope, Sir, that the European Members of our House too will give support to this very moderate Resolution of mine.

With these words, Sir, I move the Resolution.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I have very great pleasure in supporting the Resolution so ably moved by my Honourable friend Mr. Saprū. Mr. Saprū has got some apprehension that the Resolution may not be supported but, Sir, after the promise that was given by Sir Philip Chetwode in his speech at Simla when we discussed my Honourable friend Mr. Mehrotra's Adjournment Motion I have little doubt that there would be any opposition from any quarter. I want to submit, Sir, briefly that it is in the interests of the Government that they should accept this Resolution. We public men, particularly on this side of the House, always put forward pleas for Indianisation of the army, for retrenchment in military expenditure, for increasing the number of cadets to the Military Academy, and various other pleas. The stereotyped answer that is always given to us in this connection is that we do not recognise the responsibility of the officers who manage the army in India, we do not take into consideration their difficulties, and we make proposals which they do not think it feasible to bring into practise. Sir, my conviction is that if the committee proposed by my Honourable friend is appointed and if the army authorities take us into their confidence and take our consultation as well as give us a practical initiation into army matters, much of the criticism may be sobered. So, from that point of view, Sir, I submit that the Government should think twice before opposing this Resolution.

Sir, my Honourable friend has put the Resolution in very moderate terms and he has told us just now that it is not his desire by moving this Resolution that the army budget should be changed and should be regarded as a votable item. I submit, Sir, we on our part desire that the army budget should be a votable item. It is a general rule, Sir, that he who pays the piper should call the tune. But my Honourable friend has not asked that question in this Resolution. He has given up that point. I am not willing to give up that point. So far as this Resolution is concerned, I submit that the Department should place before the committee the army budget, should explain their difficulty as to why they are not able to make the necessary retrenchment desired by the popular representatives and then they will be able to get the support for certain measures of theirs which we nowadays cannot give and do not give because we are kept in the dark. Moreover, if they take us into their confidence, they will enlighten us on army matters which are of primary consideration for us in view of the fact that the defence

1 P.M. of India is going to be an increasing concern of India. My Honourable friend says that under Parliamentary procedure, amateurs and experts contribute something. I submit that if this Committee is appointed,

the amateurs of today will turn into experts of tomorrow. There should therefore be absolutely no difficulty in accepting this Resolution. I may cite an example. The Cantonments Bill was referred to a Select Committee in the Lower House. I understand that the Army Department did not come off worse. They got some of their proposals supported by the Select Committee, and they assented to others. In every other Department of Government there is a Standing Committee, and I submit that in the interests of Government as well as of the country, such a committee should be appointed where army officers and representatives of the people will confer on important matters and the representatives of the people will come to know what the Army Department are doing. I therefore heartily support the Resolution of the Honourable Mr. Saprū.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Saprū. The time has now come when Indians ought also to be taken into confidence as far as the defence of India is concerned, and I think the formation of this committee will be very helpful. The public is under the impression that in matters of defence Indian opinion, or even the opinion of the duly elected representatives of the people in the Central Legislature, is generally ignored. Therefore I wish that Government accept this Resolution in order to prove that they have confidence in the representatives of the people. The other day, when speaking on the Resolution of the Honourable Mr. Mehrotra, I asked His Excellency the Commander-in-Chief to let this House know what were the reasons, what were the circumstances and what were the conditions of their inter-relations with bordering foreign countries which led to the doubling of defence expenditure. His Excellency the Commander-in-Chief wanted notice of that question. I did put in a question, as was suggested by His Excellency the Commander-in-Chief, but under the rules, the question was disallowed by the President on the ground that it was an abuse of the right of questioning and was more a matter for general budget discussion or a Resolution. Sir, I am not questioning the ruling of the President, but I request His Excellency to give that information now as he had sufficient notice and as he was not present on the day of the Budget debate. Sir, when Government have appointed standing committees for other departments, it is only reasonable that a Defence Committee should be constituted as well. I do not say that all subjects, whether technical or non-technical, ought to be put before this committee. To start with, let His Excellency the Commander-in-Chief refer only those matters for the advice of the committee which he considers fit or on which other Members want to seek information. As this Resolution is a very modest one, I beg of His Excellency the Commander-in-Chief and through him the Government to accept this Resolution and to constitute the desired committee.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to support this very moderate demand put forward by my Honourable friend Mr. Saprū. The matter is not a new one. It has been agitating the minds of Indians for some time past. There are various declarations by Government on this subject as well as speeches from Honourable Members in the two Houses. It was a great disappointment to us that after a good beginning the matter should have ended as it did in the other place. The main reason for a demand by Indians for a committee of this kind is not a distrust of the British authority but a desire to supplement the information available to the Military Department. To their technical point of view we

* Not corrected by the Honourable Member.

[Mr. Hossain Imam.]

wish to supply the practical point of view. It will be a sort of supplemental committee. It will in no way usurp the functions of the Army Department or make the Legislature as such responsible for military expenditure. The fear of the Government seems to be that if non-officials are attached to the Army Department, they will start demanding more and more, with the result that ultimately the Government may have to give something substantial. This I regard as a sort of manifestation of inferiority complex. There is no danger of Indians getting rights beyond what are given statutorily. Our rights and interests not being those of a Sovereign Legislature, are always subject to the over-riding constitutional issues and the limits of the Statute. You have safeguarded your position quite fully under the new Constitution. Even under the present Constitution, the army is a close preserve. But if you associate Indians, you will, without giving anything substantial, be just making a gesture to non-official India that everything is not rotten in the State of Denmark, that the Army Department has nothing to hide, that the army in India is really maintained for the service of Indians. If Government are not working up to that standard, if they are really afraid that there are sinister motives behind this apparently innocent measure of maintaining the army, then they have every reason to be afraid that this will expose the hollowness of their statements. But I am not prepared to say that that is a fact. I would rather believe good of the Army Department than believe evil of it, unless I am forced to do the latter. I for one would prefer that all sides in India, official, non-official, military or laymen, should shoulder the responsibility jointly and it should be recognised that for all practical purposes we are working for the same end. It is with this view that I appeal to His Excellency the Commander-in-Chief to be more considerate and to make a gesture to Indians that he is willing to associate Indians with military policy and is not afraid of discussion with Indians.

Sir, I support the Resolution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I rise to support the Resolution moved by my Honourable friend Mr. Sapru. As a matter of fact the attitude of the Army Department in relation to this question appears to me very mysterious. This question was raised originally, as all Honourable Members know, during the Simla session, both in the Council of State and in the other House, and in the replies given by the Army Secretary he dropped a hint that the Government would consider the suggestion which appeared to them to be a reasonable one. Then later, when the matter was raised in the other House, the Army Secretary said that they were not prepared to accept this Resolution on the ground that it went much further than the undertaking given by the Government. Sir, with your permission, I will quote one line from his speech. He said that what they did promise to do was to consider the more limited proposal and that that promise has been very carefully kept. Naturally one would like to know what that particular promise was and what the Army Secretary meant by saying that it had been very solemnly kept. Now, assuming that the wording of the Resolution moved in the other House as well as the Resolution moved here today is not to the satisfaction of the Army Department, the best course would be for His Excellency the Commander-in-Chief to get up and say that they are prepared to appoint a committee whose functions will be confined to certain particular subjects, instead of saying every time that we have not brought forward any concrete proposal and that the Government do not think they would be well advised in agreeing to a committee which would try to go into

all matters concerning defence. It would be best for them to tell us what exactly they want. This question originally started when troops were sent to Abyssinia and in reply to a question asked in the Indian Legislature the reply was given that because the Legislature was not in session the matter could not be referred to it. So the proposal was made that when the Legislature was not in session there should be a standing committee, the members of which can be easily assembled and consulted. Suppose the Commander-in-Chief were to get up and say, "We are prepared to appoint such a committee, whose functions will be more or less confined to being consulted when the Legislature is not in session in regard to sending troops out of the country". Then I am sure the Honourable mover of this Resolution would feel no reluctance in withdrawing it and we should all feel grateful that the Army Department have responded to this popular demand at least to some extent. Instead of that the Army Department neither oppose this Resolution nor accept it, which only shows that there is some other authority whom they want to consult before making such an announcement. The question has been under their consideration for the last five months. Left to themselves they are sure to arrive at some decision. If they consider that their final decision must be subject to the approval of some other quarters, then they should make their position clear and I think we will wait until a decision has been arrived at. I personally think it is in the interests of the Army Department itself that they should have such a standing committee, because naturally when troops are being sent out of India it will be difficult for the Army Chief to get up and make a speech on the floor of this House giving all the detailed reasons why such a necessity had arisen. On the other hand, if they have a representative committee of half a dozen members from both Houses whom they can take into their confidence and to whom they can explain all the steps, I am sure, instead of the Army Department fighting their own battle on the floor of this House, it will be those representatives of the people, the members of the committee, who will get up and defend the policy adopted by the Army Department. Therefore I would earnestly appeal to His Excellency the Commander-in-Chief to consider this question in a broad-minded spirit and not to be afraid of what this committee may later on turn out to be. He should ignore the speeches made by different Members. Some Members would naturally like to get the whole of the army budget votable. We all know that is impossible and absurd under the present constitution. Similarly others would like to give their opinions in regard to the manner of the giving of contracts by the Supply department. We know that that is not possible and that we must leave it in the hands of the army people. But there are other reasonable people who would be satisfied if they are just consulted on matters of broad policy, and I can assure His Excellency that the number of such Members is much larger than of the other kind. At the same time he would be making army subjects more popular with the educated classes in this country if he could accept what I may call the subject-matter of this Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I am very glad of the opportunity given me by this Resolution to speak on a subject which is important, and which in the future may become still more important. Honourable Members have not forgotten an undertaking given last year by my predecessor. He said that Government would consider whether it might not be possible to appoint a committee which could be consulted when the Legislature was not in session before Indian troops were sent overseas. That proposal has been given very careful consideration, and the practical reasons why Government cannot accept it have been fully explained in another place. I do not wish to take up the time of the House by repeating those reasons here ;

[His Excellency the Commander-in-Chief.]

nor do I think I need go once more over ground that has been traversed elsewhere, and explain again, what I think must be obvious to all thoughtful and responsible persons, namely, the difficulties that would arise from this proposal under the new Constitution. It will be enough if I remind Honourable Members that those difficulties would be involved if an advisory committee of any sort were in existence, to represent the Legislature, *as a whole*, at a time when the Federal Government of the future represented a majority of that Legislature.

Further, Sir, even if I were to recapitulate those difficulties, I think Honourable Members opposite might rejoin, with some show of reason, that that is not the point. The fact that there will be difficulties under the new Constitution they might say, is no reason for burking the question now. Let us have a committee to advise on defence matters until the new Constitution *does* come into force. That, I take it, is the intention of the present Resolution, and I note that the scope of the Resolution is not quite so wide as that which was moved in another place. It does not ask for a committee to advise on *all* defence matters, but only, I presume, on such matters as Government may wish to put before it.

Now, Sir, that is an intention which at first sight appears reasonable. By such a committee, it has been argued, Members of the two Houses of the Legislature would be brought into touch with those responsible for defence policy, and each would learn to appreciate the point of view of the other. The representatives of the electorate would come to realise that expenditure which they had thought indefensible was really inevitable; and the military authorities would be able to adjust to national susceptibilities the technical means they have to adopt for the defence of the country.

But on a closer examination, I doubt whether this is really a sound argument. Honourable Members say that they wish to learn something of defence matters. Their ignorance, they say, is a matter of grave concern to the country. I am inclined to agree. But I ask Honourable Members whether, if they admit ignorance, they can legitimately claim to advise. In other words, are they to teach others before they have begun to learn themselves? Common sense recoils from such a proposition. It is surely for Honourable Members *first* to set to work to learn, and *then* to claim that they are in a position to advise.

I know the argument is that this ignorance is no fault of the elected representatives of the people, that they only make the present proposal in order to dispel their ignorance, and, in short, that only by trying to teach can a beginning be made of learning. But very seriously I would ask Honourable Members opposite to consider whether this is true? Is it really *our* fault that they are ignorant of defence matters?

HONOURABLE MEMBERS: Yes.

THE HONOURABLE MR. P. N. SAPRU: Absolutely, certainly.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Will you let me go on?

THE HONOURABLE THE CHAIRMAN (the Honourable Sir Phiroze Sethna): Please let His Excellency continue.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Have we not done a great deal in the last few years to give them information on every subject

connected with defence (*Honourable Members*: "No, no"), and can they truthfully and sincerely say that they have made the most of the opportunities we have given them? (*Honourable Members*: "Yes".)

Let me give you one instance. Two years ago was published the report of what is known as the Capitation Tribunal. There was at once a complaint, both in the Legislature and in the Press, that certain connected papers had not been made public. My predecessor at once offered Members of the Legislature an opportunity to study the documents in question—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: On our agitating for it.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF—and informed them that arrangements would be made to place these documents at their disposal on certain dates. A room was set aside in Army Headquarters, copies of the documents were made available, and an officer was deputed to give any information that might be necessary to guide Members through the labyrinth of these papers. Sir, after all these preparations had been made, only two Honourable Members took advantage of that invitation to come and study the documents. (One other has since done so.)

That is only one instance. Now as regards committees; there have been many in which Members of the Legislature have been associated with the military authorities. There has been the Shea Committee, the Skeen Committee, and the Indian Military College Committee; the Legislature was represented on the Retrenchment Committee, from whom we concealed nothing, and there is the Military Accounts Committee on which the Legislature is also represented year by year. We have published a special pamphlet, entitled *Some Facts and Figures about Indian Defence*, which gives full information on all matters which attract political interest in connection with the navy, army, and air force. Every year now we issue a summary of important events, which is intended to give information and to stimulate interest in defence problems. We have also been trying to establish closer relations with the Press, with the idea of giving greater publicity to defence problems, and in the hope that defence problems would receive more enlightened comment.

This is what we have done on our side. And what is the result? There have been in the past a few individual Members of the Legislature who have made use of the opportunities we have given them, and have really taken the trouble to study and to learn. But these few are honourable and welcome exceptions.

For the most part I am afraid that Honourable Members are still content to regard defence as a closed book; and while they are ready enough to criticise, they have shown very little disposition to base their criticisms on any thoughtful study of the subject. And I can assure them, as one who has spent the whole of his career in the army, that the subject is not one that can be mastered in a day. It does require long and careful study, and that means a lot of real hard work. This being so, are we not wise to think twice before agreeing to a committee, which would certainly not bring to bear any great knowledge of the subjects under discussion, and which might—I do not say it would, but it certainly might—be used simply as a further vehicle for uninformed criticism.

Apart from all this, I must make it quite clear that the responsibility for the administration of the armed forces in this country—as indeed in any other country in the world—is a responsibility that rests upon the Executive, and

[His Excellency the Commander-in-Chief.]

not upon the Legislature. There can be no question, therefore, of our ever placing ourselves in a position in which the Executive Government would automatically be called upon to consult a Standing Committee of the Legislature before taking such action as it may consider necessary in the public interest. It must, in fact, remain for the Executive alone—and without challenge—to decide whether consultation with the Legislature in any particular case is either necessary or feasible.

Having said so much, I can only conclude by saying that, while Government cannot accept this Resolution, I and my officers will continue to give information and help of every kind to those who really wish to learn more about Defence.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That help is not being extended to me.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: We shall also continue to appoint *ad hoc* committees containing Members of the Legislature whenever we consider that their advice on any particular matter would be of material assistance as indeed it has been in the past.

Sir, with these words, I oppose the Resolution.

THE HONOURABLE THE CHAIRMAN (the Honourable Sir Phiroze Sethna): I should like to know if there are other speakers?

(Some Honourable Members stood up.)

Then I think this is a convenient hour to adjourn.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE THE PRESIDENT: The debate will now be resumed on the Honourable Mr. Sapru's Resolution.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Mr. President, I did not have any intention of speaking on the Resolution of my friend the Honourable Mr. Sapru, but the speech made by His Excellency the Commander-in-Chief has, I am afraid, caused great irritation on this side of the House. Honourable Members did not approve of its tone and temper, and it is therefore that I feel it a duty to say a few words in reply to what fell from His Excellency because, as the House may be aware, I have for years past taken considerable interest in this particular question. I will therefore proceed straightway to refer to the remarks which fell from His Excellency. In the first place, he admitted that he regarded this Resolution as not so wide as compared to the one moved in another place. He called it reasonable and yet he said that he had great doubts if the arguments employed were sound. His Excellency proceeded to observe that the mover and others admitted their ignorance of military subjects and he wondered how after that we were prepared to advise and he said common sense recoiled from such a proposition. It is true we may be ignorant at present but it is in order to qualify ourselves to offer effective criticism that we have asked for this modest committee which will enable us to understand more than we do at present

You cannot expect a man to learn to swim unless you send him into the water, and His Excellency refuses us this privilege. He says we ought to set to work to learn in regard to questions of military defence before criticising. That is exactly what we want to do and through these committees. We do not want to be "armchair critics" in regard to military matters, as we were once called in this House a year or two ago, and it is to avoid that charge that we want to get knowledge on the subject which we hope with the help of Government to attain through committee work.

His Excellency proceeded to say that although opportunity was offered to us to see the Capitation Committee's Report it was availed of by only two Members before now and one during the last few days. Sir, if more Members did not go or apply to study these papers it is because they learned from the two who had already been there that several restrictions were imposed which they were not prepared to agree to and for that good reason others did not go or more Members would certainly have applied and His Excellency would not have had cause to criticise as he has done.

His Excellency then went on to say that the Army Department had appointed several committees and he proceeded to name them. I may say that I was a member of what is known as the Skeen Committee. And he further said that at these committees they had concealed nothing. I cannot allow that statement to go unchallenged. In the Defence Sub-Committee of the first Round Table Conference it was pointed out, not by us who did not know anything about it, but by two former Members of the Viceroy's Council—no other than the late Sir Muhammad Shafi and Sir Tej Bahadur Sapru—that when they were serving on the Viceroy's Council, the then Commander-in-Chief, Lord Rawlinson, was asked to submit a report and advise within what length of time the whole Indian Army could be Indianised. The late Lord Rawlinson gave, I think, 42 years as the period within which it could be so Indianised. The members of Lord Reading's Cabinet were not satisfied and they asked Lord Rawlinson to reconsider the matter and the period of 42 years was reduced by him, I think, to 21 or 28 years. I forget the exact number. That fact was positively concealed from every committee which sat before the first Round Table Conference. I know that some explanation was given last year by Sir Philip Chetwode as to why this information was not revealed but that explanation did not go down with me as a member of the Defence Sub-Committee or as a member of the Sandhurst Committee, nor with the general public.

His Excellency next told us that pamphlets are now being issued annually. We do read these pamphlets and I hope they will be issued in larger numbers so that we may get to know more about the army. His Excellency said that these two or three Members who went to see the Capitation Report were honourable and welcome exceptions. They would be the rule rather than exceptions if only the military authorities were more considerate. I would like to say that there are Members in the Legislature and outside who would care to take a very keen interest in the military affairs of the country if only they are afforded the chance. There is Sir Sivaswamy Aiyar in particular who has written books on the subject. There are others as well and there are even today Members in both the Houses who could be trusted to give valuable advice if the recommendation in the Resolution for the appointment of committees were agreed to.

His Excellency went on to say that Defence was a closed book to the public implying that we do not care for it. Whose fault is it if it is a closed book? I say it is the fault of Government themselves and more particularly of the

[Sir Phiroze Sethna.]

military authorities. They choose to make it a closed book. They do want us to know as little as possible about army matters. The Resolution does not suggest that you should disclose what you reasonably cannot. What has been proposed is a very modest Resolution and I do not see why His Excellency the Commander-in-Chief should have replied to it in the offensive manner he has done. He said Government will think twice before they agreed to a committee of this kind. That simply means that Government do not desire to move in the matter. And the reason advanced is that it would be "a further vehicle for uninformed criticism". I repeat, Sir, that if our criticism is uninformed, if we are "armchair critics", the fault lies entirely with the authorities.

His Excellency concluded his speech by saying that the responsibility lay with the Executive alone.

"There can be no question of our ever placing ourselves in a position (mark the word 'ever') in which the Executive Government would automatically be called upon to consult a Standing Committee of the Legislature before taking such action as it may consider necessary in the public interest".

Sir, he then went on to say that it is for the Executive to decide whether consultation with the Legislature in any particular case is necessary or feasible. I will remind the House that the Honourable mover made it clear that we do not want you to disclose what you cannot in the public interest. Surely, Sir, there are other committees appointed in connection with other departments which have rendered very valuable assistance to Government, and as acknowledged by Government themselves. Why should there not be such a committee appointed in connection with the army department, particularly after the recommendation made to that effect in the Statutory Commission Report, which was read out by the Honourable Mr. Saprú? Government ask us to co-operate with them and here is an instance of the manner in which the Army Department chooses to co-operate with us?

In spite of the moderate demand we have made, the reply of His Excellency the Commander-in-Chief is not only unconvincing but most unsatisfactory and it has rightly caused very great irritation on this side of the House. Sir, have not Indians proved their worth in all the different lines in which they have been taken up by Government? I remember the time when the first Indian Member of the Viceroy's Council was appointed. Even his late Majesty King Edward VII was opposed very strongly to this change and yet what do we find today? May I ask His Excellency the Commander-in-Chief if Government are dissatisfied or have cause to complain of the way in which these Honourable Members have discharged their duties? May I mention one Department in particular—the Education, Health and Lands Department over which the Honourable Leader of this House presides and in which by far the great majority of the officers are Indians—is that Department not managed as well as any other Department of Government?

I have no doubt, Sir, that if such a committee is appointed, Government will get very valuable assistance from it. In one of his speeches, the late Commander-in-Chief, Field Marshal Sir Philip Chetwode, told us that it was a matter of very great regret to him that he could not get suitable boys to go to the Military Academy at Dehra Dun, and he wanted to know whose fault it was. I would submit that if a question like that were put before a committee such as the Honourable Mr. Saprú has asked for, the present Commander-in-Chief will be informed by the committee of the real reasons for such deficiency and how to remedy it. How is it that in the sister services you can get men

without difficulty and you cannot in the military line? Vice-Admiral Sir Humphrey Walwyn, who was in India till lately, and who has only recently been appointed Governor of Newfoundland, was entertained at a public luncheon by the Royal Empire and other Societies a few weeks ago in London. In his speech, Sir Humphrey Walwyn referring to the Indian Navy, said:

"I should like to devote two minutes to the little Indian Navy which I set out to make and of which I am very proud. When I went out in 1928 I found things in a state of stagnation; there was nothing doing, and I found them with their tails right down on the carpet. It was my job to get them up. * * * I was a new broom. I went straight to the Punjab and got some Punjabi Mussalmans, magnificent, first-class fellows, but men who had never seen the "dark water", the sea. I got them down, and with the loyalty of the officers and men got the show going again, started training schools, gunnery and engineering, and very soon they had their tails up and things took shape in a wonderful way. * * * The women of India came forward wonderfully; they pushed the boys in. If I wanted sixty boys in a half year, I got a thousand, all first class, with the standard qualifications. Some of these Indians were over here at the recent Naval Review and made tremendous friends of the Royal Navy".

All I can say is that if a committee like the one recommended is consulted on such points, it would be able to suggest ways and means which would give the Commander-in-Chief not 60 a year but 600 boys a year and more who would make efficient officers. It is co-operation between Government and ourselves that we want. I know Government of late have been trying to co-operate in other directions more than they did before, but I am very sorry that His Excellency the Commander-in-Chief, so far as his department is concerned has held out no hopes of co-operation whatever. His speech simply means that the day is very distant, or not at all, when Indians may expect to look after their own defence.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan): Sir, I also had no intention of speaking on this Resolution but for the most provocative speech of His Excellency the Commander-in-Chief. Honourable Members of this House will remember that I moved an Adjournment Motion on the 17th September, 1935, when troops were sent to Abyssinia, and in moving that Motion, I particularly requested the then Commander-in-Chief to appoint a Committee on Defence. He was pleased to give an assurance in the following terms:

"I am quite certain the Government will consider that sort of request with every desire to meet your wishes and the wishes of political India, provided that you put up an absolutely agreed proposal, concurred in by all parties in India".

Sir, we held discussions with the Members of the other House and it was agreed at Simla that in the next session such a Resolution should be moved in both Houses. As a result of those discussions, a Resolution has already been moved in the other House and my Honourable friend Mr. Saprú has brought this Resolution here. We all thought that if Government wanted this kind of Resolution, it should be moved in both Houses. But the Commander-in-Chief now says that he is dead against such a committee as he considers it useless. I do not know what value His Excellency the Commander-in-Chief attaches to the pronouncements of his predecessors. We, on this side of the House, were always under the impression that solemn promises given on the floor of this House will be carried out by their successors. But we find that the case is just the opposite.

Sir, during the course of his speech, His Excellency the Commander-in-Chief was pleased to say that we knew nothing so far as the question of Defence is concerned. We admit that. We do not know much, but whose is the

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

fault? What training have they given us during the course of about two centuries of rule in India? The fault lies with the military authorities and not with us. When we express our desire to learn anything, our request is refused and all doors are shut against us. This policy is being closely observed.

Then, Sir, His Excellency the Commander-in-Chief was pleased to refer to the appointment of committees. Government appointed three or four committees, the Shea Committee, the Skeen Committee and others. But what have they done with their recommendations? They have not carried them out. The Shea Committee consisted of military experts and it was in the fitness of things that Government should have given due consideration to their recommendations. That Committee recommended that the Indianisation of the army was a practical proposition within 30 years. Another Committee, which also consisted predominantly of military experts—I mean the Skeen Committee—made a proposal to which my Honourable friend Sir Phiroze Sethna has just referred, but their recommendations also were not given any consideration.

Sir, on the 26th of February, when I moved my Resolution, I quoted several sentences from the biography of the then Commander-in-Chief, Lord Rawlinson, in which he definitely accepted that the time has come when the army should be Indianised. But whenever we bring such a question before the House, they turn a deaf ear to us. It is said that we know nothing of Defence, and that our advice will be worthless, but have they given due consideration to the advice of their own experts? We all know, Sir, that 25 per cent. of the revenues of India are being spent on military expenditure and is it not right and proper that we should make such a modest request as the one which my friend Mr. Sapru has made in his Resolution that an advisory committee should be appointed and that Government may be pleased to consult it on whatever questions they like? We do not say that all questions should be placed before that committee. I think there can be no more moderate proposal than that my friend has made, but I find that His Excellency is not prepared to agree to it in spite of the fact that his predecessor had given a definite assurance on the floor of this House.

Sir, with these words, I support the Resolution.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I had no idea of participating in the discussion of this Resolution, but the Leader of the Opposition, Rai Bahadur Lala Ram Saran Das, asked me to make my position clear on the subject. Well, Sir, I have great regard for the Leader of the Opposition. He is a great friend of mine, but I must say that unfortunately I cannot see eye to eye with him on this Resolution. Sir, there were before the war three well known organisations in the world, the Management of the Standard Oil Company of America, the Catholic Church and the German Army. They were supposed to be the best organised institutions in the world. And I would say that, though the German and Austrian peoples belonged to the same national stock, they were organised differently, and that is why the results were so different. Austria was a very great country under the Dual Monarchy, but in her military policy she was always tied to the Aulic Council, which means in German the Council of the Elders. This Council used to dictate the policy to the Austrians 300 or 400 miles away, and it was this interference which was the cause of Austria's downfall. Well, Sir, if I remember aright, it was the interference of the Aulic Council and it

was the apathy of General Mack the Austrian General in not acting on his own initiative that caused the disaster of Ulm and of Austerlitz. The interference of the politician in military matters is not a very healthy sign. The army must always be an institution under strict discipline. If I remember aright in the great Franco-German War of 1870, as all students of history will know, the three main figures were Count von Moltke, Prince Bismarck and Count von Roon. Well, Sir, Bismarck was more or less responsible for making the German Empire, but I must tell my friends that when the Franco-German War was going on Bismarck used to go and wait on Count von Moltke, and if Moltke did not ask him for a cigar Bismarck used to give out to his papers that the position was not very favourable; but when Moltke asked for a cigar, Bismarck used to give out that the war was progressing favourably. Therefore my friends will see that even a man in the position of Prince Bismarck did not want to interfere in military matters. He left the conduct of the war entirely to Count von Moltke who had charge of the German army and the German offensive. In other matters the politician can interfere. If a mistake is made it can be rectified; but in military matters a mistake cannot be rectified. In the military we have a saying, "Order, Counter Order and Disorder". Once an order has been given and it goes unfavourably, nobody can retrieve it. In regard to civilian interference I may quote Blucher also. When Napoleon was being surrounded, Blucher was asked at a banquet as being the senior Marshal present to move the toast of the army. His toast was, "May the pen of the diplomats not spoil what we soldiers have rightly earned by our swords". Sir, the interference of diplomats, politicians and statesmen in military affairs is not a very healthy sign. I would be the first to ask for extended privileges for the Members of this House in regard to any other department. In the case of the army it is much better for one man to control and direct it. Of course if there is anything radically wrong in such administration the Members of this House are not stopped from bringing Resolutions or asking for information. But I do not know what useful purpose such a committee as this could serve. His Excellency the Commander-in-Chief said in his speech that all the papers that such a committee could be privileged to see are even now available to any Member of the Council.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I must inform the Honourable Member that the German motto is "Might is right", while the British motto is "Right is might".

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I am not talking of anybody's motto. I am talking of military matters in general. It is not a healthy sign for politicians to interfere. The other day a section of the Japanese army mutinied and killed several statesmen and cabinet ministers. It is not a healthy sign for an army to get mixed up in politics. The army has got to be ruled and kept in very strict discipline. If the army becomes the football of the politicians I do not know what you gentlemen will do with that army. It should not be the football of politicians. I do not know what further information His Excellency the Commander-in-Chief is asked to furnish. His Excellency has said on the floor of this House that whatever material he would be prepared to lay before this proposed committee he is prepared to hand over that information to any Member of this House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: My question was not answered.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: I do not know what question the Leader of the Opposition is referring to, but if he were to put the question to me in a loud voice, then to the best of my knowledge of the army I will give him a reply. I notice that he is always saying that he has put a question which was left unanswered.

Sir, my advice to the Members of this House in regard to this Resolution is to be cautious in regard to interfering in military matters. They can go headlong into the affairs of other departments.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Except the Frontier Province!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: If you like come along and interfere in that province my dear friend! I can tell you your interference will be of no use in that Frontier. That Frontier knows you very well. Those were the people who were invading India again and again from the time of Mahmud of Ghazni down to 1526. We know you pretty well, my friend. If you remove the British Government today you will find the case is much worse than it was at the time of Mahmud of Ghazni. Today you have not got a rifle; you can talk; you have not got anything to fight against the Frontier man. The Frontier man will always hold the upper hand, whatever might happen. He is a stronger man, better constituted; his climate is more healthy. He is prepared to put up with much harder work than your goodself, Raja Sahib! It is no use talking about the Frontier. I am talking in general, and that is my candid opinion. An expert like the Raja Sahib might poke his nose into anything and put his finger in every pie—jack-of-all-trade and master-of none. I am not talking in that spirit.

THE HONOURABLE MR. HOSSAIN IMAM: Is it parliamentary for a Member to talk of another Honourable Member poking his nose into everything?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: What has the Frontier got to do with this Resolution? Now, I want the Honourable gentleman wearing a Turkish cap to tell me what has this Resolution got to do with the Frontier? In reply, they will hear from me the necessary criticism to their heart's content. (Applause.)

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I am greatly disappointed at the speech which His Excellency the Commander-in-Chief has thought fit to deliver on this Resolution. It is a pity that what may be regarded as His Excellency's first speech in regard to the military policy of India should have been, if I may say so without using any unparliamentary expression, so reactionary. His Excellency thinks that when we confess our ignorance of military affairs we are incapable of offering any advice to the Army Department. His Excellency is subordinate to the Secretary of State for India, who is responsible to the British Parliament. May I ask, Sir, whether the British Parliamentarians do not on occasions criticise and comment on the army affairs of Great Britain, or whether the British Parliament consists of military experts alone? If the British Parliament which consists of the representatives of the people of Great Britain can criticise the defence policy of Great Britain, why cannot

we, the representatives of the people of India in this Legislature, do the same? Then, Sir, His Excellency has said that the Executive cannot share its responsibility in regard to the defence of the country with the Members of the Legislature. But who in this Resolution has asked that the proposed committee should be made responsible for the defence of the country? All that the Resolution recommends is the appointment of a committee for the purpose of consultation and advice on problems connected with the defence of India. So that the proposed committee would only be an advisory body. I am afraid the way in which His Excellency the Commander-in-Chief has spoken today only shows that he is going to pursue the proverbial mailed fist and iron heel policy in regard to army matters and that the army affairs will continue to be the close preserve of the Government and the Military Department. I am sorry that His Excellency's speech is bound to create a feeling of resentment in the country.

THE HONOURABLE MR. P. N. SAPRU: Sir, I greatly regret that His Excellency should have delivered a speech which is bound to cause resentment not only in this House but in the country outside also. If you will permit me to say so, Sir, it was a die-hardish speech and if that is going to be the spirit in which His Excellency is going to approach his task, then we cannot be hopeful of the future under His Excellency's administration. His Excellency says that we on this side of the House confess that we are ignorant and yet we want to be advisers. What right have we to be advisers? What advice can we usefully offer when we ourselves say that we are ignorant? Now, Sir, I do not know really that we are so very ignorant about defence or foreign affairs. In my own way I think I take a fairly intelligent interest in foreign policy and it is foreign policy which determines military policy and I say that it is a great assumption that the expert only knows foreign policy and military policy. Sir, by what right are Parliamentarians in England free to criticise military administration? You have at the head of the India Office a statesman, not a soldier, and His Excellency is subordinate to that statesman and he takes his orders from that statesman. If England can produce statesmen, India can also produce statesmen. If British politicians can show that they can understand military questions, then we despised Indian politicians can also show that we can understand military questions and defence problems and foreign questions. I said that under a parliamentary system you have a combination of the expert and the amateur; that is the merit of parliamentary government. Sir, we have a soldier at the head of our affairs and that is our misfortune, because a soldier can never take the broad view of a statesman. If His Excellency was a statesman he would not have made the speech which he has made this afternoon. Sir, why should we be disqualified from taking an intelligent interest in military affairs? It is because of colour? Is it because of our dependent position? The Resolution that I have moved is a very moderate one. I do not want this committee to bother itself about technical details. It is not for me to advise you how you should organise your campaigns. That is not my task, but there are certain broad questions of policy, of army expenditure, of stores purchase policy, of despatching troops from India to foreign countries where they may be needed; these are broad questions of policy and on these questions of policy surely the Indian politician can form an intelligent opinion and he has as much right to offer an opinion as any other politician.

Sir, His Excellency says: "We have given you so many opportunities of acquainting yourselves with defence administration but you never have availed yourselves of those opportunities. Look at the Capitation Tribunal Report. You have never gone to my office or to wherever that Report is lodged and cared

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to read that Report". Well, Sir, there are certain conditions attached to the reading of that Report; we cannot utilise the material which is there in the Report in our public speeches, and some of us feel a little diffident under those conditions in going and perusing those very confidential documents which are probably kept sealed. But, Sir, have we not offered on occasions intelligent criticisms of military policy? We said, Sir, that military expenditure was high. Now you have reduced military expenditure from Rs. 55 crores to Rs. 45 crores. Well, Sir, does it show that our criticism is so very unintelligent? You thought that you could never reduce military expenditure. But actually, though this expenditure does not represent, according to you, a permanent low level of military expenditure, you have reduced military expenditure.

Then, Sir, what has been our experience so far as these *ad hoc* committees are concerned? You have appointed so many committees—the Shea Committee, the Skeen Committee, and the Rawlinson Committee. I do not know all their names. Our experience is that even when the report of a committee is unanimous, you will not give effect to the report of that committee if the report happens to be of a progressive character. My Honourable friend Sir Phiroze Sethna was a very distinguished member of the Skeen Committee. What has been the fate of that report? You are trying an experiment that is a mere eye-wash. There is no reality about this so-called experiment of the Indianisation of the army.

Then, Sir, he asks what will be the function of this committee? He says it will impair the responsibility of the Executive. Well, Sir, who has asked that this committee should be responsible for defence affairs? I never suggested in my speech that this committee should share the responsibility of the Executive. This was going to be a consultative and advisory committee with limited functions and I was very careful in my speech to define what the functions and the constitution of this committee should be. His Excellency, of course, replied to some imaginary speech, because the manuscript was there and because he could not reply to my point. He was replying to something which he thought I might say.

Then, Sir, we are told in season and out of season that we never keep ourselves in touch with military affairs. Well, Sir, on the day when the Budget was being discussed, when we were offering criticisms on the army expenditure, His Excellency was not even present to listen to our criticisms or to reply to them. The question that we have repeatedly asked in this House is: Why is there this growth of military expenditure in this country? Before the war it stood at about Rs. 28 crores. Now the expenditure has gone up to Rs. 45 crores. Why has there been this increase? His Excellency is a great administrator, a great soldier, and he knows all about the army—we know nothing about the army—but His Excellency has never been able to give us an answer to this question in this House. We would like to have an answer from His Excellency even at this stage. Why? We certainly as politicians are entitled to ask this question. It is the taxpayer's money which is being spent on the army. Is it a very unreasonable request on our part that we should be told how and why it is that this army expenditure has gone up? If there was a standing committee it would have gone into this matter intelligently, we could have had a report from that committee for our guidance and we could have formed some notion about this matter. This is the sort of work which I visualise for this committee.

Then, Sir, changes have been effected in army organisation without reference to the Legislature and I venture to say that if we had a normal parliamentary system in this country you could not have effected these changes

without reference to the Legislature. You have lowered the status of the Dehra Dun men. You have worsened the prospects of the Viceroy's commissioned officers and yet all these changes were effected without reference to the Legislature and without any consultation with any standing committee of the Legislature.

Then he says: "But why are you so ignorant and why can not you take a more intelligent interest in Indian affairs?" Well, Sir, I would ask His Excellency just one question. Could any Indian be admitted into the army before 1918? Who was it that prevented Indians from joining the army before 1918? It is not for the British Government to say that we have no real knowledge of military affairs. After having kept us ignorant you turn round and accuse us of ignorance. Well, it is not playing the game. It may be anything but it is not playing the game. Sir, I would emphasise that so far as my main speech is concerned it remains unanswered. My points have not been replied to. I quoted the high authority of the Indian Statutory Commission in my favour. No reference was made by His Excellency in his speech to the quotation from the Indian Statutory Commission. Then, Sir, I stated that I wanted this committee for only certain limited and specific purposes. I said that I did not want it to be a technical committee. I do not want this committee to advise on technical matters. I wanted certain matters to be referred to it from time to time by His Excellency and I would also have given this committee the right of initiative, subject of course to the over-riding powers of His Excellency. But though these were the functions which I had visualised for this committee, so far as His Excellency is concerned he never cared to reply to these points.

Sir, I pointed out that we had standing committees attached to certain departments of the administration here. We have standing committees attached to railways. Now the railways are a very technical department but I have never heard my Honourable friend Sir Guthrie Russell say: "Oh, it is a commercial and technical department and you people know nothing about it and therefore you must not be associated with me in an advisory committee." Then, there is the Department of Industries and Labour, over which our esteemed friend Sir Frank Noyce presides; and we have never heard him say: "Oh, it is a very technical department and these questions of Labour and Capital are very complicated and there are so many interests involved, and really you will not be in a good enough position to advise me." There is the Emigration Committee over which our respected colleague Sir Jagdish Prasad presides, and occasionally the Emigration Committee is of some assistance to him. If you ask him what his experience of the Emigration Committee was, he would say that that Emigration Committee was occasionally of some assistance to him because it enabled him to keep in touch with public opinion in this country. But the case is different with the army. The army is here for some purpose. We need not specify this purpose. We know this purpose, and it must remain a sealed book to us. If we say: "Please associate us in some capacity or other with the army", then you answer: "Oh well, we cannot really do so because we shall be divulging some secrets and you Indian politicians are a very dangerous lot: we do not know what you may do if we associate you with army administration." Well, Sir, we are human beings. If you distrust us, if you think that we will not play the game, that we will not be loyal to you, then how do you expect us ordinary human beings to be responsive to you? On the other hand, if you say that you have a desire to co-operate with us, then you will have a gesture from our side also. You will find that we shall not be lacking in co-operation if there is co-operation on your side. But the fact of the matter is that so far as the army is concerned, it does not

[Mr. P. N. Saprú.]

believe in co-operation with the Indian politician. It looks upon him as an untouchable. It looks upon him as a pariah. Just as Dr. Ambedkar and others are leading a revolt against the caste Hindus who have looked upon these depressed classes as pariahs, we should also be in a sort of revolt against the Army Department.

These are all the observations I have to make. I must finally say that I am very much disappointed with the tone, temper, and character of His Excellency's speech and therefore I consider it my duty to press this Resolution to a division.

THE HONOURABLE THE PRESIDENT (addressing His Excellency the Commander-in-Chief): You are entitled to give a reply if you so desire.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I have got nothing more to say, Sir.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council that he may be pleased to constitute a Joint Standing Committee on which both Houses of the Indian Legislature should be adequately represented through elected representatives for the purpose of consultation and advice on problems connected with the defence of India."

The Question is:

"That that Resolution be adopted."

The Council divided:

AYES—19.

Banerjee, The Honourable Mr. Jagadish Chandra.
Barua, The Honourable Srijut Heramba Prasad.
Buta Singh, The Honourable Sardar.
Ghazanfar Ali Khan, The Honourable Raja.
Gounder, The Honourable Mr. V. C. Vellingiri.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.
Kalikar, The Honourable Mr. V. V.
Kidwai, The Honourable Shaikh Mushir Hosain.
Maung Aye, The Honourable Captain.

Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Mitha, The Honourable Sir Suleman Cassim Haji.
Muhammad Hussain, The Honourable Khan Bahadur Mian Ali Bak-h.
Naidu, The Honourable Mr. Y. Ranganayakalu.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Saprú, The Honourable Mr. P. N.
Sethna, The Honourable Sir Phiroze.
Sinha, The Honourable Kumar Nripendra Narayan.

NOES—27.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.
Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.
Campbell, The Honourable Sir George.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Clow, The Honourable Mr. A. G.
Commander-in-Chief, His Excellency the.
Devadoss, The Honourable Sir David.
Ghosal, The Honourable Sir Josna.
Glancy, The Honourable Sir Bertrand.
Hafeez, The Honourable Khan Bahadur Syed Abdul.

Haidar, The Honourable Khan Bahadur Shams-ud-Din.
Hallett, The Honourable Mr. M. G.
Ishrat Husain, The Honourable Saiyid.
Jagdish Prasad, The Honourable Kunwar Sir.
Johnson, The Honourable Mr. J. N. G.
Maqbul Husain, The Honourable Khan Bahadur Shaikh.
McIntyre, The Honourable Mr. W. T.
Menon, The Honourable Diwan Bahadur Sir Ramunni.
Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Raisman, The Honourable Mr. A. J.
Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Stewart, The Honourable Mr. T. A.
Thomas, The Honourable Mr. E. F.
Williams, The Honourable Mr. A. deC.

The Motion was negatived.

RESOLUTION RE LEADING OF INDIAN DELEGATIONS BY INDIANS.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadian): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that all Indian delegations to conferences including military and naval held outside India should be led by an Indian."

As Honourable Members are aware, such a Resolution has been repeatedly moved on the floor of this House. In 1922, my Honourable friend Sir Phiroze Sethna was the first to bring forward this type of Resolution before the House. Later on, it was repeated in 1924, 1926, 1927, 1928 and 1929, and lastly in 1934 by my Honourable friend Rai Bahadur Lala Jagdish Prasad. Sir, several times sympathetic assurances were given by the Government, and in 1926 the Resolution was not opposed and it was adopted by the House. The bringing in of a Resolution more than half a dozen times has had some effect. We know that the delegations to the League of Nations Assembly at Geneva in 1929, 1930, 1931, 1932 and 1933 were led by an Indian. Our object is that all delegations sent out of India to attend international conferences should be led by an Indian. It is not intended that there should be no non-Indian on such delegations. On the contrary, if there are any non-Indian experts they must be sent as members of the delegation or in the capacity of advisers. Our only demand is that such delegations to international conferences should be led by Indians. Therefore no racial discrimination is implied in my Resolution. It is based on the self-respect of India. The delegations of all other countries are led by their own nationals and that is what we demand. I shall quote one or two sentences from what some delegates to these international conferences have said. Lala Lajpat Rai described his experience in this connection. He said:

"I also made it a point to meet the representatives of the capitalists who were at the Conference (i.e., the International Labour Conference) and all of them put me the question: 'Why can't you Indians come and tell us what you feel on these questions relating to India?'"

That is what he said in one of his speeches. Later on he says:

"You would often be told there, as I have been by others, we do not want to hear Englishmen. We know their views; we know what they are likely to say; we want to know what you have to say."

That is what the representatives of other nations said to Lala Lajpat Rai. Then, Sir, I may quote from what Sir Pushottamdas Thakurdas said in connection with the same Conference when he went as a delegate. He said:

"One question which I had to answer at least half a dozen times to nationals from Germany, from France, America, Sweden, Norway, was: 'How is it that we do not see Indians oftener at these International Conferences but only Englishmen or Britishers? Can Indians really speak in English as you do, and if they can why is it that your Government sends Europeans?'"

So, Sir, this also creates a misunderstanding amongst the representatives of other nations and they put these pertinent questions as to why India of all the countries is not led by its own nationals? Therefore I have demanded in this Resolution that for the sake of its own self-respect India should be led at all International Conferences by an Indian. We do not question the sending of non-Indians as delegates or as expert advisers. What do we actually

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

find ? In 1933 at the World Economic Conference, two out of the five delegates representing India were Indians and the leader was a non-Indian. Sir Purshotamdas Thakurdas and Mr. Rangaswami Iyengar, the two Indian delegates, had to refuse to serve on this delegation on this account only. Then, Sir, we had the Disarmament Conference and a Special Session of the League. On both occasions India was represented by the then Secretary of State, Sir Samuel Hoare. Later on, we had an Imperial Forestry Conference which met at South Africa. To that Conference also the Indian delegation was led by a non-Indian, and it was said that a qualified Indian or one having expert knowledge of forests was not available. Even though such a man was not available, the delegation ought to have been led by an Indian and he should have been provided with expert advisers or members. Then there was the Naval Conference held very recently at the end of 1935. India was represented by Mr. Butler, the Under Secretary of State for India. So, Sir, we see that the only effect of the Resolutions which we have moved in regard to this matter is that the delegations to the League of Nations are led by Indians but at most of the International Conferences the delegations are led by non-Indians. There is one great danger of non-Indians leading our delegations to International gatherings which is exemplified in the speech of Mr. Butler at the Naval Conference. They sometimes talk about problems on which Indians hold a contrary opinion. For instance, Mr. Butler was pleased to say that since the London Naval Conference India had received a great constitutional advance and that her navy also had received an advance in status. Sir, it was not proper for Mr. Butler as leader of this delegation to refer to those questions in such terms. We all know that the so-called reforms have not been accepted by Indians who are not satisfied with them. But by Mr. Butler's speaking in that strain at the Conference other nations may have formed an idea that a great constitutional advance has been made in India and that Indians are wholly satisfied. Sir, we therefore do not want such delegations to be led by non-Indians. It would be better for India not to be represented at all rather than be misrepresented. For these reasons, Sir, I have moved this Resolution.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, as my Honourable friend the mover of the Resolution has pointed out, this Resolution—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: On a point of order, Sir. Is there a quorum in the House ?

(As there was no quorum the Honourable the President directed the Secretary to ring the bell and a quorum was obtained.)

THE HONOURABLE THE PRESIDENT (to the Honourable Kunwar Sir Jagdish Prasad): Will you please proceed ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, as the mover of the Resolution has pointed out, a Resolution more or less in similar terms has now been moved for a number of years and my Honourable friend has proceeded to state that he hopes that by the process of repetition to impress upon the Government the point that Indians expect, that Indian self-respect expects, that when delegations are sent out abroad the leader should be an Indian. I think the House will recognise that the position has very considerably changed since 1922. I think it is in the recollection of Honourable

Members that since 1929 the leader of the delegation to the Assembly of the League of Nations has always been a distinguished Indian. I may also inform the House that the leader of the delegation to the International Labour Conference at Geneva has always been a very distinguished Indian. For many years Sir Atul Chatterjee was the leader and recently the High Commissioner for India has led the delegation. The Ottawa Conference delegation, as Honourable Members know, was led by Sir Atul Chatterjee. I think I would be right in stating that in regard to delegations and conferences which are of a general nature the practice has been more and more followed of having Indians, a large number of Indians, among the delegation and where possible to have an Indian as leader. But apart from these general conferences and delegations, in a number of technical conferences Indians have been either the sole delegates or the leaders of delegations. I will quote a few instances in order to convince the House that there is really no bar, nor is it the desire of the Government of India to exclude Indians who can be suitably sent out as delegates or leaders of delegations to these conferences. The International Conference on Emigration and Immigration, the General Assembly of the International Institute of Agriculture, the International Ornithological Conference, the International Conference for the formation of an International Relief Mission, the Conference of Agricultural Statisticians, the Air Mail Conference, the International Commission for Air Navigation, and so on, in all these Conferences either the sole delegate or the leader of the delegation was an Indian. But the difficulty which I feel in accepting my Honourable friend's Resolution is that it recommends that in regard to all conferences the leader should be an Indian. As Honourable Members know, many of these conferences are of a highly technical character. Looking through the list I found a good many of these technical conferences and I would only quote the names of two or three in order to convince the House that in the present circumstances of India—I am only taking the present circumstances—it would not have been possible to have sent an Indian as leader of the delegation. For instance, there was a Conference on Oceanography, Marine Hydrography and Continental Hydrology. I would ask the House what is the use of sending an Indian as leader of a delegation if we are not sure that he would be able to put forward properly the views of the Indian Government or that he would be able to make a useful contribution to the discussions of the Conference. Similarly there have been International Conferences on Buoyage and the lighting of coasts and the International Lighthouse Conference. In these matters I think it will be generally agreed that it is desirable to send the most competent man. I think it would be doing a great disservice to our countrymen and to the reputation of India if we were to send people who were entirely unfamiliar with the subject which was being discussed at the Conference; it would be only damaging our reputation. A point that was mentioned by my Honourable friend was that if a non-Indian was the leader of a delegation, there was a danger that the view he might express might or might not be in harmony with the feelings and sentiments of a section of non-official opinion in India. I think my Honourable friend recognises—and I hope the House will recognise—that the delegation which is sent is a delegation to represent the views of the Government of India. In every country the executive makes the selection and the views that are expressed are the views of the Government for the time being. It would be impossible for any Government to choose a delegation which would be free to express views which may not be in harmony with the views of the Government of the time. I think that on that point whatever views are expressed by the delegation are the views of the Government of India. Even if an Indian were the head of a delegation, he would be bound as long as he is the representative of the Government of India to

[Sir Jagdish Prasad.]

voice the opinion, to emphasise the points, which the Government of India wish him to emphasise. Therefore the mere fact that a delegation is led by a European does not in any way mean that because he happens to be a European he would not therefore be able to voice the opinion of the Government of India. I quite recognise that there is this feeling, that if there is a suitable Indian, that if he is able to make a valuable contribution in an International Conference, he should be sent and I think that has been the general policy of the Government of India. But I hope the House will recognise, as I have already pointed out by giving a few instances, that there are a large number of technical conferences for which, in the present circumstances of India, it is not possible to select an Indian. I am sure that, as time goes on, as more and more Indians fill responsible positions in these technical branches, that the number of Indians who are sent out as delegates will increase but we in this House must for the moment take things as they are. It would be doing no service to ourselves or to the cause of India by sending incompetent and ignorant delegates to technical conferences.

I hope, in view of what I have said, my Honourable friend will not press his Resolution to a division.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, the Leader of the House has made a very sympathetic speech. Only on one point I do not agree with him and that is that if the leader of a delegation has to express the opinion of the Government of India, as he has said and rightly said, it matters little whether the delegation is led by an Indian or a non-Indian. I think the time has come when you can find very able men who can be trusted by the Government and who can faithfully express the views that the Government of India wants to express, and therefore there cannot be much difficulty on that account. The difficulty is only on very technical matters as the Leader of the House has pointed out but in view of his sympathetic reply I beg leave of the House to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE SLAUGHTER OF MILCH CATTLE.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, the Resolution that stands in my name runs as follows :

"That this Council recommends to the Governor General in Council that immediate steps be taken to stop the indiscriminate slaughter of milch cattle in India".

Sir, similar Resolutions were discussed in this House, I think in 1921-22, then in 1927 and again in 1929. Unfortunately in some of the debates I notice some of my friends have introduced extraneous material and the discussions took a different turn altogether. Well, Sir, my motive in moving this Resolution is purely and simply to see that the people of India and especially the infant population of India get purer and cheaper milk and the cultivating population of India get good draught animals. Sir, India is mainly an agricultural country. India also is a conservative country. So unless India becomes machine-minded we cannot expect to replace draught animals by machinery for cultivating the soil of India.

Sir, the rate of infant mortality in India is appallingly high as compared with that of other countries in the world. I have got figures, Sir, but I do not

want to take up the time of the House as I know an important Bill is coming up for discussion soon and therefore, Sir, I will try my best to be as brief as possible in discussing this problem. Sir, I may say for the information of the House that cheap and unadulterated milk is practically unavailable in big cities like Bombay and Calcutta and, as you know, Sir, even in Nagpur. In cities like Bombay and Calcutta we hardly get even four seers of milk for the rupee. Sir, it is admitted that milk is necessary for all, not only for infants but even for invalids and convalescents. I have before me authoritative statements made by medical officers of Government in the various provinces wherein they clearly state that if this slaughter is stopped the people will get pure and cheap milk for consumption. Sir, the medical officer from the United Provinces stated that if Government could adopt measures to increase the supply of milk in big cities, that would do more good for controlling infant mortality than the health week propaganda or any other propaganda that is being carried on either by the Government or by local bodies. Even the Agricultural Commission recognised the importance of taking some measures in this direction. Then, Sir, if some administrative measures are taken in this direction, I submit that India is likely to be self-sufficient in the matter of supplying milk and milk products to the people of India. Sir, I am not one of those who think that Government have not taken any steps in this direction. I know that the Agricultural Department of various provinces are trying to some extent to improve the breed of cattle but the measures adopted up till now have not been successful to the extent to which I desire to emphasise. I therefore suggest some measures for the sympathetic consideration of Government so that if this indiscriminate slaughter is stopped, we will get cheap and pure milk as well as other milk products like ghee and butter for our daily consumption, which is very necessary in the interests of the health of India. This will also increase to a very large extent the production of good cattle which is quite essential for the agriculture of India. I would like to suggest, Sir, that the *phooka* system should be abolished. This is a very abominable system, brought into practice by some *gowalas*, who sterilise cows after a lactation period and after the cow or she-buffaloe is dry. Unfortunately, those cattle are sold and slaughtered. I have evidence to show that the cattle that are slaughtered are between three and nine years of age, and that is the period when the milch cattle can give good milk. Then, Sir, in big cities—that is also my experience—when cows and she-buffaloes are brought to the city, they are purchased by these *gowalas*, and after the lactation period is over, they are sold because there are no facilities for taking them back to those parts of the country where grazing facilities are available. In this connection, Sir, the question of railway freight comes in. If the railway freight in this connection is reduced, that will greatly help to stop the selling of cows for slaughter. I understand that in some municipalities, there is an inspector who examines milch cattle to see whether the cattle are healthy or not before being slaughtered. If instructions are issued that the inspector should make it a point not to allow cattle which are capable of giving milk to be slaughtered, that will also to some extent help to solve the problem. Lastly, Sir, the paucity of grazing land is one of the considerations which has come in the way of the poor cultivators keeping a large number of milch cattle. So far as my province is concerned, I know from personal experience that the rules and regulations are very hard, and if that had not been the case, the milch cattle would have been kept in very good condition and we would not have been forced to pay such a high price for the milk we get. If the Government of India could see their way to issue instructions to deal sympathetically in these matters, that would also, in my humble opinion, solve the problem. As I have said in the beginning of my speech, my only object in bringing forward this Resolution

[Mr. V. V. Kalikar.]

is to solve this difficulty of not getting pure milk and pure bred cattle for agriculture in India. I therefore expect support from all parts of the House, and I hope Government will accept my Resolution.

Sir, I move.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJIC OKSY : (Bombay : Nominated Non-Official) : Sir, I have full sympathy with the Resolution moved by my Honourable friend Mr. Kalikar. The question is divisible into two parts, the supply of milk and the slaughter of animals. There can be no dispute with regard to the urgency of milk supply both for the urban and village population. They are, however, greatly handicapped for want of suitable lands for pasture, and thus in some cases when the animals get dry they are slaughtered for their hides. In other places conditions prevail that are certainly barbarous and render the animal unfertile. These too are slaughtered. The question is how far Government can interfere in the matter. So far as the species of cattle are concerned, I believe that the Imperial Council of Agricultural Research is devoting every possible attention to improving the breed. On the other hand there exist so many humanitarian, cow protection, and such like societies that can help to eradicate this evil practice. If these institutions were to broadcast the grave disadvantages resulting to India from it—both to the agricultural and non-agricultural population—much good is likely to result. Neither legislation nor administrative measures will be of any avail. It is only by example and precept combined with broadcasting, that useful information can be supplied. I would ask my Honourable friend therefore to modify his Resolution to the extent that “the Governor General in Council may—”

THE HONOURABLE THE PRESIDENT : Order, order. I am not going to permit any amendment now.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Very well, Sir.

Under these conditions, Sir, it is impossible, as I said, for legislative measures to do anything. Much depends upon the local organisations and local philanthropic institutions to put a stop to such indiscriminate slaughter.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution and I hope that the observations that we make will not be ignored just as His Excellency the Commander-in-Chief did by choosing to treat our debates with contempt.

Sir, some time back as far as agricultural cattle are concerned, there was *shamlat-deh* in my province. Now, Sir, the time has come when for reasons best known to the Government those *shamlat-dehs* all over the province have almost in every case been distributed to the sundry owners of villages and that has brought about the sad result of reducing the quality of milch cattle. I wish that the Government of India should reconsider that policy and restore the *shamlat-deh* lands in every village, and if at present they consider that impossible, then they should allot pasture areas all over the province to enable the milk-giving capacity of cattle to be maintained. Sir, the mere fact that the price of milk is going up shows that there is a dearth of milch cattle already.

I am not dealing with the Resolution from a religious point of view. If we were to bring in the religious view of course every Hindu would say that no cow should ever be slaughtered. But looking at it purely from the economic point of view, I say that notwithstanding all the efforts made in this connection by Government the basic cause of the difficulty has not been tackled, because the sundry village owners have been deprived of their pasture lands in their *shamlat-deh* lands being divided among the owners. In India milk is a principal part of our diet, and for the health and well-being of the people it is essential that milch cattle should be protected and well fed.

With these remarks, Sir, I support the Resolution and I hope the Honourable Leader of the House will not evade dealing with the criticisms and observations that various speakers have made in regard to this matter.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, I congratulate the mover of the Resolution on the moderation and succinctness with which he has pressed his point. I can also assure my Honourable friend the Leader of the Opposition that his remarks will be given due weight, and I hope by the time I have finished that I shall be able to convince him that the Government have been paying close attention to this problem. The mover of the Resolution said that milk was a very important part in the diet of the people of this country and that in cities specially it was extremely difficult to get a pure supply at a reasonable price. I quite agree with these propositions. Where I differ from him is in the remedy which he proposes. His contention is that, if by legislation we were to make it penal to slaughter milch cattle, then automatically the milk supply would increase and prices would come down. If my Honourable friend were to pause for a moment and consider why it is that these *gawalas* should sell for slaughter the cattle which they have purchased for milk, what is it that induces them to do so, he will agree that there must be some economic force, some economic reason which induces them to do so, in many cases very much against their religious instincts. Well, Sir, we have been going into this problem and we find that so far as census figures are concerned—I do not propose to trouble the House with details—the number of cattle has been increasing, that so far as numbers are concerned there is no cause for anxiety. If we compare the number of cattle with the acreage of cultivated land, or the number of cattle in relation to the population, we find that India compares very favourably with many settled and old countries. The problem in India is really not more cattle but better cattle. That I understand is the opinion of the experts who have been examining this question. In cities I understand the reason why, after the period of lactation is over, milch cattle are slaughtered is that they are fed in such a way and are kept confined in such a manner that it is not possible for them to be used afterwards for breeding purposes. The methods of keeping them, the way that they are fed, are such that after the period of lactation is over, it is not a paying proposition to send them back to the breeding areas. It was suggested by my Honourable friend that if the railway freights were reduced it would be possible to send back these cattle to the breeding areas from which they were imported. We have examined this question and we find that really this would not be a paying proposition and that some other methods should be employed. What are these methods? It is the opinion of experts that it is desirable, especially in regard to the milk supply of big cities, that the dairies should be outside the city areas, that further their feeding should be on more scientific lines. If this is done then this problem—which I quite recognise in some places is a serious problem—of the destruction,

[Sir Jagdish Prasad.]

of milch cattle would be nearer solution. I understand that in Bombay something in this direction is being done. Areas have been taken up where cattle, especially she-buffaloes, are kept and the milk supply is organised. I think that with improvement in transport facilities the organisation of milk supplies should be assured. Moreover, the Government of India have organised a marketing survey and we hope to have a report by July, when we shall know the present methods of milk supply to cities and then we shall be in a position to judge as to how far it is possible to improve the milk supply of cities.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : May I ask whether the Government of India have directed Provincial Governments, wherever they have established new colonies, they ought to reserve land for pasturage, at least near to the towns they have proposed to form ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : My Honourable friend may rest assured that I shall take up the point about pasturage before I finish if he will just allow me to continue. I shall not omit to take notice of that point.

I was saying, Sir, that we have organised a marketing survey which will give us information as to the present system of the milk supply of cities. The Government of India have further taken up the question of animal nutrition. We hope soon to have an institute at Izatnagar in the Barcilly district which will study the problem of the scientific way of feeding cattle. We are also going—if the Legislature votes the funds—into the question of the processing and handling of milk, so that it may be possible to transport milk to a distance. We are going into these questions and apart from that so far as the responsibilities of the Central Government are concerned—and I must again remind Honourable Members, they are very often apt to forget it, that the main responsibility now that Agriculture is a transferred subject, is a provincial transferred subject, the main responsibility for these matters rests with the Local Governments concerned. The Government of India can only undertake research and higher education. They can only advise the provinces and get them together to exchange ideas. Therefore as far as we are concerned, we have not neglected either of these duties. We maintain four cattle farms, at Wellington, Bangalore, Karnal and at Pusa, which has now been transferred to Delhi. We maintain these cattle herds. We have in the Imperial Council of Agricultural Research a cattle section which tries to discuss these problems, and a very important problem apart from nutrition is the prevention and cure of disease. We all know that you might be able to rear a very valuable herd, but it might be destroyed by disease. Honourable Members no doubt know that at Muktesar very valuable work is being done and there is a branch at Izatnagar in regard to the prevention and cure of such diseases as rinderpest.

I now come to the question of pasture. Honourable Members know that land revenue is a provincial subject. The question whether pasture land should or should not form part of the village community is a matter really for the Provincial Governments to consider with reference to the village rights of the people.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : With your permission, Sir, may I interrupt the Honourable Member ? Pasture

land is common land for the villagers. Why cannot the Government of India pay land revenue on that ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I really cannot answer this question off-hand as to why the Government of India cannot pay the land revenue. It is not only a question of the Government of India ; it is a question of the rights of the landlord. I do not know what the position is in the Frontier Province, but—

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : It is common property.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : It is a question of village rights. I am not in a position to say anything. This is a matter in which the Government of India could not lay down instructions from here and say : "In the village of my friend Rai Bahadur Lala Ram Saran Das or the village of the Nawab Sahib of Hoti so many acres shall be regarded as pasture land". I am sure that if such an order were to issue from here there would be great resentment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : *Shamlat-deh* is the common land jointly owned by all the people in the village.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : If it is jointly owned by all the villagers, I do not understand how joint possession has disappeared : it must have been by the consent of the joint owners. I conclude that the joint owners of that land have agreed among themselves that it is a more profitable proposition to bring it under cultivation. I presume so. If the joint owners have amongst themselves come to an agreement that there shall be no longer the same area under joint possession for pasturage that is a matter that you can deal with in your Provincial Council.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The policy of the various Governments has resulted in that.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : It is impossible for me here to defend the policy of nine or ten Local Governments on a side issue. I am not familiar with the facts and here I must again come back to the Resolution.

The Resolution says that in order to increase the milk supply the slaughter of cattle should be prohibited. If the Resolution had been that in order to increase the number of milch cattle instructions should be issued in regard to *shamlat-deh* in the Punjab, I should have been in a better position probably to meet the points of my friends.

THE HONOURABLE THE PRESIDENT : In that case I would not have permitted the Resolution.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I have had to deal with the point that the remedy is to prevent the slaughter of cattle. There is no question of *shamlat-deh*. The practice no doubt varies from province to province. In some villages there is probably no *shamlat-deh*.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab : Nominated Non-Official) : There is very little difference between *shamlat-deh* and proprietary land ; in the *shamlat-deh* case all the villagers have joint holding. In the other case there are only certain individuals who own land. Government has no more right on the common land than on the proprietary fields. They pay land revenue on the proprietary land ; on *shamlat-deh* they pay either in the form of a grazing fee or a fixed amount. Government has no superior rights or claim on *shamlat-deh* than on the proprietary lands.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I am very glad to have this information ; I listened to it with much interest. If I may remind Honourable Members, it does not carry us much further in regard to the Resolution which has been moved by my Honourable friend.

I will now summarise my arguments. I see that Sir Phiroze Sethna is getting rather anxious about his Bill ! I will now summarise what I have said. I want to remind Honourable Members that the primary responsibility for this rests with Provincial Governments, that so far as the Government of India are concerned they are doing what they can within their financial resources to improve the breed of cattle, by keeping cattle farms, by investigations into the prevention of disease, by investigations into the problems of animal nutrition. We have already appointed officers to survey the whole question of milk supply to cities, we are satisfied that this being an economic question, the mere penalising of the slaughter of cattle will not solve it. It is essential that some other methods should be found in order to make it worth the while of the people not to slaughter these cattle but to keep them for breeding purposes. We are fully alive to the fact that in India milk is an important article of diet and I can assure my Honourable friend that we shall do our best to improve the breed of cattle and to see what we can do in order to ensure a purer and better supply of milk to the cities.

4-45 P.M.

I hope, in view of what I have said, my Honourable friend will not press his Resolution to a division.

THE HONOURABLE MR. V. V. KALIKAR : Sir, the reply that the Leader of the House has given to my Resolution, though it does not convince me on many other points, at least it has convinced me to that extent that Government is not ignoring this important question and that they are waiting for the report of their experts. So far as the question of the responsibility of Provincial Governments is concerned, I may bring to the notice of my Honourable friend that Forests in my province is not a transferred subject, nor Land Revenue policy.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : But it will soon be.

THE HONOURABLE MR. V. V. KALIKAR : I am not speaking about the future reforms but of the present conditions. So what I think is that the Government of India has got the power of control over the reserved departments of other provinces and by consultation with the provinces they can lay down a policy for the guidance of the provinces in matters which are reserved and not transferred. However, Sir, as my Honourable friend Sir Phiroze Sethna is getting anxious, I will cut short my remarks and submit that the promise held out by my Honourable friend, though it does not satisfy me

completely, still I hope in a few days when he receives the report and after he considers it carefully, he will find some way (the Government of India can always find ways and means) to ensure a pure and cheap supply of milk and therefore I submit, Sir, that I do not want to press this Resolution to a division. I therefore beg the leave of the House to withdraw the Resolution.

The Resolution was, by leave of the House, withdrawn.

RESOLUTION RE PAY OF IMPERIAL SERVICES.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, my Resolution is as follows :

" This Council recommends to the Governor General in Council to convey to His Majesty's Government the opinion of this House that immediate measures are required for the purpose of curtailing the pay of the Imperial Services before the reformed constitution is brought into force ".

Sir, I know that in moving this Resolution I am going to knock against the hard rock of all the Imperial Services, *viz.*, the Indian Civil Service, Indian Police Service, Indian Medical Service and all other Indian services which are mostly the close preserve of recruits from British universities. I also know that the question of the reduction of pay of the Imperial Services is sacred ground, not to be traversed by Indians, whether officials or non-officials. Yet, Sir, I venture to tread the forbidden ground on the eve of the coming constitutional reforms. The bitter experience of India in bribing her services, just on the eve of the 1919 reforms, is still fresh in our minds. The most tempting terms given, on the eve of the 1919 reforms, to the members of those heaven-born services, to retire early, if they were unwilling to serve under Indian ministers, is still causing a drain on the Indian revenues by way of pensions, etc., due to such early retirement. The Leeloot and the overseas pay sanctioned by way of further bribes to the European element of the service is still making a big hole in the chest of the Indian exchequer. It is no wonder then, Sir, that India is apprehensive of further bribes which may be sanctioned by the Secretary of State for such services, as further constitutional reforms are being introduced in the near future. My apprehensions, Sir, are being increased by the silence on the part of the Government of India and the Secretary of State on the subject of the reductions of pay and allowances of those services, when even on economic grounds, the existing fat salaries are untenable. The cost of living has considerably gone down as will appear from the index figures of the last few years. In 1910 the average index number of prices of all articles was 120 and in 1915 it rose to 150. During the period of 1915 to 1920 the index number rose from 150 to 280. It was during this period that the Lee concessions were granted owing to increase in the cost of living. But from 1920 to 1922 it came down from 280 to 215. Then again it rose from 215 to 226 during the years 1922 to 1925. From 1925 to 1930 it dropped from 226 to 145 and in 1931 it came down to 127 which is below the pre-war level. Even the latest numbers that are available for 1932, 1933 and 1934, show a further decline to 126, 121 and 119, respectively. Taking into consideration all these factors there is no denying the fact that the cost of living in India has come down gradually to an abnormally low figure. On this very ground of the reduced cost of living the pay of all the services under the control of the Government of India, and the provinces have been considerably reduced. In some cases the reductions in pay and allowances of such officers have been brought down to the pre-war level. May I therefore ask the Government of India as to why the pay and allowances of the Imperial Services under the

[Mr. Jagadish Chandra Banerjee.]

control of the Secretary of State should not be curtailed considerably for future recruits? With what justification are the Government of India and the Secretary of State keeping silent on this important question at a time when the whole of India is holding their breath to find out ways and means to meet the increased cost of the administration under the coming Reforms? Sir, as usual the Government of India is trying to curtail their expenses by reducing the scales of pay even of the menials and inferior servants, but they are blind on the question of the reduction of pay of the Imperial Services. It is a wonder, Sir, that the question of pay, leave, pensions and other rights of civil servants, consisting of these services, have been kept even out of reach of the Governor General, not to speak of the Federal Ministers or Provincial Governments. Here, Sir, I read section 247 (a) which reads as follows:

“The conditions of service of all persons appointed to a civil service or a civil post by the Secretary of State shall

(a) As respects pay, leave and pensions and general rights in regard to medical attendance be such as may be prescribed by rules to be made by the Secretary of State”.

The rules regarding pay, leave, allowances and pensions are to be framed by the Secretary of State alone. The Government of India who are expected to pay have not even been given any *locus standi* to advise the Whitehall bureaucrats on this important question. When India has got to pay for those services, she must have the right to fix their pay. When India is to pay the piper, she should have the right to call the tune. It is preposterous that the whole question of pay, etc., is to be decided in London by the Secretary of State to suit boys of British universities—

THE HONOURABLE THE PRESIDENT: Do not Indians attend the British universities?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: They do.

THE HONOURABLE THE PRESIDENT: Then why do you make such invidious observations?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: They give more preference and facilities to boys of British universities than to Indians.

THE HONOURABLE THE PRESIDENT: Why make an invidious remark?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: We are already hearing, from time to time, that boys from British universities are unwilling to come to India as civil servants under the coming constitution. These cryptic messages received from the United Kingdom, from time to time, are the precursor of further increases in the overseas pay and the Lee concessions. Sir, it is high time that the unparalleled top-heavy administration in India is considerably reduced. Here I would like to make some comparisons of the pay fixed for certain posts reserved for Indian Civil Service officers and the pay drawn by even Ministers of the Cabinets of the United Kingdom and other Dominions like that of Canada, which is enjoying independent status within the British Empire. The fabulous pay drawn by officers of the Indian Civil Service, the Indian Police Service and the Indian Medical Service, are without any parallel in the whole world. I know that comparisons are odious but in considering the question of the pay of these callous, self-elated, all-knowing bureaucrats, nothing is odious. They are as it were odium and abuse

proof. They are here only to milch India to the best of their ability and power. They are sent out more for retaining British supremacy in India and to rule India rather than to serve it. They are sent out by the Secretary of State for enriching their motherland by shipping gold out of India. They care more for the safety of their pensions than anything else. As such they do not care a pin whether India is unable to pay so highly to the civil servants recruited by the Secretary of State. In England the pay of Cabinet Ministers range from £5,000 to £2,000 a year. In terms of rupees it ranges from Rs. 65,000 to Rs. 26,000 a year. In Canada the pay of Cabinet Ministers range from \$15,000 to \$10,000. In terms of rupees it comes to about Rs. 35,000 to Rs. 25,000 a year, respectively. In India, Sir, the pay of the Executive Councillors come to about Rs. 80,000 a year. Even the Financial Secretary in the United Kingdom, who is a Minister, receives a salary of £2,000 a year which means about Rs. 2,000 a month whereas the Secretaries of the Government of India receive Rs. 4,000 a month each and even the Deputy Secretaries receive more pay than the said Minister of the United Kingdom. It is no use alluring us by surplus budgets with a view to adduce cogent reasons for the increase in the number of the cadre of Imperial Services and not to reduce the pay and allowances of officers belonging to such services. In discussing this question I may inform the House that the Wheeler Committee at present enquiring into the re-organisation of the Secretariats will probably be guided by the Llewellyn Smith Committee Report which was relegated to the dust and silence of the upper shelves of the Secretariat record rooms. I will not be surprised if the Wheeler Committee recommends an increase in the number of posts in the Secretariats being reserved for Indian Civil Service officers. Already we find the number of Indian Civil Service under secretaries, deputy secretaries and joint secretaries are being increased. Even in the Department in charge of the Honourable the Finance Member, the custodian of the Indian Exchequer, an additional under secretary has been recruited for working as the Private Secretary to the Honourable the Finance Member. Probably this appointment is being tried as a feeler and I will not be surprised if I find in the course of another year that all the Executive Councillors are being tagged with junior Indian Civil Service officers as their private secretaries. It is already in the air that the posts of assistant secretaries now being held by Indians are going to be changed into posts of under secretaries which will mean some increase in the number of posts for Indian Civil Service officers. For all these reasons I think I will not be wrong if I say that the Government of India, in collusion with the Secretary of State, is trying to evade the question of the reduction of pay of the Imperial Services and the reduction of posts reserved for men to be recruited by the Secretary of State. I would therefore suggest that a committee consisting of officials and non-officials be formed by the Government of India to suggest the reductions in pay and allowances of the Imperial Services and forward the same to the Secretary of State so that he may at least know officially as to the depth of feelings of Indians on this question. We non-officials are always accused of criticising the actions of Government without throwing out constructive suggestions. Here, Sir, I am suggesting to Government to form a committee and to forward the views of that committee to the Secretary of State. I know that the Secretary of State is not bound to consider the views of such a committee. But yet, Sir, I believe that it will have some effect on the minds of the British statesmen in London, who will be compelled seriously to consider the question of the reduction in the number of men in the Imperial Services as well as the question of the reduction in pay and allowances of the officers belonging to those services.

Sir, with these few words, I move my Resolution.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Hallett.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I would prefer to reply on the next day, if the debate is going to be adjourned to the next day. I do not know if any other Honourable Member wishes to speak on this Resolution.

THE HONOURABLE THE PRESIDENT: As no other Honourable Member has risen, I take it that nobody wants to speak.

THE HONOURABLE MR. M. G. HALLETT: In that case, I take it in the first place, that the Honourable Member was referring only to the pay of new entrants and that he did not want to cut my pay! (Laughter.) He was dealing with the pay of new entrants. There was a similar discussion about two years ago in this Council on a Resolution moved by the same Honourable Member and on that occasion I undertook to convey the views of the Council to the Secretary of State. That was done. Honourable Members have been informed, in reply to questions, both in this House, and in the other House by the Honourable the Home Member, that the matter is still under the consideration of the Secretary of State, and I am quite prepared again to forward the Honourable Member's speech to the Secretary of State for his information. The Secretary of State does pay considerable attention to Indian opinion on this matter, and that is one of the reasons for the delay that has occurred in getting the whole question decided. If the Honourable Member is satisfied with that assurance, I do not think I need delay the House any longer. I am prepared to send his speech and the opinion of this House to the Secretary of State.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab Non-Muhammadan): May I ask one question? Three years have now passed since a Resolution of a similar nature was moved in this Council. Will it take the Secretary of State a century to decide this matter? The matter ought to have decided within a reasonable period.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Sir, whatever has been said by the Government did not convince me about their *bona fides*. The present bureaucrats, whether brown or white, are experts in camouflage and diplomacy. They are very good adepts in the art of side-tracking the main issues by their platitudes and protestations. However, I know that the question entirely rests with the Secretary of State. But certainly the Governor General in Council can represent to His Majesty's Government in England that public feeling is very strong on this point and that something must be done immediately to reduce the pay and allowances of future recruits to those services.

THE HONOURABLE THE PRESIDENT: Order. order. I am not going to allow you to make a second speech. You will only reply to the arguments set out by Mr. Hallett.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Whatever has been said in reply to my Resolution, I am still unconvinced but as the Honourable Mr. Hallett promises to send the debate to the Secretary of State for his consideration, with that assurance I beg leave of the House to withdraw my Resolution.

(The Honourable Mr. Hossain Imam rose in his place.)

THE HONOURABLE THE PRESIDENT: You are not entitled to speak at this stage.

The Resolution was, by leave of the Council, withdrawn.

PARSI MARRIAGE AND DIVORCE BILL.

THE HONOURABLE THE PRESIDENT (to the Honourable Sir Phiroze Sethna): I would ask you only to read your Motion today and you can proceed to debate it on the next non-official day. I give you this chance that you may not lose priority.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Thank you, Sir.

I beg to move:

"That the Bill to amend the law relating to marriage and divorce among Parsis, as reported by the Joint Committee, be taken into consideration".

The Council then adjourned till Eleven of the Clock on Friday, the 13th March, 1936.

COUNCIL OF STATE.

Friday, 13th March, 1936.

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

QUESTIONS AND ANSWERS.

INVITATION OF APPLICATIONS FOR THE POST OF ENQUIRY CLERK BY THE NORTH WESTERN RAILWAY.

95. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ :

(a) Did the North Western Railway invite applications for the post of an enquiry clerk from the existing staff ?

(b) Was no Muslim member of the staff called to appear before the Selection Board ? If not, why not ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Government have no information. These are matters of detailed administration entirely within the competence of the Agent to whom a copy of the question has been sent for information and such action as he may consider necessary.

CONTRACTS FOR THE SALE OF ICE AND AERATED WATERS ON THE NORTH WESTERN RAILWAY.

96. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ :

(a) Will Government please state whether contracts for the sale of ice and aerated waters of the North Western Railway were till August, 1934, divided into four sections, namely, S, N, C and E ?

(b) Were these sections temporarily converted into three sections in August, 1934, by attaching a portion of E section to N and the other portion to section C ?

(c) Has the North Western Railway now attached entire section E to C ? If so, was this arrangement made at the instance of Captain Deep Chand, one of the ice contractors ?

(d) Does Captain Deep Chand hold the contract for the combined section C ?

(e) Does Captain Deep Chand, in addition to having the ice contract for the combined section, also hold the fruit contract at the Delhi main station ?

(f) Are Government prepared to consider the advisability of restoring the four-section system on the North Western Railway for the purpose of ice contracts ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) and (b). The North Western Railway system was divided into four sections in 1933, but in the

middle of the 1934 season the contract for one section was terminated and portions thereof were added to each of two other sections.

(c) The present division of the system into three sections accords with the arrangement in force in 1922. I am not aware at whose instance this arrangement was adopted.

(d) Captain Kunwar Deep Chand is the contractor for sections of the line south and east of Lahore excluding the main line between Lahore and Karachi.

(e) Yes.

(f) I will communicate the Honourable Member's suggestion to the Agent, North Western Railway, for consideration.

RAILWAY STAFF AT QUETTA, NORTH WESTERN RAILWAY.

97. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ: Will Government please state:

(a) Was staff drafted to Quetta from different divisions of the North Western Railway to replace the staff killed or injured during the earthquake?

(b) Has any rule been laid down by the Railway Administration for the return of this staff to their respective permanent posts in the divisions from which the staff was drafted to Quetta?

(c) Has the above staff been put to trouble in regard to the education of their children and the settlement of their domestic affairs?

(d) What steps, if any, have been taken by the Agent, North Western Railway, Lahore, to mitigate the troubles of the staff drafted to Quetta?

(e) Did the staff submit a memorial on September 7th, 1935, praying *inter alia* for the fixation of the period of one year? If so, what steps have Government taken to settle this question?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Yes.

(b) 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 or who have been evacuated from the devastated area, will receive consideration when the position is more stabilized.

(c) Memorials have been received from certain staff who were transferred to Quetta division in emergency but no complaint has so far been received in regard to difficulties in the way of the education of their children.

(d) The matter is under consideration.

(e) The reply to the first part is in the affirmative. As regards the latter part the matter is under consideration.

QUALIFICATIONS FOR APPOINTMENT ON THE NORTH WESTERN RAILWAY.

98. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ: Are the minimum qualifications prescribed for appointment on the North Western Railway on and from 1st April, 1926, Matriculation, 2nd division or its equivalent from a recognised University, Junior Cambridge and Diploma Examination of the Acheson College, Lahore, being considered equivalent to

the Matriculation? If so, will Government please state whether appointments in the superior staff or promotions from the inferior to the superior posts were made according to these instructions?

THE HONOURABLE SIR GUTHRIE RUSSELL: Government are informed that the minimum educational qualifications, as detailed in the question, are in accordance with the rules as they stood on 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 inferior to subordinate service, as these rules did not apply to staff in service prior to 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.

APPOINTMENT OF CLERKS, GRADE II, ETC., ON THE NORTH WESTERN RAILWAY.

99. THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ: Should one out of every three vacancies of office clerks in grade II and above on the North Western Railway be filled by direct recruitment of a suitable graduate? What is the number of vacancies that occurred during the last three years? Were outsiders employed for every third vacancy in accordance with instructions?

THE HONOURABLE SIR GUTHRIE RUSSELL: Information is not readily available to show the last occasion on which graduates were recruited as office clerks direct into grade II in the manner referred to in the first part of the question, but Government are informed that this procedure has not been followed in any office of the North Western Railway since 1930 because it was found possible to recruit graduates in the lower grade.

STATE PRISONERS UNDER DETENTION IN BENGAL.

100. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Will Government be pleased to lay on the table a statement of State prisoners detained in different camps and jails in Bengal without trial for more than five years with their names, educational qualifications and also the posts they held or the profession to which they belonged prior to their arrests and detention?

THE HONOURABLE MR. M. G. HALLETT: There are no persons under detention as State prisoners under Regulation III in any camp or jail in Bengal.

REMOVAL FROM SERVICE, WITHHOLDING OR REDUCING OF PENSIONS OF GOVERNMENT SERVANTS ON ACCOUNT OF THE POLITICAL ACTIVITIES OF THEIR DEPENDENTS.

101. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Will Government be pleased to lay on the table a statement of parents or

guardians with their respective positions in Government service whose pensions have been withheld or reduced or who have been removed from Government service on account of the alleged complicity of their sons or wards in political activities?

THE HONOURABLE MR. M. G. HALLETT: From the enquiries which I have made, which are not yet quite complete I have ascertained that there have been only two cases in which civil pensioners who formerly served under the Government of India have been deprived of their pensions. In one case action was taken on account of the objectionable political activities of the pensioner culminating in his conviction for an offence under the Emergency Powers Ordinance. In the other case the pensioner was deprived of his pension for failure to control the activities of his son who, though resident in his father's house, was engaged in revolutionary activities and also for failure to give information and assistance to the police engaged in investigating the son's offence. The son was sentenced to transportation for life for attempting to murder a Superintendent of Police in Bengal. This pensioner was granted a subsistence allowance.

If I get any further information, I will lay it on the table of the House.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: May I enquire from the Honourable Member if there is any chance of restoring their respective pensions in the near future?

THE HONOURABLE THE PRESIDENT: Order, order. That is a matter of opinion and I will not allow it.

RELEASE OF DETENUS.

102. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Have there been any terrorist crimes during the past two years? If not, do Government propose to release such of the detenus who have been in detention for four years or above?

(b) Do Government propose to release those who are connected neither directly nor indirectly with any particular outrage or crime? If not, why not?

(c) Will Government be pleased to state how many are being detained in the different detention camps merely on suspicion or merely because they were unknowingly on friendly terms with actual terrorists?

THE HONOURABLE MR. M. G. HALLETT: (a), (b) and (c). Though this question refers to the terrorist situation in the province of Bengal, I welcome the opportunity of making a general statement in regard to it and of dispelling some of the misconceptions which part (c) of the question shows still exists about the action taken in regard to detenus. Honourable Members have no doubt also seen in the Press the detailed speech made by the Honourable Home Member in another place giving further details of the terrorist position.

It is not a fact that there have been no terrorist crimes during the last two years. In 1934 there were two murders, two attempted murders (including the attack on His Excellency Sir John Anderson), six dacoities, one robbery, one attempted robbery and two bomb outrages. Apart from these serious

outrages there were numerous cases in which arms and ammunition were recovered. The following statement shows the recoveries of arms, etc.—

Revolvers and pistols	41
Revolver ammunition	215
Guns	8
Gun ammunition	11
Rifles	3
Bombs	3
Bombshells	24
Daggers, etc.	1

In 1935 there have been in Bengal three murders, one dacoity and one mail robbery. There have also been considerable recoveries of arms.

Revolvers and pistols	11
Revolver ammunition	132
Guns	7
Gun ammunition	8
Daggers, etc.	11

Honourable Members have no doubt noticed in the Press the seizure of revolvers and ammunition from a ship in the Hooghly; the fact that seamen are still prepared to take the risk of smuggling arms into Bengal goes to show that the demand for illicit arms is still strong.

Thus though the situation in regard to terrorist crimes has improved and though there have been in the last six months no murders or serious dacoities, save one in Dacca district in last January in which revolutionaries are believed to have taken part and shared the proceeds, yet there are still cases of recovery of illicit arms and the distribution of inflammable leaflets which go to show that the situation has not improved to such an extent as to justify any general relaxation of the measures taken or any general release of persons detained because of their connection with the terrorist movement, particularly in view of the fact that such releases have in the past been followed by a recrudescence of the movement. Those who have been detained for four years or over include the leaders of the movement when it was at its height. They are not detailed merely on suspicion or merely because they were unknowingly on friendly terms with actual terrorists. The evidence against each individual is very carefully scrutinised first by the police, then by officers in the Bengal Secretariat and also by two experienced Judges. The Government of Bengal carefully examine the cases of those who are undergoing detention with a view to relaxing the nature of the detention in suitable cases. They have also recently started a scheme of which details have appeared in the Press for giving selected detenus industrial and agricultural training. Though the total number of persons still under detention is still large yet the following statement shows that the Government of Bengal sanction release or some relaxation of the condition of detention in all possible cases.

During last year 217 cases were released either unconditionally or on money bonds or subject to certain orders restricting their movements, *e.g.*, requiring them to report themselves at a police station at stated intervals. One hundred and one were sent to be domiciled at their own homes; while 198 were released from jails and 129 from detention camps and sent to be domiciled in villages, which is less severe than detention in a camp or jail.

PARSI MARRIAGE AND DIVORCE BILL.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muham-madan): Mr. President, before we proceed to the next item on the agenda paper, may I request you to permit me, on behalf of the elected Members of

[Sir Phiroze Sethna.]

this House, to express our great satisfaction on learning from the Press Communiqué issued in this morning's papers that in answer to our request His Excellency the Viceroy has been pleased to extend the life of this Council. I have to request you, Sir, to convey to His Excellency our sense of appreciation and our thanks for the favour he has done us and may we also be permitted to thank yourself and the Honourable the Leader of the House for your valued help in this connection.

THE HONOURABLE THE PRESIDENT: I will most certainly convey your grateful thanks to His Excellency the Governor General. Will you please now proceed with the debate on your Bill?

THE HONOURABLE SIR PHIROZE SETHNA: Sir, at the Simla session of 1934 I introduced a Bill further to amend the Parsi Marriage and Divorce Act of 1865. A week later I asked for the Bill to be circulated for opinion. These opinions were received and at the Simla session of 1935 I moved the appointment of a Joint Select Committee of the two Houses. The Report of the Joint Select Committee is now in your hands and the next step is for the House to take the Bill into consideration.

The Parsi community is perhaps the smallest in India in point of numbers. According to the 1931 census their numbers throughout India including the Indian States totalled 111,853. Of these 15,304 were in the Indian States. Of the remaining 96,549 in British India as many as 89,544 are in the Bombay Presidency and 57,765 or half their entire population in Bombay city itself. In passing I may remark that these figures show an increase of 7·8 per cent. in the Parsi population over that of 1921. From the figures I have quoted it will be seen that Bombay city is the stronghold of the community.

I may be allowed to give in brief the history of the original Act known as the Parsi Marriage and Divorce Act (XV of 1865). As far back as 1835, that is a hundred years from now, efforts were made by the community to induce the British Government to enact laws specially suited to their conditions and urgent social necessities. These early efforts however, though often renewed, were not successful. In 1855 a movement was set on foot and a public meeting of prominent members of the community was held on 20th August of that year when, amongst other decisions, it was also resolved to establish a society called the Parsi Law Association for the purpose of drafting special Bills for the community relating amongst others to the law of marriage and divorce. The Bills prepared by the Committee were referred to a Commission appointed by the Government of Bombay to enquire into the usages recognised as laws by the Parsi community of India and into the necessity of special legislation in connection with them. The Commission consisted of four members, two Europeans and two Parsis. The Chairman Sir Joseph Arnould and Sir Henry Newton both Judges of the Bombay High Court were the European members. The two Parsi members were Mr. Framji Nusserwanji Patel of Bombay and Mr. Modjee Rustumjee Khurshedjee of Surat. After the Commission's Report was published the Government of Bombay, on 20th October, 1863, issued a Resolution on the same. The Resolution concluded with the following sentence:

"His Excellency the Governor feels it his duty however to add, that Her Majesty possesses no subjects, who for loyalty, intelligence, capacity for public duties, liberality, sympathy with suffering and honest admiration for British justice have a better claim to a full and indulgent consideration of their needs, than the Parsi community of Bombay and the mofussil."

The Commission's Report was submitted to the then Secretary of State who was Sir Charles Wood (afterwards Lord Halifax), grandfather of our former Viceroy Lord Irwin, the present Lord Halifax. Sir Charles agreed with the opinions expressed by the Parsi Law Association and by the Government of Bombay and in his despatch he decided that legislation was necessary and further that it should be enacted by the Council of the Governor General and the law should apply to Parsis living both in Bombay and in the mofussil.

The Association petitioned the Supreme Legislature to enact Bills on the basis of those prepared by it. The Parsi Marriage and Divorce Act (XV of 1865) was one of the results of the labours of this Association and yet another Act was passed at the same time known as the Parsi Succession Act (XXI of 1865). These special laws were published by the Parsi Law Association in 1868 with explanations thereof by their energetic secretary, a distinguished Parsi of his day, the late Sorabji Shapurji Bengali. I quote the following from the preface of this book:

"In times to come the Parsis may, with proper pride point to the fact that of all Asiatic communities they were the first as they are still the only people who have voluntarily imposed on themselves a law declaring bigamy a criminal offence and punishable as such after the manner of the English law. On similar grounds they may claim honour as the first of oriental peoples who by legally defining her individual marital rights have raised woman to a definitely higher social position on the basis of her own personal claims as a reasonable and responsible being."

The Parsi Marriage and Divorce Act of 1865 was at that time introduced as a Government measure. We had similarly hoped that Government themselves might have moved the present Bill but the Government of India today are of opinion that the conditions of 1865 do not furnish an effective precedent because the opportunities for non-official legislation at that time were meagre and practically all legislation was then introduced by Government. I will admit that in or about 1865 no members of the Parsi community were members of the Supreme Legislature whereas we have today Parsis as Members of both Houses of the Central Legislature. This explains why the present Bill has been introduced by a non-official and will be similarly sponsored by a non-official in the Assembly.

Seventy-one years have elapsed since the original Bill was passed. Conditions have changed very greatly in the social life of the community and for years past it has been urged in the Parsi press by responsible people that the Act should be so amended as to conform with altered conditions. There can be no better critic of present conditions in regard to marriage and divorce amongst Parsis than the Honourable Mr. Justice Bomanji J. Wadia of the Bombay High Court by reason of the fact that he has been the presiding Judge for several years of the Parsi Matrimonial Court. In a Foreword he wrote more than a year back to a book entitled *Parsi Law* by a Parsi advocate Mr. Framji A. Rana which contains the Marriage and Divorce Act of 1865, Justice Wadia commented as follows:

"The greatest benefit conferred by the Statute of 1865 was to make marriage monogamous among the Parsis. But the conditions to which it was suited have considerably changed since 1865 and further amendments have become necessary. New conditions bring new ideas and new ideas require new adaptations and adjustments. The law relating to divorce specially needs changing without forgetting that marriage is the most important relation of human life and having due regard also to the duties and obligations arising out of the union of husband and wife. The law relating to divorce should now be more expansive and not circumscribed within the narrow limits which the statutes of the last century probably required. To give another instance, a wife can sue the husband for judicial separation under the Act, but on the same and at times stronger grounds the husband cannot sue his wife. Is not this an anomaly? The time is certainly ripe when other legislation will serve the needs of the community better."

[Sir Phiroze Sethna.]

There are several Parsi Associations today but the one and only body which is recognised to be the premier Association in the community is the Parsi Panchayat of Bombay which controls or has under its control funds to the extent of more than two crores of rupees for the benefit of the community. Apart from the control of or custody of such funds the community as a whole look up to the Trustees of the Parsi Panchayat for guidance in matters of religion, social customs, etc. The Parsi Panchayat however does not generally take a lead in such directions unless it receives representations from the community or from well-known associations of the community. One such prominent Association known as the Parsi Central Association of which Sir Cowasji Jehangir, a distinguished member of the Assembly, is the esteemed President, took it upon itself in 1923 with the help of other associations and individuals to draft amendments suited to present requirements. In issuing a pamphlet nine years later in October, 1932, comparing the clauses of the existing Act with those in the proposed Bill, it observed in the introductory note attached to the pamphlet that

"The Council of the Parsi Central Association appointed a Sub-Committee known as the Parsi Laws Revision Sub-Committee on the 17th December, 1923, i.e., nearly nine years ago in pursuance of letters received from Sir Phiroze Sethna and Mr. F. A. Vakeel, B.A., LL.B. (Solicitor), suggesting amendments in the Parsi Marriage and Divorce Act of 1865".

This Sub-Committee known as the Parsi Laws Revision Sub-Committee consisted of representatives of Parsi Associations and prominent individuals who interested themselves in the question reported that

"Fifty-one meetings were held during the course of three years and after closely and carefully scrutinising each and every section of the Act and after giving their close and earnest attention to the present requirements of the community who submitted an exhaustive report (with a few minutes of dissent) on the 12th April, 1927. The Council of the Association thereafter decided to print and circulate the Report to elicit public opinion thereon and accordingly the Honorary Secretaries sent (500) copies to the Trustees of the Parsi Panchayat, to all the Parsi Associations and Anjumans, the delegates of the Parsi Chief Matrimonial Court, Parsi jurists and publicists all over the country and to Parsi Associations in China and Persia. Publicity was also given to the Report in the Press. The Report was well received and some of the Indian papers wrote leading articles in support of the recommendations made therein. Written opinions of well-known Parsi lawyers, such as Sir Dinshaw Mulla, Mr. Justice Bomanji Wadia, Messrs. Coyaji and D. N. Bahadurji were received".

I have quoted this extract to convince the House that the Bill was not drawn up in a hurry and that every effort was made to consult organisations and individuals of the community who would be in a position to offer sound advice.

THE HONOURABLE THE PRESIDENT: All the same, you will admit that your Bill is far in advance of English law on the subject.

THE HONOURABLE SIR PHIROZE SETHNA: That is not our fault, Sir. There was a Commission appointed in England for revising the Marriage Act there. Its recommendations have been accepted by one House but the matter I believe has been held over by the other House. If they will delay, there is no reason why we should not go forward, as the times do require.

THE HONOURABLE THE PRESIDENT: I have nothing to say. If the community wants it, they can have the law.

THE HONOURABLE SIR PHIROZE SETHNA: The final stage was to consult and get the sanction of the Trustees of the Parsi Panchayat

The Trustees of the Parsi Panchayat also consulted Parsi bodies and individuals in Bombay and the mofussil and thereafter returned the Bill to the Parsi Law Revision Sub-Committee with some modifications which were all accepted by the Sub-Committee. The Bill was then introduced in this House as already stated in August, 1934, and later circulated for eliciting public opinion.

When the Bill was circulated for opinion, with a view to secure as much unanimity as possible, a conference was arranged by me which held three sittings in November, 1934 in Bombay. Invitations were sent out to all the Parsi Associations of Bombay which number about 25. As a result of the discussions at the conference, a joint reply was sent to the Government of Bombay by as many as 21 bodies including the Parsi Panchayat in answer to Government's request to give their opinions on the Bill. They said they were definitely of opinion that the existing Act required to be amended. The question was how far we could go and at the same time carry the great majority of the community with us. At the conference we agreed to certain amendments which were communicated to the Government of Bombay and we felt quite confident that with the changes agreed to at the conference no reasonable Parsi would object to the Bill in any particular. Such an emphatic pronouncement by the leading Parsi Associations, as many as 21 out of about 25 of them in addition to the support of the small and large Parsi Anjumans of various towns and cities in India will, I am sure, convince this Honourable House that not only is the Bill necessary but that the amendments recommended carry with them the concurrence of the vast majority of the community.

There are bound to be differences of opinion in every community and I will admit there is a small section amongst Parsis also which is against some sections of the Bill as approved by the great majority. I say advisedly that they are opposed only to some sections of the Bill for they too recognise that the existing Act requires to be amended in many particulars. This opposition chiefly comes from a small section who are ultra conservative in their views and do not as a rule approve of any changes in keeping with the changing times.

What exact changes are proposed in the Bill and why, have been fully explained in the Statement of Object and Reasons attached to the Bill and in the Report of the Joint Committee. Most sections of the original Act are kept intact whilst in some minor changes or verbal alterations have been made. The new matter which has been introduced will be found mostly in clause 32 of the Bill. Honourable Members on perusing this clause will find that relief is proposed to be given in cases where it is sorely needed judging from the standpoint of avoiding unnecessary human misery or suffering. There is a section of the community which would go much further and with considerable force of argument prefer the inclusion of additional grounds for divorce, but the Trustees of the Parsi Panchayat have decided to proceed on lines of moderation and so have the members of the Joint Committee. The sexes have been put on a basis of equality and certain defects in the present Act as found from experience in law courts and outside have been sought to be removed.

The Report of the Joint Select Committee has been generally approved by the community. Exception, however, has been taken to the definition of a Parsi and it is therefore that the Honourable Sir Nasarvanji Choksy has given notice of an amendment. Sir Nasarvanji has also given notice of an amendment to section 40. This has been necessitated by a recent Appellate Court judgment. As I am the Mover of the Bill I have in accordance with the prevailing practice preferred that another Member should move amendments and when Sir Nasarvanji does so I will offer fuller explanations in addition to what

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he himself will have to say. I would like to point out that I am personally in entire agreement with both these amendments.

THE HONOURABLE THE PRESIDENT: Will you please defer your remarks on the amendments till the amendment stage is reached.

THE HONOURABLE SIR PHIROZE SETHNA: I have only to add that in addition to these amendments I understand from the Honourable Sir David Devadoss who was a member of the Joint Select Committee that he has some verbal alterations to propose. I am in agreement with him as well.

Sir, I move:

"That the Bill to amend the law relating to marriage and divorce among Parsis, as reported by the Joint Select Committee, be taken into consideration".

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): I have only a very few remarks to make. The provisions of this Bill were considered at considerable length and with great care by the members of the Select Committee. As pointed out by the Honourable Sir Phiroze Sethna, section 32 may be said to be in advance of the provisions contained in the matrimonial law of England, but considering the present state of things it was deemed necessary to give effect to the desire of the Parsi community, which as we are all aware is not only a very influential but a highly enlightened community. The Select Committee agreed to make the necessary changes. I may particularly draw your attention, Sir, to one clause which provides a remedy which was not in the previous Act. Recently the High Court of Bombay held that under the Act it had no power to reduce the alimony granted to a wife, but the learned Judges gave relief under what they called the inherent power of the Court. Now in this Bill provision has been made that where circumstances have changed since the grant of alimony, the Court may, after taking into consideration the circumstances then prevailing, alter or reduce the amount.

As regards the other sections, material changes have not been made, and as regards the table of affinity and kindred it was thought best to adopt the whole table as given in the previous Act.

With these few remarks, Sir, I have much pleasure in supporting the Motion.

THE HONOURABLE THE PRESIDENT: Motion moved:

"That the Bill to amend the law relating to marriage and divorce among Parsis, as reported by the Joint Select Committee, be taken into consideration".

The Question is:

"That that Motion be adopted".

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 2 stand part of the Bill".

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I beg to move the following amendment:

"That for sub-clause (7) of clause 2 of the Bill the following be substituted, namely:

'(7) A Parsi means a Parsi Zoroastrian'."

The definition adopted by the Joint Select Committee created considerable agitation and difference of opinion. The Trustees of the Parsi Panchayat

therefore reconsidered it and came to the conclusion that the best solution of the question would be that a Parsi should be defined as a person born of Zoroastrian parents. Nothing thus requires to be said in its support inasmuch as the definition is perfectly clear and not open to any misconstruction. It is bound to satisfy the Parsi community.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, the existing Act has no definition of a Parsi. The conference of the different Parsi Associations which met in Bombay in November, 1934, recommended that a Parsi should be defined in the Act and defined as one who was a Parsi Zoroastrian which would mean a person who was a Parsi by race and a Zoroastrian by religion. This proposal was considered by the Joint Select Committee and it was a question either of adopting it or of substituting another definition based on the views expressed by Justice Davar in a celebrated Parsi case. The Joint Select Committee decided in favour of the latter and that is why in their Report they defined a Parsi as follows:

"'Parsi' means a person professing the Zoroastrian religion and born of Parsi parents who profess the Zoroastrian religion or a Parsi father who professes the Zoroastrian religion".

Strong exception, however, is taken by the community to the definition and the House will see that there is reason for such objection. In the first place the definition as drafted is not exhaustive and it is deficient. It is not exhaustive because it makes no mention of Iranis, *viz.*, Zoroastrians who have come over to India temporarily or permanently. The Parsi Marriage and Divorce Act applies to them as well because they are Zoroastrians and the amended Act must equally apply to them. Again, the definition is incomplete because it leaves out an important particular as explained by Justice Davar. He said:

"The Parsi community consists of Parsis who are descended from the original Persian emigrants, and who are born of both Zoroastrian parents and who profess the Zoroastrian religion, the Iranis from Persia professing the Zoroastrian religion, who came to India, either temporarily or permanently, and the children of Parsi fathers by alien mothers who have been duly and properly admitted into the religion".

The House will notice that the definition has left out the last words in Justice Davar's judgment, *viz.*, "who have been duly and properly admitted into the religion". This is essential because a child by a Parsi father and a non-Parsi mother can only be accepted as a Zoroastrian provided such child has gone through certain Zoroastrian ceremonies. It is for this reason that we desire to define a Parsi as one who is a Parsi Zoroastrian and hence this amendment which I trust the House will accept.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That for sub-clause (7) of clause 2 of the Bill the following be substituted, namely: '(7) A Parsi means a Parsi Zoroastrian'."

The Question is:

"That that amendment be adopted".

The Motion was adopted.

Clause 2, as amended, was added to the Bill.

Clauses 3 to 9 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 10 stand part of the Bill".

THE HONOURABLE SIR DAVID DEVADOSS: With your permission, Sir, I should like to move a verbal amendment in clause 10. It reads:

"When a Parsi Matrimonial Court passes a decree, etc."

We have defined the word "court" in clause 2.

THE HONOURABLE THE PRESIDENT: You have not asked my permission to move the amendment in the first instance.

THE HONOURABLE SIR DAVID DEVADOSS: I beg your pardon, Sir. Will you please allow me to make a few verbal amendments in clauses 10 and 32. No doubt we should have given notice, but seeing that these are only verbal and consequential—for instance changing 1935 to 1936—I thought I might get your permission here and move them.

(The Honourable the President accorded permission.)

In clause 10 the words are "Parsi Matrimonial Court". As we have defined "Court" in clause 2 as meaning a Court constituted under this Act, the words "Parsi Matrimonial" are unnecessary. With your permission, I move that they be deleted from clause 10.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That in the first line of section 10 the words 'Parsi Matrimonial' be deleted and the word 'Court' left by itself, for 'Court' is defined in clause 2 (2)."

The Question is:

"That that amendment be adopted".

The Motion was adopted.

Clause 10, as amended, was added to the Bill.

Clauses 11 to 14 were added to the Bill.

Clauses 15 to 17 were added to the Bill.

Clauses 18 to 27 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 28 stand part of the Bill".

THE HONOURABLE SIR DAVID DEVADOSS: With your permission, Sir, I beg to move:

"That the words 'of the' in the fourth line of clause 28 be deleted."

It reads "to practise in any of the Courts constituted under this Act". "Any Court" will be quite sufficient. It is unnecessary to have the words "any of the" and also to substitute the word "Court" for the plural "Courts". Then in the same clause the word "Parsi" may be added before the words "District Matrimonial Court" in the last but one line of the same clause. It is much better to have the word "Parsi" before the word "District". With your permission I move that that word also be inserted.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That in the fourth line instead of the words 'any of the Courts' it would be preferable to say 'any Court' dropping the words 'of the'; in the same section in the last but one line the words 'District Matrimonial Court' might be preceded by the word 'Parsi' to read 'Parsi District Matrimonial Court'."

The Question is:

"That that amendment be adopted".

The Motion was adopted.

Clause 28, as amended, was added to the Bill.

Clause 29 was added to the Bill.

Clauses 30 and 31 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 32 stand part of the Bill".

THE HONOURABLE SIR DAVID DEVADOSS: With your permission, Sir, I should like to have the proviso to sub-clause (c) of clause 32 made clear. It reads:

"Provided that divorce shall not be granted on this ground, if the suit has been filed more than two years after the infliction of the grievous hurt, or after the plaintiff came to know of the infection, or after the last act of compulsory prostitution".

I should like to add the letters (i), (ii) and (iii), so that it may not be thought that these are cumulative. The amended proviso will read:

"Provided that divorce shall not be granted on this ground, if the suit has been filed more than two years (i) after the infliction of the grievous hurt, or (ii) after the plaintiff came to know of the infection, or (iii) after the last act of compulsory prostitution".

It is only to make the matter quite clear, so that there may be no dispute about it in Courts. I move that these three letters of the alphabet be inserted in the proper places.

May I also move an amendment to clause (h) ?

THE HONOURABLE THE PRESIDENT: Let this amendment be disposed of first.

Amendment moved:

"That the proviso which is the second paragraph to sub-clause (c) of clause 32 had better be clarified by writing it as follows:

"Provided that divorce shall not be granted on this ground, if the suit has been filed more than two years (i) after the infliction of the grievous hurt, or (ii) after the plaintiff came to know of the infection, or (iii) after the last act of compulsory prostitution".

The Question is:

"That that amendment be adopted".

The Motion was adopted.

THE HONOURABLE SIR DAVID DEVADOSS: Sir, I move:

"That in clause 32 (h) the words 'under this Act' be deleted".

If these words remain it might be said that the orders passed under the Act which is going to be repealed by this Act would not come within the ambit of this Act.

The Motion was adopted.

Clause 32, as amended, was added to the Bill.

Clauses 33 to 39 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 40 stand part of the Bill".

THE HONOURABLE SIR NASARVANJI CHOKSY : Sir, I beg to move :

"That in sub-clause (1) of clause 40 of the Bill for all the words beginning with the words 'to the satisfaction of the Court' and ending with the words 'have been duly executed' the following be substituted, namely :

'(a) to the satisfaction of the Court, secure to the wife while she remains chaste and unmarried such gross sum or such monthly or periodical payment of money for a term not exceeding her life, as having regard to her own property, if any, her husband's ability and the conduct of the parties, shall be deemed just, and for that purpose may require a proper instrument to be executed by all necessary parties and suspend the pronouncing of its decree until such instruments shall have been duly executed, or

(b) make such monthly payments to the wife for her maintenance and support as the Court may think reasonable'."

This amendment is necessitated on account of some legal technicalities. It appears that the Act of 1865 was passed, after the passing of the English Act and adopted from it. Subsequently the English Act was amended but the Parsi Act was not amended in conformity with it. Under these circumstances, there have been some legal difficulties and it is in order to obviate them in future that this amendment has been provided. The Honourable Mover, Sir Phiroze Sethna, will explain in detail how the above omission has led to certain irregularities in the disposal of the subject-matter in Parsi matrimonial suits for the maintenance of the wife.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, this amendment is proposed because of a judgment delivered a little over three weeks back, on 20th February, 1936, in the Bombay High Court on the Appellate Side by the Honourable Justice Broomfield and the Honourable Mr. Justice Tyabji in First Appeal No. 164 of 1935. *Manekbai R. M. Kapadia versus Nadirsha J. Vachha*.

The Parsi Marriage and Divorce Act of 1865 was based in a large measure on the Matrimonial Causes Act of England of 1857. Section 34 of the Parsi Marriage and Divorce Act deals with the question of alimony to be given to a wife on divorce and it is more or less similar in terms to section 32 of the English Act. Section 34 of the existing Parsi Marriage and Divorce Act reads as follows :

"The Court may, if it shall think fit, on any decree for divorce or judicial separation, order that the husband shall, to the satisfaction of the Court, secure to the wife such gross sum, or such monthly or periodical payments of money for a term not exceeding her life, as, having regard to her own property (if any), her husband's ability, and the conduct of the parties, shall be deemed just, and for that purpose may require a proper instrument to be executed by all necessary parties, and suspend the pronouncing of its decree until such instrument shall have been duly executed."

I have read only the relevant portion of section 34. Now the language of this section is important because it is confined merely to an order on the husband to secure in favour of his wife a gross or periodical sum and for that purpose to order the husband to execute the necessary documents. This was the law in England in 1857. In 1865 an application was made on behalf of the wife against the husband who was a practising solicitor and who had no realised property of his own but had merely professional income. The Court said that under section 32 of the Matrimonial Causes Act of 1857 it had no power to make a personal order on the husband to pay a monthly or weekly sum. Thereupon Parliament in 1866 passed an Act (29 and 30 Vict. C. 32) specially for the purpose of removing the hardship felt by the Act of 1857 and in addition to the power already contained, further power was given to the Court to order the husband to pay a weekly or monthly sum for the maintenance of the wife. That Act of 1866 also gave power to the Court to alter or

vary the amount of alimony if the circumstances altered. Unfortunately the Parsi Act of 1865 was never amended and for nearly 70 years the Parsi Matrimonial Court has gone to making personal orders against the husband without the necessary amendment of the law, as was done in the English Act.

In the case I have referred to Manekbai married Nadirsha in 1915. In 1927 she filed a suit in the Parsi Chief Matrimonial Court which gave her a decree of divorce against her husband and the Judge made an order on the husband directing him to pay a sum of Rs. 85 per mensem as alimony to Manekbai. Nadirsha remarried and so did Manekbai. In March, 1935 Nadirsha made an application for reduction of the alimony of Rs. 85 because he contended that Manekbai had remarried and her present husband was earning Rs. 90 per month and Manekbai herself had an income of Rs. 36 per month from certain Trust Fund. Mr. Justice Bomanji Wadia reduced the amount of alimony from Rs. 85 to Rs. 50 per mensem. Against this order Manekbai filed the appeal in question. Manekbai contended that the order of alimony was unalterable and permanent.

The respondent Nadirsha urged that this appeal raised a very important question of jurisdiction. He contended that section 34 of the Parsi Marriage and Divorce Act is more or less similar in terms to section 32 of the Matrimonial Causes Act of England of 1857. That Act as already stated has been modified whereby the Judge in England can make a personal order against the husband and it may not be secured by any legal document. The Parsi Marriage and Divorce Act of 1865 having not been so modified the Judge could not make an order for the payment of alimony without being secured. Justice Broomfield made the following observation with which Justice Tyabji agreed. Justice Broomfield observed :

"I feel grave doubts as to whether the power to order monthly payments without being secured is conferred on the Parsi Matrimonial Court by the Act of 1865 or can be deduced from its other provisions. I feel grave doubts also as to whether there is inherent jurisdiction in the Court to make such an order."

Justice Broomfield in the course of the judgment also stated that as the Parsi Act was shortly to be amended this point might be borne in mind at the time the amended Bill was being considered by the Legislature. It is to remedy this defect that this amendment has been moved by the Honourable Sir Nasarvanji Choksy to section 40 of the Bill which section corresponds to section 34 of the existing Act and I support it. This amendment will enable a Judge to make a personal order against a husband which he cannot do at present.

THE HONOURABLE THE PRESIDENT : How was this point overlooked in the original Bill ?

THE HONOURABLE SIR PHIROZE SETHNA : I am not a lawyer myself. There are eminent Parsi lawyers but it seems this point never occurred to anybody until Justice Broomfield gave his decision the other day.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That in sub-clause (1) of clause 40 of the Bill for all the words beginning with the words 'to the satisfaction of the Court' and ending with the words 'have been duly executed' the following be substituted, namely :

'(a) to the satisfaction of the Court, secure to the wife while she remains chaste and unmarried such gross sum or such monthly or periodical payment of money for a term not exceeding her life, as having regard to her own property, if any, her husband's ability and the conduct of the parties, shall be deemed

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just, and for that purpose may require a proper instrument to be executed by all necessary parties and suspend the pronouncing of its decree until such instruments shall have been duly executed, or

(b) make such monthly payments to the wife for her maintenance and support as the Court may think reasonable."

The Question is :

"That that amendment be adopted".

The Motion was adopted.

Clause 40, as amended, was added to the Bill.

Clauses 41 to 53 were added to the Bill.

Schedules I and II were added to the Bill.

THE HONOURABLE THE PRESIDENT : The Question is :

"That clause I stand part of the Bill".

THE HONOURABLE SIR DAVID DEVADOSS : With your permission, Sir, I wish to move :

"That in clause 1, the figures '1935' be altered to '1936'."

The Motion was adopted.

Clause 1, as amended, was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, before I move that the Bill, as amended, be passed, I may be permitted to thank the Honourable Members of this House for the facilities they have afforded for the passage of this Bill, for which the Parsi community have reason to be grateful to them. I would also like to express our indebtedness to the members of the Joint Committee of both Houses, from the Chairman, the Honourable the Law Member, downwards for the keen interest they took in the matter, although the subject was foreign to them, and for all the help they gave. I tender to them all our very best thanks. Sir, I now formally move :

"That the Bill, as amended, be passed".

The Motion was adopted.

RESOLUTION *RE* REMOVAL OF EXISTING SEX DISQUALIFICATION FOR MEMBERSHIP OF THE COUNCIL OF STATE IN RESPECT OF WOMEN.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, the Resolution which I have the honour to move runs as follows :

"This Council recommends to the Governor General in Council that the existing sex disqualification for election and nomination to the Council of State should be removed in respect of women generally."

I hope the Council will forgive me if I begin on a personal note. The fact that the speaker has brought forward this Resolution is a mere accident. I would, however, like to mention that Madras led the way in removing the sex disqualification of women, and if I may say so without laying myself open

to the suspicion of egotism or provincial feeling, it will perhaps be recognised that it is not altogether inappropriate that a Member coming from the Southern Presidency has sponsored the Resolution which is now being moved. The scope and purpose of the Resolution which I have just read can be best appreciated if the Resolution is viewed in its proper perspective, and to this end, I shall very briefly state the present position of women in relation to our Legislatures. Honourable Members are doubtless aware that under the Electoral Rules framed under the Government of India Act of 1919, women are disqualified both for voting at elections and for membership of these Legislatures. Power, however, is given under the Rules to the Legislatures to remove this disqualification. As a matter of fact, most of the Legislatures have removed it. As far as my information goes—I speak subject to correction—women can now vote at elections to the Council of State and the Legislative Assembly and to all the Provincial Councils except in the North-West Frontier Province. They can also be elected or nominated to the Legislative Assembly and to the Provincial Councils except in Bengal, Assam and the North-West Frontier Province. The point to note for our present purpose is that women cannot be members of the Council of State, though they are entitled to vote at elections to the Council. (*A voice* : "No".) An Honourable Member says that they are not entitled. I may remind him that we passed a Resolution in this Council at the Simla session allowing women to vote.

Under the Government of India Act of 1935 provision is made for a very large female electorate and for the representation of women in all the Legislatures, both Federal and Provincial. Seats are reserved for them in both Chambers of the Federal Legislature and in the Provincial Legislative Assemblies in the major provinces; and it is intended to provide for their representation in the Provincial Legislative Councils by nomination. It will thus be seen that the movement to secure for Indian women due recognition of their rightful place in the constitution of the country has achieved a very large measure of success. That success has not yet been adequately reflected in the constitution of the Council of State, which, as I have already said, still retains the sex disqualification for its membership. The Council however has the power to remove this disqualification and can do so by passing a Resolution recommending its removal to the Governor General in Council.

I hope I have now made the scope and purpose of my Resolution sufficiently clear. In the light of the constitutional developments which have taken place in recent years, the retention of this sex disqualification is an anomaly and an anachronism, and a positive hinderance to women's advancement. The need and justification for its removal therefore will be readily granted, and I do not think that I need labour this point any further. I would however like to mention that the removal of the disqualification is quite feasible. It will not entail any administrative inconvenience, because there will be no need for the preparation of any fresh electoral rolls. I believe any elector in a constituency is entitled to stand as a candidate for the Council of State from that particular constituency. I may also mention that the action proposed in the Resolution will not in any way prejudice the rights of any province which has not yet removed and does not wish to remove the sex disqualification for membership of its own Legislative Council.

THE HONOURABLE THE PRESIDENT : You have already said it has been removed everywhere except in the North-West Frontier Province.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON : No, Sir, there are three provinces, Bengal, Assam and the North-West Frontier

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Province where women will not be entitled to stand as candidates for election. In view of the circumstances which I have set forth, I think it would be a reflection on the liberal-mindedness and sense of chivalry of this Honourable House if it allows this sex disqualification to remain on the Statute-book any longer. I am fully confident that my proposal will receive the support of this Honourable House. The political status of women is rightly regarded as a matter of great public importance and I would on this occasion appeal to the House to give its unanimous support to this Resolution. In particular I would appeal to the Honourable Leader of the House and to the Honourable Home Secretary, who is in charge of this subject, and through them to the other official Members of this House to give their cordial support to this Resolution. A unanimous vote by the Elder Statesmen will, if I may say so without offence, redound to the prestige of this Council and will give to the women's movement in this country an accession of strength, balance and dignity.

Sir, I move. (Applause.)

THE HONOURABLE CAPTAIN MAUNG AYE (Burma : General) : Sir, I hope Honourable Members will extend to me the same privilege which they usually do to Members addressing the House for the first time. When I was at school I heard the names of Adam and Eve. Naturally I thought Eve was the first wife of Adam. But when I grew older I got a little bit wiser and I found that Lilith was the first wife of Adam. Lilith was a woman with all body and no soul, and that I believe, Sir, was the age of innocence or shall I say the true golden age. I need not go into the reasons how our first fore-father got a second wife in Eve. Eve was a woman with a body as well as a soul. And being blessed with a soul she began interfering at once with a knowledge of good and evil, that is, I think, a knowledge of herself and her husband. And that, I think, was the first woman's vote. Sir, there is a large body of women who feel very naturally that if they are capable of bringing children into this world and being responsible to the State for these children, it is only right and proper that they should have the privilege of sitting in the Legislature to help and mould the laws which govern themselves and their children. (Applause.) With due deference to the Honourable Leader of the House, I venture to suggest that no public body can efficiently administer education, public health, maternity and child welfare without the help of women. And it is regrettable to note that, in this respect, women are kept in the same category as paupers, lunatics, criminals and aliens. Sir, Plato in his book *The Republic* kept the woman and man on the same plane in the political body. John Stuart Mill summed up in these words :

"The question of sex is as entirely irrelevant to political rights as is the difference in height, or in the colour of the hair".

On the other hand Pericles said the virtue of the woman should not be known either for good or for evil. Pericles was a wise man. But let us visualise the days when these benches as well as the Treasury benches will be occupied by women. Stern faced women keen on politics and social welfare know how to get the thing they want. There may be budget cuts in domestic affairs in the sphere of irrigation, to promote prohibition. There may be debates on the question of longer or shorter skirts, or there may be Resolutions that men should wear skirts, as we do in Burma, or that women should wear trousers, as they do in China. (Laughter.) Some Honourable Members may say that women are not effectively represented in this House. At first sight it seems very true, but if Honourable Members are like me, they will begin by vigorously and vehemently opposing their wife's views, and in the end always do as they

are told. So on second thoughts I think the women are effectively represented. Sir, I have expressed my opinion in this House, but in order to avoid domestic jars, I propose to follow the example of some Honourable Members and shall vote in accordance with instructions received. (Laughter and Applause.)

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to support the Resolution moved by the Honourable Sir Ramunni Menon. I am indebted to him for taking this early opportunity of curing a defect which remained in my Resolution of last session. This defect remained in my Resolution unintentionally. I never thought that I would be depriving them of their just rights, but I do hope that when this Resolution is adopted, the Honourable the Leader of the House will convey to the Governor General in Council our desire that it should be translated into action as well. If we do not have the chance of sending women by elections, as other deficiencies of minorities, etc., are made good by nominations, I trust the Honourable Leader of the House will see to it that in the next Council women are represented in the Council of State at least by nomination.

Sir, I support this Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, Sir Ramunni Menon is to be congratulated on moving this Resolution. Sir, the key to progress in this country is in the hands of Indian women. Our Indian sisters have shown in recent years a remarkable awakening and if we are hopeful of the future, it is because of the character and nobility of Indian womanhood. Sir, we want some women Members in this House. I think they will have much to contribute to our discussions ; they will be able to contribute usefully on social questions—questions of labour welfare, child welfare, etc. Sir, I hope that if some women are not elected, they will find their way into this Council through the door of nomination.

With these words, Sir, I support the Resolution.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I have very great pleasure in supporting the Resolution moved by the Honourable Sir Ramunni Menon. I daresay my colleagues know that in municipal elections women are not prevented from standing or for voting. I know in many municipalities women have been returned and that they are doing very good work, and I do not see why the Council of State should not have the privilege of having women elected as Members. They will be very useful during the Budget discussion, especially in asking the Government for more funds for maternity welfare and other things. I hope the Resolution of Sir Ramunni Menon will be unanimously accepted by the House.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary Sir, I should be sorry if these benches were entirely silent on this occasion and should like to add my support to the Resolution. I think the House can congratulate itself on the accession of the new speaker (the Honourable Captain Maung Aye). His speech was interesting, but I should be sorry to think that the golden age existed in days when women had no souls. I do feel seriously that we have in the women, especially in India, an enormous and almost entirely untapped source both of energy and of insight for advancing the welfare of the country. I do not suppose that, whatever action is taken on this Resolution, it will result in the accession of many women to this House and it will be a long time, I think, before my Honourable friend realises his

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ambition of seeing a woman taking the place occupied by our distinguished Leader. But there are many subjects—for instance, the one we have just been discussing, that of divorce and marriage—on which a body consisting exclusively of men is necessarily handicapped. And I believe that just as the masculine and the feminine have to be in some degree mingled to produce the complete man or the complete woman, so in a House of this kind we would benefit from the inclusion of those who are able to speak from another view point.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, Mr. Clow has anticipated me; these benches were not going to be silent; but I was going to get up and explain what the procedure is in this debate. One unfortunate Member of this House cannot vote, and that is the Honourable Leader. According to the procedure followed when a motion of this kind has been discussed in the Legislative Assembly and also in the Provincial Legislatures, it has been adopted as a convention that Members of the Executive Council should not vote but that other official Members may vote according to their conscience. Mr. Clow has supported this Motion in eloquent words. I entirely sympathise with the reasons given by him and other Members and I intend, if it goes to vote, to vote in favour of it, not because of instructions received, but on the merits of the question.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, I have much pleasure in supporting this Resolution and I congratulate Sir Ramunni Menon on having brought this forward at an early date. Sir, Madras has been called the benighted presidency and this Resolution comes from the benighted presidency. I may inform you, Sir, and the Honourable House that it was in Madras that a lady was chosen as the Deputy President of the Legislative Council and there is now an elected lady sitting. A lady who was nominated as so far back as 1922 as one of the Councillors of the Corporation of Madras. I believe she was the first lady in India to be chosen as a member of the Corporation of a city. Madras, Sir, has considerably advanced in education, especially education of women, and there is a very strong feeling that they are not getting what is their due. We have seen in the papers the agitation that is going on and in these days it is but right and proper that they should be given a chance of coming here and explaining their position or pressing their claims. As Mr. Clow has rightly observed, many subjects could be dealt with only by women effectively and properly.

With these few remarks, I have much pleasure in supporting the Resolution.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council that the existing sex disqualification for election and nomination to the Council of State should be removed in respect of women generally."

The Question is:

"That that Resolution be adopted."

The Motion was adopted.

RESOLUTION RE ECONOMY ON RAILWAYS.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, I rise to move:

"This Council recommends to the Governor General in Council to explore further avenues of economy in the Railways and to revise the separation convention of 1924-25."

When I gave notice of this Resolution I thought that it was about time that we again ventilated the question which I raised on the 14th March, 1934. There was a period of two years to see what real efforts the Government have made towards this desirable end of further economies. Apparently, Sir, to some of my friends, there is no connection between the two items which I have joined together in this Resolution, the economy and separation convention. I shall try to convince the House that they are inter-connected and in a way inter-dependent. I shall therefore first deal with the separation convention. When the separation convention was made the Government was on a tide of prosperity; incomes were rising and revenues were also on the increase and therefore everything was given an optimistic tinge by the officials and non-officials. The Resolution of the Assembly on the subject is a long one, and even comprehensive, but I am sorry to find that one special item which ought to have been of paramount importance was left out. It was not made compulsory; it was left to the discretion of the railways to have a sinking fund of their own. Now if the railways had started with a sinking fund their position would have been much better than it is at the present moment. It was a basic mistake to think that the railways should contribute to the general exchequer to finance the sinking operation. If there is a sinking fund operation its benefits should go to the commercial line and not to the general taxpayer. I can describe, Sir, the position of the Government of India in respect to its public debts as of three kinds. Firstly, it acts as the banker of the commercial department and advances the money. Two-thirds of its debts is represented by the commercial department. Then, Sir, about one-sixth is given in loans to the provinces and the Indian States, where we act as honest brokers; we have no responsibility. And the third is, Sir, that we have our own debts caused by the exigencies of the times, deficiency budgets and so forth. Therefore, the only necessity of a sinking fund for the central revenues is to the extent of our uncovered by assets debts, which we have, amounting to less than Rs. 200 crores. For Rs. 800 crores which is represented by the commercial departments there is no sinking fund worth the name. It is anomalous, Sir, that the railways sinking fund should be financed from central revenues and not from railways. But now, Sir, the position has categorically changed. The railways have spent the magnificent reserve of Rs. 18 crores. By the end of next year, Sir, we will have contracted a debt of Rs. 35½ crores from the depreciation fund. We will be, Sir, in arrears of Rs. 26 crores from the central revenues. In all an additional liability of Rs. 80 crores has been created during the past few years. This, Sir, is not a theoretical analysis but hard facts. It is all very well for the Railway Department to say they are trying to run the Department with the lowest possible expenditure. But we are not interested to know what are their intentions. We want to see the actual facts and I find, Sir, that the railways have much leeway to make up. It is for this reason that I think it is a hopeless task to expect that railways will ever be able to make that contribution successfully to the central revenues. We are on the eve of the formation of the Statutory Railway Authority which will mean that the control of the Legislature will be further and further removed. It is therefore advisable that the Railway Department should take the initiative and bring forward a Resolution in the Legislature asking for a revision of the Convention and the line of the revision which I suggest, Sir, is as follows. After meeting all our expenditure including interest, whatever is left over should up to 2½ per cent. of the capital be devoted to the depreciation and sinking fund. I would give, Sir, two-thirds of whatever is left over to the depreciation fund and one-third to the sinking fund operations. At the maximum, Sir, it will amount to something like Rs. 6 crores a year for the sinking fund and Rs. 12 crores for the depreciation fund. And if there is any surplus from Rs. 18

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crores, that surplus, Sir, should not go to meet the expenditure of the Central Government but should, like the surplus of England, go towards the central sinking fund operations. That should be, Sir, a windfall for the sinking fund whenever it is possible to get it. If we do this, Sir, we will be doing it not only for sentimental reasons but because we have reasons for doing it. I shall give some of the reasons why I wish that there should be a sinking fund provision in the railways. You know, Sir, and the House is aware, that whenever we have terminated the contracts of the companies or bought railways, we have not bought them on the basis of share capital but we have always paid premiums. You call it evaluating the assets. But in reality that asset is not represented by any capital at charge of the company from whom you buy. They have made profits and part of the profits have been invested in the undertaking. Therefore that in reality is a writing up of capital. This, Sir,—what I prefer to call the goodwill of the company,—is an item which finds no place in the permanent assets of the commercial department. It has to be written off, and the sooner it is written off the better for the stability of the commercial concern itself.

Then, Sir, there is over-capitalisation due to the fact that in our depreciation fund account we do not debit the depreciation fund with the replacement cost but with the original cost. The difference, the higher cost of replacement is borne by capital. That again leads to over-capitalisation. There are other items, Sir. For instance, in many of our replacements new stations have been built, yards have been re-modelled. All these costs, Sir, are not assets which will pay any direct return. A principle which I had often adumbrated but which has been so ably enunciated by the Honourable the Finance Member this year is, that for every capital expenditure there should be a direct return equivalent to the interest charges as well as sinking fund operations. This sort of thing, Sir, leads me to demand that there should be a sinking fund operation of tolerable magnitude in the railways and for this reason I hope that the separation convention will be revised.

Now, Sir, I come to the question of economies. The Honourable the Chief Commissioner will give me a long list of supposed economies which have been effected from job analysis, from fuel campaign, from standardisation, and so on and so forth. These economies, Sir, exist mostly on paper. They are theoretical savings and I am afraid, Sir, that the Honourable the Chief Commissioner has no records to prove that these economies have been actually effected and are palpable realities. So much so, Sir, that the Retrenchment Committee had occasion to remark when they were making their inquiries in 1931 that no paper existed to show how far the new lines that had been opened were a paying or non-paying proposition. And the Pope Committee too, Sir, had occasion to question the effectiveness of the accounts and costs prepared by the railways to show the actual and real costs. Now, Sir, I should like the House to consider on broad lines what has been the result of the economy campaign? Twelve years ago, Sir, the operating expenditure of the railways was Rs. 51·65 crores. Today it is Rs. 51·25 crores in the Budget for next year. We are indebted to the railways for the reduction of Rs. 40 lakhs in 12 years. This is one side of the picture. But I have a gloomy picture too. In 1931-32, the first year when a serious attempt at retrenchment was made by the Government, the expenditure of the State-owned railways came down to Rs. 49·31 crores; but today we have budgetted for Rs. 51·25 crores, an increase of Rs. 194 lakhs, during five years. That is the net result of all the economy campaign that has been carried on and which has been proved to exist on paper. The trouble is that the railways never forget that

they are a Government department. It has not that incentive which a commercial concern has, which has to submit its accounts to its shareholders and which is liable to be turned out if there is inefficiency. In the railways there is security of tenure. There is no one to question them. Each man is independent and has complete *swaraj* in his own department. Therefore, there is not that incentive to economise which exists in commercial concerns. I am an admirer of State-management of railways, but I am afraid I may be converted to Company-management if this sort of laxity continues to exist in State-management. My complaint is that as long as they had not spent Rs. 14 crores from the reserve fund, they did not realise their duty to economise. It was only when they had finished Rs. 14 crores that they thought that the time had come when they should bestir themselves and think of economy. The trouble with the railways is that as long as they have some money, and that money is sufficient to meet their day-to-day expenditure, or they can find money even by borrowing from the depreciation fund, they will make no serious effort to tackle the economy problem. They are content with small economies of Rs. 12 lakhs here or Rs. 5 lakhs there, and that too on paper. If Government and the railways had realised the real nature of the depression, if they thought that they were in for this reduced scale of income permanently—they are after all human beings—they would have made efforts to bring the expenditure into line with their income. But in their present mentality, when they are thinking every day of returning prosperity, when they are, like Mr. Micawber, waiting for something to turn up, it is hopeless to expect them to do anything which would radically cure the troubles of the railways.

On the question of the removal of the Lee concessions I need not say much. Suffice it to say that there is no justification for their continuance and no reason why, being a commercial concern, we should not reduce these concessions even if we cannot remove them altogether. In all commercial concerns—if you ask the members of the chambers of commerce, they will tell you, what they have done in their own concerns. There is reduction in pay. There is everywhere some effort to economise. Charity begins at home. The first effort at economy it is whispered is to increase a Member in the Railway Board, and thereby make an increase in the already top-heavy expenditure by adding to it the salary of about Rs. 48,000 and a staff costing another Rs. 6,000 or Rs. 8,000. That is the first real effort at economy which we may expect from the Railway Board.

Then, Sir, as regards the new scales of pay that have been introduced by the railways, I find that in the higher grades the pay is still too high for a commercial department and for the pockets of India to bear. It is only in the lower grades that there has been any real effort to reduce, where it ought not to have been. I mean that this ought not to have preceded in the lower grades. The pay ought to have been first reduced in the higher paid staff, and then they could have tackled the lower paid staff. But here, everything moves the other way round. It is anti-clockwise in this Government.

I find also that there is no uniformity in the scales fixed for the different railways. Some railways have the grade system; others have the time-scale of pay. If there is a central authority like the Railway Board, it ought to come to a decision as to what is best for the railways. If it thinks that there should be only the grade scale of pay, let us have that; if it thinks that the time-scale of pay is the best, let us have that. This concern is centralised and yet there is this difference.

We have been questioning the railways to tell us which is cheaper, the divisional system or the district system. In some railways we have the

[Mr. Hossain Imam.]

divisional system, in others the district system. Are the Railway Board ever going to come to a decision on this question, or are matters going to be left to move as they may? The Railway Board can never come to any conclusion on any subject.

When I said that the economies of the Chief Commissioner exist only on paper, I meant to say that I have verified my conclusions. I tried to find out what has been the actual result of one method only, and in that I was very much disappointed. I took up the question of heavy engines, the Atlantic type as they are commonly called. When they were bought, we were promised that their purchase would give us a great reduction in the operating cost. But when we had bought all these huge engines we realised that we had bought white elephants.

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE MR. HOSSAIN IMAM: The Mover has half an hour, Sir.

THE HONOURABLE THE PRESIDENT: Yes, you have already taken over 30 minutes.

THE HONOURABLE MR. HOSSAIN IMAM: I shall then skip over some points.

These engines were found to be unable to run on certain sections of the line because lighter rails were liable to be distorted, and the joints to be dis-jointed. They had to be changed, and that meant that capital had to be invested. Then it was found that the bridges were not safe to stand the strain of these engines. They were strengthened. That meant additional cost. Then it was realised that in certain sections which had steep gradients or loose earth, they were not able to work in the monsoon months. They were therefore shifted to other parts. Again no use could be made of them for one reason or other. All these things contributed to make the promised economy non-existent which did not exist in actual action. Then there was another difficulty. They could draw heavier trains at a cheaper cost, but in drawing lighter trains they consumed more than the 56 lbs. of coal which is the consumption of mail engines, and so economy was not effected by employing these heavy engines. If these paper economies are translated into realities and an all-in cost is taken, you will find that none of them led to economies that were promised.

I am very grateful to the Pope Committee's Report for having given me a good deal of information. At the same time I have the complaint to make that the Railway Board have not treated that Report with the courtesy or the attention that it deserved. I do not know whether it is an intentional slight or an oversight, but many important items of Mr. Pope's Report do not even find mention in the Administration Report presented to us this year. That report deals with certain of his recommendations, but there are other items of very great importance which have been entirely left out, e.g., three, "The stores purchase policy", "Accounting as an aid to efficiency" and "Utilisation of non-ferrous scrap". Other items of minor importance also were not mentioned in the Administration Report, but these are of very great importance and ought to have been mentioned. And what is the net result? The Administration Report does not say what action has been taken. The thing that is

mentioned is job analysis, because that provides some jobs. That is the only reason why job analysis has been adopted by the Railway Board. I hope, Sir, that the Chief Commissioner will enlighten the House on these questions.

Then, Sir, I wish to refer to two items with some diffidence. We have all heard about *dustoori*, that there is corruption here and there. But if you want to save millions there are other fields which ought to be tapped. If the stores purchase policy, its exclusiveness and favouritism and other things are looked into you will save millions. But I am afraid it will not be looked into because it affects those high up. The case of the goods yard was taken up because it concerned only humble people; but the corruption is not a bit less in the matter of the purchase of stores.

Then, Sir, there is another department of the railways which gives out contracts, the Engineering department, the counterpart of our Public Works Department. Institute a strict inquiry into the methods adopted, break the monopoly of those to whom contracts are given, investigate all those things, have extra-departmental inquiries in these matters, then it will be found that buildings can be made at a cost 10 or 15 per cent. cheaper than at present. But that too, I am afraid, will not be done. There is ample room for economy, if there is a will to have economy.

Sir, I move.

The Council adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the Chairman (the Honourable Sir David Devadoss) in the Chair.

THE HONOURABLE THE CHAIRMAN (THE HONOURABLE SIR DAVID DEVADOSS): Discussion on the Honourable Mr. Hossain Imam's Resolution will proceed.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, can a leopard change its spots? I have never believed it and I never believed that the Honourable Mover would change his opinions but when in discussing the second part of the Resolution he came out as the champion of the railways, I wondered whether I was wrong. Then he started discussing economies on railways and I was quickly disillusioned and have to revert to my original belief. The Honourable Mover said that some of his friends suggested to him that the first part of the Resolution had nothing to do with the second. I must admit that I was one of those friends and having listened to his speech, I am afraid I am still of the same opinion. The Honourable Mr. Hossain Imam has dealt with his Resolution in two parts and I propose to follow the same course. He took the second part first, namely, the 1924-25 Separation Convention. Now the general terms of that Convention were as follows. I will only read two: those to which he referred:

"The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year plus one-fifth of any surplus profits remaining after payment of this fixed return"

subject to certain conditions.

"Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve: provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues".

[Sir Guthrie Russell.]

Now it was arranged that this could be revised at the end of three years if required. What I cannot understand is how an alteration in the Convention would have caused railways to earn one pie more or to save one pie in working expenses. A different Convention might have altered the financial complexion of railways, but it certainly could not have effected economy and that is what I understand my Honourable friend claims. Now actually in 1929 a committee of the Assembly was appointed to go into the question whether there should be an alteration made in this Convention. There were about three meetings of the committee as far as I remember. The last meeting was in June, 1930. Then Government decided that owing to the pending constitutional changes there was not much use in making an alteration in the Convention. Now, exactly the same situation obtains at the present day. We all hope that within the next two or three years we shall have the Statutory Railway Board. Under the Government of India Act one of the first things to be done is for the Federal Railway Authority or the Statutory Railway Board to come to a financial settlement with the Government of India. It does not seem to be much use in coming to a financial settlement now which is going to be upset possibly two years hence.

Now, I come to the first part of the Resolution, namely, economies. The Honourable Member started off by saying that he presumed that I would produce a list of economies which the railways have effected. That is exactly what I do not propose to do. During the General Discussion of the Railway Budget the Honourable the Railway Member went into the details of what the railways have done; he tried to impress upon the House that the railways had done something. There are also several documents in existence which detail the working of railways, but the Honourable Member frankly stated that the speech of the Honourable Railway Member and these documents had no effect on his opinion. If I went into detail it would not have any effect on him either. But there are one or two remarks that I would like to make on certain points he has made. In 1932-33 he said that the working expenses of railways were Rs. 49 crores and 8 lakhs and the estimate for 1936-37 is Rs. 51 crores and 25 lakhs. In other words the working expenses were going to be increased by Rs. 2 crores and 17 lakhs. What he entirely omitted to mention was that in 1932-33 the gross earnings of railways were Rs. 84.43 lakhs, whereas in 1936-37 we estimate for Rs. 91.25 lakhs; in other words with an expenditure of Rs. 2.17 lakhs we expect to get Rs. 7 crores additional earnings. If you get additional traffic, it costs you more money. Further working expenses are not in direct proportion to additional traffic. If you get Rs. 7 crores additional traffic for an expenditure of Rs. 2.17 crores, it seems to me to be rather a good proposition. The Honourable Member also forgot to mention that our working expenses of last year compared to 1932-33 dropped by Rs. 6½ crores. It is admitted of course that the earnings also went down.

There is a point he raised about locomotives. I am not quite clear exactly what he meant but I think the accusation was that we had bought heavy locomotives which we were unable to use because certain portions of the track were not fit to carry them and we had to store these locomotives until we had got the track in a fit condition to carry them. Well, that is not quite correct, though there is a certain amount of truth in what he says. What actually happened was this, when we bought these locomotives we were only able to use them on certain sections but as we strengthened the track on other sections we were able to use them more extensively and so extended their use, that is the position as regards locomotives.

He also said something about new scales of pay and said we had not reduced the higher scales of pay sufficiently and had reduced the lower scales too much. At least I think that is what he did say and he claimed that if we reduced the higher scales of pay we would effect very large economies. Now I think it has been explained both in the Lower House and in this House if there is to be economy it must come mainly from the lower paid staff as they are in a tremendous majority. The numbers in the higher scale are very few, and you have got to pay a man who is holding a responsible position a reasonable amount. I can assure the Honourable Member that even if we reduced the higher scales by 50 per cent. the economies which we would effect would be very small indeed. Then he accused us of trying to camouflage the Pope Committee's Report. He said in our Administration Report we had only mentioned a very small number of the suggestions that Mr. Pope had made. That is quite true but I can assure the Honourable Member that there was no idea of camouflaging but the Administration Report must be kept within reasonable limits and if we went into details of all the suggestions made by Mr. Pope we would require to publish a much more voluminous report. But if the Honourable Member will come to my office, I will show him exactly what we have done.

Now, Sir, I think that covers the main points raised by the Honourable Mover. Though I must say I cannot agree with all his arguments, I am quite prepared to accept the first part of the Resolution which asks the Governor General in Council to explore further avenues of economy in the railways because that is exactly the policy of the Government of India. But for the reason that I have already stated I cannot accept the proposition to revise the separation convention of 1924-25.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution and wish to ask the Honourable Sir Guthrie Russell why he is opposing the revision of the convention? The reasons that he has put forward have not convinced us at all. As regards the first portion of the Resolution, the Honourable the Chief Commissioner of Railways said that it is the Government policy to explore further avenues of economy. Sir, I am sorry to find that although so many inquiries were made, at present instead of keeping up those reductions efforts are being made to increase the establishment, particularly in the officer grade. Sir, railways ought to be run purely on commercial lines, and they must cut their coat according to their cloth. On the North Western Railway a post of Deputy Agent has been created and there are strong rumours that another Member is to be added to the Railway Board. The Honourable Sir Guthrie Russell has said nothing about this although the Honourable Mover of the Resolution did ask as to where was the justification or necessity of adding another Member to the Railway Board. I hope Sir Guthrie Russell will be good enough to ventilate that point.

Sir, efforts have not been made to reduce the expenditure on the services. I mean the superior services and the senior subordinate services. The Lee concessions still continue. When, Sir, times are such, there is absolutely no justification for continuing those concessions and in case railways are to be run on commercial lines there is absolutely no reason for not cutting down expenditure to the level at which it stood some time back. Well, Sir, we find from the Pope Enquiry Committee that certain recommendations were made as regards the reduction in expenditure and as regards the effort to attract more traffic. But, Sir, those recommendations of the Railway Board and Railway Administrations have not been accepted in full. Sir, we find the allowances and the salaries of the drivers (locomotive drivers), and of the top grade

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guards are too high. You can get mechanical engineers of high qualifications for from Rs. 300 to Rs. 400 a month. The average pay *plus* allowance of a top grade driver of a mail train comes to Rs. 700 or Rs. 800 a month. If I am wrong the Honourable the Chief Commissioner will put me right. Sir, the same is the case with top grade guards. I admit, Sir, that there was a time when there was a dearth of suitable drivers and guards in India. Now, of course, you can get them in hundreds and there is no reason whatsoever why their salaries and their allowances should not be sufficiently curtailed. The Honourable the Chief Commissioner was very pleased to give me a list the other day of the reductions made in the scales of salaries and allowances but I find to my disappointment that the reductions have not gone far enough. Sir, the Honourable Mover asked a question from the Chief Commissioner of Railways as to what was the reason that on certain railways there was a district system and on other railways there was a divisional system. The Honourable Sir Guthrie Russell has given no reply to that. We want to know from him as to whether or not the divisional system has proved a success? We want the information now from him so that we may know where the matter stands? Sir, if the divisional system is a success why not adopt it universally? My information as a layman is that it has proved a failure.

Sir, lorries now are a standing feature in railway competition. Railways notwithstanding their efforts to beat them out have not succeeded in doing so. But the present policy of the Railway Board is to increase the railway fares, freights and terminal charges. I should like the Honourable Sir Guthrie Russell to explain why they kick at the traffic which is offering. I find in the Pope Committee's Report recommendation of the methods adopted by the London, Midland and Scottish Railway. They suggested concessions for educational trips, land cruises, commercial research and stimulation of industries. I want to quote a paragraph from that Report. They say:

"Joint investigations are being conducted in close touch with Government into the characteristics of, and possibilities of, stimulating particular industries".

In India, Sir, my impression is that the Railway Board are not moving in this direction to the extent they should. Surcharge on coal has not been removed, special rates are not being offered to industries and the industries are being forced to employ lorries to carry their goods. Why are the rates not lowered? You are not getting the traffic. Whatever you get will be a gain. I have asked about this a number of times and the railway people give the stereotyped reply that it does not pay them to do so. I should like to know what the basis for that statement is? How do you judge that a certain rate pays you or not?

Then, Sir, sudden increase of rates by a stroke of the pen is undesirable. It affects the commercial people adversely. You indirectly impose that extra taxation without going to the Central Legislature. That is not fair.

I want to suggest some means of increasing the traffic and decreasing the expenditure. I would reduce more officers rather than sweepers, *chaprasis* and poor clerks. On the North Western Railway, economy has lately been effected by dismissal of watermen and sweepers who were of convenience to the passengers. Why not abolish a few of the divisions? On the North Western Railway—of course I am not a technical man—but I would all the same suggest that the Quetta and Ferozepur divisions may be abolished. The Quetta division consists only of a few hundred miles. Where is the necessity of keeping the divisional staff? Why not amalgamate it with the Karachi

division? Ferozepur can similarly go piecemeal to the Delhi division and piecemeal to the Lahore division. There are many ways of effecting real retrenchment. Amenities to passengers are being given on a very poor scale. The other day, while making observations on the Railway Budget, I asked what is the percentage per year out of the earnings from passengers that you spend upon the amenities of passengers.

(At this stage the Honourable the President resumed the Chair.)

There are no waiting sheds on roadside stations. There is no lighting at night. There are no raised platforms at a majority of wayside stations. The facilities which are given to passengers are very few. You must move in that direction seriously. The other day, when I suggested that railway loans ought to be converted to cheaper rates of interest, the Honourable the Railway Member said that something has been done in that direction. He gave a sum which I consider is not big enough. Now is the time to repay those loans or to convert those loans to a cheaper rate of interest.

I have already mentioned the high overhead cost. Now I come to the workshop. Of course, Dickinson's suggestions have been adopted to a certain extent. It is perhaps a fact when I say that Burn and Company made an offer to the North Western Railway to run their shops at half the present cost. If this is wrong, I should like the Honourable the Chief Commissioner to throw some light on this.

My Honourable friend, the Mover, complained about the engines. The Honourable Sir Guthrie Russell replied that he did not quite follow what the Honourable Member meant. I will try to explain what it seemed to me he meant. When X-C Class engines were purchased, the axle bearings were too low and the sand and dust used to get into them and the engines went on the sick list soon after running a few hundred miles. I made some enquiries on the subject and I learn from a reliable source that there was an error in their design.

Then, Sir, when the railways themselves admit that traffic is falling, where is the necessity for getting improved new wagons though you do get a certain percentage of economy in their working. But what about the capital cost? Unless and until the traffic improves considerably, I find no justification for adding to the wagons. I travel a good deal and I find that almost at every station there is a large number of wagons lying idle in the yards. Similarly, new engines are being ordered to replace the old ones. I admit that the working of up-to-date engines is cheaper than the working of the old ones. But why incur capital cost? You ought to effect as much economy as you possibly can. I would therefore strongly suggest that unless and until the railways begin to make a profit there must be a substantial decrease in the scales of salaries and allowances of the officers and of the top grade subordinates. As times are bad and it is very difficult to make two ends meet, I would not like to go for any reduction in salaries below Rs. 100 or Rs. 50. My friend Sir Guthrie Russell said that the present salaries of officers are reasonable. Well, as long as you earn profits I do not mind those salaries, but I must say that if you compare those salaries with those of railways anywhere else in the world you will find that the salaries in India are very high.

THE HONOURABLE SIR GUTHRIE RUSSELL: Sir, I did not say anything about the present scales of officers' salaries. I said the new scales were reasonable.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, Sir, I want the reduction or cut recommended to you by the Retrenchment Committee to be restored and to continue it until the railways begin to earn a

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profit. There is absolutely no justification for restoring the cut. That restoration I must say has not been approved by the public at all. Sir, in times like these every effort should be made to reduce expenditure, and I would request the Honourable the Chief Commissioner for Railways to restore the cut, to reduce the scales of salaries and allowances which have already been suggested and thus make the railways pay.

Another side of the question is that, now that the Railway Budget has been separated from the General Budget, the loss on the working of the railways is either met from the depreciation or the sinking fund. But now, as Mr. Hossain Imam has told you, the time is fast approaching when you will have to fall back for your deficit on the revenues of India, and as the present taxation is already very heavy I do not know how you will be able to make two ends meet.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Mr. President, in supporting this Resolution, I would like to submit a few points with regard to economy on the railways. Sir, some time last session we questioned the cost of the running of rail motors on the Kalka-Simla line, and we understood from the reply that they were being run at a loss. Similarly there are other experiments being carried on on other railway systems. Electric trains have now been introduced in some places, and we are told that these electric engines and Dynamometer cars are not working economically and there are too many kept as reserve. There is also a considerable loss on the working of certain classes of engines, which have proved defective, as observed by the Honourable the Leader of the Opposition. Then I am told that some of the engines bought by Government for State-managed railways have been sold to Company-managed lines. Also when we compare the mileage of some of these engines with the mileage obtained in other parts of the world it is shown that we have too many. These are stabled in many places and this extra cost is not justified by the work we get from these engines. Then with regard to the reconstruction of old lines and bridges, the Mover of the Resolution has pointed out that a large amount of capital expenditure is devoted to providing a stronger roadway for the new heavy engines. Yet as my friend has said, the cost of remodelling the roads to suit the engines has not been justified by the results, especially in regard to the cost involved in reconstructing bridges at enormous cost. This has meant enormous capital outlay on these new works. And the old material which has been renewed, which could have been used profitably for many other purposes, has been sold for a song.

Then, Sir, I would submit that there is a great difference in cost of accounting and auditing between the State and Company-managed railways. Under the State the cost is many times greater. Then the money spent on remodelling stations is simply enormous, for no other purpose than to provide a grander boulevard for people to visit in the evenings. The old stations with a little remodelling, as has been done at the Madras central station, would have very well answered for all purposes, and there was no necessity for completely doing away with them and spending lakhs and lakhs on new stations. So there are many ways from what a layman can observe in which the railways can practise economy in their expenditure and working.

With these words, I support the Resolution.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, before I commence my remarks I wish to apologise to the House and to Sir Guthrie Russell for my unavoidable absence from my seat when the debate on my Resolution was resumed after lunch. My absence has deprived me of the advantage of hearing the opening remarks of the Honourable the Chief Commissioner, as I arrived about the middle of his speech. I am therefore unable to reply to the first part. But I understood that the reason for his opposing the latter part of my Resolution was that the question will of itself come before the Government when the Statutory Railway Authority is constituted, and therefore there was no urgency of considering the question now. Is it so ? If so, I would not mind asking the permission of the House to withdraw the latter part of my Resolution.

THE HONOURABLE THE PRESIDENT : Your Resolution is so worded that you will have to withdraw the whole of it : I cannot allow a part of your Resolution to be withdrawn.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable the Chief Commissioner has accepted on behalf of the Government the first part of my Resolution, with the exception of the words—

THE HONOURABLE THE PRESIDENT : I am afraid I am unable to put your Resolution in two parts as it is worded.

THE HONOURABLE MR. HOSSAIN IMAM : I was not asking for the Resolution to be put in two parts. I want to ask for leave to delete the latter portion.

THE HONOURABLE THE PRESIDENT : I am afraid I cannot at this stage allow you to delete one portion. Your Resolution stands as it is and will be voted on.

THE HONOURABLE MR. HOSSAIN IMAM : That increases our difficulties and I am afraid it will increase the difficulties of the Government Members as well.

I come to the basic question of economy. The remark of the Honourable the Chief Commissioner that from a commercial point of view an increase of Rs. 217 lakhs in the expenditure when the income has increased by Rs. 6 crores is not condemnable. That remark on the face of it appears to be very reasonable, but to those who are conversant with railway administration and with the items that make up the total cost it will not appeal at all. Our capital at charge does not increase by additional men or goods carried. More than a third of the total cost is taken up by interest charges. The interest charges are Rs. 31 crores and the total operating cost is Rs. 50 crores and there are about Rs. 13 crores for the depreciation fund. Our total expenditure is made up of all those amounts. The interest comes to about one-third. The depreciation fund accounts form a sixth, which also does not increase. One-half of the expenditure does not increase by any increase in the passenger or goods carried. Even in the item Operating cost, the item of over-head charges—divisional officers—does not increase. The expenditure involved in the pay and emoluments of the inferior servants, that also increases to a very minor extent. If you have double the traffic, the increase is about one or two men. A booking clerk who can deal with 100 passengers can very well deal with 150. The pay and the emoluments of people, for instance, the driver and the guard

[Mr. Hossain Imam.]

do not increase with the number of additional men carried. With the exception of fuel expenditure, I should say no items rise in proportion to the increase in traffic and passengers. So it is no defence to say that an increase of Rs. 6 crores in income justifies an expenditure of Rs. 2.17 crores. That is a spirit which I have reason to deplore. If it had been a commercial concern, the outlook would not have been this—*how much our income has increased and therefore increased expenditure must necessarily take place*. That is the mentality of the Government and not of a commercial concern. A commercial concern has first to see whether it has been able to balance its accounts and until that account is balanced, every item of expenditure will come for a thorough pruning from a commercial man. May I remind the Honourable the Chief Commissioner of an example given by another Member from the same side of the House? He said he could not incorporate the action taken by the Government on the Pope Committee Report in the Administration Report. As a matter of fact, the Administration Report is a bulky volume having 126 pages in its first volume and 272 pages in the second volume. If they had a desire they could have given more space than the solitary paragraph which they have devoted. If they want to have a precedent, they can take it from the Honourable Mr. Clow who gave us a voluminous Report on the actions taken by the Government on the Report of the Royal Commission on Labour. Was it impossible for the railways to do the same? Do they not belong to the same Government, the indivisible whole? The reason is not far to seek. Opinions in the Railway Board are fluid. The trouble is that Mr. Pope's Committee has committed a great error in insisting on action. The keynote of the Pope Committee's Report is action and persistence that every item should be looked into and nothing looked over. Sir, I should like to remind the House—it is nothing new to the Honourable the Chief Commissioner—of the concluding paragraph of the Pope Committee's second Report that:

“efficiency and economy can only be obtained by constant organised research and investigation and that no saving is too small to be ignored”.

This is the golden rule which ought to be writ large in the offices of the Railway Board as well as the offices of their officers. But, Sir, this wholesome rule which has been twice expressed by the Pope Committee has fallen on deaf ears. We do not say that the Railway Board have disregarded it, but we do say that it has not been followed in the spirit and in the force in which it ought to have been followed. May I ask the Honourable the Chief Commissioner what steps he has taken about the Jamshedpur Railway workshops? Has anything been done about it? Is it going to be opened, and the money which was invested utilised?

THE HONOURABLE SIR GUTHRIE RUSSELL: Do you mean the Tantanagar Workshops?

THE HONOURABLE MR. HOSSAIN IMAM: Yes.

THE HONOURABLE SIR GUTHRIE RUSSELL: They are open at the present moment.

THE HONOURABLE MR. HOSSAIN IMAM: I am very thankful to the Honourable the Chief Commissioner for this. I stressed greatly the necessity of opening this workshop at the time of the Steel Protection Act.

Now, Sir, there is one part of the Pope Committee's Report which said that in order to attract traffic and passengers, it is necessary that the convenience and the requirements of the passengers and traffic should be looked into. I am referring to paragraph 15, Part IV, of the second volume of the Pope Committee's Report. But, Sir, here when we book our goods, we do not know, we are never informed even of the maximum amount of time which will be taken in transit. When I book a thing it may reach in 10 days or in 20 days—there is no knowing. Then, Sir, I would ask the Chief Commissioner of Railways to read a letter which Sir Zafrullah Khan wrote before he assumed the portfolio of Commerce and Railways. That will give him some instruction as to what the railways ought to be and how the passengers should be treated. Then, Sir, the reason why we have been hammering at this question and bringing this subject often and often before the Government is that we wish that the Government should not fall into the false security and self-complacency that they have done enough. There is nothing like enough until you are able to pay your full quota if you insist on having the present convention or if you prefer to adopt my suggestion, until you have 2½ per cent. on capital. Until then the railways must make a constant effort to check the increased expenditure.

Sir, I should like to have a ruling on the point I raised.

THE HONOURABLE THE PRESIDENT: I understand that you wish to delete the words “and to revise the separation convention of 1924-25”. I understand that it is the established policy of Government to make all economies in the matter of railways and I do not know whether the Government Member has any objection to the Resolution as amended?

THE HONOURABLE SIR GUTHRIE RUSSELL: No, Sir, I accept the Resolution as amended.

THE HONOURABLE THE PRESIDENT: Do you wish to say anything?

THE HONOURABLE SIR GUTHRIE RUSSELL: As I was forced to my feet very early in the debate, I would like to say one or two words. I apologise for not replying to the question about the divisional and district systems. It is very difficult to say whether the divisional or the district system is cheaper because we have not got them running alongside one another. The divisional system came in in about 1921-22 on the Great Indian Peninsula Railway. I myself raised this question some years ago and what I did was I got the cost of the district system on one of the Company-managed railways and I took the cost of the divisional system on the three State railways and I graphed the expenditure year after year to see whether expenditure on the divisional systems or the district system had risen by the greater amount. We definitely knew that expenditure had increased on both systems, the result of that examination was not very conclusive. Though it rather tended to show that on the railways that have the divisional system though expenses had increased they have not increased by quite as much as on those that have the district system. But it is very difficult definitely to decide which is the better system as far as expenditure is concerned but I can assure my Honourable friend the Mover that we have not lost sight of this. Now there is one other point—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: When will you be able to decide which is the better system?

THE HONOURABLE SIR GUTHRIE RUSSELL: I have tried to explain that it is very difficult to decide. The better system is obviously the cheaper system. I think that is what my Honourable friend wants to make out. Now as I said the trend appears to be that the divisional system is slightly cheaper than the district system allowing for change of circumstances. If my Honourable friend so desires, I will have the graphs brought up to date just to see how the conclusion arrived at three or four years ago works out now.

The only other point I would like to mention is the question of the cost of operation. My Honourable friend Mr. Hossain Imam is correct when he says that the cost does not work directly proportionate to the earnings. The normal way you work out cost is you get down to a figure of cost per ton per mile. That is one of the statistical figures. Now if you carry say 10 million tons at a certain cost—say 3 pies per ton per mile—if you carry another half a million tons that will not cost you 3 pies. The American practice lays down that the dependent cost, that is the additional cost of carrying a reasonable amount of extra traffic is about 33½ per cent. of the total cost for all traffic.

I am very glad that my Honourable friend Rai Bahadur Lala Ram Saran Das explained the trouble about locomotives. I think that has been put right.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, what about the rumoured addition of a Member to the Railway Board?

THE HONOURABLE THE PRESIDENT: That question does not arise on the Resolution. I will allow the Honourable Mover to delete the words "and to revise the separation convention of 1924-25". The Resolution therefore stands thus:

"That this Council recommends to the Governor General in Council to explore further avenues of economy in the Railways".

The Question is:

"That that Resolution be adopted".

The Motion was adopted.

RESOLUTION *RE* GRANT OF RS. 50 LAKHS TO PROVINCIAL GOVERNMENTS FOR THE UPLIFT OF THE DEPRESSED CLASSES.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muham-
madan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that he may be pleased to make a grant of at least fifty lakhs of rupees to Provincial Governments for the special purpose of improving the educational, the economic, the hygienic and other proper and feasible improvement of the depressed classes".

Perhaps the Hindu Members of this Council may be surprised to find that a Resolution of this kind is moved by a Member who does not belong to their community. But if the problem with which it deals is considered from the national aspect which it undoubtedly has, there can be no reason for such surprise. I belong to the minority Parsi community but I regard myself as a nationalist, though of the moderate school of political thought and as such I cannot be indifferent to the condition of a section of our countrymen who form what are called the depressed classes and one feels it a duty to do what one can to elevate their status. This problem is one which has been engaging the earnest attention of my Hindu countrymen for the last thirty years or more

and within recent times the interest in it has appreciably increased. Though in its social and socio-religious aspects it may be essentially and primarily a Hindu problem, it is rightly regarded, both as a humanitarian and a national problem. It has made its appeal to all communities in India, and as an illustration of this I may remind the House of the fact that Mr. David, a prominent man of business in Bombay, has donated a fairly large amount from the interest of which a number of scholarships are given to students of the depressed classes. This is the right spirit in which this problem should be approached, and it gives me great pleasure to admit that the Provincial Governments also have been taking a growing interest in the educational and economic condition of the depressed classes and doing what they can within their limited resources to improve it. The Government of my own province, the Bombay Government, have established what is called the Backward Class Department, and I am glad to note that the second administration report on the work of this Department, published about a year ago, shows that that Government have been taking a steady and increasing interest in the education of the depressed classes and in the general improvement of their condition.

In the Budget for 1935-36, the Government of India have allotted Rs. 1 crore for economic improvements in rural areas. They rightly recognised that the vast population living in the villages had the first claim on the surplus in the Exchequer and it is gratifying that they have decided to spend more than the crore of rupees originally allotted. The Provincial Governments to which allotments have been made have decided to spend some portion thereof on the economic improvement of the depressed classes. I am sure the House appreciates what has been done in this matter by the Government of India. What I desire however is that this beneficent policy in the interests of the depressed classes should be continued further and that a much larger grant should be specifically made out of the Indian revenues for the purpose of improving the educational and economic condition of these classes. My Resolution requests the Government of India to make a grant of at least Rs. 50 lakhs specifically for the benefit of the depressed classes, as distinguished from other sections of the rural population.

The problem of the depressed classes in its educational and economic aspects and in those social and socio-religious aspects which bear on their educational and economic condition, has been carefully considered, I am glad to say, both in the interim Report on Education of the Indian Statutory Commission and in the Report of that Commission itself. Honourable Members would do well to bear in mind some statistics with regard to these depressed classes. From the figures given in these Reports it will be found that the depressed classes in British India number about 19 per cent. of the total population. They number about four and a half crores, excluding aborigines who are not considered as belonging to these classes. They form about 28½ per cent. of the total Hindu population in British India. In the Madras Presidency they number 65 lakhs, in Bombay 15 lakhs, in Bengal 1 crore and 15 lakhs, in the United Provinces, 1 crore and 2 lakhs, in the Punjab 28 lakhs, in Bihar and Orissa 50 lakhs, in the Central Provinces 33 lakhs and in Assam 10 lakhs. These figures show that the problem we are now considering concerns large masses of men. As has been pointed out by the Statutory Commission, in the three provinces of Bengal, the United Provinces and Bihar and Orissa, the connection between the theoretical untouchability and practical disability is less close in those provinces and a special investigation might show that the number of those who are denied equal rights in the matter of schools, water, and the like is less than the total given for depressed classes in these areas. This shows that all those who are classified as untouchables do not suffer from all

[Sir Phiroze Sethna.]

the disabilities that go with untouchability. In other words some untouchables classified as untouchables enjoy equal rights with touchables in the matter of schools, water, and the like and this is why the connection between theoretical untouchability and practical disability is less close in these provinces. Nevertheless, it may be safely said that in all the provinces the economic and the educational condition of the depressed classes is so bad that it calls for the special attention of Government. Though it is satisfactory to note that the desire for education has been steadily growing among these classes within recent years, there is still very great scope for improvement. Primary and middle school education seems to have made notable progress, but secondary and university education still shows very little progress. Except in Bengal the number of those in high schools and colleges does not exceed even 500. The education of girls of these classes is yet in a much more backward condition and the Statutory Commission has pointed out that only one girl out of every thirty thousand of the female population of the depressed classes proceeds beyond the primary stage. I shall not weary the House with a plethora of statistics but I may be allowed to refer to two tables given in the interim Report of the Statutory Commission on page 220 of the Report.

The tables show beyond doubt that education of the depressed classes ought to receive the special attention of the Government of India and the Provincial Governments. The Government of India have done well to appoint a central educational board to consider problems of education and I beg to suggest that this board may well be entrusted with the task of suggesting special measures for the educational progress of the depressed classes.

Besides special measures for promoting the educational progress of the depressed classes, measures must also be taken for improving their economic condition. Some of them, no doubt, own lands, but in most cases those lands are merely small pieces incapable of yielding reasonable profit from agriculture. The Government may well consider whether it would not be possible to give them Government lands without any price or at any rate for a small price. They also suffer from indebtedness, and free grants of money or loans without interest or at a very small rate of interest, may be made to them in order that their indebtedness may at least be considerably reduced. Special co-operative credit banks should also be started to give them financial assistance. This aspect of the problem is not so easy as the educational aspect and to begin with a thorough enquiry may be made as to how and on what lines practical measures can be adopted to ameliorate their economic condition. Of one thing I feel certain, and it is this. If Government will only have the will to do it, they can, from their forest or other lands, give free of cost or at a moderate price lands to those members of the depressed classes who are landless or own very small pieces of land.

I need not say more in support of this Resolution. I may refer in this connection to the munificent gift of Rs. 1 crore made by His Highness the Maharaja Gaekwar of Baroda for the benefit of the depressed classes in his State. His Highness has thus set a noble example which may well be followed by other princes, by the Indian Government and by everyone of the Provincial Governments. I hope that it will not be out of place here if I make an earnest appeal to all wealthy and charitably disposed countrymen of mine to make it a point to spend as much as they can for the educational and economic betterment of the depressed classes. Let us all realise that in elevating them we shall not only be doing our duty by them, but also elevating ourselves. I shall not in this place refer to the social or the socio-religious aspects of this problem

of the depressed classes. For in the first place they are outside the scope of my Resolution: secondly, some of them are controversial, and I am anxious to avoid controversy as much as possible; and, thirdly, because I am not sure that they can all be tackled by Government by means of legislation. But whatever controversial aspects the whole problem of the depressed classes may have, however difficult it may be for the Government to deal with them, and though there can be no doubt some of them can be solved fully and satisfactorily by the Hindu community alone, we can all, Government as well as the Members of the Legislature, help as much as we can in improving the educational and the economic condition of the depressed classes. This aspect of the problem is beyond controversy. These classes have suffered long from neglect and it is absolutely necessary that every effort should be made by Government and the people to bring them, educationally and economically, into line with the other communities of India. I am aware that the resources of the Government are not boundless and that there are many demands upon the public exchequer. But there are clear signs of returning prosperity and Government are showing increasing interest on the welfare of these classes. I am encouraged by this fact in moving this Resolution, and I have sincere hopes that the Government of India, and in particular my Honourable friend the Finance Member, will have a warm place in their or his heart for these classes and that it will be possible for Government to accept my Resolution and set apart funds for the educational and economic improvement of the depressed classes. What is wanted is a full realisation by Government and the people of their special obligations to them, and then the rest will not be found difficult.

Sir, I move my Resolution.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I have very great pleasure in supporting the Resolution moved by the Honourable Sir Phiroze Sethna. The depressed classes came to recognition practically after the Montagu-Chelmsford Reforms. Before that, the only agency doing anything for this community were the missionaries. The Montagu-Chelmsford Reforms made an attempt to improve the condition of the depressed classes in India. Speaking of my province, during the time when His Excellency the Viceroy was Governor there, in 1921 or 1922, a special department was started to improve the deplorable condition of the depressed classes in that province. A Labour Commissioner was appointed in 1922 in the person of one Mr. Paddison, who took a great deal of interest in that work. So I can say that Madras was the first province to start doing something for this community by the creation of this special department, and I am glad to hear that Bombay has recently started a special department for uplift work among the depressed classes.

The depressed classes have received great prominence under the new reforms. However, as the Honourable Mover has said, many of them are uneducated, they do not own lands and they do not enjoy much in the way of co-operative facilities and things like that. In Madras the Government have afforded special co-operative facilities for this community. Some years ago no doubt the depressed classes were untouchables. But things are changing now. At one time this community was not admitted to public schools, but now all that is disappearing and there is a great awakening in this respect. And now the Resolution before us asks the Government of India to spare Rs. 50 lakhs for the amelioration of the condition of these people in the provinces. I think it is a very reasonable one and I am sure the Government of India would accept the Resolution and do their best to see that these unfortunate people are given proper education and facilities such as loans to build huts, medical aid in hamlets and cherries and also lands to cultivate. The

[Diwan Bahadur G. Narayanaswami Chetty.]

Madras Government have provided them with lands, and to some extent have alleviated their sufferings, but I do not know conditions in other provinces. Now that political freedom has been given to these people, they ought to be educated to use their franchise properly.

Sir, I have very great pleasure in supporting the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I am very glad that this Resolution has been moved by one who belongs to a community which does not desire to see its numbers increased. Sir Phiroze Sethna has rendered a service really, not only to the depressed classes but to Indian society, by bringing forward this Resolution this afternoon. The question of the depressed classes is vital, not only for Hindu society but for Indian society. In my own town I have taken some interest in the uplift of these classes and I know the filthy conditions under which they live. If one goes to a depressed class locality one feels absolutely depressed. The conscience of caste Hindus has to be roused ; the conscience of the Government in regard to the depressed classes has also to be roused. Their educational condition is very very unsatisfactory. You hardly come across an educated man among the depressed classes. Educational opportunity is absolutely necessary for economic opportunity. If these classes do not receive proper education they will never be able to get employment in the superior and provincial services, and we want these classes to have a due share of representation in these services. Therefore Sir Phiroze Sethna has very rightly laid stress upon educational opportunity. We have a surplus budget this year. A part of that surplus is going towards rural reconstruction and I would suggest that a part of the funds allotted for rural reconstruction should be devoted exclusively to the amelioration of the condition of the depressed classes.

With these words, Sir, I give my very hearty and cordial support to the Resolution moved by our distinguished leader Sir Phiroze Sethna.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : I had no mind to speak on this Resolution because I thought the subject was such that it will have practically universal support here, but I would like to tell my Honourable friend from Madras that in the Punjab this question is being easily solved and that by the majority of the orthodox community the depressed classes are being very fairly treated. The Arya Samaj people being few in number cannot do much, but the orthodox community is doing a great deal in this matter. I might mention for the information of the House that in the Arts Colleges in the Punjab a number of scholarships are being given to help the depressed classes, and very soon now we will have many graduates from the depressed classes. Even now there are a few members of the depressed classes in the Provincial Civil Service in the Punjab. Sir, I might say that previously it was the orthodox community which was mostly standing in the way, but now, as far as my information goes, they are going to practically treat the depressed classes at par except in the matter of inter-dining and inter-marriage. Of course members of these classes are invited to *jalsas* and functions, and so far as temple entry goes, things are also being made easy for them so far as is permissible.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : I have great pleasure in supporting this Resolution on behalf of the Muslim Members of the Punjab. We feel very strongly for

these depressed classes. They appear to be working under two great handicaps : one is a purely religious one with which the Legislature can have nothing to do and we can only appeal to the orthodox section of the Hindu community to try to treat them fairly ; the second concerns their education and other facilities in worldly matters. I should be very glad if the Government of India would take special steps to spend money on their education. As far as the Punjab is concerned, this problem fortunately is not so acute. As far as backwardness in education is concerned, all the people in rural areas are almost on the same level. I personally think that they can very easily be defined as depressed classes, whatever religion they belong to. Educationally they are very backward ; socially they are very backward ; 4-5 P. M. they have got no facilities for improved life in the villages. I am sure the money which the Government have set apart to be spent on rural uplift will considerably help these depressed classes too, because this distinction does not exist in the villages. I gladly support this Resolution and would ask the Government of India to pay this amount not from the money which they have already set apart for rural uplift, but over and above that amount.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, we must all sympathise with any measures which are taken to improve the condition and ameliorate the life of the depressed classes. It is a problem which I feel sure all Local Governments fully appreciate, the Honourable Mover of the Resolution, Sir Phiroze Sethna, referred to what has been done in Bombay and the Honourable Diwan Bahadur from Madras referred to the movements initiated there, I think during the Governorship of His Excellency Lord Willingdon. That shows that these Local Governments are fully alive to the problem and I will before I conclude quote some more statements to show that something is being done in other provinces, for I think it is desirable that Local Governments should get full credit for the work they are doing. The work done quietly and unostentatiously by the elected Ministers in the provinces and by the staff under them is very often overlooked by people who merely take a superficial view and Local Governments in consequence do not get the full credit of what they are doing.

The proposal as stated by Mr. Sapru and the Honourable Mover is, as I understand it, to this effect, that out of the sum of Rs. 1 crore—or whatever the total sum is—which is being allotted to the provinces this year for the economic development of rural areas a sum of Rs. 50 lakhs should be set aside for the depressed classes.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Not out of the Rs. 1 crore, but over and above it.

THE HONOURABLE MR. M. G. HALLETT : The Honourable the Finance Member has got to put his hands into his pocket and like the conjuror pull out another rabbit !

THE HONOURABLE MR. P. N. SAPRU : If no other sum is available, that certainly would be my suggestion, that out of Rs. 1 crore that has been allotted for rural reconstruction Rs. 50 lakhs might be allotted for the depressed classes.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY : It is a very good suggestion if it could be done.

THE HONOURABLE MR. M. G. HALLETT : It is rather rash for me to trench on financial ground. If I make a mistake, I have no doubt my friend on my right will pull me up very rapidly and correct me.

[Mr. M. G. Hallett.]

The position as I understand briefly is that the surpluses which have accrued—thanks to the increased consumption of sugar in this country during the last two or three years—are to be used partly for the very laudable object of giving a crore of rupees and some additional lakhs of rupees for the rural development schemes, including schemes for investigating problems connected with public health, and also, I believe schemes connected with agriculture. Another portion is being set aside for the equally laudable object of having money available to finance the new Constitution and to make funds available for the provinces in the difficult days when provincial autonomy first starts.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: That you can give to the depressed classes.

THE HONOURABLE MR. M. G. HALLETT: In that case you will adjourn the new Constitution till the Greek Kalends! However anxious we may be to help the depressed classes, I do not think that the country as a whole would like the reforms to be postponed.

The third object on which he is expending his balance next year is the equally laudable object of reducing taxation and reducing taxation on just that class of person who is most hard hit by it. I have myself often felt that the unfortunate clerk in a district office on a small salary of Rs. 88 a month, the small shopkeeper or itinerant vendor of goods, who is charged with having an income of over Rs. 1,000, are very hard hit by having to pay even the few rupees which he has to contribute to meet the demands of the Income-tax Department. In order to provide those sums he probably has to deprive himself and his family of the necessities of life and it was certainly only because of the very grave emergency with which we were faced two or three years ago that such a tax was in my opinion justifiable. I take it that this Council does not want that tax to be continued even to provide Rs. 50 lakhs, or whatever sum the tax might realise, for the amelioration of the condition of the depressed classes.

Sir, speaking as a non-financier, it does not seem to me that Rs. 50 lakhs can be made available unless you alter the budget—and that budget has received very general approval; all that could be done would be to earmark part of the crore which will be allotted to the provinces, for this specific object. The total grant is distributed among the provinces at present on the basis of the rural population. Local Governments draw up schemes showing on what they will expend the money and no doubt many Members of this House saw the pamphlet which was issued at the time of the last session showing the schemes which Local Governments had undertaken. Many of those schemes are schemes which indirectly, if not directly, benefit the depressed classes and I think it is a good thing that schemes which benefit everybody should be undertaken out of this money rather than schemes which only benefit one particular section of the population. For instance, the Honourable Mover's Resolution refers to the hygienic condition of the depressed classes, by which I presume he meant that steps should be taken to improve the public health. This affects everybody. Epidemics, cholera, plague, small-pox or malaria, attack the whole population, whether a man is a Chamar or a Brahmin and any measures which can be taken to lessen the incidence of disease will benefit both the depressed classes and the upper classes as well. Much of the money which has been allotted last year is being spent on measures to improve public health generally. Small hospitals are being started or itinerant doctors are deputed to villages for the purpose of medical relief. A rule laid down by every

Government is that every hospital should of course be open to every section of the community, depressed or otherwise. Then again take another object on which Local Governments are expending money, that is the development and improvement of village communications by the construction of roads and bridges. That again does to a certain extent help the depressed classes; the expenditure of the money may give him some employment when the work is under construction; if he has some agricultural holding he benefits like the rest of the village community. Next, Sir, I refer to education; that is a problem to which I think all Local Governments have been devoting very much attention—the education of the depressed classes. For instance, this is a report which is not very up to date of what has been done in the United Provinces. The Honourable Mover referred to Bombay and one Member referred to Madras, so I need not refer to them. In the United Provinces in 1932 there were altogether 757 special schools for the depressed classes with 26,074 pupils on the roll. There were in addition in ordinary schools 95,340 pupils belonging to these classes. Special scholarships have been provided by the Government to enable boys of the depressed classes to proceed to middle and high schools and other Government artisan and technical schools. Government have also appointed an Advisory Committee to advise Government on all such questions concerned with the education of the depressed classes. In technical and industrial institutions 25 per cent. of the scholarships and stipends are reserved for boys of depressed classes. Government give a grant of Rs. 960 per mensem to a private depressed class industrial school at Khurja. That I think shows that Government are tackling this problem of education and are wisely encouraging the boys of the depressed classes not to go into the ordinary secondary schools and thereby become one of the unemployed scholars of those schools but to take up technical work for which many of them are well suited, and get themselves trained in technical work so that they can find employment in industry and not become merely members of the very large unemployed class in this country.

It is very much the same in the Punjab, where they encourage the children of the depressed classes to go to industrial schools; and it is the same in Bihar, where also depressed class pupils are given scholarships or stipends in the high schools if they wish to go there.

Then, Sir, in the Punjab and in Northern India another work on which Local Governments have been engaged for some time past and which they are supplementing now with the aid of the money received from this grant is the development of the tanning industry. The Chamars are, I understand, the leading depressed class in the Punjab and the Department of Industries has organised for the benefit of Chamars a village tanning demonstration party which holds practical demonstrations of the improved methods of tanning in villages which are chiefly populated by Chamars. This is work directly for the economic benefit of that community. The same is being done in Delhi where the Chamars are settled in large numbers, and a recent report shows that in view of the economic importance of the leather tanning and leather working industries which constitute the hereditary occupation of Harijans numbering more than half a lakh in the province the Industrial Surveyor has undertaken the development of these industries and as an initial step has organised an industrial co-operative society amongst the workers. The development of co-operative societies among the depressed classes is, I think, extremely important. The Honourable Diwan Bahadur Narayana-swami Chetty referred to the fact that the Government of Madras had started co-operative banks for the depressed classes. Funds have been given for the development of the co-operative movement and with the progress of the

[Mr. M. G. Hallett.]

co-operative movement Local Governments will no doubt be able to start more societies for the depressed classes wherever they can find suitable places for them.

I have quoted these figures briefly just to show that Local Governments are not in any way blind to this problem and there is no reason to believe that even if we did not ask them to do so, they would not undertake further measures which would contribute to the amelioration of the conditions of this unfortunate people. But, Sir, we must always remember a point that was made by my Honourable friend, Rai Bahadur Lala Ram Saran Das, that the problem of untouchability differs very much in different parts of India. That is a platitude really, a truism, but it is often, I think, overlooked. I remember an example, to quote my own experience, when the Franchise Committee came down to Patna where I then was. They wanted to go to a typical village inhabited by high caste and low caste untouchables. We went out to the village and I think the low caste people there were Chamars and one member of the Committee asked me to find out whether they were allowed to use the well. I got hold of a Chamar and asked him whether he could draw water from the well. He said: "Yes, why should I not? I can take water from the Ganges and no one objects to my taking water from the well". That, Sir, is a good example of how in certain parts of India the untouchables live on almost—though possibly not quite—equal terms with the higher castes. And it follows from that that any measures which are taken to ameliorate the general condition of the village—whether it is by providing wells or by providing hospitals or by providing roads—all help *inter alia* the depressed classes as well as the upper classes.

I trust, Sir, that from what I have said I shall not appear to have been unsympathetic to this problem, but I do not think it is desirable to earmark a sum of Rs. 50 lakhs out of a total sum of Rs. 1 crore for this specific object, but I do undertake to send a copy of this debate to all Local Governments when they are asked to submit their schemes as to how they will spend this sum and I have no doubt they will take these suggestions that have been made into consideration.

The Honourable Sir Phiroze Sethna made several practical suggestions which were, first, that special co-operative credit banks should be started. That, I say, has already been done in certain provinces but it might well be done in others. Secondly, that there should be an early investigation of the question. I cannot say whether this is necessary in every province. In Madras where the problem is acute there is already a department which is dealing with the whole problem. Similar committees or departments have been started in Bombay and in other provinces. His third suggestion is certainly one which the Local Governments might be prepared to consider and is that waste land might be given to these classes. Madras has done a lot in that way and something like 300,000 acres have been distributed to the depressed classes there to enable them to build houses of their own and settle on the land.

I am prepared as I have said to give an assurance to the Honourable Member that this discussion will be forwarded to Local Governments who no doubt will consider it, but I am not prepared to earmark a sum out of the very small amount available for the economic development of all rural areas for the relief of any one class, however pitiable their state may be. After all, there are many high class people in the villages who have also not sufficient to maintain themselves on and whose condition certainly requires some amelioration even if they do not suffer from social or religious disabilities.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, I shall first deal with the speeches of my Honourable non-official friends and then refer to the remarks made by the Honourable Mr. Hallett. Every non-official Member who has spoken has admitted—and so did I myself—that the lot of the depressed classes now is perhaps better than what it was some years ago. An endeavour is made not only by orthodox Hindus but by others as well to improve their condition. That is a sign of the times and a very gratifying sign indeed. The Honourable Rai Bahadur Lala Ram Saran Das made out that in the Punjab the case was not at all so bad. But in the Punjab there are only 28 lakhs of depressed classes whereas as I stated in my opening speech in Bengal there are 115 lakhs, in the United Provinces 102 lakhs and in Bihar and Orissa 50 lakhs and I do not think the position of the depressed classes in those provinces is as satisfactory as my friend made out is the case in his province. However, the point to which I wish to draw the attention of the House is that, although these gentlemen have said that the position of the depressed classes is improving, every one of them has supported the Resolution because they think that if a sum like half a crore of rupees were set apart for the purpose of alleviating their position, that amount would go a great way to improve the situation, which has already slightly improved but needs to be yet further improved.

Now, the Honourable the Government Member has given us a list of the different activities of the different Provincial Governments in regard to affording relief to this particular class of people. I do not for a moment deny that the Provincial Governments are doing what best they can, but at the same time I would urge that if they have more funds to spend, they can do better. Where can they get more funds from except from the Government of India? The Government of India have already given a crore of rupees. The Honourable Mr. Hallett inquired if it was my intention to get a portion of this crore earmarked for the depressed classes. My Honourable friends round me replied by saying, "No; we want this sum separately for the depressed classes". That certainly is my view as well. If I asked for Rs. 50 lakhs every year, that would have been a different proposition. I am not asking for a recurring grant. Government have given a crore of rupees for improving the lot of the rural classes. I want another Rs. 50 lakhs for improving the lot of those who are branded as belonging to the depressed classes. They have not been given sufficient amenities in spite of all that has been said by some of the Members. The Government Member himself admitted that very much more can be done for their benefit, and that will be done if this amount can be set apart for the purpose. However, the Honourable Mr. Hallett has pleaded that he is not a financier, that he does not belong to that department, and that much would rest with the Finance Member himself. He has promised that he will convey the gist of the discussion that has taken place today to the different Provincial Governments in the hope that they might pay more attention to helping the depressed classes. Sir, I would like to remind the Honourable Mr. Hallett of the munificent gift of a crore of rupees, to which I referred in my earlier speech, made by His Highness the Maharaja Gaekwar of Baroda. His Highness has also a very large rural population whose condition he is trying to improve. But he also has depressed classes in his State and he has set apart this sum expressly for the benefit, not of the rural classes, but in addition to what is being done in the State for the rural classes, for the benefit of the depressed classes. If a State with only a fraction of the resources of the Government of India can do so, I do not see why the Government of India cannot make a grant—once, not a recurring grant, of Rs. 50 lakhs for the purpose that I have specified in the Resolution.

[Sir Phiroze Sethna.]

For these reasons, I would like to press my Resolution to a vote, so that even if it fails, Government may know what is the wish of the House, at any rate of the elected Members, so that—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Why not nominated Members also?

THE HONOURABLE SIR PHIROZE SETHNA: I leave it to them to vote as they please. I hope they will vote with us.

My only object is that the Finance Member, when he prepares his next year's Budget and when he expects a larger surplus than he has today, he will be prepared, if not this year, at any rate next March, to devote a sum of half a crore of rupees for the special purpose for which my Resolution is moved.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council that he may be pleased to make a grant of at least fifty lakhs of rupees to Provincial Governments for the special purpose of improving the educational, the economic, the hygienic and other proper and feasible improvement of the depressed classes?"

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary): I think it is very relevant to the question of the attitude which will be taken on these benches to know exactly what the Honourable Mover has in mind—whether he is merely making a recommendation that at some suitable time, if and when resources are available, this should be done or whether his proposal is that now a sum of Rs. 50 lakhs should be set apart.

THE HONOURABLE SIR PHIROZE SETHNA: If it can be done immediately, I should certainly wish it. But if it cannot be done immediately—

THE HONOURABLE THE PRESIDENT: I am afraid your suggestion, Honourable Mr. Raisman, is too late. You ought to have got up at an earlier stage and made this suggestion. The Resolution wants immediate assistance and the Honourable Mr. Hallett has spoken on the Resolution and has given the opinion of the Government. I have no option now but to put the Resolution to the vote of the House.

THE HONOURABLE SIR PHIROZE SETHNA: My Resolution does not say this must be done at once. I have not said in so many words that the money should be given immediately. It can be done as soon as it can be afforded—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: On a point of order Sir,—

THE HONOURABLE THE PRESIDENT: One at a time, please.

THE HONOURABLE SIR PHIROZE SETHNA: If Government cannot do so today, but if they can do it during the year, if there is a surplus, I shall have no objection.

THE HONOURABLE THE PRESIDENT: As the Resolution reads, the only inference is that you want Government to pay Rs. 50 lakhs now. There is

no other interpretation possible. You do not say "at any other time, or when it can be afforded later".

Honourable Raja Ghazanfar Ali Khan, do you wish to say anything?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I merely rose on a point of order, Sir, to enquire if, after you have asked for a division and said "The Ayes have it", they can start this discussion.

AN HONOURABLE MEMBER: The Honourable the President has not yet said "The Ayes have it".

THE HONOURABLE SIR PHIROZE SETHNA: If you add, "as soon as convenient" I will agree.

THE HONOURABLE THE PRESIDENT: All this has come from the Honourable Mr. Raisman after the Member-in-charge has spoken, who has said that Government cannot at present accept your suggestion. If you are prepared to withdraw your Resolution that is another thing.

THE HONOURABLE SIR PHIROZE SETHNA: That, I am not.

THE HONOURABLE THE PRESIDENT: Then I must put the Resolution to the vote.

THE HONOURABLE SIR PHIROZE SETHNA: Instead of the Honourable Mr. Raisman, if the Honourable Mr. Hallett takes up that point, would you allow it? He has got the right of speaking a second time.

THE HONOURABLE THE PRESIDENT: You must be prepared to withdraw your Resolution. In that case, I will ask him to do so.

THE HONOURABLE SIR PHIROZE SETHNA: My point is, that if the Honourable Mr. Hallett says he will agree if I add to my Resolution "as soon as convenient to Government", I am perfectly willing to withdraw.

THE HONOURABLE THE PRESIDENT: You can move your Resolution any time you like when the rules allow you to do so.

THE HONOURABLE SIR PHIROZE SETHNA: Then, Sir, I must press my Resolution. The Honourable Mr. Hallett has the right of a further reply.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What does he know about finance?

THE HONOURABLE MR. M. G. HALLETT: In regard to the current year, all we can do is to put this debate before Local Governments and ask them to consider whether they will allot some portion of the grant of Rs. 1 crores to this object. As regards the future, it is impossible to commit ourselves. We cannot say when a balance would be available and I cannot anticipate exactly what the situation will be a year hence.

THE HONOURABLE THE PRESIDENT: Does that satisfy you?

THE HONOURABLE SIR PHIROZE SETHNA: I am afraid I did not quite catch what the Honourable Member said.

THE HONOURABLE THE PRESIDENT: He says they will refer the matter to Provincial Governments asking them to take into consideration what can be done this year out of this amount—

THE HONOURABLE SIR PHIROZE SETHNA: I want the Government of India to do this, not the Provincial Governments.

THE HONOURABLE THE PRESIDENT: As regards the future, he can make no promise.

THE HONOURABLE MR. M. G. HALLETT: We cannot give another Rs. 50 lakhs this year. That is perfectly definite.

THE HONOURABLE THE PRESIDENT: Are you prepared to withdraw your Resolution?

THE HONOURABLE SIR PHIROZE SETHNA: No, Sir.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council that he may be pleased to make a grant of at least fifty lakhs of rupees to Provincial Governments for the special purpose of improving the educational, the economic, the hygienic and other proper and feasible improvement of the depressed classes".

The Question is:

"That that Resolution be adopted".

The Council divided.

AYES—11.

Banerjee, The Honourable Mr. Jagadish Chandra.	Jagdish Prasad, The Honourable Rai Bahadur Lala.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Naidu, The Honourable Mr. Y. Ranganayakulu.
Ghazanfar Ali Khan, The Honourable Raja.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Gounder, The Honourable Mr. V. C. Vellingiri.	Sapru, The Honourable Mr. P. N. Sethna, The Honourable Sir Phiroze.
Hossain Imam, The Honourable Mr.	Sinha, The Honourable Kumar Nripendra Narayan.

NOES—27.

Akram Husain Bahadur, The Honourable Prince Afsarul-Mulk Mirza Muhammad.	Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.
Campbell, The Honourable Sir George.	McIntyre, The Honourable Mr. W. T.
Charanjit Singh, The Honourable Raja.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Mitha, The Honourable Sir Suleman Cassim Haji.
Clow, The Honourable Mr. A. G.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Devadoss, The Honourable Sir David.	Raghunandan Prasad Singh, The Honourable Raja.
Ghosal, The Honourable Sir Josna.	Raisman, The Honourable Mr. A. J.
Glancy, The Honourable Sir Bertrand.	Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Hafeez The Honourable Khan Bahadur Syed Abdul.	Russell, The Honourable Sir Guthrie.
Haidar, The Honourable Khan Bahadur Shams-ud Din.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Suhrawardy, The Honourable Mr. Mahmood.
Ishrat Hussain, The Honourable Saiyid.	Thomas, The Honourable Mr. E. F.
Jagdish Prasad, The Honourable Kunwar Sir.	Williams, The Honourable Mr. A. deC.
Johnson, The Honourable Mr. J. N. G.	

The Motion was negatived.

RESOLUTION *RE* MAKING OF OFFENCES UNDER SECTION 498, INDIAN PENAL CODE, COGNIZABLE.

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

"That this Council recommends to the Governor General in Council that he may be pleased to take early steps to make section 498 of the Indian Penal Code cognizable".

Sir, as Honourable Members are aware, this section 498 of the Indian Penal Code relates to inducing or taking away or detaining with criminal intent a married woman. The proper course for me perhaps would have been to bring in a Bill amending the Indian Penal Code, but I have preferred to bring forward a Resolution because my intention was merely to draw the attention of the Government of India towards this most important matter. During the last several years the number of abduction cases has risen considerably.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Rising where?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Not in your province, because in the North-West Frontier Province the woman is also punished under the law, which is not done in any other province in India, and perhaps that is the reason why the number of these cases is very small in that province.

Now, this is already an offence, and my only object is that, instead of the complainant having to lodge a complaint in a court of law, he should be able to lodge a report in the police station and the offence should be made cognizable. As the law stands at present, we find that hardly 5 per cent. of such cases really end in a conviction. My experience of my part of the country is that most of the murder cases, if their history be traced, arise out of some abduction having taken place in the family and having created feelings of enmity between two families. That is generally the root cause of murder cases in this country. Also, Sir, the communal atmosphere at present is not very calm, and when the parties to these abduction cases happen to belong to two different communities, it creates not only bitterness between families but also embitters relations between the communities. This has been more or less the case in Bengal and Sind. Those Honourable Members who have been reading papers regularly must be aware that there have been a number of complaints on this account in these provinces. Therefore I would invite the attention of the Government to the desirability of their taking the opinions of different Governments on this matter and if they are satisfied that this is an offence which in the interests of law and order ought to be made cognizable, I would request them to take steps in that case to bring forward necessary legislation.

Sir, I move.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I rise to oppose this Resolution. The Raja Sahib has not convinced us by his argument whether abduction cases are on the increase. If his remarks are confined to the Punjab, then I would ask my Honourable friend to see some Member of the Punjab Legislature and bring up the case there; but if he refers to the whole of India, he has not given any statistics to assure us that this

[Sir Mahomed Akbar Khan.]

particular crime is on the increase in other provinces too. Why I oppose him is that he does not take into account that Mussalmans generally and particularly the Afghan population of the North-West Frontier Province, are very strictly *purdah* observing people. If the police is given these powers, we have all party feelings. A man may be put up for Rs. 100 or Rs. 200 to make a false accusation on a very big man of the place and on his bringing this false accusation, unnecessarily the house of that gentleman will be searched in the night and he will be disgraced in the eyes of the public. That is my main reason for opposing this Resolution. I say, Sir, that we are daily asking for some more liberties; we are asking for our rights. On the other hand, the Raja Sahib is cutting down our rights. We may find that at 12 midnight a policeman with three or four men accompanying him as guards come to search our houses because a false accusation is made. If you want to punish that man, he will be only a hired man and he may get six months' imprisonment. But what about the gentleman whose house has been searched, Sir? What will be his position in the eyes of the public? Sir, if I am permitted, I will say that although I am a Mussalman and I do not believe in the transmigration of the soul but if a man is thrice burnt and he is hung thrice it will be a lesser disgrace to him than his house being searched. That is a thing on which the situation might change on the Frontier at any time. If I am permitted I must say that Miss Ellis' case was due to nothing else than the searching of Ajab Khan's house. If a house is indiscriminately searched the Afghan population believe in an eye for an eye and a tooth for a tooth. If an Afghan's house is searched he will move heaven and earth to be avenged on the person who has searched his house. I think I am voicing the view of the Afghan population as a whole in opposing this Resolution and I do not like a Resolution of this nature to be brought into this House by which the secrecy of our houses is to be interfered with. Well, Sir, I say that personally I may be a civilised human being, but I am a Pathan. If the outer door of my house is knocked by a stranger, I think it is the height of humiliation for me and I would not be able to live in the place and I would be the laughing stock of those people. We consider our own houses absolutely as our own castles and I would under no circumstances give the police the right to search houses of innocent men in the night. It will be a very easy instrument for our enemies. Any man might give an ordinary man Rs. 300 or Rs. 400 and the house of a gentleman, a *rais*, will be searched at any time at night. Supposing you want to run in this individual, the hired individual, he will be a man of no status, but the respectable man will lose his respectability by indiscreet searching.

THE HONOURABLE THE PRESIDENT: You have said that two or three times.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Sir, these are my main arguments against this Resolution and I oppose it tooth and nail and lock, stock and barrel.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I am surprised that a man of Raja Ghazanfar Ali Khan's intelligence and ability should have brought forward a Resolution of this character. We are living in the 20th Century and not in the Middle Ages or in ancient times or primitive times. Sir, Raja Ghazanfar Ali Khan looks upon woman as property and he thinks that if she goes away with a lover the lover must be punished. My attitude on these matters is very different. I think sections 497 and 498 ought not to find a place in the criminal law of this

country, because men's conceptions and women's conceptions in regard to these fundamental matters have changed and we believe not in the crude morality in which the Raja Sahib believes but in a new morality. Therefore, apart from the objections which my Honourable friend Sir Akbar Khan has raised, there is also a fundamental objection to this Resolution and that objection is that it would treat woman as simply chattel, as property. Our conception of marriage is very different from the Raja Sahib's conception. Our conception of marriage is that woman is a partner, is a companion. The marriage tie according to us is a volitional tie.

THE HONOURABLE THE PRESIDENT: Do you wish to contend that the husband has no right against her?

THE HONOURABLE MR. P. N. SAPRU: I did not say that. The husband would have no right in a criminal court; he would have a right in a civil court. The offence of adultery and enticing away a woman should be civil offences. I do not accept the Penal Code as infallible. The Penal Code was framed in 1857; things have changed since that date. Therefore, Sir, apart from other objections to which this Resolution is open, I think there is a very fundamental objection and I must strongly oppose it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I am also amazed that the Honourable Raja Ghazanfar Ali Khan should have moved a Resolution of this extraordinary character. Under the present law adultery and enticing away a married woman are offences of which a court only takes notice on the complaint in writing of the husband or some one who is in charge of the woman on behalf of the husband.

Offences under sections 497 and 498 of the Indian Penal Code are matrimonial offences. The offence is an offence against the husband and it is really for him to decide whether he will condone the offence or proceed against the seducer criminally. Society and law ought not to interfere in the personal lives of the people except when it is necessary in the social interest that they should so interfere. A husband may have very good reasons for not proceeding against a seducer. He may consider it a disgrace to go to a court and speak publicly about a domestic tragedy. His children's future—the prospect of a suitable marriage for his daughter—all this may be affected by a scandal of this kind becoming public. The reputation of his family may require that he should keep silent. And yet if the proposed change is effected in the law it will become possible for any police constable to break up the integrity of a home, finish the reputation of a family, or affect the prestige of a respectable citizen. A change of this character in the law would make decent living and home life impossible. It may easily become a veritable engine of torture in the hands of the police, and it will not make the police force popular with the people. After all, Sir, what his wife does, is a matter which concerns only the husband and it is for him really to decide whether he wants to proceed against the wife's paramour in a court of law, or take her back and keep silent in the interests of the family and the children, if any, or keep quiet and leave the wife to her fate.

As my Honourable friend Mr. Sapru has said probably Raja Ghazanfar Ali Khan looks upon women as chattel and adultery and enticing away of women as theft. Sir, we have other notions and other ideals. Marriage for us Hindus is a sacrament. It represents for us the highest form of companionship and we do not want interference with our daily home life.

I therefore strongly oppose the Resolution.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : Sir, without importing into the discussion the heat of my Honourable and gallant friend or talking about the New Morality of the Honourable Mr. Sapru, I wish to say a few words about the legal aspect of the question. Sir, an offence under section 498, if my memory does not fail me, is a compoundable offence, as also is an offence under section 497. If it is made a cognizable offence it might be abused by the police. That is one point. The second is that there are a number of castes and divisions and sub-castes wherein very peculiar customs prevail. Anybody who has read Thurston's *Castes and Customs of India* published some years ago, which gives a very graphic description of the various customs, will know that there are certain low caste and depressed class people who are in the habit of mortgaging their wives and there are other castes wherein a woman can go away just as she likes and even some upper classes have this custom which once formed the subject of a judicial decision. No doubt under the Hindu law marriage is a sacrament and there is no such thing as divorce but under the caste custom in this particular caste, which is a very influential caste in the south, in the Madras Presidency, the wife can simply return the marriage cloth, and *thali* as it is called, and go away. There is no question of being bound for life to the husband. I may mention, Sir, that some of the zamindars belong to that class. When I say zamindars I mean the owners of proprietary estates, permanently-settled estates, paying very large *peiskish* to Government—Rs. 3 or Rs. 4 lakhs a year. Well, supposing the wife of a zamindar says : " I am not going to live with you and I return you the cloth and *thali* given at the time of marriage " and goes away. Well, if this is made a cognizable offence, what is to become of the wife and of the man she goes away with ? And if it is a cognizable offence, are you going to arrest the woman as well as the man who enticed the woman ? So this will raise very serious difficulties and this is an offence purely against the husband. I think we should leave the law as it is. As we know the Penal Code was drawn up by Mr. Macaulay as he then was, and was the subject of two or three commissions, and after a good deal of discussion this law was enacted as we have it. In England, adultery is not a criminal offence and that being so I do not think it is proper in the 20th Century to make an offence under section 498 a cognizable offence and thereby make the lives of some people very very difficult and irksome.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, I was rather uncertain at first what attitude I should adopt towards this Resolution. I find that the question has never been discussed and I thought that possibly the Honourable Mover might satisfy me that he had some substantial and valid grounds for making this suggestion. It might also have happened that he would receive some support if he was able to prove the statement that he has made, that this crime is becoming more common. But my decision has been made simple because he has been opposed from every quarter of the House and the arguments that have been put forward on all sides are those that I felt myself were relevant to this question. I felt that the two fundamental points are, firstly, that it is not desirable to alter the criminal codes of the land unless there was very good reason for doing it. They have stood the test of time since the days of Macaulay and unless there is very good reason for it they should not be altered. Secondly, I am strongly opposed to giving more power to the police in a matter of this kind which, as Honourable Members pointed out, affects a man's family life. It would certainly tend to lead to more abuses, for my experience of this section is that it is generally used for bringing a false case against a man by his enemy.

I think the Honourable Member contended that this crime has increased in recent years. I have got no exact statistics, but the statistics I have got showing crimes under this chapter of the Penal Code, chapter 20, shows that actually in 1934 the number of crimes under this section in four provinces in India—Bengal, the United Provinces, the Punjab and Sind—was 10,448, while in 1932 there had been 11,658. In the Punjab also there has been a slight decrease. That shows that the crime is certainly not on the increase and that removes one of the few arguments he brought forward in support of his Resolution. As there is such a volume of feeling against this proposal—I fully sympathise with the opinions of those who have opposed it—I have no hesitation in opposing the Resolution.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I must confess that I am very much surprised to see this unexpected opposition from all quarters. During this discussion, two or three statements have been made which still remain a mystery to me and I have not been able to understand their true significance. Almost every speaker laid great emphasis on the 20th Century. Nobody has taken the trouble to explain what particular standard of morality this 20th Century has brought into this world in accordance with which we should have sympathy for the person who abducts a married woman.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Freedom for women.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : The Honourable Member seems to be under a great misapprehension.

The only speaker whose ideas—although I do not agree with them—appeared to me to some extent to be reasonable or logical at least is my Honourable friend Mr. Sapru. He has definitely told us that according to his code of morality, enticing away the wife of a man should not be made a criminal offence. Similarly, he said, committing adultery should not be considered an offence. I can understand a person of his ideas opposing this Resolution.

As far as my Honourable and respected friend from the Frontier Province is concerned, I was surprised at his speech. This is not the first time, as a matter of fact, that I have been surprised at his speech. But I am more surprised this time than ever before. He reminded me of my college days. Some of us had a great hatred for mathematics and we used to cram up certain important questions in algebra which may appear at the university examination. One of the boys crammed up what we call the binomial theorem. When the examination papers came, he found that they contained no question about the binomial theorem. But, when he began to answer the paper, he wrote : " Let me explain the binomial theorem first " and then he gave a long description of it. I do not know how the Nawab Sahib got into his head the idea of the searching of houses. He has all the time been dwelling on various aspects of house search, sometimes at midnight, sometimes by 500 policemen and sometimes in other different ways. Have I said a word about house search ?

AN HONOURABLE MEMBER : Cognizable offence.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : My Honourable friend wants to make this a cognizable offence. That means you give power to the police to search the house.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The Nawab Sahib is trying to make out that this is the only offence which I am trying to make cognizable and that no other offence under the Indian Penal Code is cognizable and the police do not have the right to go and search the houses of those great Pathans according to whose ideas the searching of a house is much worse than a man being hanged three times.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: See Ajab Khan's case—what they have done there.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: There are about 200 sections in the Penal Code, offences under which are cognizable.

Then, Sir, I was a bit surprised when I heard from the Honourable Member from Madras that there is a custom in some very ancient community that if the wife just returns the cloth, then the husband has got no more claim on her. It appears a little curious to anybody—

THE HONOURABLE SIR DAVID DEVADOSS: It is a fact.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I understand that when she returns the cloth, it means that the marriage is dissolved. May I inform my Honourable friend that if the marriage is dissolved, there is no offence under section 498, whether it is cognizable or non-cognizable? The mere fact that the marriage is dissolved makes it—

THE HONOURABLE SIR DAVID DEVADOSS: On a personal explanation, Sir. The Honourable Member is assuming that the husband has consented to the divorce. He may say, "Very well, the woman has gone away; therefore, go and arrest the man".

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Section 498 only relates to a married woman and as soon as the marriage is dissolved, naturally there is no offence at all.

Similarly, Sir, I was surprised at the speech of my Honourable friend from the United Provinces. He also seemed to be labouring under a great misapprehension. He started by saying that I considered woman to be mere property, and that he had some sacred conception of wives. It is absurd. It has nothing to do with the question we are now discussing. The mere fact that an offence is cognizable does not make it incumbent on the husband to go and report the matter to the police.

THE HONOURABLE MR. HOSSAIN IMAM: The police will take the action themselves.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Certainly not. The offence can be cognizable and still compoundable. The Honourable the Home Secretary can very well enlighten us whether it is a necessary corollary that an offence which is cognizable should also be non-compoundable. If a husband thinks that he should not take action, he can refuse to do so and no police can force him. The idea of making this offence, which is already in the Penal Code, cognizable was this. If it is not cognizable, then naturally the

man runs away with the wife. In these days when we hear so much about ticketless travel, he may catch the first train and go to the other corner of the country, and naturally the husband is ruined. He sells all his property in the litigation with no result. That was the only object why I wanted to make this offence cognizable. I can quite understand that some of the Members are gravely suspicious about the *bona fides* of the police in India.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Yes, we are.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am only surprised that the Honourable the Home Secretary also should have associated himself with the opinions of these Honourable Members.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Sir, may I ask the Chair? You are an eminent lawyer and can understand what is cognizable. Does it not give the police power to interfere? The Honourable Member wants to make section 498 cognizable. I cannot understand what he means by cognizable. It is being taken before a magistrate. He wants to give power to the police. That is what it means.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: It is not giving extra power to the police. As the Nawab Sahib already knows, section 498 is an offence in the Frontier Province more than in any other part of India. According to the laws in the Frontier Province, in the case of a Pathan, the woman is also punished, while under the Indian Penal Code, the courts in British India cannot punish the woman. That is why the number of such offences in the Frontier Province is much smaller. I am sure that the frontier people will very strongly support this Resolution if it is passed.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Interference of the police.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: It is those *purdah* families who in the words of my Honourable friend Mr. Sapru and others belong to that backward civilised class according to whose standard of morality nobody has a right to take away a married woman without the husband's permission, who will welcome this. I should have thought, Sir, that almost every Indian Member in this House would have strongly welcomed this proposal and would have thought that it was high time that such an offence was made punishable in a much stronger way than the law allowed at present. It is somewhat unfortunate that the wisdom of this elder House seems to be working in a very radical spirit so far as the standard of morality is concerned. While on all other matters they are extremely conservative the Honourable Members choose to be very much unconventional as regards relations between husband and wife. I have no intention of pressing the Resolution to a vote and therefore I shall withdraw it with your permission, Sir. But I hope that those Honourable Members will go back and seriously consider whether they have not really done something which they should not have done by opposing this.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : We have done the correct thing by not giving this power to the police.

The Resolution was, by leave of the Council, withdrawn.

The Council then adjourned till Eleven of the Clock on Monday, the 16th March, 1936.

COUNCIL OF STATE.

Monday, 16th March, 1936.

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

RESOLUTION *RE* RECRUITMENT FOR THE INDIAN MILITARY ACADEMY, DEHRA DUN.

*THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : The Resolution which stands in my name runs thus :

"This Council recommends to the Governor General in Council that a committee of officials and non-officials be immediately appointed to suggest ways and means to secure the requisite type of Indian youths for admission into the Indian Military Academy, Dehra Dun."

Sir, the last time when we were discussing a Resolution about increasing the number of cadets in the Military Academy, Dehra Dun, we were told by the then Commander-in-Chief, Sir Philip Chetwode, that they did not get the requisite type of material for the Military Academy. With your permission, Sir, I will read just a sentence from his speech. He admitted that in India there existed fine martial material but said that material was not coming forward. He said :

"Now, it is not too much for me to say that a very large proportion indeed—I am choosing my words very carefully—a very large proportion indeed of the young men aspiring to come before the Interview and Record Board before they sit for the examination are absolutely unsuited ever to be officers and to lead men, and yet, Sir, I know such young men exist in India ; but they are not coming forward."

Then, further on he says :

"I do not seem to be able to get them here. I beg of you to realise that that is very serious and that if we do not get more of the right class of young men, Indianisation will not be the success we hope it will."

And in concluding his speech, he said :

"I know you have got these young men in India. They are there. They are fit to lead your army, but they are not coming forward and I can only hope that what I have said today may be taken note of throughout India and that you will get them."

So, Sir, admittedly, according to Sir Philip Chetwode, fine material is available but it is not coming forward. Well, in deciding this question we shall have to refer to past history. After the Mutiny the policy of Government practically killed the martial spirit of India. The restrictions under the Arms Act, which we popularly call the disarmament of the whole country, came in the way of the martial spirit coming forward to serve the army of the country. Then, about the time of the war, political leaders made an appeal to Government to give commissions to the young men of India, but on account of Government's policy of distrust, they could not find their way to meet the wishes of the people. The policy of Government in discriminating between the martial and non-martial races is also one of the causes why fine material is not coming forward. Also the policy of recruiting for the army from certain provinces

* Not corrected by the Honourable Member.

[Mr. V. V. Kalikar.]

and banning recruitment from other provinces is another reason for this paucity of suitable young men. I do not want to go into the causes in detail. I have briefly stated that if anybody is responsible for this paucity of young students, it is the Government and the policy they have adopted and not India. After the introduction of the reforms various committees were appointed, particularly the Skeen Committee, which went into this question very deeply, and came to the conclusion that with some improvement in the training of students in schools and colleges we should be able to get fine material for the Military Academy at Dehra Dun. On page 27 of their Report they say :

"It is true that even with their present organisation and system of training they have turned out boys who have succeeded in obtaining commissions through Sandhurst, but those who did so started on their course of training with an unfair handicap as compared with their British comrades, and that handicap must be removed as far as possible in order to obtain really first class material for India's defence. We believe that if the importance of this matter is brought to the notice of the educational authorities and their co-operation is enlisted, much can be done even in the present conditions in the direction of eliminating the weak points stated above".

We have got a testimony from the authorities of Sandhurst that the youths of India who had gone there for their education were quite competent and equal to their comrades, the boys of Great Britain. We have got the testimony of Sir Philip Chetwode that the material which has passed out of Dehra Dun is very fine. If that is so, one cannot believe that in a vast country like India populated by 35 crores it is difficult to get the right type of youths for entry into the Military Academy at Dehra Dun. Sir, many of the causes which are in the way of their embarking on a military career have been described by the Skeen Committee. To a layman like me, one of the important causes is the heavy expenditure which parents have to undergo if they allow their sons to adopt a military career as their future vocation in life. Therefore, Sir, though I do not wholly subscribe to the view that you are not able even today to get 30 students from the whole of India annually for admission to the Military Academy, according to the view expressed by Sir Philip Chetwode, I submit it is my duty to request Government to move in the matter. I have therefore brought this Resolution forward.

Sir, if a committee is appointed according to my Resolution and they do propaganda work, I submit, and I have no doubt, that a large number of competent youths will be available for competition and admission to the Military Academy. I further suggest that in schools and colleges where University Training Corps do not exist, attempts should be made to start cadet schools and University Training Corps with a view to giving elementary training in military matters to the students of colleges and schools. Further, Sir, my submission is, if you start rifle clubs, if you make provision for rifle clubs at important places throughout the country, you will be able to attract good material for the army.

Then, Sir, as I stated just now the committee should find out ways of reducing the cost which a parent has to bear and examine the system at work at present in Dehra Dun and the procedure which is being followed by the Record and Interview Board, so that the selection of competent candidates might be easy and youths may think that they will get admission into the College. The committee should also, I suggest, consider the point whether feeder schools should be constituted in India from which recruitment to the Military College could be made. They should think this matter over, they should examine these proposals and, if possible, start Government feeder schools as well as lay down a policy that if private feeder schools are formed whether a Government contribution should be made to them or not. Sir, according to me, th-

whole question before these youths of India is whether they will be allowed to have a military career or not, because people think that the Defence Department of the Government of India is a close preserve for tradition. People may be wrong in that view, but the policy that has been followed up till now clearly lends support to that view. People say that all this tall talk of Indianisation is mere eye-wash. If they are assured of a future career in the army, if they find that encouragement is given by Government in this matter, I am sure that you will get a very large number of competent young men for entry into the Military Academy at Dehra Dun.

Then, Sir, this committee should examine also the question of nomination and open competition. As at present out of 60, 24 are thrown open for competition, while 36 are nominated. If the committee goes into this question and decide that the number of nominations should be reduced, the Government should adopt that view. I must submit that there is a lot of heart-burning in the country over this question of nomination and open competition. It has been admitted in reply to my questions last September that the material which the Military Academy gets for the Indian Army is not extraordinary, but in some respects the material which they get is not quite up to the mark. I therefore submit, Sir, that this question also deserves examination by the committee. Lastly, Sir, I would submit in the interests of the British Government that they should take us more into their confidence. War clouds are hovering over us. They tried the experiment during the war of starting a temporary school at Indore, so they should be prepared from now and allow the people of India to take their part in the national defence of the country. If, Sir, a country having such brilliant past traditions in military matters, having such a large man power, having so many sources of getting recruits, whether from martial or non-martial classes, is not able to supply 60 candidates annually, I think it is a slur on the manhood of India. If really, Sir, that is the position, then I submit it is time for the Government to move in the matter and to see that the people of India take an active interest in defending their country from any foreign aggression which may happen to come.

Sir, the request that I have made in my Resolution is a very moderate one and is due to the speech made by His Excellency the Commander-in-Chief last September. I therefore request the Government to adopt my Resolution and request the House to accept my proposal

With these words, I move.

THE HONOURABLE THE PRESIDENT: Resolution moved :

"That this Council recommends to the Governor General in Council that a committee of officials and non-officials be immediately appointed to suggest ways and means to secure the requisite type of Indian youths for admission into the Indian Military Academy, Dehra Dun".

I think it will be both helpful and also shorten the debate if His Excellency now gives the views of the Government.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, with your permission, before I deal with this debate I should like to mention a small personal matter. I should like to say that if I have said anything up to date which has appeared offensive to any of my Honourable friends, I want to assure them that that was not my intention for one moment. I must ask them to ascribe it to my total inexperience of public speaking and parliamentary procedure, for I am after all a plain soldier and nothing else. My dilemma can perhaps be best described as analogous to the position of any one of you suddenly

[His Excellency the Commander-in-Chief.]

finding himself on a parade ground, say, with troops to give commands to, and, though I do not suggest for a moment that he would not be able to cope with the situation, I feel certain that he would be somewhat at sea—to start with at any rate. In any case, I feel sure that Honourable Members will expect me in future to say what I honestly think and, if we happen to disagree, I do hope that we shall do so in a friendly way.

I realise full well that this Resolution is the outcome of the remarks which Sir Philip Chetwode made last year in reply to my Honourable friend, who had moved a Resolution urging an increase in the number of cadets admitted annually to the Indian Military Academy. The main point which Sir Philip stressed in meeting that Resolution was that the 15 successful candidates we get at each open examination for entry to the Academy are just about all we can obtain at present of the stamp we really want. In actual fact, although we get eight or nine candidates for each vacancy, which I am sure you will agree is by no means unsatisfactory from the point of view of numbers, what we want is a better *standard* of competition. The 15 or so candidates of the right type stand out from the rest. In short, it is the quality, and not the quantity, of candidates that is in issue; and I welcome this opportunity of letting this Council know what we have been doing in the matter. I can assure you that we *have* been directing unceasing attention to it for a good many years.

As a start, I want to take the House back to the Skeen Committee which sat in 1925 and 1926, and of which my Honourable friend Sir Phiroze Sethna was a distinguished member. This Committee had as its first term of reference:

“By what means it may be possible to improve upon the present supply of Indian candidates for the King's commission both in regard to number and quality”.

Their Report, which was based on a mass of evidence to which the educational authorities contributed very materially, dealt with this question in great detail and was not by any means complimentary to the efforts made by Government before that date to fill up the vacancies at Sandhurst. Their main recommendations were for improvements in the system of early education, improved publicity, the introduction of a system of open examination, an increase of opportunity, and a training college in India with reduced cost to parents. What have Government done to put these recommendations into effect? The training college has been in existence at Dehra Dun since 1932, a year ahead of the date recommended by the Committee, and the fees there are acknowledged to be by no means excessive for the kind of boy whom we want as an army officer; the fees are Rs. 800 a term for the first two terms, and Rs. 700 a term for the last three terms, i.e., a total of Rs. 1,600 *plus* Rs. 2,100 = Rs. 3,700; opportunities have been increased from the 10 vacancies a year at Sandhurst to 60 a year at the Academy, and the entrance examination for the 30 of these vacancies which are not reserved for Indian Army cadets is an open one held by the Public Service Commission. Publicity is a matter in which there is no finality, but in the Press and elsewhere we *have* done our best to let the public know what sort of a career the army offers for their sons. All the relevant information about the entrance examination, and about the conditions of service, is sent to the information bureaux of the various universities, and I think it is clear from the number of candidates who apply for information about the examination that our publicity methods are steadily having the effect we have been aiming at. Moreover—and this is a most important point—what we hope is that one of the best advertisements for a military career will be the young officers themselves after they have left the Academy

and joined their units. The number of these young officers is increasing every year, but in the nature of things, it must take time before their influence can be felt. I referred just now to competition. In the last two examinations an average of 70 per cent. of the candidates have not been able to qualify. What we want to have is, say, half a dozen candidates of the proper stamp competing for each of the 15 vacancies, and this brings us down to the question of education as the main stumbling block that still remains. When I speak of education I do not mean merely book-learning, but chiefly the type of education which must begin at a very early age and which will foster the development of character and physique, and will encourage in boys a liking for an open air life such as the army provides.

The Indian Military College Committee of 1931, over which my predecessor presided, and as a result of which the Academy was started, went over much of the same ground as the Skeen Committee; and they noted—

“We gather from educational reports and other sources of information that in recent years, the ordinary Indian schools have shown considerable improvement in the directions indicated by the Skeen Committee, especially in the provision of better buildings and playgrounds, in a larger supply of trained teachers, in better organised games and physical training”.

Since that date further progress has been made. I need only point to the Doon School at Dehra Dun, the Shivaji School at Poona, and now the school which Dr. Moonje is starting, as recent indications of a desire to provide educational facilities of a type more likely to produce the material we want for the army. Another kind of innovation which is valuable is the army class which has been started at the Government College, Lahore, and which has produced a far higher proportion of successful candidates in the open examination than any institution except our own College at Dehra Dun. We maintain that it is the early education that counts, and so it is necessary to wait for at least five to six years before the results of any new system begin to show themselves, but as evidence that things are improving, even if slowly, as a result of the tendency I have referred to, I will quote from the Report of the Interview and Record Board at the last open examination:

“The Board thought that on the whole the standard has risen, that is, that there were more good candidates up, and that the best were rather better than before. They found further evidence, too, of the growing desire of the respectable business and professional classes to launch their sons on a military career. There is no doubt that this section of the population is becoming more alive to the advantages of the soldier's profession and are trying more and more to shape their sons' education and outlook so as to incline them to and fit them for it. There were many youths of this class who made a highly favourable impression on the Board, having *clearly* worked hard to fit themselves for life in the army and being animated by a genuine interest in a military career and military subjects. Some of these youths were given very high marks. There is, however, the same tale to tell as in past years about the considerable number of candidates who have never in all their life betrayed the most elementary interest in soldiers or things connected with them”.

The brief statement I have made so far will, I hope, have made it clear that the Defence authorities have done, and are doing, all that they can to make these most important schemes a success. The two committees I have mentioned, on both of which the Legislature was well represented, have given us all the assistance we could hope for from such a source, and the question is whether still one more committee, with the same terms of reference, is going to do any good. Personally, I think not. A committee may be very useful to examine a new problem and lay down the broad lines of its solution; but that has already been done. The problem is known: the solution is known. As a result of a recent review of the whole situation, I am satisfied that the

[His Excellency the Commander-in-Chief.]

policy itself is all right, and that no change is required in the *system* of selecting candidates. What is required is to get the rising generation used to the idea of the army as a profession. This is not a matter in which a committee can really help us.

There is, I am afraid, a tendency, not only in India, but all over the world, to place too much faith in committees, and to imagine that you have only to appoint a committee to cure any ill in the twinkling of an eye. Surely, Sir, in a matter of this kind we cannot expect startling changes in a few months, or even in a few years. It must take time for the youth of India to adapt their outlook to what is for them a new kind of profession: and the only means of accelerating that process in any way lies in the hands of the public themselves—and possibly to a lesser extent in the hands of the educational authorities in the provinces—but not, I submit, in the hands of the Defence authorities.

Sir, I am sorry to have to say once again that I cannot accept the Resolution. It is not that I do not sympathise fully with the motives of the Honourable the Mover. I share with Honourable Members the wish that India may produce the best of her young men to build up her own army, and I believe that the raw material is not lacking. I am only, perhaps, not quite so much in a hurry as Honourable Members opposite to produce the manufactured article, and I certainly do not think it can be produced over-night by a committee.

But please do not misunderstand me. I do not want Honourable Members to go away with the idea that I object on principle to committees on military matters. I said the other day that I would always be prepared to appoint *ad hoc* committees to advise me whenever I thought they could be of value to me, and this is just the sort of matter on which I *would* seek the advice of a committee, if I did not think that the committees we have had had already laid a good solid foundation. I believe that we are proceeding on the right lines, and that we have already made some useful progress. The seed that has been sown must now be allowed to develop in peace. I quite agree that there may be details of that development which are capable of improvement, and if Honourable Members have any concrete suggestions to make for this purpose, I should be perfectly ready to arrange for an informal discussion to take place with regard to them. I have incidentally made notes of the four or five suggestions which the Honourable Mover has made already, and these I will examine. There is only one point he mentioned in his speech which I should like to refute at once. He said that the question of Indianisation was a sham and so on, that the officering of the army in India was a close preserve for British officers. I am afraid I cannot agree. Far from being that, we are doing our absolute utmost to produce these young officers, and from the little I have seen of them since I have been here the lads we have received from the Academy are in my opinion excellent.

Indeed, I shall always be ready, as I have indicated already, to take advice from any quarter and to consider any practical proposal designed to improve the quality of our cadets with every sympathy. But I do want Honourable Members to realise that no amount of book-learning and no possible system of academic education can—by itself—produce good military officers: least of all can such a result be obtained by the unaided efforts of a committee, however it may be constituted. I even feel that a formally constituted committee might do harm in this way. It would receive a good deal of publicity and it might give the impression that we were dissatisfied with the quality of the cadets now at the Academy. The last thing that I or any other Members

of the House wish to do is to discourage these young men. They have a big responsibility, and they want all the help we can give them. I feel convinced, Sir, that the best help that Honourable Members can give us at this stage is to exert their undoubted influence quietly on public opinion in those parts of the country where they live. Several Honourable Members have already visited the Academy. Let others go there too. The Commandant and his officers will always be glad to show them round, and talk to them. Then let them go back and recount their experiences to the parents of those who have sons of the type we want. That I am sure will do more practical good than any amount of discussion round a committee table.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, at the very outset I must express my sincerest gratitude to His Excellency the Commander-in-Chief for the statement which he has made in the beginning of his speech. I am sure after this statement any misunderstanding which had arisen in the minds of Honourable Members must have been removed. Sir, I may assure His Excellency the Commander-in-Chief that we on this side of the House have very great regard for his personality. We are anxious that in these debates on military matters nothing should be said which should in any way mean discourtesy to such a high person as the Commander-in-Chief of the Indian Forces. Now, Sir, it is a matter of higher politics, and I would not detain the House on this question, except to say that I hope a time will come very soon when we shall have a civilian in charge of the army to take part in these debates, because it seems a bit unfair to expect that a man who is a great soldier should also be a great debater.

Sir, I submit that His Excellency the Commander-in-Chief must be as surprised as his predecessor used to be that matters concerning the army should be brought up almost regularly on every non-official day in this House or in the other place. There are several reasons for this. Indians naturally started taking a great deal of interest in army matters at the commencement of the Great War, and I am sure His Excellency will bear me out that in spite of the handicaps under which we laboured in this country, when we were called upon to join the army during the most trying circumstances the number of recruits who volunteered from all parts of the country, particularly from the Punjab, was so great that any nation can rightly feel proud of it. Now, Sir, army matters have attracted the attention of politicians much more since the last Round Table Conference. In fact, if one goes through the proceedings of that Conference one will find that the greatest emphasis was laid on the fact that until India was able to defend herself it would not be fair for them to expect full Dominion status. Since that time practical politicians have thought that the surest and the quickest and perhaps the only way of achieving their goal of Dominion status was to take every possible step to enable India to defend itself. That is why on almost every non-official day you find some Resolution concerning the army being discussed in this House. As far as the Resolution under discussion is concerned, I personally think that after the speech of Sir Philip Chetwode in Simla this Resolution should have been brought by the Government themselves instead of by a non-official Member. The object is not to embarrass the Government by entering into complicated military problems but merely to help them in a matter about which they are as anxious as we non-officials.

THE HONOURABLE THE PRESIDENT: His Excellency has already welcomed it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I am very grateful to His Excellency because the tone of his speech and some of the sentiments expressed by His Excellency are such that every one on this side would heartily approve them.

The reasons given by His Excellency for not accepting the Resolution were that the appointment of a committee at this stage for this purpose would not be of any practical use. Now, Sir, before I proceed to express my views as to the causes which have not made this King's commission as popular as it should have been, I would like to submit for His Excellency's consideration as to whether a committee appointed by him immediately with restricted terms of reference will not do useful work? His Excellency the Commander-in-Chief, Sir Philip Chetwode, said in his speech at Simla that Government had taken necessary precautions to see that the requisite number of young men come forward for these King's commissions and as an illustration he mentioned the three military schools whose purpose was to give elementary education to the sons of military officers and sardars. One was King George's School at Jullundur, the other at Jhelum and the third at Ajmer. I would feel very grateful to His Excellency if he would kindly tell us whether any students who have passed from these three schools have been given King's commissions, if any one of these students from these three schools appeared in the competitive examination. As far as my information goes, not a single student of these three schools started by the military has achieved such efficiency as to enable him to appear in the competitive examination or even to get the King's commission through what they call the Y-cadet system, enlisting themselves in the army. If that is the case, if my proposition is correct that in spite of those three schools which were started by the military for this very purpose not a single boy has so far succeeded from these schools, would it not be worth while to appoint a committee of a limited number of Members, officials and non-officials, particularly educational experts—and in this connection I cannot think of a more suitable gentleman than Sir George Anderson—who should advise the Military Department as to what should be done which would enable these boys to come forward for the competitive examination and get the King's commission. I would appeal to His Excellency to leave out for a moment the particular wording of the Resolution and see whether a committee of this nature will not be helpful to the Government. Why the King's commission should not be such an attractive proposition as it ought to be is, I would submit, due to three main causes. There is a certain class of politicians, extremists, although their number is very small comparatively, who believe that the present policy of the army in India is such that this country, that the representatives of this country, have very little hand in controlling the policy of the army and therefore they refuse to consider it as, or call it, a national army. That is one school of thought, but as I said the number of those who belong to it is comparatively small. The other reason is the setting apart of a few regiments, what they call Indianised regiments. I am sure His Excellency is aware that the Sandhurst Committee reported strongly against this setting apart of eight regiments for Indianisation and since then almost every Indian member, every representative, has strongly opposed this scheme, but in spite of that the Government insist that they must continue this Indianised unit scheme. Then, Sir, the third reason is—and on this matter I would particularly request His Excellency to throw some light—that, so I understand, a new scheme has been started only recently, about six months or a year ago, whereby it is intended to replace the Viceroy's commission by the King's commissioned officers and I believe that the proposal is that in these Indianised units in future there will be no Viceroy's commission—that is

jemadars, subedars, risaldars or risaldar-major—as they used to have previously, but instead of that there would be Indian King's commissioned officers who would replace Viceroy's commissioned officers. Now, Sir, I do not know the details of this scheme, but if it is true, then naturally there is a little distinction—

THE HONOURABLE THE PRESIDENT : Your fifteen minutes have already expired.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I will finish in two minutes, Sir.

His Excellency is aware that even the slightest distinction in the army ranks naturally discourages the cadets greatly. If this system of replacing the Viceroy's commissioned officer was extended to other units as well, then probably the objection to it will not be so strong. His Excellency Sir Philip Chetwode said that only two Indians had been able to pass the Staff College examination. That is a matter of great regret, but may I know whether there is not a large number of British officers, Staff Officers, who have not passed the examination, who have been exempted from the examination and they are still on the staff? If so, I am sure His Excellency would be encouraging those cadets if he could sanction exemption in the case of Indians also.

With these few remarks, I hope His Excellency will see his way to accept this Resolution in a modified form.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadian) : Mr. President, may I be permitted as well to refer in a sentence or two to the preliminary remarks with which His Excellency the Commander-in-Chief preceded the speech he made this morning. He is perfectly right in assuming that the observations he made on Wednesday last caused considerable irritation on this side of the House, but at the same time I would like to assure him that the House today has reason to thank him for his free and frank explanation which he was good enough to offer and which we all very heartily accept. (Applause.) I would like to go further and say that we shall certainly profit by the advice he gave that he would like both sides to express their views as they think honestly and that we should discuss matters in a friendly spirit. So far as we are concerned, I would like to assure His Excellency that we shall accept that advice in full. (Applause.)

Sir, Mr. Kalikar's Resolution today is the third of the same kind relating to military matters which have been brought up before the Central Legislature this session. The first of them was moved in the other place and went much further. The second was moved in this House by the Honourable Mr. Sapru when he asked for a committee for consultation and advice. That Resolution was out-voted by a majority, but I am sure Government have realised that so far as the elected Members are concerned all those who were present voted in its favour with the exception of two—and one more, who for reasons best known to himself did not choose to exercise his right of vote. Today Mr. Kalikar's Resolution does not go even as far as Mr. Sapru's. He only asks for a committee to discuss with Government as to the ways and means by which there may be better recruitment in answer to what was said by Field-Marshal Sir Philip Chetwode, our former Commander-in-Chief, in September last when he complained that although there was the material in the country it was not forthcoming. Now, Sir, as we know, the King's commission was denied to Indians until 1918. Indians were allowed then

[Sir Phiroze Sethna.]

to contest for it and this concession was given from 1918 because of the honourable part played by Indians in the Great War and also because of the invaluable services which India then rendered to the Empire.

The question of more cadets to be found for the Military College was discussed at length and reported upon by the Skeen Committee. Reference has already been made by the Honourable Mover to some portions of that Report. But I would like to draw the attention of the House to the statement made in the Skeen Committee Report where it said that the educated middle classes till then were definitely debarred from a career as military officers in the army of the country. That was before the Skeen Committee came into existence. The Skeen Committee then made certain recommendations. In paragraph 20 it observed :

"The most substantial reason for the dearth of candidates and one which we believe, after very careful consideration, to be the governing factor in regard to future policy is the extremely narrow scope of the scheme for the Indianisation of the higher ranks of the army in India which has so far been sanctioned".

It went on to explain that there is material in the country and it suggested ways and means how such material could be secured. It quoted the opinions of such eminent Civilians as Sir John Maynard, formerly Member of the Executive Council of the Punjab, who served for 40 years in India, who assured the Committee that in the Punjab alone there are many boys who do not appear for the Sandhurst examination but are of better quality than accepted Sandhurst candidates whom he himself had seen. And the Report goes on further to add :

12 Noon.

"We have similar testimony from other witnesses and also from those of our colleagues who are well acquainted with the standard and type of qualifications required in a King's commissioned officer".

Again, the Skeen Committee drew the particular attention of Government to the treatment which Government gave to the military as compared with the civil side in these words :

"But the difference of treatment which is at present accorded in the two departments of the administration is great and conspicuous : and the result must surely be that the average Indian parent is reluctant to destine his son to a military career, and feels that the Indianisation of the army is, in the minds of the authorities, still suspect and uncertain".

I will not trouble the House with a long quotation but I will refer the House to a particular paragraph in which the recommendations were made by the Committee how best to get the material which would be useful for the purpose of making officers of our boys. This is paragraph 26 on page 28. It is headed "Publicity". I may be allowed to read just two or three sentences :

"The existing methods of publicity may with advantage be continued, but they should be developed and greatly improved ; and, just as we consider that the educational authorities should play a greater part than they do at present in the process of selecting candidates for an army career, so we consider that they should be utilised to a much greater extent for the purpose of diffusing knowledge of an army career and the means of entering upon it. We recommend that in the first instance the aid of the registrars of universities should be enlisted. They should be asked to start information bureaux in consultation with the military authorities and with the help of material supplied by the Army Department of the Government of India".

Now, Sir, His Excellency the Commander-in-Chief has told us that he does not approve of the appointment of a committee inasmuch as the appointment of a committee at this stage, after two or three previous committees

have reported upon this question, would do harm instead of doing good. But at the same time he repeated the assurance he gave us a few days ago that if necessary he would appoint an *ad hoc* committee. If when he speaks again His Excellency the Commander-in-Chief will give us an assurance that he will prepare a statement to acquaint the Legislature as to what means have been adopted in terms of the Skeen Committee's recommendations or in terms of any other recommendation as to the best way of securing recruits, we will get to know whether they are working on right lines in the matter of getting suitable recruits and if not we will make concrete suggestions as His Excellency wants us to do. How can we make concrete suggestions before we know what is the procedure adopted and before we know whether the recommendations of the Skeen Committee in regard to finding suitable cadets have been carried out by Government ? His Excellency will admit that we are totally in the dark as regards the methods they employ. If therefore an *ad hoc* committee is appointed, His Excellency and his officers will be able to place before us facts and figures as to the manner in which this question is dealt with by them. It will be then for us to make concrete suggestions, if necessary.

On Mr. Sapru's Resolution, Mr. President, I had occasion last Wednesday to quote from the speech of Vice-Admiral Sir Humphrey Walwyn where he said that, although he had difficulty at the start he had no difficulty later on in finding men for the Indian Navy. That applies not only to the rank and file but with equal force to the cadets who are receiving training on the "Dufferin" to become officers in the Mercantile Marine. If they can find suitable boys and far more than they want, I cannot possibly understand why out of a population of 350 millions the military authorities cannot find 60 suitable candidates a year of the right sort who would meet the requirements of the army. If that is done, there will be no cause for complaint by His Excellency the present Commander-in-Chief as was made by his distinguished predecessor. In connection with this minor question as to the manner in which this recruitment is to take place I hope His Excellency will have no objection to appointing an *ad hoc* committee. I do not think that such a committee would be required to meet more than two or three times and in that time, provided the papers are circulated beforehand, those whom he chooses to consult or those who would like to offer their advice will be able to make the concrete suggestions that His Excellency the Commander-in-Chief has asked for.

This question, as already mentioned by previous speakers, is engaging the attention of the whole country. It is not only the Legislature, it is not only the general public, it is not only the Indian but even the Anglo-Indian press which is of opinion that there ought to be a contact between the Legislature and the Army Department. I cannot do better, Sir, than quote from so important a newspaper as *The Times of India*. In its leader of Saturday last of the 14th instant it refers to this question and I propose with your permission to read a few sentences from it. It says :

"It is only right that since India pays for her own defence her people should be associated as far as possible with the general principles of their protection. In the new Constitution the Instrument of Instructions to the Governor General makes it clear that the defence of India must to an increasing extent be the concern of the Indian people".

Then it goes on to say :

"Nevertheless, His Excellency the Commander-in-Chief's uncompromising reply was somewhat disappointing. Some day India's Federal Government must take charge of the country's defence. To prepare for that eventuality, means should be established now to effect some kind of liaison between the Legislature and the responsible executive".

THE HONOURABLE THE PRESIDENT: I thought you were going to refer to these remarks. On previous occasions I have always disallowed extracts from the newspapers.

THE HONOURABLE SIR PHIROZE SETHNA: Very well, Sir, I will put it in my own words. The paper goes on to say that to refuse this liaison between the Government and the Legislature is merely to perpetuate the vicious circle in which Indians are told that they cannot be associated with defence because they know nothing about it. That, Sir, is the purport of this article in a leading newspaper which shows that even the Anglo-Indian press support us in our efforts, and Government should permit us to give them advice on subjects on which we think we can offer sound advice. This Resolution therefore attempts nothing more than to point out to Government that we will be able to advise them how to get more and suitable candidates. According to themselves Government have failed—and I use the word “failed” advisedly because it stands to reason that in a country of the size of India there ought to be very little difficulty in finding 60 men a year with the requisite qualifications.

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech now? You have already exceeded your time.

THE HONOURABLE SIR PHIROZE SETHNA: As regards cost, His Excellency told us that it comes to about Rs. 3,700 for a cadet during his cadetship. I admit that that is not very large. But it is certainly large for the average Indian parent. On the other hand, it might be argued that the Indian parent spends three or four times that amount to send his boy for the Civil Service. But in the Civil Service the prospects are brighter and the initial pay is larger. In the army, they start on a smaller pay, and perhaps, in the initial stage, they have to join the mess and perhaps pay for uniforms and spend more than a civil servant. Therefore the military line may not be a sufficient attraction for the Indian parent to send his boy to the Indian Sandhurst. This is also a point which, if His Excellency chooses to appoint, if not a full committee at least an *ad hoc* committee, we would be able to make clear to him.

I have many more points to deal with, but I will accept your ruling, Sir, and resume my seat as my time is up.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution. I fully endorse what my esteemed friend Sir Phiroze Sethna said on the explanation of His Excellency the Commander-in-Chief today. I also express my hearty thanks to His Excellency for making amends. Sir, I will follow his advice, as I consider it is our moral and religious duty to place in this House the honest opinion of ourselves and of our constituents.

Sir, one of the reasons against a good many people coming forward to enlist themselves in the Military Academy, Dehra Dun, is the new stigma which has been placed upon its output. Rumour still goes that in England, a responsible high official, while addressing university students, assured them that they will never be placed under the command of a “blackie” if in case they join the Indian Army. If I am wrong, I wish His Excellency to put me right, because such rumours, if wrong, ought not to be allowed to remain in

circulation. Many people believe that this rumour led to the differentiation in the King's commission in India as compared to the King's commission in England. That this was the reason also which led to the formation of the eight Indian units scheme, the theory that an Indian will not be allowed to be in command of European officers under him is a stigma to Indian self-respect. I therefore wish that His Excellency will clear that point well today.

Then comes the question of education. My Honourable friend Raja Ghazanfar Ali Khan has already told you that the product of the military schools in the Punjab, at Jullundur, Jhelum and elsewhere, has not been availed of. Another reason which stands in the way of recruitment is that 50 per cent. of the candidates are promoted from subordinates now serving in the army. Sir, at one time, when I gave evidence before the Royal Commission, some years ago I said—but I now realise that I was then wrong—that the subordinates may be promoted as officers. But my experience since then has proved to me that barring honourable exceptions, these promoted officers cannot banish the slavish mentality which they have developed while serving as subordinates. May I ask His Excellency the Commander-in-Chief whether in Sandhurst they allow such a rule? Sir, on the one hand, Government intend giving a few King's commissions, though of a lower status, to Indians while, on the other hand, they are abolishing the Viceroy's commissions. I should like His Excellency the Commander-in-Chief kindly to tell us what the ultimate effect of this change of policy will be. According to my information—I speak subject to correction—there were 13 to 14 Viceroy's commissioned officers in every Indian unit and now I understand that there will be at the most four King's commissioned officers in such units. So, Sir, instead of increasing the pace of Indianisation this step goes towards anti-Indianisation. On this retrograde step also I want some light to be thrown.

Sir, during the last Great War, it was proved that Indians had established their solid worth in warfare. Punjab, Sir, is a province which finds most of the recruits for the army, and during the war, there has been a great deal of zeal and competition among the people to get themselves enlisted in the army. That shows what interest the Punjabis take in the army. When recruitment was going on, I myself was instrumental in finding over 8,000 recruits—combatants and non-combatants—for the army. Sir, in case you remove the colour complex and satisfy the people and also have a wider field for admission to the competitive examination, you will find many people coming forward. Sir, the restrictions which are at present in force in allowing students to compete in the Academy examinations are not very desirable. Why should the political qualifications of one's parents, and other qualifications regarding his class—whether he is of a martial or of a non-martial class—count a great deal in admissions? Thus, there are very grave restrictions on the recruit.

His Excellency the Commander-in-Chief himself admitted in his own statement that out of the selection which the present Recruiting Board has made, there have been 70 per cent. of failures. In case I am wrong, I hope His Excellency will put me right. I think there is some inherent defect in the present Board. Why not throw this examination open to the public as you have in Sandhurst and then, if you find any undesirables, they can be picked out and not given a commission? If there are restrictions and political considerations and other considerations in the examination, you will always find that the people will not come forward in the numbers you want.

Another point, Sir. The lower status commissions to these eight Indianised units restricts the chances of promotion, as their promotion is confined

[Rai Bahadur Lala Ram Saran Das.]

to those units. That is another reason why people are not coming forward in large numbers. It is a pleasure to me to see that, according to the recommendation of the Skeen Committee, Government does not restrict admission to the competitive examination to certain martial classes and that it is open to all. I hope that, if they will take some of their cadets from the University Training Corps and take them in adequate numbers, that will give a stimulus to university students to offer themselves.

Sir, the people consider that the present Indian King's commissions with lower status merely mean dignified subedars and dignified risaldars, and that stigma I must frankly tell you is being very badly felt by every one.

With these remarks, Sir, I strongly support the Resolution and I hope that His Excellency the Commander-in-Chief will be good enough to reply to the questions and points that I have raised in my speech.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, I ascribe the shortage of recruitment for the commissioned ranks mostly to one cause and I will confine myself to that one cause. India, as I have been told by my colleagues in this Council, has a big population of 35 crores and of that population the martial classes form a very big proportion—the Rajputs, Mahrattas, Jats, Sikhs, Punjabi Mussalmans, Pathans, Gurkhas, Rangars, and so on. (*An Honourable Member* : “And United Provinces Brahmins”.) Yes, and United Provinces Brahmins. These form a very considerable portion of the total Indian population, and that there should be difficulty in getting 50 or 60 suitable candidates and five nominees of His Excellency for admission to the Military Academy seems to me rather a puzzle. In case it is really so, the shortage of candidates must be due to the lowering of the status of military commissions from that of the King's commission to the colonial form of commission. At the time of a former discussion in this Honourable House in regard to the colonial form of commission, I made an earnest appeal to Sir Philip Chetwode, the then Commander-in-Chief, not to change the status of the King's commission, and on that occasion I also stated distinctly that the granting of this commission should be restricted to whatever number His Excellency the Commander-in-Chief deemed proper, because after all what was conceded to India by Lord Curzon in 1901-02 should not have been taken away from Indians by lowering the status of the military commission. During the Great War Indians proved themselves fit for the King's commission, and considering the war services of India it does not seem proper that the concession granted by Lord Curzon in 1901-02 should have been taken away from the Indian Army. Well, Sir, if the Indianisation of the army is to be accelerated, let the colonial form of the present Indian commission remain in force, but a few King's commissions should also be granted to Indians in the Indian Army in whatever proportion His Excellency the Commander-in-Chief may think it proper to promote Indianisation.

In France the commission given to their colonial troops and specially to the Algerian Corps is the same as that given to any Frenchman and is in no way inferior in status to that granted to Frenchmen. The class of people in the army in India today are in no way inferior to those who in Moghul times were made commanders of *panch hazari* and *deh hazari*. The Rajput Chiefs of Jodhpur and Jaipur were commanders of five thousand and twenty and thirty thousand troops and in the Afghan period too there were Hindu commanders in their forces such as Himu and other Hindu Rajput

Chiefs fighting for the House of Ghazni against the House of Ghor. Today, Sir, in the 20th Century, when self-determination, liberty and democracy are the burden of song all over the world, I think the status of the King's commission bestowed on Indians by Lord Curzon in 1901-02 must be thrown open again to Indians of good families who have some stake in this country and whose fidelity to the British Crown is unquestionable. If an English public school boy can command his platoon, company or regiment, I fail to understand why a boy of the martial classes in India should lag behind his English colleague? When there are precedents of an Indian being appointed as Governor and as Financial Commissioner, what could be the difficulty for an Indian to command a regiment or a brigade. In the last Great War an Algerian commanded an Algerian battalion, and in the Russian Army there were Generals of Asiatic origin and there are so even now. Well, Sir, if other European powers are not denying commissions in their armies to their Asiatic subjects, I fail to understand why the King's commission in India should be whittled down to the colonial form of commission. If Indians are capable of being financial commissioners and governors of provinces, why should Indians be denied the King's commission if they desire to obtain it. I say that the selection for a King's commission should remain entirely in the hands of His Excellency the Commander-in-Chief, but the martial classes of India should be given an equal position in the army to those which Indians are enjoying in civil departments. Sir, the solidarity of the Empire rests on equal opportunities being offered to all subjects of His Majesty, and the past services of the martial classes in fair justice demand that they should not be handicapped in the matter of military commissions. If my humble advice is taken by the military authorities I think that shortage of recruitment will never be heard of again. I suggest that the granting of the King's commission to Indians of approved fidelity and merit should be restored to whatever extent His Excellency the Commander-in-Chief deems proper, and this if thrown open to Indians will secure more candidates for the army than are required. The appointment of a committee will not be necessary provided the grievances of Indians are properly redressed in this respect by throwing open the King's commission to them.

With these remarks, Sir, I would like to hear something from His Excellency on the subject, and I will keep my mind open to vote on whichever side I think proper to do so.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Resolution which my Honourable colleague Mr. Kalikar has moved was brought forward not because we had any doubt or suspicion of our boys who were at the Military Academy, but because we found that His Excellency the Commander-in-Chief, Sir Philip Chetwode, was not happy over the material he got. His exact words were :

“But we do not disguise from you and from this House, Sir, that I am not altogether happy about the progress we are making in regard to young Indian officers”.

It is not for us who are laymen to lay down the rule as to what would be the best material for the army. We only know that an expert has given us an opinion that at the present moment the material he is getting is not what he really desires to get. Is it not natural for us to suggest that some measures should be adopted to set right the difficulty that exists at the present moment? Either you have to tell us that the kind of material you are getting at the Indian Military Academy is of the right sort, is sufficient for your necessities or you have to tell us what steps you are taking. The mere fact that you have the report of the two Committees is not sufficient in itself, because it was under those Committees' Reports that you adopted the present method. Now the

[Mr. Hossain Imam.]

Government finds that that method is not making the return which they had expected. What that return is, what is the requirement of the army, we do now know. We are only told that the army wants boys who are not too much of book worms. I agree there. It is necessary to have in the army boys who are not book worms, but the system of having competitive examinations will not return anything but book worms, it will return only those who are able to secure the highest of the total marks in literary and other tests. No doubt there is a small equalising factor, the *viva voce* examinations, but we do not know, Sir, when His Excellency the Commander-in-Chief referred to the 70 per cent. failure in the competitors whether he means the net result of both the examinations combined; but he will probably find that the failures in the literary part of the examination are not so high as in the *viva voce* examination.

Now, Sir, what is the issue before us? The issue before us is not whether the material which is now being supplied is good or bad. We have to decide, Sir, whether we are able to get the quality and quantity that we want. After receiving the opinion of Sir Philip Chetwode I do not think that anyone can doubt that there is a necessity for looking into the matter. We are not addicted to or enamoured of committees, but we suggest this because there is no other method which the Defence Department has brought to our notice as a substitute for this. If the Defence Department have any method better than this of remedying the evil which necessarily exists we will be quite prepared to consider it and not to press our Resolution, but to say that we should sit idle and let propaganda alone give us the right type of student is pinning too much faith on propaganda.

Then, Sir, there is another question. When this system of six cadets was adopted, I do not think they looked forward to the possibility that so many of the students who enter this Academy would be disqualified before they passed out. While I am not prepared to say that all such cases of students who have been turned out have been due to injustice, there might be some cases of that type. I have heard of one case in which I am not particularly interested on the communal basis, it is the case of a Sikh boy who was in the Indian Military Academy but was turned out only because of the fact that it was found that his father was serving in some department as an ordinary clerk. If the army wants to preserve this as a stronghold of classes, let them say so and then look forward to the classes and not have any competitive examination; have nominations alone; but if they wish to have the people to come and join the army, then they should not be so strict about having only rich people in the army. There is another trouble which I am afraid the Defence Department does not wish to publish. The fact of the matter is that in the opening stages you get a certain number of men. Now the rule of promotion in the army is mainly by seniority. When all these people have served a certain term of years, they will be eligible for higher rank. There being only these 15 fighting units in which Indianisation has been effected when these men become colonels by seniority, there will be difficulty, as there will be too many colonels. That is why the army is anxious to get men of the right type, men like the English nobility who join the army not as a career but as a sort of tradition, and after a few years' service in the army they retire. I think the army is anxious to get that kind of men. If that is so, the Commander-in-Chief might tell us that this is the type of men they want, that they want the men to come to the army not as a profession but as a sort of diversion,—young men must be young men, therefore this is one of the ways in which they can have a good time. Sir, we on this side of the House do not wish to embarrass the Government or the

army, but we feel we will be failing in our duty if we do not bring forward our grievances to their notice and ask for redress.

Sir, I support the Resolution.

*THE HONOURABLE MR. V. V. KALIKAR: Sir, I am very grateful to His Excellency the Commander-in-Chief and I thank him very much for the expression he has given in the beginning of his speech that he is ready to treat in a friendly manner whatever views are expressed on this side of the House.

Coming to the Resolution before us, I feel I am in very good company. My Honourable friend Raja Ghazanfar Ali Khan has brought prominently before the House the cases of students from Jullundur, Jhelum and Ajmer who did not get admission to the Military Academy. It seems, Sir, that real grievances exist and though over three years have elapsed since the establishment of this College, these grievances have not been removed. Sir, I do not want to dilate on the question of recruiting cadets from all classes in India. But it is my view that if you want to form a national army you must encourage the martial spirit in India so that you can get good men from all classes and all provinces. His Excellency the Commander-in-Chief said, that if this committee is appointed it will not do any good. Well, I beg to differ with him on the point. Does His Excellency mean to say that the last three committees, *i.e.*, the Shea Committee, the Skeen Committee, and the Indian Military College Committee, did not help in any way to solve this problem? We think that these three committees have to a great extent solved the problem of the Indianisation of the army. As compared with these committees, the committee which my Resolution seeks to set up is of a very restricted scope. As my Honourable friend Raja Ghazanfar Ali Khan remarked, it is really the duty of the Government to bring in such a Resolution and to get a committee appointed and ask the committee to examine the whole question. But I am really surprised, Sir, to find that the answer given by His Excellency the Commander-in-Chief is to oppose this Resolution. Sir, it is now our duty to press upon the Government that grievances do exist, that a committee should be appointed to examine these grievances and remedy them. If Government opposes this Resolution, we will consider that action of the Government as proof of their distrust of us and a desire to conceal from us what is going on in the army. I therefore submit, Sir, that His Excellency will think the matter over again and accept my Resolution.

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

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

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, the points of detail raised in this debate have been so many and varied that I feel it would be impossible for me to do full justice to them in my reply today. Moreover, with reference to what the Honourable Sir Phiroze Sethna said, I have already given a rough outline of what steps Government have taken, and are taking, in my original speech; and I do not think it can be denied that a good many of the points raised were hardly relevant to the present Resolution. There is only one point on which I should like to say something straightaway. The Leader of the Opposition referred to a rumour which he said was current all over the Punjab

[His Excellency the Commander-in-Chief.]

that a high official, when addressing undergraduates at Oxford and Cambridge, had said that British officers, according to the present Indianisation scheme, need have no fear that they will ever be called upon to serve under Indians. Well, Sir, this is the first time I myself or Government have heard of this story.

THE HONOURABLE SIR PHIROZE SETHNA: It is referred to in the Skeen Committee Report.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That is rather past history, Sir.

THE HONOURABLE SIR PHIROZE SETHNA: Government had their Report before them.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Anyway, I have not heard this particular rumour until it was brought to my notice this morning.

THE HONOURABLE SIR PHIROZE SETHNA: It is not a rumour, Sir, it is a fact. It was denied by the India Office and subsequently we were able to prove to the hilt that it was so.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Well to continue. It is true that one result of selecting units for Indianisation is that all further recruitment of officers for these units is confined to Indians. But the main object of this is to secure in the shortest possible time an adequate test of the ability of Indians to train troops in peace and lead them in war. There is complete reciprocity within the Indian Army of status and powers of command as between British and Indian officers.

Now, to return to the main point. I have a practical proposition to make. What I suggest is that there should be an informal conference on the main issue arising within the four corners of this Resolution; that is to say, the quality of the candidates for open examination for the army. This conference should be attended on one side by a few representatives of this House, and if you like, of the Legislative Assembly, and on the other side by the Military authorities concerned and the Secretary of the Defence Department. At such a conference we should be able to talk freely round the table and thresh out the various suggestions that have been made. If the House will agree to this suggestion, we should both be in a much better position to consider as the result of the conference whether any really useful purpose would be served by setting up a formal committee. If you can persuade me after the conference that there is, I will ask Government to appoint such a committee, and I am sure that it would be quite unnecessary to have any further debate in this House before taking that step. On the other hand, I do not mind saying that I personally still remain of the opinion that a committee is not going to solve this question, and I hope by the procedure indicated we shall be able to convince Honourable Members that the attitude I have taken today has not been unreasonable. (Applause.)

THE HONOURABLE MR. V. V. KALIKAR: Sir, in view of the statement made just now, I beg leave of the House to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE. REMOVAL OF MASS ILLITERACY.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadian): Sir, I rise to move:

"That this Council recommends to the Governor General in Council to take immediate and effective steps for the banishment of mass illiteracy from this country".

Sir, no greater apathy has been shown to any other problem of the day than the removal of mass illiteracy in India by the Government of India. Whenever this question has been placed before the Government, they have shirked their responsibility by saying that Education is a provincial subject and should be dealt with there. I agree to the extent that it is a provincial subject and great attention should be paid to it by the provinces. But what are the actual facts? Let us examine them patiently and calmly. We all know that the provincial budgets are in deficit. The Provincial Governments have limited sources of income. They cannot spend as much as is demanded by this important problem. They have left the responsibility for mass education to the district and municipal boards. The condition of these local bodies is also deplorable. They cannot spend as much money as is demanded by this great and important problem. So it is a vicious circle, and illiteracy in India is appalling. After a rule of about two centuries, the percentage of education in India is not beyond 10 per cent. It is time now that the Government of India should come to the help of the provinces in evolving a scheme by which they may fix a certain period within which illiteracy should be removed from India as other countries have done, and I have brought this Resolution forward with this object. I do not mean that it should be removed by magic. A regular programme should be set up by which we should know the time during which this important problem will be tackled successfully. Sir, our rulers very often ask us to be thankful to them for introducing into the country railways, telegraphs, telephones and other inventions of modern civilisation. But they forget that in the absence of these, the government of the country would have become impossible, and today, even no army of occupation can do without them. The test of the success of a Government is not merely whether it has supplied the country with these modern means of communication, but whether the country has kept pace with other countries in respect of education on which its whole future depends. Sir, I would like to draw the attention of Honourable Members to the statements by two important educationists, one belonging to the Government—I mean Sir George Anderson, formerly Educational Commissioner, and the other, Dr. Tagore, whom we all revere and for whose learning we all have considerable respect. Honourable Members will remember that in the first week of February, 1936 there was an Educational Week in Bengal, and these two eminent educationists took part in the Week and delivered addresses. What Sir George Anderson said about this problem I would place very shortly in two or three sentences before the House. Recognising the vital importance of education in the life of the country, he said:

"Though education by itself cannot remove poverty, cannot improve communications, cannot abolish disease, cannot modify social customs, it is yet an essential preliminary to all reforms".

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Further on he said :

"When we review the actual effects of our labours we realise, as we must, that the quantitative progress in primary education is by no means attended by a commensurate reduction of illiteracy and that such increase in literacy as has been achieved is almost counterbalanced by the increase in population, then there is certainly much cause for grave disquietude".

Sir, it is on account of this "grave disquietude" that we are pressing this Resolution before the House. Further on he also observed that there are two great obstacles in the way of mass education in India, and those were the grinding poverty of the masses and social customs. But I must submit that if we have to wait for the removal of poverty and the change of social customs before introducing compulsion, then we may have to wait till the Greek Kalends. The experience of every country which has introduced compulsory primary education has been that this much desired change followed and did not precede the spread of enlightenment. Now, Sir, what did Dr. Rabindra Nath Tagore say in his address on the "Ideals of Education" in the same place and during the same Week. He advocated universal education of the masses and described the present system in the following beautiful words :

"A society with its strong vitality constantly exerts its natural will to live mainly in the two-fold pursuits of livelihood and learning. It is a sign of partial paralysis, a disease peculiar to barbarism if the upper classes alone are properly fed and taught and flourish while society as a whole remains indifferent to the lower classes being half or wholly starved".

Further on he said :

"No civilised society can tolerate the soul-destroying barbarity of a miserly irrigation of the popular mind, such as can enable knowledge to penetrate but a few inches of its upper layer putting at least a thin veneer of intellectual life over the stony inertness of the vast desert beneath. And I cry shame on the cruel fate that compels India to submit supinely to such a plight".

These are the observations of two distinguished educationalists, one belonging to the service of the Government of India and another whom we all respect for his learning and education.

Now, Sir, the next important thing that can come in the way of the spread of mass education is lack of funds, as I think the Government might say. But I do not agree on that point also, because I would like to know from the Government if the Provincial or Central Governments have ever taken the loan of a rupee for the sake of spending on education? I know, and we see daily, that money has been and is being borrowed for other objects of administration, defence and other things. But as far as I am aware—I speak subject to correction—money has never been borrowed for the sake of stimulating mass education.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Money is spent on useful purposes which are of closer concern to the Government.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I quite agree that money is spent on useful purposes according to his views. We on this side of the House think that the spread of education is the most useful way of spending money and is the first and foremost demand on any civilised Government.

THE HONOURABLE THE PRESIDENT: You are referring of course to primary education? Why do not the provinces borrow money?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I am personally in favour of borrowing for this object both by the Provincial and Central Governments.

Sir, the total amount spent from public funds in the whole of British India for education of all kinds and grades is comparatively insignificant, is in fact smaller than what Great Britain is spending on the London County Council.

THE HONOURABLE THE PRESIDENT: Because you refuse to be taxed in the provinces.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, we are of opinion that we are paying very heavy taxes according to the poverty of India. Even the emergency taxes are being continued and I do not know what more taxes are required for education.

For the benefit of this House I have collected some figures from which the House will see what India as a whole is spending on education and what is being spent in only one part of Great Britain, in the London County Council. I have got the figures for 1931 and 1932. In 1931 the population of the whole of British India was about 271 millions and the amount spent on education was Rs. 16,84,25,628. Out of this amount Government contributed Rs. 12,46,07,893; the district boards contributed Rs. 2,80,01,313 and municipal boards contributed Rs. 1,58,17,220. Hence the Government spent in 1931-32 about Rs. 13 crores or less than eight annas per head per annum. Now what are the figures there? The population of the London County Council in 1931-32 was 4,385,825. The expenditure on education was Rs. 16,95,64,720. Hence for the education of about 44 lakhs they spent about Rs. 17 crores, which is not spent on the 27 crores of people in India. It comes to Rs. 38 per head per annum. Our Government in this country are spending eight annas per head per annum, while in Britain in the London County Council they are spending Rs. 38 per head. The whole population of India including Burma and the Indian States is 352 millions against 44 millions in Britain—I am taking the same year. India contained 18 universities, while in Great Britain there are 16. Thus so far as university education is concerned there is less than one-fifth of the facilities here. In Great Britain with a population of 44 millions university-going students were 53,306, while in India with a population of 352 millions the number of university-going students was only 10,458. In Great Britain the number of college students—I am speaking of intermediate colleges—was 78,979, while in India it was 150,238. As India's population is eight times that of Great Britain, India ought to have about 631,832 college students. Such is the condition of India—

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: By rule of three it ought to be.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): May I ask a piece of information from my friend? What is the amount of tax per head in Great Britain and in India?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I have no figures for that and I hope my friend will supply them.

THE HONOURABLE MR. BIJAY KUMAR BASU: I wish I had those figures; they would completely give the answers.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Now let us read one or two sentences from the latest book, *Education in India in 1933-34* as published by the Government of India and in the very first sentence of this book they admit that it is very slow, rather practically negligent state of improvement in education in India. The first sentence of this Report runs:

"Successive recent reports have necessarily dealt rather pessimistically with the absence of educational progress in recent years. This absence of progress has been attributed mainly to retrenchment, to the ineffectiveness of primary education and to the drift in higher education. But annual reports dealing so largely with a comparison of statistical tables for a single year with those of a previous year must necessarily give the impression that the quantitative advance in education has been very small".

Later on, on the second page they say:

"The need for caution in the quantitative expansion of mass education has been fully recognised and consolidation and concentration are being attempted in most provinces. The evils of waste, stagnation and wastage which were scarcely recognised or diagnosed 20 years ago have been tackled and are being tackled with signs of ultimate success in most parts of India. There is, however, it is true, a general dissatisfaction with many of the existing conditions".

We find from this that the policy has now been changed. Instead of expanding mass education the policy is now going to be adopted to consolidate rather than expand. I do not agree with the policy as long as we do not have a sufficient percentage of education in our country. We all know what Russia has done in the short period for removing illiteracy from its country; we all know what Turkey has done under Kemal Pasha since the Great War; we all know what Japan has done in 20 years and to what extent they have removed illiteracy from their country and I do not know any reason why our Government after a rule of about two centuries should only put before us that they have removed illiteracy to the extent of 10 per cent. from India. There is one other interesting thing and I will not quote figures, but relate in a sentence from the Census Report of 1920 and the one recently issued after 1930. You will find that the percentage of illiteracy in 1920 was greater and it has come down in the second Census Report, which shows that with the increase of population the percentage of illiteracy has not even been kept up, not to speak of any improvement.

So I submit, Sir, with all the emphasis I can command that it is time now for the Government of India to turn its attention and give larger contributions to the provinces as well as guidance and formulate a scheme for removing mass illiteracy from India within a definite period. So far as the period is concerned, I would leave it to the Government to decide, but for God's sake we want to have a definite programme and a definite period during which to expect progress along with other nations and other countries.

With these words, Sir, I move.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, my Honourable friend the Mover of the Resolution hails from my own province and I have often had to face his criticism in regard to a number of provincial subjects. I am glad today to have again the opportunity of

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meeting some of his points. He began with a general tirade against the delinquencies of the Government of India to the effect that it has shown a want of a sense of responsibility in regard to education, that whenever the subject was brought up the answer was given that this is a provincial responsibility and that the matter had better be taken up in the provinces. I am glad at least of one thing, that the genesis of this Resolution is the speech which was made in Bengal by the Educational Commissioner for India, Sir George Anderson. To that extent at least we may claim credit that my Honourable friend was set thinking on this subject by the remarks that were made by Sir George Anderson, and before I proceed to deal with the Resolution I should like to take this opportunity of bearing my testimony to the great work that Sir George Anderson has done for education in India. He was for a long time Director of Public Instruction in the Punjab. He was a member of the Sadler Commission and his services to the cause of education, especially of primary education, will long be remembered in India.

I will now, Sir, come to the several points that have been raised by my Honourable friend. I think in discussing this Resolution it is dangerous to go and quote trans-oceanic analogies. This is being done in England; so and so is being done in France: Why is it not being done in India? My Honourable friend seems to forget that since 1921 the responsibility for primary education is that of the provinces. They have to formulate the policy. They have to bear the cost. It is they who have had to deal with the question of the advancement of mass education. And let us now see whether they have discharged their duties efficiently, whether they have paid sufficient attention to this very important subject. It is very easy to quote statistics. I shall not worry the House with many but I shall quote a few broad facts. Between 1917 and 1933 the expenditure on education had more than doubled. It has gone up from over Rs. 11 crores to over Rs. 25 crores. As regards primary education expenditure from public funds has more than trebled. It has gone up from over Rs. 2 crores to over Rs. 6 crores. If we are only taking the quantitative expansion of education, the total number of pupils has increased in that period from 8 millions to 13 millions. Taking my own province with which I am familiar and in regard to which I had a good deal to do as Educational Secretary for more than seven years, in 1918 the Government contribution for primary education was Rs. 14 lakhs. In 1929-30 before the slump it was over Rs. 70 lakhs. The expenditure on primary education between those years had increased from Rs. 30 lakhs to over a crore. In the United Provinces the total expenditure on education is over 17 per cent. of the total provincial expenditure. It is now over Rs. 2 crores and I believe it is the largest item of expenditure in the provincial budget. Every province has tried to do what it can within its financial resources. But the difficulties in India are very considerable. Sir George Anderson in his address in Bengal has drawn attention to some of them. We have certain social customs. For example, in other countries, in Japan, in Europe, women are generally the teachers in the primary schools. In this country on account of our social customs it is not possible to employ them. (An Honourable Member: "But now you can, at least in the Punjab".) I say the difficulties are there—some may have more and some less, but I say these are the difficulties which are in the way of the rapid advance of education. Apart from that it is not merely a question of increasing the number of schools. You have to see that the children who are enrolled in the schools are kept there for a sufficient period in order that they may not forget what they have learned. This is one of the most important points. I am afraid that looking at the figures we find that for India as a whole, in the first four classes, only about a fifth of the boys reach class IV and the rest drop out. That is one of the unfortunate

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things, that you may have a large number of pupils but they do not remain sufficiently long to retain what they have learned at school. There is much wastage.

Then we have further difficulties. The distribution of schools has been most haphazard. If my Honourable friend will read the latest Report, he will find that in India the number of pupils per school is on an average 50. In Japan it is 300. On the other hand, the number of teachers per pupil is only 27. The educational codes of practically every Provincial Government permit 40 pupils per class. In England there are classes where primary teachers teach up to 50 or more. It has been calculated that if each teacher on an average were to teach 40 pupils, we should have nearly five million more students in the existing schools. If we were to teach on an average 30, the increase in the number of pupils would be over a million. Where you are spending such large sums of money, it is essential that your administration should be efficient. It is not enough to increase the number of schools. You have to see that the teachers are properly trained. You have to see that the schools are properly distributed, that the classes are so organised that the pupils who go there receive sufficient education of the right kind so that they can retain their literacy.

As regards the question of trained teachers a very considerable advance has been made in the provinces. But there are large variations. For instance, while at the other end, in the Punjab over 70 per cent. of the teachers are trained, in Bengal I understand the percentage of such teachers is only 20.

Then my Honourable friend did not touch on the question of compulsion. It is very often said that if compulsion were introduced, that would be a panacea for all our ills. There again, it is a question of administration. It is no use introducing compulsion unless you are sure of your ground that the schools are efficient, that they are properly housed, and that there is a trained staff. Another point which is very important is that in our endeavour to advance primary education we should not repeat some of the mistakes which we have made in regard to secondary and university education. While it should be our object to get our people literate, we should guard against the danger of isolating them from their surroundings, of getting them out of harmony with their surroundings. It would be a great disaster if all the agricultural schools were to be taught by urban teachers in an urban atmosphere. It is very essential that literacy should not lead to a drift from the country to the town. Therefore, the question of proper text books is also important.

I hope I have shown that the provinces have, since the reforms, pursued a forward policy, and have devoted considerable attention to the question of primary education, that since the reforms the question of mass education has been prominently before the Provincial Legislatures and Indian public opinion. We have a number of reports of provincial committees who have examined the question as to how best to utilise the existing funds, as to what measures should be taken in order to improve the present organisation, and to increase the number of literate people. My Honourable friend may say, "This is all very well; we have heard what the provinces have done; but what about the Government of India? Can the Government of India sit absolutely unconcerned and say that because this is a provincial subject, they do not mind what kind of education is being imparted and what is being done in the provinces?" That is not the attitude of the Government of India. But I think it is desirable that we must be clear in our minds

as to what the position of the Government of India is under the existing constitution. We cannot dictate to the provinces. We can only advise and in that respect we have recently taken a very important step. We have constituted a Central Advisory Board of Education, on which will be represented either the Minister or the Director of Public Instruction of each province, and on which there will be three representatives of the Inter-University Board and a number of other prominent men. It will be the function of this Board to act as a kind of clearing house of ideas and as a reservoir of information. People will be able to meet and learn from each other's mistakes and follow each other's successes. We have a very eminent educationist, as I have already said, as the Educational Commissioner. The Government of India fully recognise that it is most important that the lines of policy in regard to primary education should be clearly and soundly laid. I am prepared to send the proceedings of today's debate to the Central Advisory Board. I am sure that they will give it their closest attention. I am confident that they will examine the question and see in what respect the system of primary education in India can be made more effective. But I cannot accept the financial heresies which have been propounded by my Honourable friend to meet the recurring cost—the very large cost—that will be involved. He has suggested that the Government of India or the Provincial Governments should borrow. Has he worked out, while he was immersed in these statistical figures, what the cost would be of getting the school-going population into the schools? The figures were worked out by the Hartog Committee. I am rather inclined to think that theirs was probably an under estimate. They said it would cost Rs. 7 crores annual recurring expenditure for the education of boys alone and for girls their estimate was Rs. 19 crores. Apart from that, there would be an enormous amount of non-recurring expenditure in regard to equipment and school buildings and all the rest of it. In my own province, I think Mr. Harrop recently made an estimate of the number of boys and girls between the ages of 6 and 11 who should be at school and who are not there, and I think the figures were 18 lakhs of boys and about 30 lakhs of girls. Some years back, when I was in the province, we made estimates and we found that under the present financial conditions, it was really impossible to get all the children, who should be in school, to get them there. We must realise our limitations. Further advance is bound to be slow, but there is no need to be despondent. The great progress that has been made in recent years should make us feel hopeful. I am certain that Education will be one of the most prominent subjects under the new Constitution. I have not the slightest doubt that no Minister will be allowed to rest on his oars. There will be constant pressure that more and more funds should be spent on education. But I also think there will be a good deal of pressure that the control of the Ministry of Education on the expenditure of educational funds should be much more strict than it has been in the past. I think there has been a general feeling that Government have allowed local boards and other expending agencies too much of a free hand. I have pointed out to Honourable Members some of the difficulties which are in our way in making an advance. I have shown to them that the Government of India are fully alive to their responsibilities, and that they have taken a very important step in constituting the Central Advisory Board of Education. I am sure that in the provinces this question will not be allowed to be forgotten. I do not see what more the Government of India can do at present. They cannot take up the position of making large recurring contributions to the provinces, and then, as a corollary, resume control over primary education. This is, in effect, what my Honourable friend suggests,—that primary education should really again become a central subject. That

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is a line that I do not think will be acceptable either to the provinces or to Indian public opinion.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I had no intention of speaking on this Resolution, but as a few points have not been dealt with either by the Honourable Mover or by the Honourable the Leader of the House, I bring them before the House. Sir, as far as my information goes, in Travancore, an Indian State, the percentage of school-going children is about 95 per cent. if not more, which percentage cannot be achieved in India at the present pace of progress for centuries to come.

Then, Sir, another reason which stands in the way of the progress of education is unemployment. So far the Government of India has practically done nothing in this matter. In Great Britain elections have been fought on that issue. There the Government is called upon to explain every year what they have done to solve the problem of unemployment. But in India committees are appointed and then their proceedings are shelved. I am glad that the province from which the Honourable Leader of the House comes did appoint a committee under the able guidance of the Right Honourable Sir Tej Bahadur Sapru, and now we shall see how the Government deals with the recommendations of that Committee and how they intend to translate that Report into practice. Unless and until the question of unemployment is solved, it is no use saying that we want more education. I am not opposing education, but I must say that education has raised our standard of living and in the present economic depression it is the paramount duty of the Government to consider the question of unemployment before they go into the question of mass education. Mass education is a necessity. A man who has no education is like a savage and it is the duty of the Government to go on with both these things together and then bring India, so far as education is concerned, on a par with other civilised countries of the world.

*THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU (Madras : Non-Muhammadan) : Mr. President, although I am not a great speaker I want to say one or two words about education. Education is a necessity of civilised society. A man who has no education is equal to an animal, and in the modern State it is better to improve education and extend it before anything else. So I would request the House to support this Resolution, and I hope the Honourable the Leader of the House will directly instruct the provinces to improve the standard of mass education.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, the Resolution that is being discussed is very important and has got a very far-reaching effect. There is no denying the fact that during the period that India is being ruled by Great Britain, much has been done for the spread of education, but still there is sufficient scope for removing illiteracy from the masses. Local Governments do not lag behind in providing primary education, as funds permit, both for urban and rural areas. Landholders, too, although hard hit owing to the economic depression, try their level best to eradicate this evil of illiteracy as far as it is practicable within the sphere of their zemindaries. But still rural masses are, to a great extent, ignorant of the primary rules of sanitation, hygiene and child welfare. Dearth of skilled labourers in large numbers either in the field

* Not corrected by the Honourable Member.

of agriculture or industry are no less due to this evil. The rural population are, to a great extent, ignorant in the advanced methods of cultivation, manuring, cattle-breeding and dairy-farming which are so essential in a country like India whose 85 per cent. of the population has to depend mainly on agriculture. Sir, I therefore think that Government, who has done so much for the uplift of the rural population, will gradually evolve a more vigorous scheme for the spread of mass primary education whenever they have surplus funds at their disposal.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : I am very glad that the Honourable Leader of the House has not opposed the Resolution, because opposing this Resolution would really mean refusing to take early steps to remove illiteracy in this country which cannot possibly be the object of any Government. I acknowledge that the Provincial Governments have done something for primary education during the past years, but since 1932 or 1933 the progress has not been appreciable. On the other hand I think many schools have been closed down which were open during the period from 1920 to 1930.

Now, Sir, the future of this country as we all know depends upon the proper working of the new Constitution and that will entirely depend upon the interest which the voters take in sending their representatives both to the Provincial and Central Legislatures. At present a large number of these voters are absolutely ignorant and illiterate. Government having given them franchise, it is their duty to see that illiteracy is removed at the earliest possible moment. The Provincial Governments are extremely anxious in this respect, but there is no denying that their hands are very much tied and the finances at their disposal are very limited. Even under the new Constitution I shall be astonished if any minister, however well intentioned he may be, can do anything with regard to improving the present condition of education in this country. Sir, the money which is being spent on rural uplift and in introducing modern implements of agriculture and all that will only result in the income of the provinces being decreased and the income of the Central Government being increased. Therefore the Government of India should not think that education should be left entirely in the hands of Provincial Governments. As a matter of fact Government should be like parents who think that the education of their children is their most important duty, even at the risk of cutting out many of their interests and requirements in other directions. Similarly the Government of India, if they are determined to see that illiteracy is removed, should be able to make a move in that direction by contributing towards provincial funds. Now, Sir, if we had said two years ago that the Central Government should give something to the provinces for rural uplift, I am sure Government would have emphatically refused and would have said that that was the concern of Provincial Governments. But in these two years they have been able to find a little money for this object. Similarly, if the Government of India feel that it is their moral duty to see that illiteracy is removed at the earliest possible moment, they should certainly take steps in that direction, and the only step they can take is to give money to the provinces.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I think some of the points raised in my speech have been misunderstood by the Leader of the House. I never wanted to say that the provinces have been shirking their responsibility or that they are not doing what they could do. I am of opinion that they are doing the best they can, but my whole object was this. They are short of funds and they cannot

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cope with the demand and they cannot make much headway unless they receive some help from the Government of India. My object of submitting this point was that the Government of India should not regard that this is only the duty of the provinces and the Government of India has nothing to do with it. We all know that a crore of rupees was set apart for rural development last year and in this year's Budget we find that the sum has been developed to about Rs. 2 crores and 17 lakhs. But I consider that this money is practically a waste unless you begin with giving mass education. What they are taught is practically impossible and they were stressed by my Honourable friend Raja Ghazanfar Ali Khan. They are asked to put windows in their houses and to have mosquito screens and so on and so forth. These reforms ought not to precede but follow the one and only reform by which these reforms can be utilised and that is mass education. Then, Sir, the Leader of the House pointed out many difficulties in getting trained teachers, fixing the number of boys in a class and so on. These are not difficult things. Where there is a will there is a way and they can be solved by the Central Advisory Board established by Government. As for the borrowing of money for education, I never made the suggestion referred to. What I said was that the Provincial Governments or the Government of India have so far not borrowed a single rupee for the sake of spending it in removing illiteracy from this country. If they have borrowed for other things they could have done for this also.

Sir, I am ready to withdraw the Resolution on account of the very sympathetic way in which the Leader of the House has dealt with it and as he himself was Education Secretary in our province for a very long time and knows the subject thoroughly, I am of opinion that this Resolution will find justice in his hands and he will advise the Central Advisory Board to formulate a definite scheme for removing mass illiteracy in India as well as fix some period and try to find as much money as he can from his colleague the Finance Member and give a contribution to the provinces, so that this scheme might materialise.

Sir, with these words, I do not want to press the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* LISTED POSTS IN THE INDIAN CIVIL SERVICE.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to move :

"That this Council recommends to the Governor General in Council to request the Secretary of State for India to increase the number of listed posts in the Indian Civil Service, from 20 to 25 per cent. and to reduce the cadre from 202.79 per cent. to 175 per cent. of higher posts".

Sir, the Resolution which I have just read is but a partial and a modified reiteration of the demand which I placed before the House on the 11th September, 1933. It has been brought forward with the idea of getting information from the Government as to exactly what they have done in this period of two and half years. I am not going to inflict on the House, especially at this late hour, the full details of the facts of the matter and a critical study of the position. (An Honourable Member : "Thanks".) You need not thank me, Sir. The fact is that if I do that I will not be able to conclude my speech and hear the reply of the Honourable Home Secretary. Want of time enforces me to do that if it is any pleasure to you.

Now, Sir, the reason why I wish to reiterate this question is that as a matter of fact the Government has adopted the latter part of my Resolution to a certain extent without adopting the countervailing portion about the listed post. The theoretical strength of the cadre of 202.79 per cent. is being gradually reduced. We have already reached a reduction of about 12 per cent. This means that the intake of Indians which was on a 50 : 50 basis is being reduced. Therefore we demand that if the Government is really honest in its promises and wishes to honour its own word that by a certain date it will try to see that the 50 : 50 basis is established ; it must adopt the countervailing proposal also of throwing open more listed posts for the Provincial Services. For the benefit of those Members who were not present in this House, I should like to say that in this service the number of superior posts in British India minus Burma is 525, for which there are already in service about 1,025 men. For 525 posts there are 1,025 men, although theoretically we ought to have something like 1,070. There has already been an appreciable reduction in the cadre. Out of these 525 posts 58 are in the Government of India. While on the one side we have the brilliant example of Bengal and the Punjab who have listed the entire number of 40 listed posts which were allotted as their share, on the other hand we have the example of the Government of India which has not listed a single post. This is an action for which there can be no defence. It is this sort of action of the Government of India which gives it a bad name. It is not what the Congress says that reduces their prestige but what they actually do themselves. If they are not careful, if they do not take care to save their fair name by conscientiously acting up to the promises that they make, there is no one that can save their face and their words will never be honoured, regarded, respected. Sir, for the 58 superior posts, there are inferior posts, there is a leave reserve, and altogether there are 111 people in the Government of India from the Indian Civil Service, and not one of them is a Provincial Service man. My complaint is that the leeway which remains to be made in the listing of the posts is only in the Government of India appointments. Out of 131 posts that were to be listed, we have already 117 Provincial Service men occupying permanently superior posts. There are only 16 posts left, Sir, out of which 12 are in the Government of India. The Honourable the Home Secretary has remarked that they have not yet worked up to that. When will they work up to it ? The deficiency lies right under the nose of the Government of India and yet nothing has been done. Sir, Provincial Service men are fully efficient, as the Honourable the Home Secretary has remarked. We have four Provincial Service men who held permanently superior posts in this House, and I say with confidence that Provincial Service men can rise to any heights if you give them an opportunity to prove their worth. It may be thought, Sir, that I am making an empty boast, that I am theorising, that I am saying sentimental things. But as a matter of fact, I will cite the example of the Government's own action to prove to what heights Provincial Service men can rise if they are given the opportunity. There is the example of the Punjab where you have raised a Provincial Service man to the Executive Council. The Honourable the Leader of the House, when he left the Provincial Government, was succeeded by a Provincial Service man, but unfortunately not as a Provincial Service member but as a non-official, but he belongs to that Service. If two men in two different provinces are eligible to hold the highest post under Governors, why cannot Provincial Service men be given posts under the Government of India in the Secretariats ?

The whole trouble is due to the wrong policy of the Provincial Governments. They will not confirm a Provincial Service man until he is about to retire. I have known cases where a man has not had even one year in a permanent superior post. It is merely eye-wash. I am tempted to say that it

[Mr. Hossain Imam.]

is not honest dealing. What is the meaning of this—to confirm a man when he is about to retire? I have known a man confirmed when going on leave preparatory to retirement. Now, Sir, it has become almost a rule never to confirm a man before he is 48. We know the rule is very strict, and it is now the exception rather than the rule to be confirmed even at 48. Then, Sir, formerly the position was that seniority for a Provincial Service man used to count from the time that he had an officiating chance. But Government found that it gave him added seniority and entitled him to the post of Commissioner. This has been the great trouble of the Provincial Governments. They do not want a Provincial Civil Service man to be a permanent Commissioner. Therefore the method that is adopted now is that seniority should count from the time that he is confirmed in the post and the confirmation does not take place until it is too late. I have with me, Sir, the Civil List of the United Provinces as well as Bihar and Orissa. In Bihar and Orissa there are seven vacancies in the permanent post of magistrate and yet Provincial Service men are not being confirmed. In the United Provinces there are more than that number of posts vacant in the permanent cadre and yet no one is being confirmed. If the Punjab and Bengal can take the lead and list the whole of the required number, why should not the other provinces follow suit? The only reason is the sweet will of the Government and there is no desire on the part of the Government of India to see that its promises are honoured. It is a question of the *izzat* of the Government of India that they should honour their own words. They have got into the bad habit of disregarding the advice of others and therefore they do not mind if their own promises are disregarded.

Now, Sir, I should like to mention that when I want an increase in the listed posts it is in order to counterbalance the reduction in the cadre that has been already adopted as a matter of policy by the Government. The numbers in recruitment has been reduced. In the new recruitment we get a 50:50 basis. For every Englishman we get an Indian. That ratio will remain. But formerly in the services a large number of Englishmen could not be counterbalanced. For instance, there are 50 Englishmen in the Service. Now out of 50 men who are admitted now you get 25 Indians. So that in the total of 100 you have 25 Indians. Now, by the change of the method, we have 50 Englishmen already in the Service and we recruit only 40 men out of which 20 only are Indians so that in 90 we get only 20 which is about 22 per cent. so that the percentage of Indians in the Service will be reduced unless you increase the listed posts. If, Sir, the Provincial Service men are not brought to the Government of India, the reason is that the Provincial Service men do not get that experience of the Secretariat which an Indian Civil Service man gets and that is because, as I said, a Provincial Service man has to run the hurdle race of seniority. Until he comes up to the top—the selection grade—he is very rarely given a listed post. Now, by the time he reaches the selection grade he is already old. He has no time to learn the business. The real cure is that Government should take as under secretary or deputy secretary men from the Provincial Service who show special merit. Until you start taking men in the lower grade of the Secretariat, you can never get qualified men and your complaint will always remain. Whose fault is it that you do not train them up? And it is about time you did—for 12 years have elapsed since this announcement was made in 1924 and yet Government have done nothing to list the posts in the Secretariat. I therefore appeal to the Honourable the Home Secretary to convey our demand to the Secretary of State. It is not in the power of the Government of India to decide this question. I is a question in which you are to some extent in the same boat with us. The

power rests with the great Autocrat of Whitehall. I do not call him the Moghul because that would be a slander on the Moghuls. I have more respect for them.

Now, Sir, I come to the second part of my Resolution—the reduction of the cadre. The Honourable the Home Secretary in reply to my original Resolution of September, 1933 promised to look into the question of leave reserve. He admitted that 41·96 per cent. was too high a leave reserve in the present circumstances of the Service, because there were quite an appreciable number of Indians; and Indians do not require the same amount of leave as Europeans require. And on account of the easier facilities for travel even Europeans did not require leave for such long periods as formerly when they had to spend such a long time on the journey. I should like to know what steps have been taken?

Then, Sir, I should like to refer to a point on which I was probably misunderstood by the Honourable the Home Secretary. When I inferred that the number of inferior posts need not now remain at the high level of 38·70 per cent. because the district magistrate's work was reduced, he thought that my demand amounted to an aspersion on the activities of the district magistrate. What I then said, and what I do say now again, is that you wanted a joint magistrate of fair seniority—about eight or ten years standing—to help the district magistrate in part of his work, but now what you get in the districts is not Indian Civil Service joint magistrates, but Indian Civil Service assistant magistrates. A perusal of the Civil List will confirm that statement of mine. The Indian Civil Service men go to the districts only to learn their business and as soon as they have learnt their business, they are sent mostly to sub-divisions to act as Sub-Divisional Officers. The work which a joint magistrate used to discharge before 1922 is now mostly discharged by the senior deputy magistrate in the district. Therefore, it is possible, without in any way impairing the efficiency, to reduce appreciably the inferior posts. I myself would have placed it at 27 per cent. for the inferior posts and 27 per cent. for the leave reserve and thereby effected a reduction of 27 per cent. which I now want. Formerly, I placed my demand at 160. Now on account of the conciliatory language in the reply of the Honourable the Home Secretary, I have increased it. The Secretary of State may or may not accept this ratio for want of information on the subject. But one thing he ought to do at once, and that is, he should order that the intake should be reduced. Reduction of cadre is not a thing which can be done overnight just like exchange, which may be changed in a minute. It will take seven years at least, even if we were to adopt a modified form of restriction by taking one man for every two who retire. Even on this, it will take seven years from now to work down to that basis. It is for these reasons that I have brought this matter to the notice of the House and I do hope that the Honourable the Home Secretary will give me a somewhat satisfactory reply.

Sir, I move.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I do not think it is necessary for me to detain the House very long. It is rather late in the evening and possibly we are all getting somewhat sleepy. One result of that is possibly that Honourable Members have felt it difficult to follow some of the Honourable Mover's arguments. That, however, is a matter on which I cannot express a definite opinion. To follow statistics in a speech is never a very easy task even for those who know something about the question.

[Mr. M. G. Hallett.]

I therefore propose to deal with the question on broader outlines. It may not satisfy the Honourable Mr. Hossain Imam, but I trust it will satisfy the rest of the House.

I think I can do very little more than repeat what I said in 1933 when I dealt with a similar Resolution which was rejected by a very large majority. The first point the Honourable Member raised is that the number of listed posts should be increased by 5 per cent. The Honourable Mover held up for praise the Governments of Bengal and the Punjab, where they have already got the full 20 per cent. of listed posts and held up to shame the Government of India because they have no listed posts. Well, Sir, the Government of India never intended to have any listed posts. The Honourable Member, by making that suggestion, misunderstands the whole system on which the Indian Civil Service cadre is based. It is rather difficult to explain concisely what the exact position is. As you know, Sir, all the officers of the Indian Civil Service as well as the listed posts officers belong to a province. There is no question of their being recruited for service under the Government of India or in the Central Secretariat. We all belong definitely to a province. Therefore, recruitment to listed posts only goes on in the provinces. If officers are recruited either to the Indian Civil Service direct or promoted to the listed posts, then they stand a chance of getting superior posts either in the provinces or on some occasions in the Government of India. There have been cases of officers who come up here and have risen to high positions. There have been cases of officers who have risen to high positions in their own provinces. I have just been told of a case in Madras where an officer from the Provincial Service got a listed post and then rose to the position of Member of the Board of Revenue, which in that province is a very high position.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : He is the third member. There have been two other instances before.

THE HONOURABLE MR. M. G. HALLETT : We have had other cases of Provincial Service officers rising to very high positions. To charge the Government of India with not listing a certain percentage of the posts in the Government of India misconceives the whole position. Recruitment to the listed posts must be in the provinces themselves.

As regards the general question as to why we cannot increase the number of listed posts, the whole difficulty is that we cannot do so without damaging the prospects of officers who have been appointed to the Indian Civil Service, Indian or British, in the expectation that after a certain term of years they will rise to what is known as a superior post, that is to say, post of a District Officer or a Sessions Judge, or a Magistrate or Collector. If we put a whole lot of other officers over their heads, that naturally damages their prospects and makes them discontented and reacts unfavourably on the general conditions of their service and on the work which they carry out. It is for that reason that in making these promotions to listed posts, we have to see that the interests of both sides of the Service, that is to say, the interests of the Provincial Service officers and of the Indian Civil Service officers, are safeguarded, and that is the reason for the delay. That delay was anticipated from the very first. When this increase in the number of listed posts was made in the year 1924, it was anticipated that the percentage will be worked up to by 1939—a period of 15 years. We are not yet in 1939, and till that time comes, till we have worked up to the present 20 per cent., I submit it is premature to raise the question of increasing the number of listed posts. In doing so,

I am not in the least disparaging the excellent work done by these officers. I think I said on the last occasion that I have good reason to know that they are doing excellent work in the provinces. We have got in fact several examples of officers who have held listed posts in the Council of State at the present moment, and they fully deserved their promotion.

Then, Sir, the Honourable Mover raised a point, which was only incidental to the main issue, that Provincial Governments generally promote these men too late in their service. He suggested that that was due to a deliberate policy in order to prevent their being promoted to Commissionerships and other higher posts over the heads of their Indian Civil Service colleagues. I have pointed out that in Madras, one member has risen to the position of Member of the Board of Revenue. In the United Provinces we have the instance of an officer being a Member of the Executive Council or a Commissioner for several years. We have had cases in Bombay, we have had cases in other provinces, and to suggest that the Local Governments are jealous of the success of Provincial Service officers in these higher posts is entirely wrong. I have frequently talked to Provincial Service officers myself and they realise how difficult it is to select people at a very early age; they recognise that such selections give rise to difficulties and may upset the whole system on which we are at present basing our system of recruitment for these higher posts.

Then, Sir, the main point that the Honourable Member made—as I have said I regret I had considerable difficulty in following the Honourable Member's statistics—was that, as at present we were making some reduction in the annual recruitment, therefore we should increase our number of listed posts. But the fact remains that the more posts filled by promotion, the less direct recruitment there is. If we increase the listed posts it means that instead of recruiting say 45 a year we only recruit 40. But, Sir, the main objection to increasing the number of listed posts is the fact that officers who have come in with the prospect of rising in the Service by certain stages will be deprived of that legal and justifiable expectation.

I do not think it necessary for me to deal with the question of the work which junior officers of the Indian Civil Service do. That is entirely a matter for the decision of Local Governments. They are employed on whatever work is most suitable. In some cases they do in the districts exactly the same work as Provincial Service officers, whether they are in charge of a sub-division or whether they hold the post of Joint Magistrate at headquarters.

Sir, I regret that I cannot entirely accept the Honourable Member's proposition as it stands, but if on further study I find there is anything which deserves consideration in his speech—I will certainly examine it carefully—and if opportunity offers and any question connected with this arises, I will see that it is forwarded to the Secretary of State. Whether, in forwarding it, the Government of India will agree is a different matter. We are bound in this matter to have our own opinions. But I can certainly assure him that the Secretary of State shall see it if opportunity arises.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I had high hopes that the Honourable Home Secretary would be more conciliatory, but he shattered those hopes when he said that there was no intention of listing any post in the Government of India. We, Sir, seem to live in a fool's paradise. We thought that when the Government started listing posts it would list throughout. We did not think there would be a mental reservation, that the Secretariat would be out of it. The argument that there cannot be an increase in the number of listed posts because that would mean infringing the prospects of the

[Mr. Hossain Imam.]

Indian Civil Service men comes rather late in the day, because the Indian Civil Service man has all along known that listing has been adopted by the Government as a matter of policy. The number of such posts was first 16 per cent.; it was then increased to 20 per cent., and he could have no objection if that was further increased to 25 per cent. Well, Sir, I can cite the Government of India's own example about promotions. There are posts in which you take men by direct recruitment as well as by promotion. There the Government of India in its own services has put no quota on what would be the intake from promotions, because both happened to be India, and the only difference in the Indian Civil Service is that the other party to this contract are Europeans. Sir, I do not like to bring racial questions into this.

THE HONOURABLE THE PRESIDENT: But you have been bringing them in all the time.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, we are forced to do it by the inaction of the Government. In the beginning I never said a word about it, but it is these declarations of policy which forces us to do such things. Then he cited the example of Kunwar Maharaj Singh, who was confirmed as a Commissioner. May I remind him, and I think the Honourable Leader of the House will confirm me, that that was the solitary instance when they blunderingly confirmed a Provincial Service man rather early. The Government of the United Provinces were wiser after that and would not allow young Provincial Service men to be confirmed in the superior posts. I have seen the list and that blunder has never been committed after that instance. It was the only blunder they committed in confirming a man young enough to rise to a Commissionership. (*An Honourable Member*: "Why blunder?") From their point of view because they have avoided this sort of thing ever since then.

Then, Sir, I admit that if you increase the listed posts you decrease the direct recruitment. But what is the net effect? By listing you do not decrease the number of Indians. By reducing the cadre you reduce the numbers of both Europeans and Indians recruited direct, but you counter that by taking more Indians through the listed posts. I do not wish to disturb that formula of 50:50, but if you work it out on a mathematical basis you will find that reduction of intake from direct recruitment does involve a lessening in the number of Indians who will get in. I do not wish to argue that out, but if you leave it to the Government Actuary you will find my points are borne out, that unless you list more posts by reducing the cadre you are shutting out Indians.

Now, Sir, I purposely did not bring in questions which are not directly at issue; I mean whether the Indian Civil Service cadre also requires revision or not. There are any number of departments like the Income-tax, the Posts and Telegraphs, and the Accounts. All these have their own cadres and there is no need to have Indian Civil Service men there. That is a different matter. But when I say that the posts in the Secretariat should be thrown open to Provincial Service men, I do not mean that Government should recruit men directly. I mean that Provincial Service men should be confirmed early enough to be eligible to come to the Secretariat. May I remind him that 65 per cent. of the men who are in the Secretariat are not confirmed as District Magistrates? They come to the Secretariat before they are confirmed in superior posts. How can a single listed post man come to these jobs which are the preserve of the Indian Civil Service? Unless he goes through the mill and goes up step by step he can never rise to a secretaryship.

I do wish, Sir, that the Honourable Home Secretary will examine my points closely, and if there is any reason in my madness I hope he will adopt it. I should have liked to press my Resolution, but I know the mentality of the House; I have sad experience of it. As usual it will reject my Resolution, therefore, Sir, I seek the permission of the House to withdraw it.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* PROPOSED SUBSTITUTION OF NOMINATION FOR ELECTION IN THE FIJI LEGISLATIVE COUNCIL.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. P. N. Sapru): I would advise you only to read your Resolution today and discussion will take place on the next non-official day.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I rise to move the following Resolution:

"This Council recommends to the Governor General in Council that he may be pleased to communicate to His Majesty's Government the dissatisfaction of this Council with the recommendation"—

I would substitute the word "recommendation" for the word "decision" because there has been no decision—

"that the method of Indian selection to the Legislative Council in Fiji should be nomination and not election".

The Council then adjourned till Eleven of the Clock on Wednesday, the 18th March, 1936.

COUNCIL OF STATE.

Wednesday, 18th March, 1936.

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

QUESTIONS AND ANSWERS.

NUMBER OF "DUFFERIN" CADETS APPOINTED TO THE BENGAL PILOT SERVICE.

103. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state the number of Indian cadets from the "Dufferin" who have been recruited to the Bengal Pilot Service during each of the last five years ?

(b) Have several European Chambers of Commerce represented to Government not to recruit the Indian cadets from the "Dufferin" ? If so, will Government be pleased to state the names of the Chambers of Commerce from whom such representations were received ?

THE HONOURABLE MR. T. A. STEWART : (a) Seven during 1933 and two during 1935.

(b) No.

MARINE ENGINEERING STATE SCHOLARS.

104. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Were some students recruited a few years ago by competitive examination for being trained as Marine Engineers ?

(b) Will Government be pleased to state the names of all those candidates who were recruited for being trained in Marine Engineering and who were sent to England for education and training ?

(c) Will Government be pleased to state the amount of expense incurred by Government on the training and education of each of such candidates during the last 10 years ?

(d) Was one of the Indian students who was awarded a Government scholarship for being trained as a Marine Engineer given an appointment in the Peninsula and Oriental Company after he had passed his course of Marine Engineering ?

(e) Was this Indian officer maltreated by the Peninsula and Oriental Company ?

(f) Did the said officer resign his post ? If so, what are the reasons for his resignation ?

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

(b) Messrs. B. K. Dhar, S. H. A. Razzaqui, P. K. Mukerjee, D. A. Moghe, Q. D. Ahmad, B. S. Sood, B. K. Gupta, W. K. Katre and M. I. Kidwai.

(c) From 1929 when the first batch of scholars was selected up to the end of the year 1934-35 the total expenditure incurred was Rs. 1,38,723.

(d) No.

(e) and (f). Do not arise.

NUMBER OF INDIANS APPOINTED TO THE SUPERIOR SERVICE IN THE TRAFFIC AND AUDIT DEPARTMENT, ASSAM BENGAL RAILWAY.

105. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state how many Indians have been appointed in the superior cadre of the Traffic and Audit Department of the Assam Bengal Railway between 1932 to 1935 ?

(b) Will Government kindly inform what are their special qualifications ? Were they appointed by the Company in England or by their agency at Chittagong ?

(c) Was an application of an Indian trained in railway traffic in England forwarded by the Chief Commissioner of Railways to the Agent of the Assam Bengal Railway ? If so, will Government be pleased to state whether the same was considered when the last recruitment was made ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I am collecting information and will lay a reply on the table of the House in due course.

COST OF CONSTRUCTION OF BHAIKAB BRIDGE, ASSAM BENGAL RAILWAY.

106. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
Will Government be pleased to state what is the estimated cost of the Bhairab Bridge of the Assam Bengal Railway now under construction ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The estimated cost of the bridge is Rs. 56,33,069.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Were tenders called for beforehand ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The contract is let by the Assam Bengal Railway which is a company-managed railway and I do not know if they have called for tenders or not yet. I understand they are calling for tenders but I do not know whether it has been done or not.

BRIGADE HEADQUARTERS, DACCA.

107. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
Have Government abandoned the idea of making Dacca the military headquarters for the Eastern Fronts ? If so, why ? If not, when do they propose to make an announcement ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I am afraid I do not quite understand what the Honourable Member means by the Eastern Fronts. As he is aware, certain additional troops have been stationed in Bengal of recent years and there is a Brigade Headquarters at Dacca.

MILITARY SUB-ASSISTANT SURGEONS.

108. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Are a large number of students qualified as military sub-assistant surgeons for appointment to the Indian Medical Department cadre or still completing their course of studies ?

(b) Have such students been given free education at Government cost ?

(c) Were such students before being selected for the training given the definite understanding that immediately they qualify themselves as sub-assistant surgeons they will be appointed to the permanent cadre of the Corps ?

(d) Will Government be pleased to state whether they were compelled to execute a bond to serve Government ?

(e) Will Government be pleased to state the number of military sub-assistant surgeon students who have already qualified and the number who are still receiving education ?

(f) Do Government propose to provide employment to the above military students ? If not, why not ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) and (e). Since 1932, when the system of recruitment from the open market was introduced, 133 military medical students have qualified as military sub-assistant surgeons and 21 are now under training.

(b) Yes.

(c) They were given such an understanding, but this was conditional on the existence of vacancies.

(d) Yes, but the regulations provide for their release from service when they are qualified if there are no vacancies.

(f) Yes, if they are fit in all respects.

MILITARY SUB-ASSISTANT SURGEONS.

109. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Before a military sub-assistant surgeon student is taken on a permanent cadre, has he to be enlisted as a reservist for the Indian Medical Department service ?

(b) Did no age limit exist previously in respect of military students for the purpose of their permanent employment in the Indian Medical Department ?

(c) If the reply to part (b) is in the affirmative, will Government be pleased to state whether any change is proposed in the case of those military students who have already received or are receiving education at Government cost ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Not necessarily, but one who joins the reserve is specially considered.

(b) There has always been an age limit.

(c) No.

QUALIFYING SERVICE FOR PENSION OF SUB-ASSISTANT SURGEONS.

110. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
In the case of Indian Medical Department officers, is the total service for qualifying pension 25 years active service ? If so, do Government propose to enquire from amongst those who have completed 25 years whether any would like to volunteer for retirement ? Will Government be pleased to

state what steps they propose to take to make room for such military students who were given an undertaking for Government service?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: In the case of sub-assistant surgeons of the Indian Medical Department, qualifying service for a retiring pension is 30 years. Government do not propose to change their present policy which is to employ ex-military medical students in permanent appointments as vacancies occur, if they are found suitable in all respects.

NUMBER OF INDIAN ARMY CADETS SELECTED FOR TRAINING BUT WITHDRAWN FROM THE INDIAN MILITARY ACADEMY, DEHRA DUN.

111 THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Will Government be pleased to state the number of the gentlemen cadets selected from the Indian Army for training as Indian commissioned officers turned out of the Indian Military Academy, Dehra Dun, and (i) declared as totally unfit and (ii) reverted to their respective units from which they were taken during each of the years since the Academy was started?

(b) What were the reasons in each case for resorting to such action?

(c) What was the age of each of such cadets when he left the Academy?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) (i) The number of Indian Army cadets who were removed or withdrawn, or who failed to graduate during each year since the Academy was opened, is as follows:

1932	Nil
1933	3
1934	8
1935	11
1936	Nil

(ii) As regards this part of the question, enquiries are being made and a statement will be laid on the table in due course.

(b) They were removed or withdrawn because in the opinion of those best qualified to judge they were definitely unlikely to come up to the standard upon which we must insist for all officers of the Indian Army.

(c) They were between the ages of 23 and 26.

NUMBER OF INDIAN ARMY CADETS REJOINING THE INDIAN ARMY ON REVERSION FROM THE INDIAN MILITARY ACADEMY, DEHRA DUN.

112. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: How many of the cadets turned out of the Indian Military Academy joined the army after reversion from the Academy and how many of such cadets are serving in the army now?

(See reply under question No. 113.)

NUMBER OF INDIAN ARMY CADETS NOT REJOINING THE ARMY ON REVERSION FROM THE INDIAN MILITARY ACADEMY, DEHRA DUN.

113. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the number of those cadets turned out of the Military Academy who have not accepted the offer of Government to allow them to rejoin their respective units after reversion and have since resigned?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: With your permission, Sir, I will reply to questions Nos. 112 and 113 together.

Enquiries are being made and a statement will be laid on the table in due course.

NUMBER OF CADETS RECRUITED THROUGH THE OPEN COMPETITIVE EXAMINATION FOR THE INDIAN MILITARY ACADEMY, DEHRA DUN, AND REMOVED AS UNFIT.

114. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the number of direct recruits to the Indian Military Academy who have been turned out as unfit during each of the years since the Dehra Dun Academy was opened?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: If the Honourable Member is referring to cadets who entered by the open competitive examination the numbers are as follows:

1932	1
1933	3
1934	3
1935	3
	10

NUMBER OF CADETS ORIGINALLY FIXED FOR ABSORPTION IN THE INDIAN ARMY FROM THE INDIAN MILITARY ACADEMY, DEHRA DUN.

115. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the number of cadets fixed originally for being absorbed in the Indian Army as officers on the completion of their course at the Indian Military Academy, Dehra Dun, and how many have actually been so appointed in each of the last five years up to date?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Indian Military Academy takes in 30 cadets each half year, and all those who pass out at the end of the two and a half years' course are appointed to the Indian Army. Since the Academy started three half-yearly batches have been commissioned:

22 in February, 1935.

25 in July, 1935.

25 in February, 1936.

RESOLUTION RE PROPOSED SUBSTITUTION OF NOMINATION FOR ELECTION IN THE FIJI LEGISLATIVE COUNCIL.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Mr. President, before coming to the main part of my Resolution* I should like to mention a few facts about Fiji. Fiji is a Crown Colony. It is under the direct administration of the Colonial Office. It has a population of nearly 200,000, of these 200,000, 94,976 are Indians, about 35,000 are half-castes and the rest are Fijians. It will be seen, therefore, that the Indians number very nearly one-half of the total population of the

* "This Council recommends to the Governor General in Council that he may be pleased to communicate to His Majesty's Government the dissatisfaction of this Council with the recommendation that the method of Indian selection to the Legislative Council in Fiji should be nomination and not election."

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Colony. From the beginning of the 19th Century Indians had been going to Fiji. In 1879 the Indians started going to Fiji under a system of indentured labour. This indentured system continued till 1917 when it was discontinued by the Government of India. I mention these facts to show, Sir, that both the Government of India and the Fijian Government have a special responsibility for safeguarding the rights of Indians in every way they can in Fiji. Indians in Fiji are largely employed on sugar plantations. A very large number of them have settled down on the land as peasant proprietors. Agriculture is the main occupation of the majority of the Indian population and very nearly two-thirds of them derive their livelihood from the main industry of the Colony—sugar. The contribution which Indians have made to the development and prosperity of this Colony is very very great indeed. It would not be an exaggeration to say that the whole prosperity of the sugar industry in the Fiji Islands is dependent upon the Indians. The relations between the Indians and the Fijians have been cordial. They have been very friendly. I do not propose to refer to the grievances of Indians in general in Fiji. They have certain grievances, but I am not going to refer to those grievances in this Resolution. They cannot, for example, own land; they cannot lease land without undergoing a great deal of expense and trouble. I have no doubt that these matters are receiving the consideration of the Government of India. I propose to confine myself to one question, namely, the proposal that nomination should be substituted for election as the method of representation in the Legislative Council. Let me just state very briefly the history of Indian representation in the Fiji Legislature. Prior to 1929, the Legislative Council consisted of the following members:

- 11 nominated officials;
- 7 nominated non-official Europeans;
- 2 natives selected by the Governor;
- 1 Indian nominated member.

The House will see that the nominated official element was in a majority. The House will also see that under this Constitution, the representation given to the Indians was grossly inadequate. Indians had only one nominated representative under this Constitution. In 1929, a new Constitution was given to Fiji. That Constitution is regulated by Letters Patent, dated the 9th February, 1929. It provides for a Governor and an Executive Council consisting of the Colonial Secretary, the Attorney General and the Colonial Treasurer as ex-officio members, three other official and two nominated unofficial members. It also provides for a Legislative Council whose constitution is as follows:

- 13 nominated unofficial members;
- 6 European official members;
- 3 native members selected out of a panel recommended by the Council of Fiji Chiefs; and
- 3 Indian elected members.

This Constitution, when it was introduced in 1929, was severely criticised by Indians on several grounds, but it will serve no useful purpose if I were to enumerate the various objections that were raised to it. The point is that in 1929 the elective system was introduced in Fiji. Fiji has no form of responsible government and it is unlikely to have any responsible government in any foreseeable future. Under this Constitution, the officials had a clear

majority of one over all the nominated elements combined and the elected Indians are only three. The Constitution therefore gives the Europeans a dominating position and there can be no question of Indian domination under this Constitution. As I have just said, there was some dissatisfaction with the 1929 Constitution and some Indians carried it to the extent of following certain non-co-operative tactics. It will serve no useful purpose if I were to go into the history of the period between 1929 and 1935. I will come from 1929 to June, 1935 direct. In June, 1935, a Resolution was moved in the Fiji Legislature and the Fiji Legislature carried a Resolution that in future members should be selected by nomination and not election. The Mover of this Resolution in June was an Indian of the name of Mr. Singh. I have read his speech. He made what I can only describe as a Machiavellian speech. He was for election, but he wanted equality with the Europeans. And in the circumstances which existed in Fiji, he thought equality could be achieved only through nomination. The principal ground, of course, was that he had lost the confidence of his Indian constituents, and therefore, if nomination was substituted he would have a chance and other Indians would have no chance. He said that they had divided communities in Fiji, and that nomination would promote communal unity. We have divided communities here. Why not have nomination here? Even our nominated friends—we have respect for some of our nominated friends; we have very valued nominated gentlemen here; there is our esteemed friend, Sir Ramunni Menon; there is our friend Sir David Devadoss; even our nominated friends here—will not say that nomination should be substituted for election. They will not be prepared to go so far. The fact of the matter is that Mr. Singh had lost the confidence of the Indian community. It is a human failing to desire to stick to one's post. We all want to do so. We all want to be returned to the Legislature and sometimes our votes are influenced by that consideration. This was the case with Mr. Singh also. Mr. Singh wants to be nominated to the Legislature; he wants to remain in the Legislature, and nomination will help him to secure a seat for himself. Anyway, in the debate in June last in the Legislative Council, the Europeans were divided. Three voted for nomination and three against it. The three Fijian members remained neutral and the two Indians, Mr. Singh and his colleague Mr. Mudaliar, voted for it. The Governor was not, however, quite satisfied with the result. He was not satisfied with the result as three European members had voted against it. A Motion was therefore allowed to be brought forward again in November, and the Standing Orders were suspended in order that the Motion might be discussed. Where was the need for further discussion? In June, the Council had discussed this matter thoroughly and had arrived at a certain decision. Where was the need for further discussion? Anyway, the discussion took place in November, and the Council was opened by the Governor with a speech. It was a clever speech. The Governor's speech was what we, lawyers, would call a charge, which in its summing up was absolutely against the accused, namely, the system of election. He raised the bogey of Indian domination. Indians were politically-minded. They were bent on acquiring a new status in their country; they were multiplying fast; if nomination was not adopted, they would dominate the Colony some day; the demand for constitutional changes and changes in the electoral system with which Indians were dissatisfied would, under pressure from India and Indians, become irresistible. His advice therefore was that Europeans should take time by the forelock and nip the mischief in the bud by killing election. After the Governor's speech there was a debate which was initiated by a member named Sir Maynard Headstrom who dwelt on the changed and changing conditions of the Colony. He stressed the fact that they had to look ahead. The Indians wanted

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equality with the Europeans and an electoral system which would give them that equality and there the danger lay. Sir Henry Scott also spoke in a similar strain. The speech of the day however was made by a European member Mr. Bayley. He pointed out that of the three Fijian members, two were officials and the third was an ex-Government official. These Fijian members had remained neutral in June. Of course in the meanwhile they had changed their mind. How and why they had changed their mind we do not know. They trotted out the view that Fiji had been ceded by their forefathers to Queen Victoria, that they were quite happy with their European masters and that democracy was unsuited to Fiji. These are all arguments with which we in this country are familiar. These are arguments which are trotted out by our die-hard friends against any extension of the franchise in this country and against any extension of reforms in this country. We can get a certain type of Indian also in this country to say all this. Therefore it is not surprising that there should be in Fiji some members who in the 20th Century are alarmed by democracy. I cannot see any democracy in this Constitution. It is not a democratic Constitution. The official majority will be there. Fiji is a Crown Colony. It remains under the control of the Colonial Office. But anyhow this is the attitude that those Fijian members had taken up. Well, Mr. Bayley pointed out that the Fijian members had taken a somersault, that it was difficult to explain this somersault, that in fact rumour had it that their speech had been written out by the Governor or the Colonial Secretary, and the Governor, when Mr. Bayley made this remark, did not contradict him. He said, "It is a compliment". Then Mr. Bayley pointed out that the Indian members had lost the confidence of their constituents. He also said that the Council was unnecessarily nervous about domination. The Indians, he thought, were prepared to work the Constitution of 1929, and finally and very rightly he pointed out that nomination would provide no solution of the Indian question, and indeed would accentuate the political discontent among the Indians. Then there was another European member, Mr. Reid, who stressed the danger of Indian domination. He trotted out the arguments which had been advanced by other members. Of course, as I have just pointed out, the Fijian members who had remained neutral in June have voted against election this time.

Now, Sir, the Constitution of 1929 is not a democratic Constitution. It gives no kind of responsible Government to Fiji. There is even no dyarchy under that Constitution. It is the sort of Constitution which we used to have before the Minto-Morley Reforms in this country. The Government there under this Constitution has an official majority, and the Colony is under the direct administration of the Colonial Office. The Indian representation is very small. Therefore let us be quite clear about the issue. The issue simply is this. What will suit Fiji best? If you must have a Legislature then it is clear that you must have a Legislature which will reflect accurately the wishes and needs of the people it represents. Elected members are bound to be more effective. I say this with all respect to our nominated friends. Elected members are bound to be more effective than nominated members. Nominated members can never be so independent as elected members. They will not be able to voice the sentiments, feelings and aspirations of their countrymen. What guarantee is there that the Governor will nominate really representative men? What guarantee is there that the Governor will not nominate men who will say ditto to him and who will be convenient to him?

THE HONOURABLE THE PRESIDENT: Do you not think they have a conscience?

THE HONOURABLE MR. P. N. SAPRU: I did not say that, Sir. We are all human. I only say that whether we are elected or whether we are nominated we are human.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Nobody is infallible.

THE HONOURABLE MR. P. N. SAPRU: I do not claim infallibility for myself. Probably Mr. Suhrawardy claims it for himself.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: No, certainly not. I only said nobody is infallible.

THE HONOURABLE MR. P. N. SAPRU: Sir, nomination will demoralise public life in Fiji. The fact that Europeans are prepared to agree to nomination must make us look with suspicion upon this proposal. I do not really know what the reasons are. I am not concerned with Europeans. I am not concerned with Fijians. I am concerned with Indians, and I say that it is a serious step to deprive a community of a right which it exercises today. It would be a retrograde step to substitute nomination for election. The real issue therefore before the House is, should the Indian members be elected or nominated? In the Colonies and in Fiji too, as I have pointed out in the opening part of my speech, Indians have many grievances. Their position is very unsatisfactory, and therefore it is very necessary that they should be properly represented, that they should be represented by men who enjoy their confidence, who can faithfully and accurately represent their sentiments, wishes and feelings. It is very necessary that they should be represented by men on whom they will have some hold. Therefore, Sir, I would like the House to record a unanimous vote in favour of election. I do not think it is necessary for us to go into the question whether democracy is suited or is not suited for peoples in the position of the Fijians. That is not the real issue. We may have our own views about democracy, but the Constitution which the Fijians have got is not a democratic Constitution. They have no responsible government today; they are not likely to have responsible government in any foreseeable future. There is no question of Indian domination at all. Therefore the only question is whether the Indians should be given the right of electing their representatives or not, should be given the right of choosing men in whom they have confidence or not? That is the real issue before the House. Of course it is very difficult to say what is happening in Fiji, but the impression that the debate leaves upon one's mind is that the Governor is forcing the issue, is not leaving the issue to the free vote of the people in Fiji. The proposal that the matter should be referred to a referendum was turned down by him. In fact a limited referendum was held in one of the municipal towns and there was a 90 per cent. majority against nomination. Then, Sir, look at the way he has been behaving. The life of the present Council has been extended. The Governor has found the present Legislature useful. He can control the present Legislature and therefore he says that the present Legislature must continue until this issue has been decided one way or the other. That is not, Sir, really the correct way of doing things. If you want to know what the people really think about nomination, then you must have a new Legislature and the men who will come to this new Legislature will be in a better position to advise you than the men who are a sort of

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your nominees now. Because the life of the present Legislature has expired, these men are really his nominees. Therefore, Sir, I would urge that strong representations ought to be addressed by the Government of India to the Colonial Office and to the India Office. Sir, we cannot be indifferent to the fortunes of our nationals in other parts of the world. As I have said once before in this House, our *izzat* is involved in these matters. We have a special responsibility in the case of Indians settled abroad. In the case of the Fijian Indians our responsibility is even greater, because these Indians went as indentured labourers under the patronage and with the active assistance of the Government of India. Therefore, Sir, we have a special responsibility in regard to these Fijian Indians. Finally, Sir, I should like to make an appeal to the non-official European Members of this House. They have always taken a very great deal of interest in the welfare of Indians abroad and I would like them especially to support this Resolution on this occasion. I hope, Sir, that it shall have a unanimous vote here in this House, that all of us, Hindu, Muslims, Christians and Europeans, will join in this united protest against the substitution of nomination for election to the Fiji Legislative Council.

THE HONOURABLE MR. BIJAY KUMAR BASU: With what result?

THE HONOURABLE MR. P. N. SAPRU: Sir, with these words, I move the Resolution.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadian): Mr. President, the Indian Legislature has time and again, and very rightly, tried to impress upon our Government the necessity of safeguarding the interests of our countrymen in distant parts of the Empire, whether the question related to politics or economic condition or anything else, and we will gladly admit that the Government of India particularly after the date of the Viceroyalty of Lord Hardinge have tried to do what best they could to espouse the cause of Indians overseas. That, the House will admit, is indeed a very gratifying sign.

The question before us today is in regard to the position of Indians in Fiji. I have not had the benefit of reading the proceedings of the meeting of the Fiji Legislative Council referred to by the Honourable Mover, but Mr. Sapru, Sir, has placed facts and figures so clearly and so lucidly before us that I am perfectly certain that the final appeal he made to the House has not been made in vain and that the House will unanimously support his Resolution. He said that as in other parts of the Empire Indians labour under certain grievances. We do not want to refer to them here today. For example, even if an Indian has lived for a number of years in Fiji and comes to India for a time and desires to return, it has now become necessary for him to obtain the necessary permission to go back. Then again there is the grievance that they are not sufficiently represented. But these are points which we do not desire to bring up today. What is wanted is to request the Colonial Government to see that the system which has prevailed since 1919 of Indians under their separate electorate electing their representatives should be continued and the proposal of nominating them rejected. We do not for a moment ask for a common electorate, for we know that in our own country we have not common electorates. We are quite content with the separate electorate that Indians have in Fiji, but what we want is that they should have the right to continue to elect their representatives. The Honourable Mover referred to the tactics of non-co-operation on the part of some of our

Indian friends in Fiji. They might have had good reason for adopting those tactics, although we here at a distance do not approve of them. There are three Indian members in the Legislature, but we understand that one of them has not taken his seat, or only two were elected. That again is a mistake on the part of our Indian friends and we certainly hope that wiser counsels will prevail in the future.

It is very surprising indeed that one Indian elected member supporting the Resolution in June advocated that Indians should be nominated and not elected, but I think Mr. Sapru has made it clear that this member's speech in the Fiji Council on that occasion was based on self-interest, because he was afraid that if he had to stand for election he might, perhaps for sins of his own, not be elected again. But the worst part of the story according to Mr. Sapru lies in the fact that the Governor of Fiji took such a partial attitude on this question. He should have been absolutely impartial, but from what Mr. Sapru has narrated he certainly was not impartial and that is to be very greatly regretted. Fortunately the last word does not lie with him. It will rest with the Secretary of State for the Colonies and we do hope that the Government of India will agree with the Resolution which my friend the Honourable Mr. Sapru has moved and will make a strong representation as a result of which the old policy of Indians being returned by their separate constituency as elected members will be continued, for otherwise it must mean that Indians have been treated very unfairly in that part of the Empire.

*THE HONOURABLE MR. W. T. McINTYRE (Burma Chamber of Commerce): Mr. President, I rise to support this Resolution (Applause), and to thank my Honourable friend Mr. Sapru for his very illuminating review of the history of Indians in Fiji. In this year of grace, Sir, I personally cannot but regard it as a retrograde step to substitute nomination for direct election either to the Fiji Legislature or for that matter to any other Legislature. (Hear, hear.) I therefore cordially support the Resolution. (Applause.)

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official): Sir, I think it is naturally to be expected that a man from the nominated side of the House should have a say in this matter. I really do not understand why my friend the Honourable Mr. Sapru and my friend the Honourable Sir Phiroze Sethna took all the pains to elaborate on the Resolution placed before the House. It is a question, I take it, Sir, of principle and the principle has been accepted in the Reforms of 1935 in our own country. As Mr. Sapru knows, in many of the Legislatures hereafter there will be no nomination consequently there will be no bogey of nominated Members going and voting against the elected Members. The principle that nominated Members would not be as good representatives of the people as the elected Members has only to be stated and need not be proved. I think it is like an axiom, a self-evident truth. Therefore, Sir, if any particular community wants to be represented in any public body, that community will certainly think that it would be better represented by a man elected by them who will be, if I may say so, under the thumb of the electorate, who will be more or less a gramophone of the constituency, voicing forth the views of the constituency. When I say "gramophone" I do not use the word in any disparaging sense. Therefore, Sir, Mr. Sapru and Sir Phiroze Sethna could have spared themselves the trouble and I am sure that this Resolution will be acceptable not only to the nominated Members and the non-official Europeans but also to the Government Members on the Treasury benches.

* Not corrected by the Honourable Member.

*THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I whole-heartedly support the Resolution which has been moved by my Honourable friend Mr. Sapru. As a matter of fact, Sir, in any representative form of government it is impossible to see how it can exist if the method of representation is by nomination. I personally think, Sir, that one can quite understand a personal government carried out by one individual but it is impossible to see how a government can be run by a body of members who are nominated by the Government. I hope that the Government of India will take the necessary steps to convey the united feeling of Indians on this matter that the method of representation should be by election and not by nomination.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I have very great pleasure in supporting the Resolution of my Honourable friend Mr. Sapru. I agree with the principle of representation by election but I am only sorry Mr. Sapru said that nominated Members have no conscience.

THE HONOURABLE MR. P. N. SAPRU : I did not say that.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY : Anyhow I am glad to say that Mr. Basu, though a nominated Member, has many times voted against the Government on things with which he did not agree, and I am glad the European Member from Burma was also very sympathetic. I do not think there are any dissentient voices on the question.

*THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I rise to give my whole-hearted support to this Resolution. After all that has been said about it I do not think I need make a lengthy speech but I would like to say that in our attempt to have the principle of election widened we make no reflection upon the nominated Members. We know that nominated Members have mostly conducted themselves even in this House in a way which would have done credit even to the elected representatives in this House. As has been very rightly observed by my Honourable colleague, Mr. McIntyre, it is too late in the day for nominations to be resorted to as the method of representation in a legislative body. The principle has been recognised all the world over that every legislative body should have only elected Members.

THE HONOURABLE THE PRESIDENT : Order, order. Let me correct you. The principle has not been recognised in the Government of India Act of 1935. Six nominated seats have been allowed for the Council of State.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : There is a small sprinkling of nominated Members, Sir. It merely serves to emphasise the rule that holds the field that representation ought to be through elected Members, and this exception only goes to prove the rule, to prove the universal recognition that it is only through elected representatives that effective responsible government can be secured. I do not think, Sir, that I need labour the point. I support the Resolution.

* Not corrected by the Honourable Member.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, the Resolution has had the unanimous support of the Honourable Members of this House. We have a very eminent Parsi business man of Bombay supporting the Resolution. It has found support in a representative of the European community from Burma. Two Muslim Members, one hailing from the Punjab and the other from Madras, have supported the Resolution. I think it is unnecessary for me to go into the detailed history of the events leading up to the Resolutions that were passed in 1935 in the Fiji Legislative Council asking for the substitution of nomination for election in that Legislature. But in order that Honourable Members may know what the issues are with which they are dealing, I think it is necessary to give a very brief summary of the Constitution in Fiji and of the arguments that were advanced in the Legislative Council advocating the substitution of nomination for election. Up till 1921—and at that time the total number of members of the Legislative Council was 21—only the European community had the right to return elected members. The Constitution was so framed that the officials had a majority over the non-officials. Out of 21 members, there were 11 nominated officials, seven elected Europeans, two nominated Fijians, and one nominated Indian. In that year, as has already been pointed out by my Honourable friend, by the Letters Patent that were issued in February the total number of members was increased from 21 to 25 but the official majority was still maintained. There were then 13 official nominated Members, six elected Europeans—(the House will notice that the number of European elected Members was reduced from seven to six)—three nominated Fijians and for the first time three elected Indians. So that it was only after the Letters Patent were issued in 1929 that the right of Indians to send representatives by election was conceded. This was the checkered history of the Fiji Legislative Council so far as the Indian representatives were concerned. I will not go into the details of that history. I think it is known to a number of Honourable Members here that after election the Indian members resigned their seats. The seats remained vacant till 1932. Two Indians were then elected in that year. The third seat remained vacant and has remained vacant up to the present time. Of these two Indian members, one has continued to sit in the Legislative Council continuously and the other after a brief interval has also been a member, and he is the member who subsequently moved a Resolution in May, 1935, asking for the substitution of nomination for election. As I have said, so far as the Legislative Council is concerned, there is an official majority. So far as the Executive Government is concerned, the Governor has an Executive Council which has a purely advisory function and that also is composed at present largely of officials,—being composed of officials and two nominated non-Indians. As far as I know, the two nominated non-officials are both from the European community. In May, 1935, one of the Indian elected representatives moved a Resolution that it would be in the best interests of the Colony that the system of nomination should be substituted for election and that the number of Indian nominated members should be equal to the number of nominated members for Europeans and for Fijians. As Honourable Members are aware—they must have gathered from the figures I have given—there were 12 non-official members, and if an equal division had taken place, it would have meant that there would have been four nominated Europeans, four nominated Fijians and four nominated Indians. In other words, instead of three elected Indians, there would have been four nominated Indians. Analysing the Resolution, that is what it comes to, that the six elected Europeans should be replaced by four nominated Europeans, that the three nominated Fijians should be increased to four and that the three elected Indians should be replaced by four nominated

[Sir Jagdish Prasad.]

Indians. Soon after this Resolution was passed, we received a communication from the Secretary of State asking for our views. Meanwhile, in order to give the Fijian Legislative Council a chance of discussing this question further, its life was extended by a year. It will now expire in June, 1936. We consulted our Emigration Committee, which, as Honourable Members know, is predominantly composed of Members elected from the Assembly and the Council of State. On the advice of the Emigration Committee, we made a representation at the end of September to the Secretary of State saying that we did not agree to the substitution of nomination for election. I should like at this stage to mention to Honourable Members that when the Resolution was debated in the Legislative Council in May, the voting was on these lines. Of the six elected European members, three opposed the Resolution and three were in favour of it. The Fijian members remained neutral, and, of course, so did the official members. The Resolution was therefore carried by five votes to three, those in favour being three elected Europeans and two elected Indians, and those against being three elected Europeans. In November, when the Resolution was again moved, it was moved in somewhat different language. It was said that in the changed and changing conditions of the Colony and having regard to its present and future interests, it will be better that the system of election should be replaced by a system of nomination. The Mover of the Resolution this time was a European. When the voting took place, there was a certain amount of displacement of votes. The Resolution was opposed by two European members, but it was supported by the Indian members and by the other remaining European elected members. When we received a copy of the debates, we again reiterated our objections to the Secretary of State for India. I think the House is entitled to know what the considerations are on which we based our opposition to the proposal which was carried in the Fiji Legislative Council. On looking through the debates, the impression was borne in upon us that one of the decisive factors in the voting was the fear of the non-Indian members of the Fiji Legislative Council that if the system of election remained it would lead to the domination of Indians over the other communities. Now, Sir, we here feel that this is a somewhat far-fetched conclusion. I have already brought to the notice of Honourable Members that the system of government in Fiji is not responsible government. Government have a definite majority of nominated official members in the Legislative Council. The Executive Council is an advisory body. There is, therefore, so far as we can see—in politics we have often to look to the near future—there does not seem to be any question of domination of the Indian community over the others. It can scarcely be said that in a Legislative Council composed of 25 members, of whom even now 19 are Europeans—six elected Europeans and 13 nominated officials—the fact that there will be three elected Indians is likely to lead to domination by that community. That is one of the first considerations which lead us to feel that the ground on which it is proposed to make the change is in our opinion not tenable. What is the second consideration? As I mentioned to Honourable Members a few moments ago, it was only in February, 1929, that the system of election was introduced for the first time so far as Indian representation was concerned. It is scarcely seven years since the system was introduced. We therefore feel that the experiment has been in existence for too short a time to enable Government to come to a decision that there should be a radical change. We think that this method should be given a further trial. We should see to what extent Indians are likely to co-operate with the other communities in working the existing Constitution. I am prepared to admit that the non-

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co-operation of certain of the elected members had unfortunate repercussions on the other communities in Fiji, but I should invite the Fijian Government to consider what would be the repercussions in India if, after giving this system a trial for only seven years, the ground on which the change is to be made is that the Fijian Government and the people in Fiji other than Indians are afraid of Indian domination. I should like them to consider what would be the repercussions on Indian opinion here. We all know the intense feeling that has already been created in this country. I am afraid that if this change were made it would have the most unfortunate repercussions. It would be a source of constant irritation and ill-feeling. I think it is the desire of all of us here, and it must be the desire of other component parts of the Empire, to promote harmony between the various races which form the British Empire; that nothing should be done which would create ill-feeling or racial ill-will. That I think is a proposition on which there cannot be any two opinions. I therefore think that it would be an unfortunate result if the system of nomination is to take the place of election.

Before I sit down, Sir, I should like to say that I do not in any way associate myself with what has been said in regard to His Excellency the Governor of Fiji. I have tried to base my arguments absolutely on an impersonal basis. I am not prepared to endorse the remarks of my Honourable friend Mr. Sapru in regard to the speech of the Governor. I do not think that it helps in the solution of this very difficult problem to drag in personalities. I base my case and I think the people of India base their case on the merits. We feel that with a population of over 80,000 Indians, nomination will not give effective representation. It is essential that the representatives of the Indians should be real representatives who can voice the wishes of their countrymen. I do not for a moment mean to imply that nominated members have no independence, but the issue is not a mixture of election and nomination. The issue in Fiji is to take away three elected Indians and to replace them by a pure system of nomination, and I think it will be agreed that that proposal is regarded in India and is regarded by all sections of the House here as a retrograde measure. The Government of India therefore feel that they must express strongly their view that if such a system is adopted, it will not give effective representation to the Indians there, in whose future the Government of India and the people here must continue to take the liveliest interest. I accept the Resolution moved by my Honourable friend. (Applause.)

THE HONOURABLE MR. P. N. SAPRU: Sir, I have nothing to say except to thank the House for the cordial support which it has given to this Resolution. I have to thank my friend the Honourable Mr. McIntyre for his valued support, and Raja Ghazanfar Ali Khan, Mr. Padshah, Mr. Basu and the Leader of the House for the support which they have given to this Resolution.

THE HONOURABLE THE PRESIDENT: Resolution moved:

“That this Council recommends to the Governor General in Council that he may be pleased to communicate to His Majesty's Government the dissatisfaction of this Council with the recommendation that the method of Indian selection to the Legislative Council in Fiji should be nomination and not election”.

The Question is:

“That that Resolution be adopted”.

The Motion was adopted.

RESOLUTION RE POLITICAL PRISONERS UNDER DETENTION WITHOUT TRIAL.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadian): Sir, I beg to move:

"That this Council recommends to the Governor General in Council to appoint a Judicial Committee of three High Court Judges to examine the cases of all political prisoners now under detention without trial and to release forthwith those prisoners recommended by the Committee in this behalf".

Before I go into the merits of the Resolution I want to make it quite clear that we on this side of the House have absolutely no sympathy with actual terrorists, nor is it the object of this Resolution that they should be released. But we consider that along with terrorists there are certainly some members who have been detained on mere suspicion. Sir, even if one member has been deprived of his liberty on account of suspicion, whether the suspicion be strong or weak, I think the Resolution requires the deep consideration of Government.

Let us see what is the position at present. The terrorist movement has existed for a very long time, say about 30 years. The Government could not cope with the movement under the ordinary sections of the Penal Code, as was said when they introduced the Bengal Criminal Law Amendment Act. That Act was first passed for a short time and then in 1934 it became a permanent measure. Up to date thousands of men have been detained in Bengal, Deoli and certain other places. In a statement replying to a cut motion moved in the other House by Mr. Aney the Honourable Home Member said that there are still 1,400 detenus and he also stated the number of persons released so far. When he said there had been a welcome improvement in the public tone in the past year the Government had released unconditionally 217 detenus, while 101 were placed in home domicile and 80 were being taught industrial work. By this statement, Sir, we thought that as many as 271 detenus have been set free on the re-examination of their cases. So this gives a definite ground that the question of others who are under detention requires some serious consideration. I have therefore recommended that a Judicial Committee may go through them. My proposal is a very moderate one. I do not say that the committee should have a non-official Member who might command the respect of the public as recommended by the Rowlatt Committee. Considering that that recommendation of the Rowlatt Committee was not given effect to by the Government, I have contented myself with recommending that the cases of these prisoners might be taken into consideration thoroughly with all the material that Government has got in its possession by an independent judicial committee. Sir, I do not say in my Resolution that these detenus should be given a right of representation by some advocates. I do not say that these detenus may be given a right of disproving the allegations against them by putting in witnesses. I only submit that the whole material should be placed before this committee and the whole thing may be thoroughly examined and those cases in which the committee finds that there are only doubts or suspicions may be set free. Sir, with your permission, I should like to quote one or two sentences from this important Committee.

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I mean the Rowlatt Committee. Under the heading "Scope of our proposals" in paragraph 189 they say:

"But while we feel bound to formulate such a scheme, we think that the whole of it must be subject to the observance of four main principles—

- (i) No interference with liberty must be penal in character. Nothing in the nature of conviction can be admitted without trial in strict legal form. If in the supreme interests of the community the liberty of individuals is taken away, an asylum must be provided of a different order from a jail.
- (ii) Any interference with liberty must be safeguarded by an inquiry which, through circumstances exclude the possibility of its following forensic forms, must be judicial in the sense that it must be fair and impartial and as adequate as it can be made.
- (iii) Every order (which should be made by the Local Government) authorizing such interference must recite the holding of such inquiry and declare that, in the opinion of the Local Government, the measures ordered are necessary in the interests of public security.
- (iv) The order must be made for a limited time only (say, not exceeding a year) and must be renewable only by a new order (not necessarily a new inquiry) reciting that the renewal is necessary in the interests of public security".

So, Sir, according to the four principles, it is also necessary for the Government to go through all the cases annually and see which of them require reconsideration, which of them require that they should be detained for a further period of one year. My object is that these cases should be gone through by this committee with all the material and as the situation has much improved as stated by the Honourable the Home Member in the other House these detenus who are merely kept on suspicion should be set free. Sir, with your permission, I will quote two more sentences from this Report. In connection with creating an investigating authority, the Committee says:

"The duty of the investigating authority will be to inquire *in camera* upon any materials which they may think fit and without being bound by rules of evidence. They would send for the person and tell him what is alleged against him and investigate the matter as fairly and adequately as possible in the manner of a domestic tribunal. It would not be necessary to disclose the sources of information, if that would be objectionable from the point of view of other persons. No advocates would be allowed on either side or witnesses formally examined, nor need the person whose case is under investigation be present during all the inquiry. Should such person indicate that other persons or any other inquiries may throw light on the matter from his point of view, the investigating authority would endeavour to test the suggestion if it seems relevant and reasonable. At the close of the inquiry the investigating authority would certify their conclusion to the Local Government".

So, Sir, this is the procedure which has been laid down by the Rowlatt Committee and in my Resolution I have stated nothing that goes against the spirit of the recommendation of this important Committee. I have made one alteration only. They have recommended:

"But we think we may say as based upon the experience gained in the course of our labours that one member should be a non-official Indian selected for his knowledge of the people".

I have omitted this person because it may not be acceptable to the Government. I personally think that that would have been better and the Committee would certainly have commanded greater respect, but I leave it to the consideration of the Government. Sir, as I have said, the situation has improved, I hope the Government will kindly see their way to accept the very moderate demand set forth in the Resolution.

With these words, Sir, I move.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Sir, the Resolution which my friend the Honourable Mr. Mehrotra has moved is a very moderate Resolution. He wants the cases of detenus to be examined by a Committee of High Court Judges; he does not want this committee to act as a tribunal; that is not his intention. It is not his intention that they should be released indiscriminately. That is not the Resolution. This committee would really advise the Executive Government. The decision, if his Resolution is accepted, would rest with the Executive Government. He is not raising any question of principle. So far as the principle of detention without trial is concerned, it was accepted, I think wrongly, in my opinion, by the House in the Bengal Criminal Law Amendment Act; but he is not raising any question of principle in this Resolution. He wants the cases to be reviewed by a strong committee. That is what the Rowlatt Committee had suggested itself—that cases should be reviewed every year. And they had also provided for an investigating committee. Now the investigating committee that he visualises is a Committee of High Court Judges and I think it is right that we should have the most experienced men to examine the cases of these detenus. Some of us are really uneasy in our minds about these men. Of course, we have no sympathy whatever with terrorism. We condemn it as strongly as Members opposite but we think that these men who are suspects have a right to have their cases properly investigated and I hope, Sir, that Government will adopt a sympathetic attitude towards this Resolution and will meet Mr. Mehrotra's point of view to the extent that it is possible for it to do so.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, may I ask the Honourable the Home Member whether in accordance with the present procedure these cases are not examined by a High Court Judge?

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I will reply to the Honourable Member's question in the course of my speech. I am afraid I must oppose this Resolution, modest though it is. I quite recognise that the Opposition have not the least sympathy with the terrorist movement and are anxious not to do anything which will hamper the Government of India or the Government of Bengal in their very difficult task of combating that movement. But though I must oppose it for reasons which I shall state later, I welcome this opportunity of putting before this House many of the arguments which were made by the Honourable the Home Member a few days ago in another place. Many of you no doubt have read that speech—I think I may say, without fear of contradiction that very impressive speech which he made, I think it was on last Friday—a speech which had very considerable effect on the Assembly on that day. He took the House into his confidence and I hope to do the same today and if I am merely repeating what many of you have read in the papers I trust I may be excused, but I think it is desirable to make these repetitions, for even now some of our critics are not impressed with what the Home Member revealed but still refer to the case of these terrorists and contend that we put them away on mere suspicion and on the reports of police informers and spies. This contention was effectively met by the Honourable the Home Member in another place and I hope to be able to show in the course of my speech in some detail the kind of evidence which is produced before Government before action is taken under the Bengal Criminal Law Amendment Act or in certain cases under Regulation III tg

show how that evidence is carefully tested and examined by different authorities, including as I shall show two senior Sessions Judges in Bengal. That fact, that the cases are already examined by Judges, is really the main answer to the Honourable Member's Resolution. We have accepted in fact ever since 1919 or so the recommendation of the Rowlatt Committee that these cases should be so examined. The fact that they are so examined makes it somewhat unnecessary to have them re-examined by a very expensive Bench of three Judges of the High Court.

However, my first point is, as I have said, to show the kind of evidence on which these cases are based and to dispel the impression that possibly prevails in certain quarters—but I trust not among Honourable Members of this House—that many of the Bengal detenus are persons who are quite innocent and have been put away merely on malicious or inaccurate police reports. That view has no foundation in fact. I need not deal with the present situation in Bengal. I quite admit there has been a distinct improvement and the figures which I quoted in reply to a question the other day show that improvement. Other facts were quoted by the Honourable the Home Member in his speech in another place which fully support the view that there has been an improvement in the situation. That however is not relevant to the present discussion. My first point is to show what kind of evidence is produced before an order of detention is passed. But before doing so, there is one point I would like to emphasise. It is a point which comes up in connection with the quotation which the Honourable Mover made from the Rowlatt Committee's Report where they said that the detention should not be penal. It is not penal in any of these cases. It is preventive action. When a Government officer or a private individual is murdered, when a dacoity or robbery is committed then we take all possible steps to prosecute the culprits in Court for the crime they have committed, but it is not very satisfactory, even if we secure conviction; it is far more satisfactory if we can by taking preventive action and subjecting these people to detention prevent the commission of these outrages and the fact that outrages have decreased in recent years and in recent months in Bengal shows clearly in my view that we are putting away people who are guilty of terrorist conspiracy. Now, Sir, the terrorist movement is a secret movement; the terrorist organisation works underground. It does not come out into the open except when an outrage is actually committed. They conspire together with the object of perpetrating some outrage. They collect recruits by getting hold of and bringing their influence to bear on impressionable youths who have been brought up for years in an atmosphere of hatred and hostility towards Government. They collect arms and as I quoted to the House the other day there is still evidence to show that there is very considerable illicit traffic in arms in Bengal even now; I referred, and the Honourable the Home Member also referred, to the significant fact that a ship in the Hooghly was found the other day to have concealed on board some 30 or 40 automatic pistols and revolvers. If this kind of smuggling goes on, it shows that there is a demand for these weapons and that demand can only come from people who want to use them for improper and illicit purposes. Having got their recruits, having collected their arms, having prepared in some cases bombs and other destructive weapons, the leaders of the gang very often take steps to train their youths in the use of the revolvers. In the case of the murder of Mr. Burge in Midnapur, when the case was tried in Court, there was, I think, direct evidence that these boys were taken out to some lonely place in the district and taught to use the revolver which was subsequently used on Mr. Burge with such fatal effect. Such being the conspiracies which are the prelude to terrorist outrages and it being the object of Government to prevent the outrages, Government and the police must get to know of the conspiracy

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at a comparatively early stage. To do so it seems sometimes to be imagined that we employ or the police employ professional spies; that they get hold of somebody out in the street, pay him ten or twenty rupees to go and get information about the terrorists. That, of course, is entirely incorrect. Nothing of the kind is done and any evidence of that kind picked up from a mere casual person is rejected by the police. What does happen is that statements are made by people who are actually in the conspiracy, statements and confessions—in some cases confessions made in Court are useful—in other cases statements are made to the police. It may be asked, "How is it that these statements come to be made?" That is a point which was referred to by the Rowlatt Committee and I do not think I can do better than read an extract from their Report. They were referring to the statements which were made by people who are actually engaged in the conspiracies:

"Some speak under the impulse of a feeling of disgust for an effort which has failed. Some, of a different temperament, are conscience-stricken. Others speak to relieve their feelings, glad that the life of a hunted criminal is over. Not a few only speak after a period of consideration, during which they argue with themselves the morality of disclosure."

The psychological fact is that these people do come forward quite frequently and make statements to the police officials and other people engaged in this work.

Now, Sir, we do not rely solely on the statements of people of that type. And here again, I will read a further quotation from this paragraph in the Rowlatt Report:

"We have not failed to bear in mind that information of this kind is not to be blindly relied upon, least of all in India. But we have had remarkable facilities for testing these statements. The fact that they are exceedingly numerous, that they have been made at different dates and often in places remote from one another give an opportunity for a comparison far more useful than if they were few and connected. But this is not all. In numerous instances a deponent refers to facts previously unknown, to revolutionary haunts not yet suspected or persons not arrested. Upon following up the statements the facts have been found to have occurred, the haunts are found in full activity....."

I would say something more on that last point in a minute or two. The point I would first make is that when such statements are made, the police check them very carefully with other statements made by other people, entirely disconnected with the first person, coming very often from different parts of the district and from different parts of the province. But in addition to checking one statement against another, they also see whether these statements are corroborated by other means. In some cases, they are corroborated by documentary evidence. Letters are often intercepted, or are found in the course of house searches. In particular, it sometimes happens that cypher documents are found in the course of house searches. If cypher documents are found, they are of particular value for corroborating and substantiating the case against a detenu. I may quote from another Report which was submitted to Government some years ago to show the value of the cypher documents which are occasionally found, and in which the following passage occurs:

"When an organisation whose object is revolutionary crime works in secret and adopts a cypher system to conceal the names of its members, its acts and its movements, we think that cyphers being one of the methods of the conspiracy form most valuable evidence".

That is the opinion of two High Court Judges who examined these cases in 1918.

Then, Sir,—and this is shown in the extract from the Rowlatt Committee's Report which I have just read out—the statements made are often corroborated

by what I may call material evidence. That is to say, if the terrorist who is giving information says that guns or ammunition are to be found in such-and-such a place, the police go there and find them there. As an example of that, I may perhaps quote a case which happened not so many years ago. I am not going to weary the House by referring to it in detail. Honourable Members of the House who come from Bengal may remember the time when the terrorist movement was first started in 1908. One of the persons whom they wanted to assassinate was Mr. Kingsford, at one time Presidency Magistrate in Calcutta. As Honourable Members will recollect, when he was District and Sessions Judge of Muzaffarpur in 1908, an attempt was made to kill him by means of a bomb, but he escaped and unfortunately two ladies were killed. But, several years later, a terrorist stated to the police that yet another determined attempt had been made to kill Mr. Kingsford, that the terrorists had prepared a bomb in the form of a large book, that is to say, they had cut out several pages of a book and placed explosives inside it, and sent it to Mr. Kingsford. The police thought there was nothing in the story. They never heard anything about this attempt; they never had any trace of it. However, the statement having been made, they considered that it was necessary to investigate and see whether there was any truth in it. They went down to Mr. Kingsford and asked him whether by any chance he had not opened a book parcel which he had received some time ago and whether that parcel was still in his library. The parcel was actually found; the police got hold of it and opened it with great care and found, as had been reported to them, that it was a very dangerous bomb. That, I quote, as an example of how these statements are corroborated by actual material evidence. Such are the general lines of the evidence which the police collect before action is taken.

I now turn to the question of how that evidence is tested and examined. It is first of all tested by superior police officers, not by the officers themselves who have conducted the investigation, but by officers at headquarters, officers who have carried out for many years the difficult task of unravelling these terrorist conspiracies, who are well acquainted with the methods and psychology of terrorists and who have full knowledge of the whole of the revolutionary movement. I quite admit that examination by police officers will be regarded by some as not being effective or desirable, but I cannot refrain from quoting a fact quoted by the Honourable the Home Member in another place the other day which shows how very careful the police are not to send up weak cases and certainly not to send up cases based merely on suspicion. The police knew before Mr. Burge was murdered in Midnapore in 1933 that a dangerous terrorist conspiracy was going on there, but they were not satisfied that the dossier of evidence they had collected against certain terrorists was sufficient for them to recommend action to be taken against them. As a result, these terrorists went on with their conspiracy and they murdered Mr. Burge. They were themselves hanged for it. The police in this case were possibly overcautious, but the fact shows that the police do not send up weak cases and that they test the evidence with the greatest possible care.

Now I come to what is really the main answer to this Resolution, and that is, that when the case comes to Government,—it is really following a recommendation, in some modified form, of the Rowlatt Committee,—the case is laid before two experienced and senior Sessions Judges. They examine it with the very greatest care. They first of all, individually and separately, examine the dossier prepared by the police, and the evidence contained therein. They then have a conference together and discuss the case. If there are any obscure or doubtful points, they refer back to the police and, as a rule, they put a good many questions to the police in regard to the evidence

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that has been produced. They examine the original statements that have been made, they examine the documents either in original or in photographic copies; they also examine the handwriting and other points. They consider also the statements, if any, made by the accused in reply to the allegations made against him, and by these means they satisfy themselves as to whether the evidence is sufficient to justify the preventive action which it is proposed to take. It has been accepted as a convention by the Government of Bengal that the advice given by the Sessions Judges on these cases should be invariably accepted. That shows I think that the position is very different from what it was in 1918 when there was no such procedure and when no Judges were introduced into the cases. But even in those days, and also now, the cases were very carefully examined by the officers in the Secretariat and in such cases as I have dealt with since I have been here I can assure the House that in all such cases as come before us in the Government of India we do examine them with the greatest care and on the lines which I have indicated are followed by the Judges in Bengal.

Now, Sir, to pass to a further point, it is argued that there may be cases in which mistakes have been made and innocent people put away. I do not think that is likely. With this very careful and elaborate procedure which is followed the chances of even a few innocent people being put away are rather remote. That a large number of innocent people are put away is, I think, entirely a wrong impression, because we have the undoubted fact that when preventive action of this kind is taken against terrorists it does have the effect of stopping overt outrages. On the other hand, when terrorists are released we unfortunately have a recrudescence of terrorist activities and further outrages are committed. Also we have the fact that in many criminal cases which have been prosecuted in Courts—I could quote numerous examples—many of the people who have been finally convicted have been people who have been detenus and who have been either released or have escaped from the detention camp. All the five leaders in the Chittagong raid case, which occurred in 1931, were people who were once detenus. It is perfectly clear from that, that they had been previously and at the time of the Chittagong raid undoubtedly were members of a terrorist conspiracy.

Now, Sir, I will refer to what happened in 1918. At that time, there had been a serious terrorist movement during the time of the Great War. It became necessary to put under preventive detention a large number of persons in Bengal, and they were put away either under the Defence of India Act or under Regulation III. But, Sir, at that time the procedure of bringing in Judges into the case was not followed. The cases were submitted by the police; they were examined by the Secretariat, and orders were then passed, everything was done by the Executive authorities. But the Government of Bengal in order to satisfy themselves that the orders were correct in all cases put the cases before two High Court Judges. One was Mr. Justice Beachcroft of the Calcutta High Court and the other was Mr. Justice Chandavarkar of the Bombay High Court. What was the result of that examination? They examined no less than 806 cases, and in only six of those cases, or rather less than 1 per cent., did they consider that there were insufficient grounds for the orders that had been passed. Now, Sir, surely the result of that examination compares very favourably even with appeals in criminal cases in High Courts; the percentage of successful appeals in ordinary cases is far greater than that. To show with what care they examined these cases and the tests which they applied, I will quote from their Report, because the observation also meets that suggestion which has been made that we put

away people on mere suspicion. They followed certain principles in examining these cases, and those principles are still followed by the Judges. They said:

“We have in every case declined to act on circumstances of mere suspicion, by which we mean absence of positive proof of guilt and the mere presence of circumstances of an equivocal character not necessarily leading to a presumption of crime. For instance, mere association with proved revolutionaries or mere residence in a mess consisting of revolutionaries and others, or mere seditious talk of an irresponsible character in company, without more of an incriminating nature, has been treated by us as insufficient for action, whether under Regulation III of 1818 or the Defence of India Act or the Ingress Ordinance.”

That, Sir, shows with what care these cases are examined, and those same principles are still followed by the Judges who examine these cases in Bengal.

It is not necessary for me to deal with the question of the impossibility of putting these people on open trial. That has been admitted by the Honourable Mover and he recognises that in these circumstances there is no question of a Tribunal and we have to adopt special methods to meet this special menace of terrorism.

That I think concludes the point which I wish to make, that very detailed evidence is collected from various sources; that that evidence is scrutinised with the greatest care by police officers, by Judges and by the officers of the Bengal Government who are employed in the Secretariat. The system is different from that followed in 1918. In 1918 when these cases were examined, although Judges were not employed at that time, the High Court Judges who examined these cases found that the decision was right in practically every case; in only six out of 806 cases did they differ from the decision arrived at.

There is a further point that I would like to make. I have been dealing with the evidence upon which the first order of detention is based against a terrorist. But the Honourable Member has referred to and suggested that owing to the improvement in the situation it would be possible for Judges to reconsider those cases and decide whether any persons can be released. I quite recognise that when a case is first instituted, it is proper to consult Judges to see if the evidence is sufficient but once this question has been decided, the question of the release of a detenu is a decision which must rest with the Executive Government, on whom lies the responsibility for maintaining law and order and for preventing any recrudescence of the terrorist movement. It is not a duty which they can possibly delegate to anybody, and it would be to my mind entirely wrong for them to consult High Court Judges as to whether the time had come for a certain terrorist to be released. That release must be based partly on a knowledge of how the terrorist is himself shaping, whether his terrorist mentality has changed—that can be easily obtained from the camp or jail in which he is detained—partly on a general appreciation of the terrorist situation. But the decision must be a decision of the Local Government and they cannot pass it on to anybody else. As was shown by the figures quoted by the Honourable Home Member and to which the Honourable Mover referred, the Government of Bengal are releasing detenus whenever they possibly can. They have started this system of camps where terrorists are given training in industry or agriculture, and they will no doubt, if the situation does not deteriorate and I trust it will not, carry on that system. But, Sir, the decision as to when it is safe to release a terrorist must be definitely one for the Executive Government.

Finally, Sir, I would make the point, though I do not wish to emphasise it, that this suggestion is one that should have come before the Government of Bengal. The Resolution is a more suitable one for the Bengal Council. But, Sir, as I said, I welcomed it because it gave me the opportunity of givin

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a somewhat long account of how we deal with the terrorists. But in Bengal itself the suggestion that cases should be submitted to a further examination has not been made, and I think people there fully realise all the great care with which these cases are examined and are satisfied that there is no need for any further examination by such an outside authority as three High Court Judges.

Sir, I must oppose the Resolution.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, my friend the Honourable Home Secretary has placed before us certain facts and figures about the way in which these cases are examined. Sir, I do accept what my friend has said and we accept that all possible care is taken in the examination of the cases. At the same time he has also said that in 1918 all cases, numbering about 806, were placed before a Tribunal of two High Court Judges. They went through them and found six out of 806 were weak, or six out of 806 required to be released. My point is that even one case is enough for an examination which I have recommended in my Resolution. The greatest punishment that any civilised Government could inflict on a citizen is to deprive him of his liberty on suspicion. As far as the terrorists are concerned, my friend and ourselves are at one and we do not want that they should be released. I would therefore request Government to kindly see their way to appoint a similar committee to the one they appointed in 1918 and examine all the cases and if there are any in which leniency is required, it should be shown. This will also make their position very strong before the public and I hope that the Government will not oppose this moderate Resolution of mine.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council to appoint a Judicial Committee of three High Court Judges to examine the cases of all political prisoners now under detention without trial and to release forthwith those prisoners recommended by the Committee in this behalf".

The Question is:

"That that Resolution be adopted".

The Motion was negatived.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have to deliver to you a Message from His Excellency the Governor General. The Private Secretary to His Excellency the Governor General has written today to the Council Secretary to the following effect:

"I write to inform you that His Excellency has decided to address the Members of both Houses of the Legislature at 11 o'clock on Wednesday, the 8th April".

(The Message was received by the Council, standing.)

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, there is no official business at present and the Council will only transact non-official business.

THE HONOURABLE THE PRESIDENT: The Council will now adjourn.

The Council then adjourned till Eleven of the Clock on Wednesday, the 25th March, 1936.

COUNCIL OF STATE.

Wednesday, 25th March, 1936.

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

MEMBER SWORN:

The Honourable Mr. Maurice Garnier Hallett, C.S.I., C.I.E. (Home Secretary).

QUESTIONS AND ANSWERS.

IMPORTATION OF FENTS.

116. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Was the minimum length allowed in imported fents previously nine yards?

(b) Will Government be pleased to state why and when the length was reduced?

(c) Does the definition of fents in the Tariff Act lay down that they must not be more than four yards in length and must be *bona fide* remnants of piecegoods or other fabrics?

(d) Will Government be pleased to state whose *bona fides* is required, viz., the exporter's, importer's, manufacturer's or seller's?

(e) Will Government be pleased to state the method adopted by Government to scrutinise the *bona fides*?

(f) Have many *bona fide* orders from importers been charged at the full piecegoods rates?

(g) Do Government propose to make sifting enquiries from each of the ports in India as to how many importers have suffered by any delay in the settlement of their cases in deciding whether the fents imported are *bona fide* remnants?

THE HONOURABLE MR. A. J. RAISMAN: (a) Yes.

(b) The maximum length was reduced to four yards by the Indian Tariff (Textile Protection) Amendment Act, 1934, because the higher limit previously allowed had been found to lead to deliberate evasion of the protective duty.

(c) Yes.

(d) and (e). The words "*bona fide* remnants" are interpreted to mean job lots of varying lengths and sizes, not exceeding four yards, rejected by mills on account of their defective weaving or dyeing or other substantial damage.

(f) Government have no reason to believe that imports satisfying the criterion which I have just mentioned have been charged at the full piecegoods rates.

(g) Government have already made enquiries on the subject and have granted relief in cases where the circumstances appeared to justify it.

INCONVENIENCES SUFFERED BY IMPORTERS OF FENTS.

117. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Are the importers of Japanese fents put to trouble in connection with the expressions *bona fides* and *mala fides*?

(b) Do Government propose to simplify the definition of fents by removing the words *bona fide* from the definition? If not, why not?

THE HONOURABLE MR. A. J. RAISMAN : (a) Importers of goods which were described as fents but which the Customs Officers were not prepared to accept as such have undoubtedly been subject to inconvenience.

(b) No. It is considered desirable to retain the qualification to which the Honourable Member has referred to in order to assist Customs Officers in checking evasion of the protective duty.

REFUSAL OF REGISTRATION OF DEEDS OF PARTNERSHIP BETWEEN TWO FIRMS BY THE INCOME-TAX AUTHORITIES, CALCUTTA.

118. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Do the Income-tax authorities in Calcutta refuse registration of partnership deeds between two firms?

(b) Is such registration allowed in the United Provinces?

(c) If so, will Government be pleased to state the reasons for this differential treatment in the matter of income-tax in the two provinces? Do Government propose to remove this anomaly? If not, why not?

THE HONOURABLE MR. A. J. RAISMAN : (a) Yes.

(b) No.

(c) Does not arise.

NAMES OF MEMBERS OF THE INDIAN LEGISLATURE WHO DID NOT ATTEND THE BUDGET SESSIONS OF THE RESPECTIVE HOUSES DURING THE LAST FIVE YEARS.

119. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
Will Government be pleased to state the names of Members of both the Houses of the Indian Legislature including elected and nominated Members who were absent in the Budget session during each of the last five years?

THE HONOURABLE MR. M. G. HALLETT : A statement is laid on the table.

Statement showing names of Members of the two Houses of the Indian Legislature who did not attend the Budget sessions of the respective Houses during the last five years.

Year.	Council of State.	Legislative Assembly.
1931	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Maharaja Sir Muhammad Ali Muhammad Khan. (Elected.)	Mr. M. A. Jinnah. (Elected.) R. B. B. L. Patil. (Elected.)
1932	Honourable Sir Dinshaw Wacha. (Nominated.) Honourable Nawab Khwaja Habibullah. (Nominated.) Honourable Major Nawab Sir Mahomed Akbar Khan. (Nominated.) Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Sardar Saheb Suleman Cassim Haji Mitha. (Elected.) Honourable Rai Bahadur P. C. Datta. (Elected.) Honourable Mr. A. Hamid. (Elected.)	Mr. B. Rajaram Pandian. (Elected.) Nawab Talib Mehdi Khan. (Elected.) Mr. Gopika Raman Roy. (Elected.) U Tun Aung. (Elected.)
1933	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Mian Ali Baksh Muhammad Hussain. (Elected.) Honourable Mr. A. Hamid. (Elected.) Honourable Mr. J. B. Glass. (Elected.)	D. B. T. Rangachariar. (Elected.) Mr. A. Dass. (Elected.) Mr. Jamal Mohd. Sahib. (Elected.) Thakur M. N. Shah Deo. (Elected.) Mr. J. K. Munshi. (Elected.)
1934	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Raja Sir Moti Chand. (Elected.) Honourable Mr. A. Hamid. (Elected.)	D. B. T. Rangachariar. (Elected.) Mr. B. Rajaram Pandian. (Elected.) Sir Ibrahim Rahimtoolah. (Elected.) Mr. C. C. Biswas. (Elected.) K. B. Makhdum Sayed Rajan Baksh Shah. (Elected.) Thakur M. N. Shah Deo. (Elected.) Mr. J. K. Munshi. (Elected.) U. Kyaw Myint. (Elected.)
1935	Honourable Raja Sir Annamalai Chettiyar. (Elected.)	Mr. Sarat Chandra Bose. (Elected.)

CALCUTTA-DACCA MAIL.

120. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
Is the Calcutta-Dacca Mail composed of old type carriages which jerk violently when in motion? If so, will Government be pleased to state why no new types of carriages are provided in the above train?

THE HONOURABLE SIR GUTHRIE RUSSELL : A copy of this question and the reply thereto will be forwarded to the Railway Administration concerned for such action as may be considered necessary.

SERVANTS' COMPARTMENTS IN FIRST AND SECOND CLASS COACHES.

121. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
Are the old type 1st and 2nd class carriages not provided with servants'

compartments? If so, do Government propose to replace all the old type carriages by the latest model coaches? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: Old 1st and 2nd class coaches both with and without servants' compartments are in use on State-managed railways. Old coaches will be replaced when they fall due for renewal which is normally after 30 years' service.

NEW LEAVE RULES, NORTH WESTERN RAILWAY.

122. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to state whether a new set of leave rules as conveyed in the Railway Board's letter No. 8373-E., dated 20th February, 1930, to the Agent, North Western Railway, was applied to the employees of the North Western Railway?

(For reply, see under question No. 125.)

APPLICATION OF THE NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOPS, NORTH WESTERN RAILWAY.

123. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether the journeymen employed in the Mechanical Workshops of the North Western Railway were treated as labourers by the North Western Railway authorities under annexure II for the purposes of the application of the new rules, referred to in the preceding question?

(For reply, see under question No. 125.)

APPLICATION OF NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOP OF THE NORTH WESTERN RAILWAY.

124. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to state:

(a) Whether the Railway Board on the matter referred to in the preceding question being brought to their notice considered the decision of the Agent, North Western Railway, not in order and directed him through their letter No. 1651-E. G., dated 24th December, 1934, to treat the journeymen as subordinate staff and to grant the journeymen leave under annexure I of the State Railway New Leave Rules, stating that such was the decision of the Governor General in Council?

(b) Whether the Agent, North Western Railway, gave effect to the above letter only from the date of its issue, i.e., 24th December, 1934?

(For reply, see under question No. 125.)

APPLICATION OF NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOPS OF THE NORTH WESTERN RAILWAY.

125. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: If the answers to the preceding three questions are in the affirmative, do the Government of India propose to direct the Agent, North Western Railway, to give effect to the Railway Board's letter No. 1651-E. G., dated 24th December, 1934, from the respective dates of appointments of the different journeymen concerned? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: With your permission, Sir, I propose to reply to questions Nos. 122 to 125 together. The journeymen were first classified as "labourers" and brought under annexure II of the

New Leave Rules, but subsequently on the matter being represented to the Railway Board it was decided that all literate journeymen or other staff of corresponding rank should be treated as subordinate staff and granted leave under annexure I of the State Railway New Leave Rules and these orders have been correctly given effect to by the Agent, North Western Railway, from the date of their issue. Government regret they are not prepared to give them retrospective effect.

INDIAN SCHOOL OF MINES, DHANBAD.

126. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Will Government be pleased to state the activities of the Mining Institute at Dhanbad?

(b) What percentage of the qualified pupils from this Institute have been taken in Government service?

(c) What has been the total cost of establishing the Institute and what is its annual recurring expenditure?

(d) How is the management of this Institute conducted?

THE HONOURABLE MR. A. G. CLOW: (a), (c) and (d). The Honourable Member is presumably referring to the Indian School of Mines at Dhanbad. His attention is invited to the reply given by Mr. E. W. Perry on the 14th August, 1934 to parts (a), (c) and (d) of starred question No. 558 of Mr. Sitakanta Mahapatra in the Legislative Assembly. The grant of the School for the current financial year is Rs. 1,72,000.

(b) 5·7 approximately up to September, 1934.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact, as reported to the Sapru Committee on Unemployment, that 90 per cent. of the mining engineers from the School at Dhanbad have been unable to obtain employment?

THE HONOURABLE MR. A. G. CLOW: No, Sir. I am happy to say that on this point the Sapru Committee was misinformed. Actually nearly 90 per cent. of the mining engineers turned out by this School to our knowledge secured employment and of those mining engineers turned out in the last three years I believe there is not a single one who is not employed.

THE HONOURABLE MR. P. N. SAPRU: Is it not a fact that the Sapru Committee was only considering the United Provinces men?

THE HONOURABLE MR. A. G. CLOW: This is not a statement made by them that the Honourable Member is referring to, but a statement made to them, and relates to Dhanbad which lies in Bihar and Orissa.

RESEARCHES CARRIED OUT BY THE INDIAN SCHOOL OF MINES, DHANBAD.

127. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state whether any researches are carried out in the Mining Institute, Dhanbad, and, if so, what steps are taken by Government to circulate the results of such researches for the benefit of the general public?

THE HONOURABLE MR. A. G. CLOW: The Honourable Member is presumably referring to the Indian School of Mines at Dhanbad. It is primarily

a teaching Institute, but certain items of research are undertaken there. Thus research has been done on soft coke with the aid of funds supplied by the Indian Soft Coke Cess Committee. Some investigation has also been conducted into the best type of illumination for coal picking belts. The Honourable Member will realise that research on such subjects is not likely to appeal to a wide public but results of value have been and will be made available to those concerned in them.

SMELTING OF ORES.

128. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state whether any steps were ever taken by Government to convert the ores of the different minerals into metal in India by Indian concerns? If not, why?

THE HONOURABLE MR. A. G. CLOW: I am not sure that I understand the Honourable Member's question. The Government of India do not place orders for the smelting of ores, nor is any license necessary for this purpose. They have, in pursuance of the policy of discriminating protection, given substantial assistance to the iron and steel industry. The Company mainly interested is the Tata Iron and Steel Co., Ltd.

INDIAN MINERALS AND THEIR COMMERCIAL POSSIBILITIES.

129. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the reasons why the publications concerning the Indian minerals and the possibilities of utilising them in India are not published in the form of separate pamphlets as is done in England?

THE HONOURABLE MR. A. G. CLOW: The Government of India have published numerous separate pamphlets on Indian minerals and their commercial possibilities. Recent examples are the volumes on barytes, asbestos and natural gas in the Memoirs of the Geological Survey of India. Other pamphlets on minerals have been published in the series of Bulletins of Indian Industries and Labour.

AIMS AND OBJECTS OF THE INDIAN LAC RESEARCH INSTITUTE.

130. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the aims and objects of the Indian Lac Research Institute? What are the researches carried out up till now by the Institute and what has been the total amount of expenditure up to date?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: As regards the aims and objects of the Institute and the researches carried out there, the attention of the Honourable Member is invited to the publication of the Institute entitled *Lac and the Indian Lac Research Institute, 1935*, a copy of which is available in the Library of the House.

The total expenditure incurred on the Institute up to the end of the current financial year is approximately Rs. 19,57,000.

RESEARCHES MADE BY THE INDIAN LAC RESEARCH INSTITUTE.

131. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state whether the results of the researches of

the Indian Lac Research Institute received publicity in newspapers? Will Government be pleased to state the encouragements that have been afforded to Indians to utilise the results of such researches? What help has been rendered by the researches of the Indian Lac Research Institute to the Indian lac industrialists?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The results of the researches of the Indian Lac Research Institute are published in the annual reports, technical bulletins and pamphlets of the Institute. They have been reviewed in the technical press both in India and abroad and noticed in the daily press. The bulletins and research notes of the Institute are widely distributed and are available to all who are interested in the production, manufacture or industrial utilisation of lac. During 1935-36 the Institute has started demonstrations of improved methods of lac cultivation through trained *kamdars* and this is being extended. Demonstrations of improvements in shellac manufacture are given at the Institute's experimental factory.

RETIRING AGE OF EMPLOYEES ON THE EASTERN BENGAL RAILWAY.

132. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the age at which railway employees on the Eastern Bengal Railway are required to retire?

THE HONOURABLE SIR GUTHRIE RUSSELL: Government are informed that employees on the Eastern Bengal Railway are generally required to retire from service on attaining the age of 55 years.

COMPULSORY RETIREMENT OF CERTAIN EMPLOYEES OF THE EASTERN BENGAL RAILWAY BEFORE THE AGE OF 55.

133. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Will Government be pleased to state whether, at the time when employees are retired from the Eastern Bengal Railway, they are supplied with all the original documents relating to their age at the time of entry into the railway service if they demand to see such original documents for the purpose of verification?

(b) Have the Eastern Bengal Railway authorities in several cases compelled employees to retire even before they attained the age of 55 years and refused to produce the document relating to their age?

(c) Is a verification of age made in the case of all railway employees when they enter service?

THE HONOURABLE SIR GUTHRIE RUSSELL: Government are informed as follows:

(a) No, but an employee may see the original documents in the office.

(b) No such cases are known to the Administration but if in any case an employee has not been allowed to see the documents on which his official age has been based or if the head of the department concerned has refused to alter his age, he has a right of appeal to the Agent.

(c) Employees are required to state their age at the time of appointment and literate staff fill in an application form giving details as regard to their age amongst other information.

COMPULSORY RETIREMENT OF CERTAIN EMPLOYEES OF THE EASTERN BENGAL RAILWAY BEFORE THE AGE OF 55.

134. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH:

(a) Will Government be pleased to state whether the age given in a university certificate is accepted as valid proof for the purpose of the verification of age?

(b) If so, will Government be pleased to state whether there were any cases where the Eastern Bengal Railway authorities refused to accept the university certificate age as valid proof of age for the purposes of retirement of men during the year 1935?

(c) Will Government be pleased to state the reasons why in some cases of retirement in 1935 the Eastern Bengal Railway authorities refused to accept the university certificate age backed by affidavit as a valid verification of age?

(d) Will Government be pleased to state the names of those employees of the Eastern Bengal Railway in whose cases the university certificate was not accepted as a valid proof of age at the time of compulsory retirement during each of the years 1934 and 1935?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Generally, but not as a matter of course. I may add for the Honourable Member's information that each case is dealt with on its merits according to the rules in force and the production of a university certificate only cannot in each case be considered as sufficient proof for the alteration of the recorded age.

(b) and (c). Government are informed that the Administration have not been able to trace any case during 1935 in which the Agent refused to accept the age given in the university certificate.

(d) The information is not readily available and its collection will involve an amount of labour and expense not likely to be justified by results. As I have explained in reply to part (a) of the question each case is dealt with on its own merits and if an employee feels he has not been fairly treated he has got the right of appeal to the Agent.

MAHENDRA PARTAB SINGH.

135. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD:

(a) Will Government be pleased to state on what date effect was given to Act XXIV of 1923 (Mahendra Partab Singh Estates Act) and on what date Prem Partab Singh was placed in actual possession of the said estate?

(b) What were the provisions, restrictions, conditions and limitations subject to which the property was granted to Prem Partab Singh and has Prem Partab Singh failed to observe any of those conditions?

(c) With reference to the answer given to the questions of Lala Girdhari Lal Agarwala, Member of the Legislative Assembly, on 6th September, 1922, printed at pages 114 and 117 of the Legislative Assembly Debates, will Government be pleased to state the ages of the son and the daughter of Mahendra Partab Singh and are Government satisfied that due provision is made for the maintenance and marriage of the daughter of Mahendra Partab Singh? If so, what?

(d) Has the daughter of Mahendra Partab Singh been married? If not, are Government aware of any special circumstance for her not being married yet? Do Government propose to enforce the condition laid down in the transfer deed in favour of Prem Partab Singh in this behalf?

(e) Is Prem Partab Singh allowed to carry on correspondence with his father Mahendra Partab Singh? If so, under what conditions and limitations, if any?

(f) Will Government be pleased to state the activities of Mahendra Partab Singh since 1922 and where he is residing at present? How many letters, if any, has he sent to his son and to others in India during the last three years and were the contents of those letters brought to the notice of Government?

(g) Do Government propose to restrict the correspondence between Mahendra Partab Singh and Prem Partab Singh or allow Mahendra Partab Singh to return to India?

THE HONOURABLE MR. M. G. HALLETT: (a) to (g): Reference has been made to the United Provinces Government and the information will be laid on the table in due course.

ASSISTANCE TO BRITISH SHIPPING.

136. THE HONOURABLE SIR PHIROZE SETHNA: (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 Commerce Member to part (b) of starred question No. 24 put by Mr. Satya-murti 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 a circular to Local Governments, municipalities, Port Trusts, etc., to support Empire shipping was issued, and, if so, whether Government consulted Indian commercial opinion before issuing the said circular?

THE HONOURABLE MR. T. A. STEWART: (a) I regret I am not in a position to do so, as the document is confidential.

(b) Yes.

(c) The reply to the first part is in the affirmative and that to the second part in the negative.

POLICY OF GOVERNMENT IN THE MATTER OF PREFERENCE TO BRITISH SHIPPING COMPANIES IN PASSAGES AT GOVERNMENT EXPENSE.

137. THE HONOURABLE SIR PHIROZE SETHNA: (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 passages 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 of Mr. K. C. Neogy, dated 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 (b) is 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 MR. M. G. HALLETT: (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 of the Legislative Assembly 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 No. F. 55/53-Ests., 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,

Home Department.

EXAMINATION FOR APPOINTMENT OF READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

138. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) With reference to the reply to question No. 89 (d) in the Council of State on the 29th March, 1935, will Government be pleased to state what steps they have taken in the matter?

(b) Did the Controller of Printing and Stationery declare the examination of the second batch held on the 12th November, 1934, null and void and were the second batch candidates re-examined in proof reading?

(c) In the reply given to question No. 89 (d) in the Council of State on the 29th March, 1935, did Government propose to declare the examination of both the batches held on 10th and 12th November, 1934, null and void and to re-examine all the candidates? If so, why were the candidates of one batch re-examined and not those of the other?

(d) Did the Controller of Printing and Stationery act contrary to what was stated in reply to question No. 89 (d) asked in the Council of State on the 29th March, 1935? If so, why?

(e) Has the Controller of Printing and Stationery the power to disregard the order of the Government of India? If not, will Government be pleased to state why he declared the examination of the second batch only held on 12th November, 1934, null and void and re-examined the candidates instead of declaring the examination of both the batches null and void?

(f) Did Government originally propose to declare the examination of both the batches held on the 10th and 12th November, 1934, null and void and to re-examine all the candidates of both the batches? If so, why was the proposal revised and only the examination of the second batch declared null and void?

THE HONOURABLE MR. A. G. CLOW: (a) The reply given to part (d) of question No. 89 on the 29th March, 1935, called for no action.

(b) The whole examination of the second batch was not declared void, but the results of the proof reading paper were set aside, as it was identical with that already set for the first batch. The candidates in the second batch were accordingly re-examined in proof reading. It was unnecessary to re-examine candidates in the first batch.

(c) The reply to the first part is in the negative. As regards the latter part attention is invited to the reply to part (b) above.

(d) and (e). As I have already indicated, the Controller subsequently arranged for part of the examination to be held again for the reasons already given. Nothing was said in the reply to part (d) of the question cited regarding any action that might be taken in the future, nor did Government issue any order that the examination must stand.

(f) The answer to the first part is in the negative. The second part does not arise.

HOLIDAYS.

139. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Did the Home Department issue a Circular in February, 1930, revising the holiday rules of the Government of India?

(b) Will Government be pleased to place a copy of that Circular on the table of this House?

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

(b) A copy of the circular is in the Library of the House.

HOLIDAYS.

140. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Did Government decide that the offices which are attached to or subordinate to the Government of India Secretariat but stay throughout the year in Delhi will be allowed all the local holidays that are sanctioned in Delhi?

(b) Are the Government of India Press, New Delhi, allowed only 23 closed holidays and two communal holidays and not all the local holidays?

(c) Do Government propose to allow all the local holidays to the Government of India Press, New Delhi, provided arrangements are made for urgent work?

THE HONOURABLE MR. A. G. CLOW : (a) Yes, but this decision did not apply to the Government Presses.

(b) The staff of the Government of India Press, New Delhi, are allowed the gazetted holidays notified by the Chief Commissioner, Delhi, during April to October ; but from November to March, the men in that Press are allowed the closed holidays observed by the Government of India Secretariat offices and any two of the communal holidays falling within that period.

(c) The answer is in the negative.

PAYMENT OF WATER TAX, ETC., BY EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

141. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) When the Government of India Press, New Delhi, was located in Old Delhi, were the Press employees exempted from water-tax?

(b) Have Press employees been charged water-tax and meter-tax since 1932 when the Press was shifted to New Delhi?

(c) Were Press employees exempted from water-tax owing to their poor pay?

(d) Do Government propose to exempt Press employees from water-tax? If not, why not?

THE HONOURABLE MR. A. G. CLOW : (a) No ; but the recovery of rent for accommodation, furniture and water was limited to 5 per cent. of salary in the case of Indian employees and to 10 per cent. of salary in the case of European employees.

(b) Yes.

(c) No.

(d) No. Government see no reason to relax the provisions of Fundamental Rule 45A (VI) under which a tenant is required to pay the cost of water, meter hire, etc., in addition to the rent of the building.

PAYMENT MADE TO EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI, WHEN REQUIRED TO WORK ON HOLIDAYS.

142. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Do the employees of the Government of India Press, New Delhi, get only two hours' pay when they are required to attend office on closed holidays?

(b) Will Government be pleased to state why they pay only for two hours work whereas the employees are required to work for the whole day (eight hours)?

(c) Do the clerks of the Government of India Press, New Delhi, get compensation leave if they attend office on closed holidays?

(d) Are Government prepared to allow compensation leave to employees other than the clerks of the Government of India Press, New Delhi, when they are required to attend office on closed holidays? If not, why?

THE HONOURABLE MR. A. G. CLOW : (a) No. Pieceworkers receive payment at 25 per cent. above the ordinary rates. Salaried industrial workers get a bonus of 25 per cent. over their proportionate rates of salary. I presume that this is what the Honourable Member has in mind when he refers to two hours pay ; but the salary in their case is not paid for work on a particular number of days but for the month's work, whatever the number of working days in it.

(b) Does not arise.

(c) Yes : at the discretion of the Manager of the Press.

(d) No ; because the system was found to be inconvenient and the system of extra payment is considered preferable.

STATEMENTS LAID ON THE TABLE.

THE HONOURABLE MR. A. J. RAISMAN (Government of India : Nominated Official) : Sir, I lay on the table the information promised in reply to questions Nos. 30, 31, 32 and 33 asked by the Honourable Mr. P. N. Sapru on the 26th February, 1936.

SALES OF EACH KIND OF FOREIGN AND INDIAN MANUFACTURED FOREIGN LIQUORS SEPARATELY BY EACH LICENSEE HOLDING LICENSE IN FORM L-2 AND L-10 RESPECTIVELY IN THE DELHI PROVINCE DURING THE YEAR 1934-35.

Question No. 30.—Two statements containing the necessary information are laid on the table.

No. I.

Statement showing the sales in gallons by the undermentioned holders of L-2 License in the Delhi Province during the year 1934-35.

Name of Licensee.	Imported foreign liquor.	Indian made spirit.	Indian rum.	Liquors.	Wines.	Imported beer.	Indian beer.
R. S. Bhola Ram and Sons, Delhi	2,801	524	1,208	38	579	12,312	4,933
Spencer and Company	752	83	..	19	243	811	1,507
Phipson and Company	1,789	34	..	74	1,709	3,278	..
R. S. Bhola Ram and Sons, New Delhi	1,912	191	289	58	915	4,127	2,028
J. Morton	498	398	..	11	144	482	936
R. S. Bhola Ram and Sons, Delhi Cantonment	329	140	339	..	126	1,699	6,199
Meakin and Company	..	..	..	..	..	..	3,770
Jugdiesh Pershad	208	43	199	1	31	220	764

No. II.

Statement showing the sales in gallons by the undermentioned holders of L-10 License in the Delhi Province during the year 1934-35.

Name of Licensee.	Imported foreign liquor.	Indian made spirit.	Indian rum.	Liquors.	Wines.	Imported beer.	Indian beer.
L. Ladha Ram Chowri Bazar.	318	725	331	..	4	313	1,242
L. Rulia Ram .	868	1,127	820	..	23	825	3,014

ENQUIRY REGARDING THE USE OF STANDARD BOTTLES AS USED BY THE PUNJAB EXCISE DEPARTMENT BY THE HOLDERS OF LICENSES IN FORMS L-11 AND L-15 IN THE DELHI PROVINCE.

Question No. 31.—Standard bottles as used by the Punjab Excise Department are used by the licensees holding licenses in Form L-15 in Delhi, but not by licensees holding licenses in form L-11, for the following reasons:

- (1) Licensees holding licenses in Form L-15 are authorised to bottle country spirit only which is solely imported from the Punjab while licensees holding licenses in Form L-11 are required to bottle Indian made foreign spirit which is imported both from the Punjab and the United Provinces. As in the case of the sale of country spirit there is no competition except with the Punjab, the use of standard bottles as in that province, is considered necessary. Licensees holding licenses in Form L-11 have to compete, however, with the Rosa Distillery in the United Provinces where no restriction in regard to the use of standard bottles as used by the Punjab Excise Department is in force. The Delhi licensees also have to pay duty on bulk spirit and suffer loss by dryage, wastage, etc., and so they find it hard to compete with the Punjab licensees in Form L-11, who pay duty on bottled spirit. In the Punjab, licenses in Form L-11 are, it is understood, being held by distillers only.
- (2) The Delhi licensees have a much more limited field of sale than the big distillers in the Punjab.

The question has recently been thoroughly gone into and the Chief Commissioner has sanctioned the relaxation of the rules relating to the use of Punjab Excise standard bottles, in view of the fact that in Delhi, bottling is done under the direct supervision of the Excise staff.

Question No. 32.—Licensees holding licenses in Form L-15 in the Delhi Province use Punjab Excise standard bottles only for those liquors on which the duty is Rs. 6-4-0 per L. P. gallon. They are not permitted to bottle liquor on which the duty is Rs. 17-8-0 per L. P. gallon.

ENQUIRIES REGARDING RESTRICTIONS IMPOSED ON MESSRS. DYER MEAKIN AND COMPANY, THE HOLDERS OF LICENCE IN FORM L-1, IN DELHI AND OTHER PLACES.

Question No. 33.—(a) and (b). Messrs. Dyer Meakin and Company hold a licence in Delhi in Form L-1 for the sale of beer manufactured by them. No information is available in regard to the description of licences held by them elsewhere in British India and I do not think any useful purpose will be served by asking Local Governments and Administrations to furnish the information.

(c) and (d). No. But the firm applied in 1932 and 1933 for the grant of a licence for the sale in Delhi Province of other spirits manufactured by them. These applications were rejected.

(e) (i) and (ii). The original licence in Form L-1 was granted to the firm before 1914-15 and presumably they applied for a licence for the sale of beer only. The subsequent applications for the grant of licences in Forms L-1 and L-2 for the sale of other spirits manufactured by the firm were rejected on the ground that there was no special demand for such spirits in Delhi. It was also not considered desirable to place this firm in a more favourable position than other manufacturers in regard to the sale of their manufactured spirits, since no other manufacturers have been granted a licence for the sale of their own spirits.

SCHOOLS IN NEW DELHI.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 40 asked by the Honourable Khan Bahadur Syed Abdul Hafeez on the 26th February, 1936.

(a) There are 19 schools in New Delhi which are recognised by the Education Department, Delhi. Exact information regarding the total number of scholars reading in those schools is not at present available. The estimate of the Honourable Member is possibly correct.

(b) In addition to the six schools mentioned by the Honourable Member, seven other schools have their own buildings.

(c) The reply to the first part of the question is in the negative and that to the second part in the affirmative.

(d) Sites in New Delhi have been leased out by Government for specific purposes. Notices have been served only in respect of those buildings occupation of which by a school is not consistent with the terms of the lease which requires the building to be used for commercial or residential purposes. Even so the policy of the Administration is to cause the minimum of inconvenience to those educational authorities who have occupied such premises with the prior consent of the Administration.

(e) The Central Public Works Department is not concerned with the matter. The entire question of providing sites for buildings of privately-managed schools is at present under consideration of the Delhi Administration.

MESSAGE FROM HIS MAJESTY THE KING EMPEROR.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have a Message to deliver to you from His Majesty the King Emperor. This Message I have received direct from the Private Secretary to His Majesty the King Emperor. I will read the same for your information. It runs as follows:

"His Majesty the King Emperor commands me to inform you that he and Queen Mary have received with great appreciation the Motion adopted on 15th February by the Council of State sitting under your Presidency and forwarded through His Excellency the Viceroy, together with a copy of the Official Report of the speeches that were then made. His Imperial Majesty is deeply touched by the tribute paid to the memory of his revered Father by yourself and the Members of the Council of State and values highly their expressions of loyalty and devotion to himself.

WIGRAM."

(The Message was received by the Council, standing.)

RESOLUTION RE UNEMPLOYMENT.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadian): Sir, I rise to move the following Resolution:

"This Council recommends to the Governor General in Council to give effect to the recommendation of the United Provinces Unemployment Committee, that the Government of India should take steps which would relieve unemployment among the educated classes in India."

[Mr. P. N. Saprū.]

I am inviting in this Resolution the House to take into consideration the Report of the United Provinces Unemployment Committee and generally endorse its recommendations so far as they affect the Centre. The United Provinces Unemployment Committee was appointed in October, 1934. The Committee had a very distinguished personnel. The House will appreciate my hesitation in speaking about the respected Chairman of this Committee. The Committee and the Chairman devoted a good deal of labour and thought to the problem and they presented a Report in December, 1935. The Committee had an ex-Governor, an ex-Chief Engineer of our province, a religious leader who is also one of our foremost industrialists, two very eminent educationists, an agricultural authority of great eminence and a European business man of great authority in the world of industry, as its members. The Report was debated in the United Provinces Legislative Council for two days and the respected President was there personally to explain the Report. The policy of the Report was generally endorsed by the United Provinces Legislative Council. The Report is of more than provincial interest as the middle class unemployment problem is now an all-India problem. The United Provinces is not the only province which is affected by middle class unemployment. In fact there have been provincial committees to consider this problem in other provinces and in some of the Indian States also. The Report, Sir, makes it clear by reference to evidence both official and non-official that the problem is acute and is becoming increasingly more acute every year. They have based this conclusion on official and non-official evidence. On the official side they refer to the evidence of Mr. Hollins, Mr. N. C. Mehta, Mr. Wall, Mr. Harrop, Mr. Vishnu Sahai and Mr. A. N. Saprū. Now, there can be no doubt that unemployment among the educated classes is on the increase. The Committee had only to consider middle class unemployment and they were dealing with it and not general unemployment, but the two questions are to a certain extent inter-connected and cannot be entirely dissociated. The Committee has examined in the course of their investigations the state of certain professions and they find that unemployment is on the increase in these professions, particularly in law and civil engineering and medicine. The Committee has made a vast number of useful suggestions and their Report is monumental in the scope and comprehensiveness of its recommendations. Some of the remedies suggested are such as can be given effect to by the Provincial Governments; others require nation-wide effort on a very large scale. Now, the Committee has stressed that they were a Provincial Committee, but as they progressed with their investigation they were impressed with the all-India character of the problem and they have emphasised the central aspects of the problem at page 19 of their Report. And as I want the House to understand the point of view of the Committee correctly, I think the House will permit me to read from page 18 of the Report. They say :

"It would have been much better if the problem had been tackled from the very start on an all-India basis making suitable provision for local conditions and local needs. We are distinctly of the opinion that there are several remedial measures which can be taken only by the Government of India and in regard to which the Local Governments, whether on the transferred side or the reserved side, must find themselves unable to take action independently of the Government of India. The question of unemployment is intermittently connected with the development of industries, and development of big industries in its turn raises many intricate questions of policy relating to finance, currency and tariffs which are clearly outside the scope of the Provincial Governments. It is conceivable also that in regard to the development of Indian agriculture too there may arise and there will probably arise many questions of policy which will be beyond the purview of the Local Governments. We do not wish to be understood as saying that Local Governments can absolve themselves altogether of their responsibilities in this matter. There are many things which clearly lie within the ambit of the Local Governments, but there

are several others which are outside their ambit, and we feel that the Local Governments will find themselves handicapped in regard to certain matters which depend upon the adoption of a policy affecting the larger interests of Indian development. We are therefore clearly of the opinion that whatever justification there might have been in 1926 for postponing action by the Government of India, there seems to be little now, particularly if it is borne in mind that, notwithstanding the hope expressed by the Government in 1926 and again in 1928 that the problem would be dealt with initially by the Local Governments and notwithstanding the fact that in the year 1927, one year after the debate in the Assembly, several Local Governments appointed Provincial Committees to go into the question, the problem has only tended to become more and more acute."

Now, Sir, it is in this paragraph that I read a recommendation that the problem should be investigated or should be dealt with in an all-India manner. Sir, individual members of the Committee, Sir Tracy Gavin Jones, Dr. Tara Chand, Dr. Higginbottom and Dr. Siddiqi, have attached certain memoranda in which they emphasise with even greater emphasis the central aspects of the problem. I will invite the attention of the House to page 271 of Sir Tracy Gavin Jones's memorandum :

"To consider the problem of unemployment as one that can be dealt with by merely taking into account the plight of the educated classes or to attempt to treat the problem from a narrow provincial point of view is to my mind to misunderstand the cause, the gravity and extent of this social evil which creates uncertainty and apprehension in which the future is viewed not only by the educated classes of the people of India but by the peoples of the world."

And at page 288 the same view is taken up by Dr. Tara Chand and others who say :

"No economic regeneration is possible in any direction whatsoever without a measure of certainty in the economic policy of the Central Government."

Well, Sir, essentially the problem of unemployment is an economic one. Unemployment everywhere is due to maladjustment of the economic machinery. The correction of that machinery requires nation-wide effort on a vast scale. I do not say that education has not a contribution to make. Certainly, without prejudice to the diffusion of higher education, we have to give a more practical turn to our education. Certainly much can be achieved by reorganising the professions and we should achieve that something. But essentially the problem is one of increasing the purchasing power of the people. Increased purchasing power will reflect itself in increased prosperity in which all classes, including the professions, will share and also the agriculturists. There is little doubt that increasing prosperity should bring with it diminishing poverty. Therefore the question is, what can the Central Government do to increase this prosperity; this all round economic development? Now, the first essential is that we should have a well considered and an all comprehensive plan. For such a well considered and comprehensive plan, we want proper statistics. Sir, I have a quotation from the Report of Professor Bowley and Mr. Robertson, but as I have a large ground to traverse I will not trouble the House with that quotation. They have emphasised that the Statistical Department of the Government of India needs overhauling. Statistics are not properly kept here and we want proper statistics in regard to unemployment, unemployment not only among the masses but also among the educated classes. I might point out that in Japan there is a Central Employment Exchange Department and it is the concern of that Department to maintain statistics relating to the placing in employment of students who have graduated at the universities or got certificates from colleges. Then, Sir, there are certain central services and in regard to these central services, the Central Government can do some publicity work. People want to know what are the conditions in those services, what is the recruitment, what is the wastage, etc., and so far as this publicity

[Mr. P. N. Sapru.]

work is concerned the Central Government can be of assistance to the Provincial Governments and to universities and to parents and boys seeking careers. Then, Sir, we want to organise production in this country. It is only by organising production that we can effectively add to the material prosperity of this country. The Centre is in a better position to organise production than the provinces. We cannot allow provinces to pursue distinct economic policies. The Centre is in a position to stop separatist economic tendencies. Therefore, Sir, what is the help that the Centre can give so far as this organisation of production is concerned? Sir, the concrete suggestion which I would put forward and which has been put forward by Professor Higginbottom and others in their memoranda is that we should raise loans at this time when the money market is easy, when we can get loans on easy terms of interest, and with these loans we should assist industrial development. We should be ready to assist with loans such industries of a nationwide character as have a chance of success.

THE HONOURABLE THE PRESIDENT: You suggest that provinces should borrow. Is it so?

THE HONOURABLE MR. P. N. SAPRU: No, Sir, I suggest that borrowing should be done by the Central Government. I should not like to have provincial competition in regard to borrowing. I suggest that so far as the bigger industries of a national character are concerned, the financing of those bigger industries through loans should be done by the Centre. There are certain industries, for instance, the locomotive industry or the motor industry in this country, which we should like to see developed. The shipping industry is another industry which we should like to see developed and I should like the Government of India which has a wide international outlook to come forward with assistance to these industries in the shape of loans. Then, Sir, the third thing that I would stress is that we must have a proper economic survey. At page 137 of their Report the Committee have pointed out the intimate connection between industry and employment and they have suggested that in a well balanced economy we must have both agriculture and industry. Now, Sir, that is a view with which I should say everyone of us would find himself in agreement. They have suggested that the United Provinces Government should undertake a detailed industrial and economic survey with a view to finding out what industries, big or small, can be developed. We should like the Government of India to commend this suggestion to the attention of other Local Governments. There should be similar surveys not only in the United Provinces but in the other provinces also. Other provinces also should undertake these industrial and economic surveys.

THE HONOURABLE THE PRESIDENT: Have not surveys been made in some parts of India before?

THE HONOURABLE MR. P. N. SAPRU: Not in all, Sir, and not in the manner and not to the extent to which they should have been. When the data has been collected and the surveys are complete, then would be the time for the Government of India to consider all the data and evolve a co-ordinated policy with the help of Provincial Governments. Meanwhile, Sir, from our point of view an essential desideratum is to have a central organisation—I do not care what you call it, you may call it an advisory economic council, or an economic advisory organisation, I do not care what you call it; there

nothing in a name—but we want to have a central organisation which would act as a thinking centre, as a centre which can mould the thought and guide the future. An organisation of that character would help us to secure greater co-ordination and unity of national policy. It would also provide us with a representative machinery which would enable different sections of the people to express their collective opinions in such a manner as to constitute the element from which governmental policy is formed. It would, as pointed out by Sir Arthur Salter, encourage scientific investigation and objective discussion of economic questions in the country. Sir, the Higginbottom memorandum has suggested an economic council on these lines at page 219 of the Report and I would like the Government of India to take this suggestion of the Higginbottom memorandum into consideration. Sir, another direction in which a change is necessary is fiscal policy. Now, Sir, I am not a protectionist by conviction. I have a very large amount of sympathy with the point of view represented by the Finance Member but we live in a very strange and in my opinion neurotic world; we are living in a world of import quotas, of protective duties, of bounties, subsidies, depreciated currencies, and countless other forms of state-aid to industries. It is not possible for us to lead a sheltered and isolated existence and therefore, whether we like it or not, we have to be protectionist. While I should have protection for our industries, I would also plead for protection for our workers also. Sir, the present policy of protection is laid down by the Fiscal Commission of 1921-22 and at page 54, paragraph 97, they have laid down the conditions which must be fulfilled before an industry can be given protection. Now, Sir, in certain recent instances the claim for protection has been rejected by the Government of India on the ground that the industry concerned did not comply with all the requirements laid down in the Fiscal Commission's Report. I do not say that that decision was wrong. I am not here to argue whether the decision was right or wrong, but what I say is that the time has arrived when we should review our fiscal policy in the light of world conditions after 10 years and see whether the fiscal machinery cannot be made more simple, more elastic and whether the procedure cannot be simplified. The Tariff Board procedure is very complicated and very dilatory and therefore there is need for simplification of the Tariff Board machinery. There is also need for reviewing the conditions which have been laid down by the Tariff Board in regard to claims for protection. Sir, we have got certain advantages in this country—plenty of raw material, a good supply of man power—I do not like to use the words "cheap labour", but a good supply of man power, and potential capital. We have a growing and increasing population. Therefore it is necessary for us to think in terms of industrialisation. Our population is increasing at a tremendous rate. Our population in 1921-1931 increased by 34 millions, whereas between 1891 and 1921 the increase was only 32 millions. Therefore, Sir, we must find some avenues of employment for this increasing population. I do not say that industrial development will solve all our problems; it is not a sort of panacea. But industrial prosperity will reflect itself in agricultural prosperity also. There is need for rapid industrialisation in this country. Sir, our country is the poorest in the world. Our average income is Rs. 82 per head, the corresponding figures for other countries being Japan 271, Germany 634, France 636, United Kingdom 1,092, Canada 1,268, the United States of America 2,053 per head. Our industrial production per head is Rs. 20, while the corresponding figures for other countries are Japan 158, United Kingdom 40, Canada 470, and the United States of America 720. For bank deposits the figures are India Rs. 7, United Kingdom 700, and Japan 250 per head. For savings bank deposits, the figures are India Rs. 2, United Kingdom 270, Japan 90 and France 125 per head. Therefore, as I say, Sir, the pressure on the land is increasing. People

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have a desire for a more improved standard of life. The character of our people needs to be strengthened. The time has come when we must have a more active policy of state aid to industries. Sir, in England the Import Duties Advisory Committee had in three years disposed of 300 applications. Here in 10 years only 50 applications were disposed of by the Tariff Board. There is therefore need for simplifying the machinery of the Tariff Board. The Committee have recommended that in the case of one industry, the glass industry, protection should be conceded. Protection, as has been suggested by the Unemployment Committee, should be given to the glass industry, and also I would add, the woollen industry.

Then, Sir, the next point on which I should like to touch just for a short time is the question of exchange ratio and currency expansion. Now, Sir, great emphasis has been laid on this exchange ratio and currency expansion by Sir Tracy Gavin Jones in the very excellent memorandum which he has attached to the Report. Sir, if we examine the course of the depression since 1932 and the efforts taken by various countries to combat the crisis and increase the volume of employment it will be seen that the countries which have come out best are countries which have abandoned the gold standard and have adopted a policy of monetary expansion. This thesis, Sir, finds ample support in the Report presented by the Director of the International Labour Office to the International Labour Conference of 1935. Japan furnishes a convincing illustration of this thesis. The volume of industrial development in Japan has been steadily increasing since 1934. During 1934 the decline in unemployment continued until in September, 1934 only 4.9 per cent. of the industrial workers were jobless, which may be regarded as a normal amount in prosperous times. Industry has not only employed the major part of the unemployed but has also kept pace with the annual increase of the population. The results achieved are attributable principally to the expansionist policy of Japan. It is also noted that each year since the onset of the depression there has been a considerable deficit in the Japanese budget, rising from 105 million yen in 1931-32 to 785 million yen in 1934-35. These deficits have been covered by loans, taxation having been increased only very slightly while at the same time a cheap money policy has been followed. The amount of yens in circulation has also shown an expansion (1,143 millions in 1931 to 1,270 millions in 1934). The expenditure on public works and other forms of relief rose from 205 million yen in 1932-33 to 264 million yen in 1934-35.

Now, Sir, I will not refer to the experience of the United States of America but I may refer to the experience of Sweden in this regard. In December, 1932 the trade union returns showed that 27.7 per cent. of their members were without jobs but by July, 1934 the figure was reduced by nearly 50 per cent. This result was achieved mainly by the Government devaluing the currency to keep it about 7 per cent. below the pound sterling and adopting a bold public works policy financed by loans. That is, a combination of cheap money and a well planned public works programme has been remarkably successful in bringing Sweden to recovery from depression.

Well, Sir, I therefore think it is necessary to stress the point of view of Sir Tracy Gavin Jones. There is need for a policy which would give a temporary stimulus to prices, help agriculture and improve our export position. Then, Sir, other forms of State aid must also be considered by us. These other forms may take the shape of treasury guarantee. The State may guarantee a certain amount of interest as was done when railways were built in this country.

I come to another point. I am glad that Government is revising the Companies Act. The managing system of the agency system has to be improved, perhaps not out of existence, but it has to be improved.

I shall very briefly deal with agriculture. I am glad that Government has given a grant for agricultural research. But something must be done to relieve the intolerable burden of agricultural indebtedness. The agriculturist needs credit and one direction in which the Central Government can help him is by organising the Agricultural Credit Department of the Reserve Bank. I am glad that my friend Sardar Buta Singh is raising this question. Then, Sir, only one word in regard to the policy of retrenchment. I do not say, restore all retrenched posts regardless of the fact whether you want men or not for particular jobs. But I do hope Government will give due consideration to the question of restoration of retrenched posts and adopt a more sympathetic policy in regard to the restoration of these posts.

Sir, some of the most valuable suggestions of the Committee are in regard to the reconstitution of the professions. They have made certain proposals in regard to the legal profession which is in a very bad way. I happen to belong to this profession but it pains me to say, Sir, that its moral tone is not what it should be. (*An Honourable Member*: "Why?") Because, Sir, of the evils of the system of touting.

THE HONOURABLE THE PRESIDENT: Who employs these touts?

THE HONOURABLE MR. P. N. SAPRU: Sir, members of the legal profession, but they are helpless, many of them. I have got a great deal of sympathy with some of these poor struggling men. It is all right for some of us who have a lot of money to fall back upon to point the finger of scorn at them. But if one had a wife and four children and no money, and one came back home and one's wife asked, "What about my food? What about the food of the children? What about the school fees of the children?" Then I should like to know whether one would be honest under those conditions? Therefore, something has got to be done to reconstitute the legal profession. The Committee has made some very useful suggestions in regard to the reconstitution of the legal profession. It says that the profession should be divided into two classes, *viz.*, those who act and those who plead. So far as the pleaders are concerned there will be a senior Bar, just as there is in England and the Dominions, and there will be an outer Bar—upper barristers.

THE HONOURABLE SIR DAVID DEVADOSS: You want to increase the cost of litigation?

THE HONOURABLE MR. P. N. SAPRU: No, I want to increase the efficiency of the profession, to raise its moral tone. The Indian litigant has got to be protected against himself, he has got to be protected against the moneylender, he has got to be protected against the landlord, and he has got to be protected against himself.

THE HONOURABLE THE PRESIDENT: He has got to be protected against the lawyer!

THE HONOURABLE MR. P. N. SAPRU: Yes, Sir. He has got to be protected against the lawyer. (*An Honourable Member*: "Against corruption also.") Unfortunately, it is a fact, that some of us do encourage litigation. Generally speaking, therefore, I am in favour of the recommendations of the Committee in regard to the reconstitution of the legal profession. The

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Committee have made certain suggestions which would protect lawyers from competition with unqualified men. The Committee say that certain documents must be only drafted by lawyers before they can be registered. These suggestions would remove congestion, and provide more work for lawyers. They would raise the tone of the profession, they would increase the efficiency of the profession.

THE HONOURABLE SIR DAVID DEVADOSS : You can never get rid of the banyan tree lawyer!

THE HONOURABLE MR. A. G. CLOW : If you remove congestion, how are you going to increase the numbers employed in the profession?

THE HONOURABLE MR. P. N. SAPRU : I have not been able to follow the question. The recommendations will remove congestion because the Committee divide the profession into two classes, pleaders and those who act,—a sort of solicitors. These solicitors, the men who act, will be able to form partnerships. There is just one modification that I would like to see made in the recommendations of the Committee. I think that in regard to subordinate courts, that is to say, in regard to criminal courts and revenue courts, those who act should be permitted to plead. There should be no separation of functions so far as these subordinate criminal courts and revenue courts are concerned.

THE HONOURABLE THE PRESIDENT : Your time has expired, but I will give you five minutes more in view of the importance of the Resolution.

THE HONOURABLE MR. P. N. SAPRU : They have made certain recommendations in regard to protection of qualified men practising dentistry and pharmacy and other professions and these proposals too should be recommended to the Local Governments for such action as may be necessary.

I will now summarise my main suggestions. They are collection of information, publicity in regard to appointments in the Centre, collection of statistics in regard to economic conditions in the country, economic surveys in the provinces, organisation of production on a large scale with loans raised on easy terms on a national basis, encouragement of all industries, big or small, revision of tariff policy and machinery, a policy of monetary expansion so that more money may be in circulation and in order to give a temporary stimulus to prices, development of social services—in Western countries, unemployment has been attacked through the development of social services—and reconstitution of the professions, particularly the legal profession on the lines suggested by the Committee. So far as education is concerned, that is a provincial subject and the Government has got a Central Advisory Board, and certainly without diffusion to the spread of higher education, we must give a more practical bias to our education also. Finally, Sir, as I have suggested, there must be a central economic organisation—call it by whatever name you like—to act as a thinking centre for India. Just before I close I would like to make one appeal to this House. Sir, this is a very serious problem. We here talk of communism, fascism, and all these isms. Well, Sir, the stability of our whole economic and social structure is at stake. If we are not able to deal with this problem of unemployment with courage, we do not know where we shall be. We have, therefore, to solve this problem with vision, with

imagination, with courage and with determination, and if we bring to our task these qualities, we shall succeed and we shall be able to avoid all these isms and make India happy and prosperous.

With these words, Sir, I commend my Resolution to the acceptance of the House. (Applause.)

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, the Honourable Mr. Sapru deserves the congratulations of this House for bringing forward this very important matter for its discussion. I may also congratulate him on his very clear and cogent exposition of his own point of view. I am not quite satisfied with the form of his Resolution and I regret that it is now too late to give it an altered shape or content. I hope, however, that if in its present form the Resolution is unacceptable, the Government will note the purpose for which it has been brought forward and examine the whole question with sympathy and with special reference to the observations which have been made and which may hereafter be made in the course of the discussion. The Report of the United Provinces Unemployment Committee, which is referred to in the Resolution, is, notwithstanding a certain restriction in scope imposed by the Committee's terms of reference, a very valuable document. It is a notable contribution to the literature of Indian educational and economic questions of the day. It deserves to be widely read and discussed. I would venture to suggest to the Honourable the Leader of the House that he might well consider the advisability of arranging for the issue of a cheap reprint. The Report is, I need hardly add, a thorough and outstanding piece of work. The Honourable the Mover naturally felt some embarrassment in referring to the Chairman of the Committee. I have no such embarrassment and I can honestly say that the Report fully justifies the reputation for intellectual eminence and sound judgment of which its distinguished Chairman enjoys throughout India. (Applause.) As the Honourable Mover has stated, unemployment is not a local problem. Most Provincial Governments and Indian Universities have

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already devoted some attention to the subject, or have at least received a public castigation for their remissness. It is generally recognised that this is a serious and pressing problem. As the Honourable Mover has also observed, this problem is undoubtedly a part of the larger problem of economic maladjustment which is so prevalent in this country and in the wide world today; and it is no doubt true that its full solution, if we can think of a full solution at all of such a problem at any time, will have to wait upon general economic recovery and on Indian economic development. But at the same time there are features of it which are not the result of general economic causes but can on the other hand be directly traced to our own defective policies and systems and their remedial treatment can certainly be brought within the range of immediate practicability. Unemployment of course is a many-sided problem and must be attacked from different angles. The removal of unemployment, or perhaps it would be better to say its mitigation, can be ensured by elimination of the causes of unemployment or by finding fresh avenues of employment or by giving temporary relief to its victims. The Committee's proposals cover these different categories of remedies. I do not propose to go into them here in any detail. The Honourable Mover discussed at length the economic side of the proposals. I am not prepared to follow him in that direction. I shall confine myself to a brief reference to one important proposal of the Committee, namely, the proposal which relates to the reorganisation of education. The Committee has rightly pointed out that our educational system is one of the root causes of unemployment today and has recommended its complete reorganisation. I think it

[Sir Ramunni Menon.]

is necessary to observe here that educational reorganisation has long been advocated by educationists on educational grounds and can be fully justified on those grounds. It would be a mistake to imagine that the proposal for educational reorganisation is merely the outcome of a desire to remove or mitigate unemployment or a means for achieving that purpose. There is very general agreement in the educational world and among the public generally that educational reorganisation is a pressing need and I would appeal to the Honourable Leader of the House to see that the authorities in India take earnest and immediate steps in this direction. It has been mentioned that the Central Advisory Board of Education, which has been recently constituted, will be able to deal with the subject. As Honourable Members will doubtless have gathered from the reports which have appeared in the Press, the Central Board has already taken up this matter: but the Board is a purely advisory body and the success of its efforts will depend almost entirely on the backing of the Government of India and on the co-operation of Provincial Governments. It is therefore highly important that the Government of India should secure the cordial co-operation of the Provincial Governments in giving effect to any recommendations that the Central Advisory Board may make. The question of reorganisation is evidently a gigantic task and naturally we cannot expect its achievement in a day. But, on the other hand, its very magnitude makes it necessary that our efforts should be continuous and sustained and should never be allowed to relax even for a day. Reconstruction is also going to be a very expensive affair. It is common knowledge that the provinces are short of funds and without additional resources it will be impossible for them to put into practice any scheme of educational reconstruction or expansion. I would therefore strongly appeal to the Honourable Leader of the House to press upon his Honourable colleague the Finance Member to see whether he cannot distribute to the provinces a good portion, if not the whole, of the available surplus at the end of the coming financial year for expenditure on education. Expenditure on education will certainly benefit the poorer classes and will bring to them a more direct boon than reduction of taxes, for which insistent demands are made and which is often the first concession to be granted whenever the Budget shows a favourable balance. In this connection I hope the examples of several Indian States; Travancore, Cochin, Mysore, Hyderabad—to quote a few—which have shown such great interest in education and which spend such a large proportion of public funds on it, will not be lost on the Government of India.

THE HONOURABLE THE PRESIDENT: Do you contend that there is no unemployment in those States?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON: No. That may be due to causes in the States themselves or it may be due to other causes lying outside the States, as a part of some general economic phenomenon. But anyhow the justification of expenditure on education depends on entirely different grounds.

Now in regard to this reconstruction there is one aspect to which I should like to refer, particularly because the Honourable Mover laid some stress on it. From his remark and from the speeches of other responsible public men and from comments in certain sections of the Press, it is evident that there is an apprehension in certain quarters that the remedy for unemployment is in some way intimately connected with the restriction of university education. It is not necessary at this stage to consider the merits or demerits of

any proposal for numerical restriction of admission to a university. As far as I am aware, no university has so far adumbrated any such measure and anxiety on that account is therefore to say the least premature. But as everybody knows there are considerations such as considerations of accommodation, staff, and other matters which impose a practical limit on the admission of students to universities. Further, it is necessary to improve the standard of university admission in order to improve the standards of university education. That will certainly have the effect of narrowing the circle of entrance to the university.

THE HONOURABLE THE PRESIDENT: Will you please conclude your speech now?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON: Yes, Sir, I shall finish.

There are also other aspects of reorganisation, particularly the reorganisation of schools, which are bound to have the effect of restricting admission to the universities. The cumulative effect of all these processes will be to restrict admission to the university, but such restriction cannot by any means be regarded as unhealthy or as being brought about by arbitrary means. I consider that reorganisation can well be justified on very proper grounds. There are other recommendations of the Committee which it is obviously impossible for me to go into on this occasion. All that I can suggest here is that they should all receive the serious consideration of the Government and they and the Provincial Governments should take concerted action to deal adequately and effectively with unemployment among the educated classes in this country.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadian): Sir, I desire to support this Resolution on one of the most vital questions of the day brought forward by my Honourable friend Mr. P. N. Saprú. I am sure, Sir, that every Member of this House, including, I venture to express the hope, the Honourable Members on the Government benches, is deeply concerned with the rapidly growing problem of unemployment among the educated classes in India. From the standpoint, Sir, of the non-official public, we feel strongly that this problem of unemployment should have been tackled long ago by the Government. As is shown by the Report of the Unemployment Committee presided over by the distinguished father of my Honourable friend, the Mover of the Resolution, almost every civilised country in the world has placed the solution of the problem of unemployment most prominently on its programme.

Sir, in my general speech on the Budget in this House I quoted the observations of His Excellency Sir Harry Haig, the Governor of the United Provinces and of the Right Honourable Sir Tej Bahadur Saprú when they referred to this very problem of unemployment in the United Provinces Legislative Council. Sir, I need hardly say that I fully endorse their wise observation that the life of the community is in danger of being poisoned by this problem being allowed to grow unchecked. I hope, Sir, that not only the Provincial Governments, but most of all, the Government of India itself, will realise that at the bottom of a great deal of the unrest in this country is the disappointment of the educated classes at being deprived of opportunities of living useful lives and earning their livelihood. To the Government of India in particular, Sir, I would say that in the past there has been too little interest shown in dealing with the problem of unemployment. No one, least of all those who like myself are engaged in the business life of the country, can lend the slightest encouragement or approval to subversive movements which do no good to the

[Mr. Shantidas Askuran.]

country or to the Government. But, Sir, our complaint, and I think it is a legitimate one, is that while the authorities have been compelled to take drastic action to suppress such movements, they have not gone further and attempted to diagnose the causes of this problem and much less endeavoured to remove them.

Sir, I sincerely trust that on this occasion the Government will not turn round and say what can we, as the Government of India, do to deal with the problem of unemployment. If they are really sincere and are determined to face this question boldly and squarely, they can, as other advanced countries have done, find an adequate solution. Let them appoint a committee to start with and have the question examined in all its aspects. I am certain, Sir, that a remedy can be found, provided that the Government will make up their mind to find the resources for the remedies that will be suggested.

His Excellency the Commander-in-Chief in a recent speech on the floor of this House pleaded that a soldier is always outspoken and does not conceal his thoughts. Sir, I appreciate His Excellency's candour. But may I add that a business man too shares that quality with the soldier? His Excellency claimed that the army in India is maintained mainly for the purposes of internal security. Communal troubles there have been no doubt in recent years, adding their quota to the anxieties of the Government. But, Sir, recent pronouncements by men of the position of His Highness the Aga Khan and Sir Fazl-i-Husain who led this House with marked ability for a period of five years encourage us to hope that communal division in this country will soon give way to a regrouping of forces on a political and economic basis. Such a change will not only lead to healthy divisions in our public life, but will, I am sure, Sir, go far towards the solution of the communal problem.

At the same time, I would stress another aspect of the question. Much of the communal unrest can be traced to unemployment among our educated young men. If the Government of India, realising their responsibilities in the matter, will create new avenues of employment, I have no doubt that it will assist greatly in reducing the communal strain on our public life.

Sir, I am sure that no one on the Government benches will question the authority of the Simon Commission which made its Report on Indian Reforms a few years ago. In Volume II on page 216 of the Report, there occurs a remarkable statement from which I take the liberty of quoting at some length :

"Wise expenditure on social services and particularly on health and education should be remunerative in the sense of increasing the wealth-producing power and, therefore, the taxable capacity of a country. Security is, of course, essential, if production is to develop but it cannot be claimed for expenditure on defence either that it is a mere redistribution of income or that it promotes productive efficiency.

Indeed, economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India the army contains a large element drawn from elsewhere. If, therefore, the high defence ratio, in Indian Government expenditure is partly due to the low level of other expenditure, it remains a peculiarly burdensome one, and it would be reasonable to assume that even if the total expenditure of India were increased, the burden would be more tolerable and more readily borne, provided this particular charge were diminished".

Sir, I would only add that nothing that has happened in this country since that Report was written can minimise the significance of these remarks which I have just quoted. A sum of Rs. 5 crores spent in remunerative ways for stimulating the nation-building departments of the State will lead to widespread contentment and guarantee internal security. In that way, Sir, I feel that military expenditure in this country can be reduced by an even greater

sum. I am sure, Sir, that there can be no two opinions on the relative merits of these two forms of expenditure—one remunerative and leading to the happiness and prosperity of the people, and the other, burdensome and wasteful, and necessary only because of the existence of discontent.

Sir, in supporting this Resolution I would like to ask one question. In a discussion on the problem of unemployment in Britain if the British Cabinet failed to respond to the demand for an adequate solution of the problem, how long would public opinion tolerate such a Government and what would be its fate at a general election?

THE HONOURABLE THE PRESIDENT: But they have not solved the question in England yet.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Yes, Sir. But even so they are doing their best,

Sir, this administration is carried on in the name of the British people. Let it not be said, Sir, that they have one standard for the British people in their own country and another for us here.

With these few remarks, I support the Resolution.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, I must congratulate the Honourable Mr. Sapru upon the excellent speech that he made in moving his Resolution. We all know, Sir, that the evil exists. There is a great deal of unemployment not only in the United Provinces but in other provinces as well. But let us examine the root causes before we consider what the solution should be. Sir, as is well known, in this country there is a strong objection to manual labour. We must make the people understand the dignity of labour. Sir, as was said the other day by the Education Minister in the Punjab in connection with this, if a man's son is educated, that is if he becomes literate, he refuses to go and sit in his father's shop. Well, Sir, if that is the mentality of the people, I do not know what the Government can do to remove it. Education must not be a means or a passport to Government service. Sir, as is well known, if a man gets some sort of education, whether it is elementary, secondary or college, he looks to Government for employment. He thinks a clerkship on Rs. 20 is better than some business or being employed in agriculture or trade, which would give him Rs. 50 to Rs. 100. Education must be an end in itself. Education is given for the purpose of improving the mind and making a man do what is proper. It is not a mere preparation for earning one's livelihood. That, I submit, must be impressed upon the people as much as possible in this country. A man who may be a cook or a domestic servant sends his son to school and if he is able to get on we find him getting up to a very high position in life. It may be he is able to do a good deal of hard work or is naturally endowed with great powers and so is successful. And other cooks think their sons also must come up to the same position. So they all send their children to school so that they may get some kind of education. No amount of reversing the policy or changing the policy of education will cure this defect. People must be made to understand that there are other walks of life than clerkships under Government or even a Judgeship or a Member of Council and they must be made to take to other walks of life. Sir, that is the first thing that must be done.

I will deal only with one or two other points raised by my Honourable friend. One of the remedies suggested was to raise the efficiency of agriculture and increase the industry of the country. Sir, America is a highly industrialised

[Sir David Devadoss.]

country. What is the number of unemployed people there? It goes into millions. Some years ago it was said there were 20 millions of unemployed. So it is not by industry or mechanisation that you can relieve unemployment. The more machinery you introduce the less labour you employ. If it is machinery labour, you do away with manual labour. In order to save labour you introduce machinery, and that is not a very good thing. There must be always a middle course between over-industrialisation and under-industrialisation.

Then, Sir, another thing he said was with regard to the Bar. With regard to that I can speak with some authority. Notwithstanding the great authority of the Right Honourable Sir Tej Bahadur Sapru, I beg to differ from him. Sir, I can speak with authority as regards Madras. The dual system is highly expensive. India is too poor a country to afford to embark on this double system of solicitor and barrister.

THE HONOURABLE MR. P. N. SAPRU: They have not exactly suggested the dual system. It is only a modified form of it.

THE HONOURABLE SIR DAVID DEVADOSS: Well, as you are aware, Sir, Madras had a Supreme Court and the Judges of the Supreme Court were appointed by the King. Well, after the introduction of the High Courts Act, the High Court of Madras was constituted, doing away with the Foujdari and Sudder adalat courts as in the case of Bombay and Calcutta. Sir, in the Sixties, about 1865 or so, the original side of the High Court was thrown open to vakils. Till then, only solicitors and barristers could practise on the original side. Well, this gave rise to a lot of complaint and finally the High Court decided by a full bench of five Judges that they had power to throw open the original side to vakils and from that time the vakils have been practising on the original side along with solicitors and barristers. Well, recently under the new Act, everything has been changed and Madras had to fall in with the wishes of the majority of the people. It is only in Bombay and Calcutta that you have the dual system of solicitor and barrister.

THE HONOURABLE MR. P. N. SAPRU: Sir, may I ask whether barristers can take instructions direct from the client in Madras?

THE HONOURABLE SIR DAVID DEVADOSS: Yes, they can. This system is no doubt in vogue on the original side in Bombay and Calcutta. Sir, the point is this, that when you have got a single agency, no doubt it is liable to abuse. I do not say a good thing cannot be abused but I do not for one moment grant that the legal profession has become an ignoble profession, as Mr. Sapru was trying to make out. There are black sheep everywhere and you cannot avoid them even in very high places. When a man comes in contact with a client he is able to take instructions direct from the client and he is able to conduct his case properly. No doubt the touting system is very bad and reprehensible and we have been trying to suppress it as much as possible but that is no reason for going back to the old system. Therefore, Sir, I strongly object to the suggestion that by dividing the work between two sets of people you are going to relieve unemployment. No doubt you will have more solicitors and more advocates, but I do not think it will in any way solve the problem unless you restrict the number of admissions to the Bar.

With regard to improving the agriculture of the country, I had the pleasure of visiting Mr. Higginbottom's agricultural farm in Allahabad only recently, and

I was struck with the way in which one man was able to do so much. On a barren piece of land he has produced wonderful crops of all kinds. I put a question to him. I observed the neighbouring fields having very poor crops. I asked him, "Why is it that while you have such splendid crops, your neighbour has not?" He said, "They will not follow my advice". Why should not these people teach the villagers to follow the advice of people like Mr. Higginbottom? They would then be able to produce twice as much as they are doing now. It will be said that in India we have not got the money to buy machinery and other things. It is not necessary to buy machinery. By tilling the soil properly, by manuring it properly and by attending to the instructions given by the Agricultural Department, a good deal might be done. Why should not these educated young men teach people what they ought to do. After taking their M.A. or B.A., why should they not go to the villages and improve the most important industry of the country, namely, agriculture? (An Honourable Member: "Who will feed them?") They want to pass the B.A. and then join the Law Class and then become a vakil. Speaking for Madras, the Law College there is the only institution to give a handsome return of Rs. 50,000 to Rs. 70,000 to the Government. While all other institutions have to get a grant from the Government, the Law College of Madras is able to give, I think, about Rs. 50,000 to Rs. 70,000 a year. When a man passes his B. A., he looks for a job. There is no employment for him. He probably goes to this man and that man, to this office and that office and finds no job. Then he joins the Law College. There are more than a thousand students there. He comes out with two letters of the alphabet added to his name. He calls himself a B.L. What should he do? He becomes a vakil. Of course, he cannot make both ends meet. He does not get cases. As Mr. Sapru has said, he will have to patronise a tout. Whose fault is it? (An Honourable Member: "Government's.") Very well. I will meet that argument. Suppose the Government does away with all unemployment. Supposing the Government is able to provide, we will say, 10,000 jobs tomorrow. Next year you will have 20,000 people applying for jobs. Who is going to pay the piper? The poor agriculturist. I do not think that is the proper solution for this problem. (An Honourable Member: "What is the proper solution?") First, teach the people the dignity of labour. Tell them that they must take to different walks of life. They can become workmen in various walks of life. They can go on ships. Who are the people that are manning the ships? The poor, ignorant sailors. The educated men may take to different walks of life. This Report is no doubt a very excellent report, but it is not possible to give effect to all the recommendations for the simple reason that Government cannot afford the money. I will make one suggestion in all seriousness. I do not want it to be taken in a very light mood. There is Bengal in which there is a good deal of unemployment. I believe the terrorist movement is partly due to the fact that educated men do not find employment. Suppose Government sends 1,000 of these educated unemployed men to teach people something about agriculture and the co-operative movement, and pays them Rs. 15 per head, it will cost them about Rs. 15,000 a month. For the year Rs. 15,000 by 12 will not make a very big figure. Instead of spending a lot of money upon putting down the terrorist movement, if Government take 1,000 men and pay each Rs. 15 a month, and instruct them to go and teach the villagers something about agriculture, something about co-operation, something about thrift, I think Government will be doing infinite good instead of spending lakhs upon the suppression of the terrorist movement.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, the Resolution that my Honourable

[Sir Nasarvanji Choksy.]

friend Mr. Sapru has moved is quite timely, nay opportune, having regard to the widespread discussion it has aroused in this country on the question of unemployment among the educated youths. Although the present unfortunate position has been steadily on the increase for some years scant attention was paid to it. And now that it has grown to such unwieldy proportions the remedy is not easy to find. So long, however, as the doors of our universities that provide purely literary education remain open to all and sundry, fit or unfit, and so long as some sort of restriction is not devised to keep down the number of entrants, the evil is more likely to be aggravated rather than lessened. Immediate steps are required to this end. On the other hand, there also exists another great risk of inefficients, devoid of practical training in technical subjects, being got rid of; that would go to swell the number of unemployed.

Sir, as the subject of lawyers as well as of the agriculturist and economic and other matters has been discussed, I propose to restrict myself to unemployment among the technical graduates of our universities.

THE HONOURABLE THE PRESIDENT: But there are unemployed among doctors also.

THE HONOURABLE SIR DAVID DEVADOSS: A good many in Madras are unemployed.

THE HONOURABLE KHAN BAHADUR DE. SIR NASARVANJI CHOKSY: This, Sir, brings to my mind a notable and vigorous address delivered last year to the officers of the Hydro-electric staff at Roorkee by the Chief Engineer, Irrigation Department, United Provinces. It was a talk not unlike that straight talk of Sir Philip Chetwode's at the Staff College at Quetta. Sir William Stamp dealt with the important question of the engineering education of the youth of India, and deplored the fact that aspirants to posts of electric engineers sadly lacked the requisite workshop training and experience for their responsible duties and stressed the importance of a long and arduous practical apprenticeship. He quoted instances where men in superior positions did not know how to handle or start electric pumps—a work their lower paid subordinates did efficiently and well. He related the instance of an officer who was asked to do it—his usual assistants having been sent away and he failed to do it. Accidents, through such want of practical work had resulted in deaths and he caustically remarked that one day, perhaps, such an officer would be placed somewhat in the Irish position of having to explain his conduct at his own inquest! It so happens, he said, that a youth having obtained a diploma in engineering at one of our universities, attaches himself for a few months to some public electrical undertaking, possibly to a sugar factory, or even his department of the Ganges Grid System, and then suddenly blossoms forth into a fully fledged electrical engineer! He does not know or ignores practical workshop training. The speaker pertinently said:

"Those of you who take your coats off, soil your hands, and really get down to your work need have no fear that your labour is not appreciated. I refer to those who stand about in grey flannels giving orders to others which they themselves are usually incapable of carrying out."

Sir, I ask whether those 2,000 electric tube wells, that are to supply water to over one million acres of land, yielding crops valued at over Rs. 7 crores and a revenue of over Rs. 80 lakhs, can, with safety, be entrusted to such inefficient

officers? The lifeblood of the agriculturists is involved, and even a small temporary breakdown would spell great disaster. Such facts demonstrate how in all branches of engineering, technological—be it electric or chemical or other—thorough practical grounding is necessary without which unemployment must result. A mere diploma gives no guarantee of practical efficiency.

Sir, this huge system to provide water for the soil has given and will give employment to educated Indians who will number over 500 by 1938, exclusive of those in subordinate posts. Does that not indicate that Government are alive to the importance of the question and are neither indifferent nor callous?

Sir, the grim tragedy, however, of the unemployed graduates in arts is of overwhelming importance. Whatever remedies may be applied to alter the present system of university education, those will take time to mature and show results. What then should be done to relieve the present distress? The Report of the Committee of the Right Honourable Sir Tej Bahadur Sapru is before us, but even before that could be implemented, time passes. My humble suggestion is that each autonomous province should provide collective farms to accommodate about 5,000 men, who should receive training in the most recent methods of agriculture as also in cottage industries. Japan has set us a good example by encouraging the latter by the supply of models of parts, material to make up, even electric energy, and payment for labour. Such parts are assembled in larger factories and made up as finished articles for sale. A modification of the system adopted for training primary school teachers at Baroda will be necessary to suit the intelligence of the educated classes. Let the graduates in Arts and even Law and the army of briefless barristers and vakils who occupy all the available chairs in the bar libraries of our courts, be thus employed instead of strutting in and out, and wasting their energies and their parents' means in such unfruitful idleness. Let the graduates and licentiates of medicine be encouraged to settle in villages to afford medical aid. The present vicious system of making a false show should be abandoned as it is the idle hands that take to evil practices and mischief. Is it not high time they should be weaned? False pride and failure to apply their hands and shoulders to the wheel will lead them nowhere.

May I enquire whether it is not now necessary to devise concrete schemes suited to each province, in order to submit them to the autonomous Government?

In conclusion, Sir, may I be permitted to quote a few words from the address of Sir William Stamp. He said that:

"This hydro-electric fleet of 2,000 pumps and their network of lines should safeguard the food of millions in the United Provinces. Let us see that the maintenance trust imposed in us is not betrayed."

He quoted some lines from one of the poet laureates in connection with the trust reposed in those who once controlled the British Navy:

"Should you who have the keeping of the fleet
At any time encompass her disgrace,
The wild mob's million feet
Will kick you from your place
But thence too late, too late."

May we hope that Indians who have charge of this grand system would prove faithful to the great trust imposed upon them and that the wild mob's million feet never shall kick them from their place.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : The Resolution which my Honourable colleague Mr. P. N. Saprú has moved is one of paramount importance to Indians in general. The Report is popularly known as the Saprú Committee Report and is rightly known by that name, because those who have any personal knowledge of this Committee know what great interest the Right Honourable Sir Tej Bahadur Saprú took in this inquiry, and it would not be wrong to say that the President devoted his time, attention and labour to it to a degree which is not often found in these committees. Sir Tej Bahadur deserves the thanks of entire India for having given us such a well thought out statement on a subject which is of such great importance. But, Sir, to me the part of the Report which has special fascination begins from page 261, the note of Sir Tracy Gavin Jones, to which I shall revert later in my speech. But there is one thing which I wish to say in the beginning. It is quite possible I may shock the House by my remarks, because I am going to accuse not only the Government but ourselves as well. I may be called a heretic, but I shall commence my remarks by exposing our own weaknesses and our own misdeeds. I call them misdeeds because it is our own fault that has landed us in the present difficulty. When English education was started in India the primary object was to supply the Government with the material for their Secretariat and other offices. No doubt this was the genesis of this English education. Although a century has elapsed since that time, we are still dreaming the same old dreams and we look upon it as a means for attaining Government jobs. And now that we have started technical education, and we think it is the duty of the industrialists to supply us with employment. There is a limit to every kind of employment. Even in England, with all its industrial supremacy, as some Honourable Members have said, it is not possible to give employment to all. But the difference between them and us is that the English Government realises its responsibilities by giving unemployment relief. Our Government, because of our poverty, cannot even think of giving us unemployment relief. Imagine, if you were to give even a rupee a week, and you could not think of anything lower than that, you would require Rs. 300 crores to give relief to the crores of people who are at present unemployed in the whole of India. But, Sir, there is this to be said, that if we have erred, we have not erred alone. The Government is also to blame because it has placed a premium on education which is out of all proportion to its value. The Indians have had dangled before them the higher services of the Government of India which have been opened to us now. In these services you have, say, 20 appointments a year in the Indian Civil Service. Those who are fortunate enough to get these prize posts land a prize of about Rs. 10 lakhs in the lottery of life. The fever of education is as catching as the Derby Sweep or the Irish Sweep Stakes. Just as gamblers do not mind whether they fail or not and go on buying tickets in the Derby Sweep, in the same manner Indian boys are being educated on the off-chance of getting these higher posts. Some secure the first prizes, others secure other prizes, and the less fortunate earn about Rs. 3 to Rs. 4 lakhs in their life time. Now, the reason why there is such a huge influx of students in the universities is to be found in these extraordinarily lucrative posts.

THE HONOURABLE THE PRESIDENT : How many are there in all India ?

THE HONOURABLE MR. HOSSAIN IMAM : In all India there are thousands of posts.

THE HONOURABLE THE PRESIDENT : Will that cure unemployment ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. My charge against the Government is that they have placed a very high premium. The pay of entrants should be in keeping with the *per capita* income. My standard is the standard adopted by the British Government in its own land for each service. You take the same ratio to the *per capita* income which exists in England and you will have no more unemployment because people will not go in blindly for education ; education will lose its glamour ; no amount of changes will cure the evil, because the increased supply will remain there. The enhanced supply and reduced demand will always lower prices until you reach a stage when even the marginal utility fails to have any effect. That is the trouble with education at the present moment.

There is a great deal of valuable information in the Report and if the suggestions made in it are adopted by the Central Government and passed on to other Provincial Governments, it will materially help, though it will not eradicate the evil. Now, Sir, in the beginning I said that I have a particular fascination for the note of Sir Tracy Gavin Jones. I especially wish to refer to his recommendations on page 269 and onwards in which he refers to what he calls the expansion of currency. I am afraid that I am not prepared to call it expansion of currency. I would rather call it reversion to the state in which we were in 1925. Between the year 1925-26 and the present time we have contracted our currency—when I talk of the contraction of currency I take note of the contraction of rupees as well as notes—we have contracted currency in these nine years by about Rs. 106·4 crores and we have expanded currency to the tune of Rs. 41·42 crores, so that on the balance there is a contraction of currency of Rs. 65 crores in India. I venture to suggest you will not find such contraction in any part of the British Empire. As a matter of fact England has during this period expanded its currency appreciably and even in the short period since September, 1931 when they went off the gold standard up to the present day they have expanded their currency by adding gold to the Bank of England of the market value of £130 millions. This figure was given by the Chancellor of the Exchequer in reply to a question in the House of Commons, whereas our Government has not added a tola to our gold reserve.

THE HONOURABLE THE PRESIDENT : May I draw your attention to the fact that the Resolution before us is a specific one which refers to unemployment among the educated classes and I will not allow a long debate to take place under the guise of this Resolution on the ratio question.

THE HONOURABLE MR. HOSSAIN IMAM : We have been brought to this because of the fact that two of the members of this Committee who incidentally happen to be non-Indians have especially expressed that the ratio is the prime, if not the sole, cause of our trouble.

THE HONOURABLE THE PRESIDENT : They have had a general field for discussion before them. Our question today is unemployment among the educated classes.

THE HONOURABLE MR. HOSSAIN IMAM : The way to cure it is to have agricultural prosperity and without agricultural prosperity you cannot have

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industrial prosperity; both are interdependent. I would refer to page 279, paragraph 9, in which Dr. Higginbottom says:

"The change of the value of the rupee from 1s. 4d. to 1s. 6d. was a very hard blow to the Indian farmer, because it took more money, for a foreigner, to buy Indian agricultural produce, at a 1s. 6d. rupee than it did at a 1s. 4d. rupee."

The Committee has endorsed this remark. Two non-Indians who cannot be accused of irresponsibility—

THE HONOURABLE MR. A. G. CLOW: May I ask the Honourable Member purely for information where the Committee has endorsed this note of Dr. Higginbottom, because I have not been able to find it?

THE HONOURABLE MR. HOSSAIN IMAM: On page 248, paragraph 5, you will find:

"The Provincial Government should press the Central Government to take steps to inaugurate some policy which will raise the price level of agricultural products in the country. (Vide Sir Tracy Gavin Jones's note on page 261 of this Report which is commended to the careful consideration of the Government)."

THE HONOURABLE MR. A. G. CLOW: I was referring to Dr. Higginbottom's note.

THE HONOURABLE MR. HOSSAIN IMAM: I will quote the opinion of Sir Tracy Gavin Jones while on the question of ratio.

THE HONOURABLE THE PRESIDENT: I have already mentioned the fact to you and I will now rule that that question is too remote. You will kindly refer to other matters and not press this point.

THE HONOURABLE MR. HOSSAIN IMAM: I will refer to the financing of agricultural improvements and industrial development by means of inflation of currency. The present trouble is that there is no relationship between the conditions in the trading centres and the mofussil, by which I mean the agricultural part of India. While you have money in abundance in Calcutta and Bombay, while money is unobtainable even at one per cent, you find that in the rural parts money is not available at all. There is no money to be had at any price; even 20 per cent. would not attract the moneylender to lend money. Why is it there is this kind of trouble in India? Because of the essential difference between our conditions and the conditions of Western countries. In Western countries the manufacturer is organised and he gives credit to the purchaser; whereas in our country the purchaser is diversified, is unorganised. There are no central selling arrangements, with the result that it is the buyer who requires credit and he has to pay cash down; otherwise he would not get any supplies. Now, in order to raise the price of agricultural produce it is necessary that there should be central selling arrangements and that cannot be had until there is sufficient money available to the Provincial Governments to open such depots. The Provincial Governments, Sir, cannot borrow money at the prevailing market rate and make this selling arrangement a success. Therefore the only cure for that is that the Govern-

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ment of India should supply credit to the Provincial Governments at the nominal rate of half per cent. or three-quarter per cent. They could themselves borrow money in the Treasury Bill Market and give it to the Provincial Government. The remark will be

made, How is the Central Government to get this money for this purpose? Sir, I have quoted the statistics that we do not want an expansion of currency but we want the same amount of currency available in the country as was the case when for the first time we had the exchange of 1s. 6d. Well, it was not accepted in 1925-26 as the official rate but it was the *de facto* rate at least. The necessity at the present moment, Sir, is that you cannot have industrial expansion unless you increase the purchasing power of the consumer. Eighty per cent. of the consumers are entirely dependent on agriculture. Therefore, every effort of yours to industrialise will be doomed to failure unless you give purchasing power to these millions. Then, Sir, another thing to which Sir Tracy Gavin Jones referred was the overwhelming burden of indebtedness. That, Sir, is a subject which probably we will discuss later on in connection with another Resolution to be moved by Sardar Buta Singh. But on the Resolution, Sir, I should like to conclude my remarks by saying that the Government of India owe a duty to Indians because the English education which is established in the country was started by them for their own ends and to make their administration cheaper. Now that they have got an abundant supply of men they ought to see that the men find employment.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): Sir, I congratulate my Honourable friend Mr. Sapru for bringing this question for discussion before this House as I find, Sir, that the Government of India have not taken as keen an interest in the matter as they ought to have done over such an important question. I believe, Sir, that in 1926 a similar proposition was discussed in the Legislative Assembly and the Government of India issued a circular to the Provincial Governments asking them, if possible, to take steps and expressing a pious wish that something should be done in the matter but they themselves have not done much and they have not brought pressure on the Provincial Governments to take practical steps to remove this grievance. I may bring to the notice of the House, Sir, that in almost all the provinces on account of the pressure brought by the Legislature committees were appointed and those committees submitted their reports but I am grieved to find, Sir, that even the Provincial Governments did not take active steps in the matter. I am of opinion, Sir, that if the Government of India had appointed a committee or if they had departmentally examined all these reports of the Provincial Governments, and if they had taken a lead in the matter, it would have helped to some extent to solve this problem. Sir, India is an agricultural country and quite naturally many economists have recommended that the educated youths should go back to the land and take more interest in implementing new methods of agriculture and improving the products of the soil. Sir, industrialists say that the problem can be solved by giving an impetus to industries in India and by developing large scale industries as well as cottage industries. Educationists say that the present methods of education deserve to be overhauled and a new system of education should be substituted in its place; while my friend Mr. Hossain Imam says, if I understood him aright, that education should be stopped. So, different views have been expressed on this question and all those who have studied this question have propounded their views with a view to solving this burning topic of the day. I, Sir, submit that the Government of India should have taken the lead long ago in this matter. My complaint against them is that they have failed to tackle this problem previously and therefore they cannot now throw the responsibility for tackling the problem on the Provincial Governments. I know, Sir, it may be said that it is a transferred subject and that the Provincial Governments ought to look into the matter. But, as was

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stated just recently by Sir Ramunni Menon, a Central Advisory Board of Education has been established and, if I understood him aright, he remarked that if the recommendations of the Central Advisory Board are sympathetically considered by the Government of India, it may help to some extent to solve this problem. I submit, Sir, that at least in the area under the direct management of the Government of India, they should have long ago maintained statistics of the unemployed educated youths, and they should have instructed the Provincial Governments also to maintain statistics of the educated unemployed in their provinces. Some such agency should be started and people must know where they are. I know, Sir, it is not a question which can be solved in a day. I know also, Sir, that there is no panacea for solving this problem. But attempts ought to be made in that direction so that these unemployed youths should find avocations for their future careers and their energies should not be wasted or turned in a wrong direction.

Sir, the problem is, according to some, an economical one. I quite agree. I also agree to some extent with people who maintain that there should be some change in the present system of education. But I cannot endorse the view of my Honourable friend Mr. Hossain Imam that education should be stopped.

THE HONOURABLE MR. HOSSAIN IMAM : Restricted.

THE HONOURABLE MR. V. V. KALIKAR : I think that if he had not received an English education, he would not be able to tackle these financial questions and make brilliant speeches in this House.

It is true, Sir, that the system of education, when it started was, to a very great extent, meant to produce Secretariat men. There is no doubt about it. Lord Macaulay said so in clear terms. But I submit that attempts should be made to give the youths rural education, technical education and industrial education. That will solve the problem to some extent. It is said that the public do not take interest in these matters. I am not one of those who subscribe to this view. It is only on the agitation of the public that so many committees were appointed in all these provinces and those committees have submitted their reports. Recently, in the Educational Conference at Nagpur, the educational experts who had gathered there tackled this problem, and with your permission, Sir, I will quote a sentence or two from a speech delivered by the Chairman of the Reception Committee of the Educational Conference, the Honourable Mr. M. B. Niyogi, High Court Judge, Nagpur. This gentleman was Vice-Chancellor of the Nagpur University for four years and had the good fortune to examine the educational system in Japan personally. I therefore attach some importance to the views expressed by him in this connection. He said :

"The most urgent need of the hour is to determine the goal and define the policy. As a result of the drift, there is immense waste of effort and talent. We may well follow the lead given by other countries who had, after the Great War, to readjust their education to their respective ideals. I would particularly recommend the example of Japan, an oriental country which was placed in exactly the same position as India was".

So, these things are beyond the jurisdiction of Provincial Governments. It is the Government of India who should give a lead in this matter. They have now before them the Report of the Sapru Committee. It contains very useful and practical suggestions. I know that the Government of India have nowadays lost their confidence in committees and commissions. They have not got confidence in commissions and committees except when it suits their

purpose. But when suggestions are made from this side of the House, they say that they have lost confidence in committees and commissions. But I submit that it is our duty to agitate and bring home to them the necessity of examining this and other reports made in the various provinces by a Central Committee, and that suggestions should be invited from that Committee about the practical steps to be taken to solve this problem. I do not agree with all the recommendations of the Sapru Committee, but certain recommendations are very useful and practicable. I do not agree with their recommendation so far as the pleaders are concerned. But there are certain suggestions which are very useful and if these suggestions are given effect to, I hope this problem will be solved to some extent.

I therefore support heartily the Resolution moved by my Honourable friend Mr. Sapru.

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

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

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadian) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Sapru. We are all highly indebted to the United Provinces Government Sapru Committee which has reported on the solution of this vexed question. The Honourable Members who have preceded me have covered most of the grounds so they have left very little for me to say. The recommendations in the Report are exhaustive and if Government adopts them they will be doing the right thing. I simply want to speak on certain matters of detail which I wish to bring before this House.

As far as education is concerned, I must say that the present system of education is certainly defective. It does not produce the right sort of students and the result is that their commercial value is not on a par with the value of the products of universities and schools of other countries. Therefore I would urge upon the Government to consider the present defective system of education and place it on right lines. Then as regards vocational education, which a number of speakers have urged, I must say from the experience of the past that Government patronage is not at all adequate. To my question in regard to journeymen, the Honourable Chief Commissioner for Railways replied this morning that literate journeymen (the product of the MacLagan Engineering College and other technical institutions), who joined the Railway were, in the first instance, treated as coolies, so the reply of the Chief Commissioner is a definite proof of how Government encourages the products of vocational institutions.

Sir, Japan is now one of the countries which has developed industry and commerce on a huge scale. There they have a Central Bureau of Employment and from the information that I have before me, I lay the facts about this Bureau before this House :

"*Placing of young graduates in Japan.*—The Central Bureau of Employment Exchanges has drawn up, on the basis of information supplied by 444 banking and commercial undertakings in Japan and its Colonies, most of which have a capital in excess of 10 million yen, a list of young graduates and certificated students employed by those undertakings during the year ending 1st May, 1935.

The total number of graduates and certificated students employed was 9,926, of whom 2,355 were from universities, 2,069 from colleges and 5,502 from secondary schools. Of

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these, banking establishments engaged 1,840; industrial firms 1,999; insurance companies 912; electric tramway companies 1,324; undertakings for the supply of electricity 840; mining undertakings 882; commercial companies 593; shipping companies 257; transport and depository companies 205; and other firms 1,074.

The Tokio Employment Exchange for professional workers has drafted a plan for the establishment of free evening courses for certificated students of secondary schools in search of employment. These courses will enable such students, who often have difficulty in finding employment through lack of experience, to acquire the practical knowledge they need.

Placing of young persons in the Tokio district.—The number of young persons leaving primary schools in March, 1936 in the Tokio district is estimated at about 30,000, of whom 60 per cent. have applied to the employment exchanges for work.

The daily wages of beginners are, on an average, 50-60 sen for boys and 50 sen for girls. At the end of three years it is possible for boys to earn a monthly wage of 50 yen and girls 40 yen. [Industrial and Labour Information, 2nd March, 1936 (Volume LVII, No. 9), pages 248-49.]

From college to employment in Japan.—The Central Employment Exchange Department in Japan has recently published a Report containing statistics which it has compiled during a number of years relating to the placing in employment of students who have graduated at the universities or gained certificates at colleges.

The Report comprises two series of statistics: one based on data supplied by the universities and colleges with regard to the placing of graduates and certificated students in various occupations, and the other on information supplied by banking and commercial establishments with regard to the number of graduates and certificated students taken into their employment.

Returns from universities and colleges.—The table given below shows for each of the years 1925 to 1934, inclusive, the number of universities and colleges from which returns were obtained, the number of students passing out, and the number placed in employment.

Year.	Number of universities and colleges included in the statistics.	Number of graduates.	Graduates placed in employment.	
			No.	Percentage.
1925	86	9,208	6,133	66.6
1926	111	15,151	8,959	59.1
1927	116	12,794	8,301	64.9
1928	137	17,018	9,171	53.9
1929	163	22,959	11,524	50.2
1930	188	24,002	10,126	42.2
1931	173	26,993	9,710	36.0
1932	209	30,961	11,902	38.4
1933	210	31,659	13,513	42.7
1934	217	33,491	15,048	44.9

It will be seen that the percentage of graduates and certificated students placed in employment fell from 66.6 per cent. in 1925 to 44.9 per cent. in 1934. It should be noted, however, that during the same period numbers of graduates and students went into business on their own account; the percentage varied from 5.9 per cent. of the total passing out in 1926 to 6.6 per cent. in 1934. A further group, ranging from 8.7 per cent. of the total in 1925 to 10.8 per cent. in 1934, continued their studies in other educational institutions. Allowing also for other cases, with regard to which precise information is not available, the statistics show that the graduates and students known to have failed to find employment on leaving the university or college represented a percentage of the whole number passing out which fluctuated between 12.4 per cent. in 1925 to 19.9 per cent. in 1934, the peak year being 1928 (25.9 per cent.).

In the following table, the number of students who left the universities and colleges in 1934, and the number of them who were placed in employment, are divided according to the courses of study allowed.

Course taken.	Number of graduates.	Number of graduates placed in employment.	Percentage.
Law, arts and economics	18,913	7,303	38.4
Science	3,933	2,935	74.6
Agriculture and fishery	2,281	1,490	61.4
Medicine and pharmacy	4,444	2,105	47.7
Arts and crafts	453	263	58.1
Higher studies for girls	3,497	1,042	30.1

Returns from banking and commercial establishments.—The data supplied by banking and commercial establishments as to the number of graduates and certificated students taken into their employment are given in tabular form below.

It is pointed out that this second series of statistics covers only establishments operating in Japan and Japanese colonies and having in most cases a capital of more than 10,000,000 yen.

Year.	Number of undertakings included in the statistics.	Number of undertakings which engaged young graduates.	Graduates engaged.
1927	199	48	1,596
1928	195	110	3,759
1929	225	143	3,339
1930	325	160	3,304
1931	405	150	2,569
1932	435	197	3,382
1933	431	233	5,875
1934	453	272	8,089

The distribution of young graduates and certificated students who obtained employment was as follows in 1934: universities, 2,089; colleges, 1,763; secondary schools, 4,237; banking establishments engaged 1,567; industrial firms 1,506; insurance companies, 872; electric tramway companies, 895; undertakings for the supply of electricity, gas, etc., 760; mining undertakings, 705; commercial companies, 407; shipping companies, 186; transport and depository companies, 174; and other firms, 1,014. [Industrial and Labour Information, 4th November, 1935 (Volume LXVI, No. 5), pages 176-177.]

This of course has been taken from the industrial and labour blue books of the League of Nations. In Germany while I was travelling on the Continent, I found that there the Government insist upon all commercial firms to employ people from vocational institutes in their own establishments for practical training purposes. They are given, to start with, a certain subsistence allowance and when they qualify the firm in which they had their training is bound to employ them for a certain period. A register of all these trained people is kept by the Government and whenever there is any vacancy in any commercial establishment those people who stand on the list as qualified apply for that post and in case any particular firm takes a person there who has got lower qualifications than another one who applied for the post, Government intervenes and sees that the best man is to be employed by that firm. In this way, in case you want a *chappassi* or a clerk or a cook or a bearer,

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You can get trained people and business concerns and Government do not waste money on training clerks or other professional people. I wish that a similar thing be done in India and I also wish that as this unemployment question has remained unsolved for a number of years and particularly in consideration of the present grave economic depression, something like the famine works scheme ought soon to be started. I do not go into the details, and leave them for the Government, but that should be done with the object of giving employment to the largest number of people.

Sir, another point which I want to raise is this. What we find in practice now and what my Honourable friend Sir David Devadoss observed is that when the students go back after qualifying themselves in the various educational institutions they do not like to live in their own homes and they do not like the surroundings that they find there. I am one of those who say that the country should march with the pace of civilisation and that we should be at par in our progress as compared to other countries of the world. At the same time it is with extreme regret we find that what the Honourable Sir David Devadoss said is very true. Why is it so? Because the student from rural areas whose parents are not well off and who is accustomed to a hard life comes into a city and is put up in a spacious and luxurious boarding house and the result is that after spending 10, 12 or more years in such boarding houses when he returns to his village house he finds that that house is not fit for him to live in. That creates discontent in his mind. I do not say that we ought not to move with the times, but where is the money? What is our average income? The Honourable Mr. Sapru has placed before you the figures and how we compare as regards our income, as regards our deposits in banks and as regards our deposits in savings banks. When our income is so low, it is not right to let students develop and let students increase their standard of living and adopt an impossible scale of expenses. Sir, the national wealth of the masses is increasingly decreasing. As far as the Punjab is concerned, unlike Madras where the national wealth is in diamonds, unlike Burma where the national wealth is in rubies, unlike Bombay where the national wealth is in pearls, in the Punjab the national wealth lies mostly in silver.

THE HONOURABLE SIR DAVID DEVADOSS: You are thinking of Golconda.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Not Golconda, but Madras.

The national wealth in the Punjab which is in silver has been reduced by 50 per cent. and gold which has now highly appreciated has been allowed to drain out and the result is that the financial status of the masses has been lowered and it has become very difficult for them to borrow money.

THE HONOURABLE THE PRESIDENT: Your time-limit has expired.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DASS: I shall finish soon, Sir.

I therefore wish Government to take immediate steps to relieve unemployment, because in addition to its proving a hardship to the people themselves it is adding discontent in the country. I also strongly support the

recommendation of the Sapru Committee that the National Council of Research be founded and other adequate measures be adopted, industries subsidised and the railways made to encourage and help the agriculturist by adequately revising the present railway tariff.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour, Secretary): Sir, it is the sad experience of rather many fathers that they have no keener, sometimes more hostile, critics than their sons; and it is particularly pleasing therefore to find that this Report, which owes so much to the distinguished Chairman who presided over the deliberations of the Committee, has received such warm commendation from my Honourable friend in charge of the Resolution. (Applause.) I hope later to have an opportunity of indicating my own appreciation of the labours of Sir Tej Bahadur Sapru and his colleagues.

There is one point at the outset on which we are all agreed, and that is the gravity of the problem. It is a tragic thing to see increasing numbers of young men and their parents making great and sometimes crippling sacrifices to secure the higher forms of education and, after years of strain and anxiety, emerging to find that there is no reward commensurate with their training and sometimes no niche for them in society at all. Certain Honourable Members have dwelt on the menace that this creates for the State, a menace that no Government and no Legislature can ignore. There is nothing more dangerous than a large mass of educated young men embittered by hardship and often driven to despair, and the Sapru Committee has rightly drawn attention to this aspect of the question. But I would prefer to dwell rather on the other aspect, and the one I think which appealed even more to the Sapru Committee, and that is the tragic waste of human personality that is involved in the whole system. I suppose there is no one in this House who is not acquainted with young men going round seeking to find some avenue for their talents. They find Government service crowded with applicants, the professions overcrowded and then they find that even in these spheres of employment that are expanding the number of applicants is expanding even more rapidly. And whereas many fail to get employment the few who succeed find their standards of living and of security lowered by competition; their life, even when they are in employment, too often tends to be hard and precarious. And yet I believe that many of these men, if diverted at an earlier stage and given different conditions could become useful members, even leaders, in our system and could find the happiness of contributing to the welfare of the community at large. I am sure that it is in that faith that Sir Tej Bahadur Sapru and his colleagues have approached their task.

Since about two months ago by the courtesy of Sir Tej Bahadur I got a very early copy of the Report, I can claim to have devoted a considerable amount of study to it. It has been, if not a bedside, at least a desk-side book for me. And I think in summarising the impressions given by the Report, I might start with a sentence perhaps which has been quoted, I notice, in certain sections of the Press. On page 217, the Committee say:

"..... with all the inadequacy of the resources of the Government at present" (and I am glad they recognise that) "we very strongly think that the Government must place itself definitely at the head of the movement for reorganising our entire national system of education, agriculture and industries, without which it seems to us that the evil of unemployment cannot be combated and is bound to grow in volume and size".

That occurs in a paragraph which deals primarily with the Provincial Government. But the Government of India are also mentioned and the

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use of the word "national" in the passage I quoted conveys to my mind the impression that the Committee had in view the Central Government at least as much as the Provincial Governments.

Now on this important issue of provincial and central responsibility I would just like to say two words. The first is, that this is a provincial Report. It is a Report prepared by a number of gentlemen selected from the United Provinces by the Government of the United Provinces and reporting to that Government. And they have very rightly dealt primarily with the subject as it presented itself to them in these provinces. But equally rightly they have drawn attention to the fact that certain aspects are of an all-India character. Certain features are common to very large areas of India and they have expressed their conviction that concerted action is desirable for any effective solution.

The second point I would like to make is this, that the three subjects stressed in the quotation I gave—education, agriculture and industries—are all provincial transferred subjects and, although I see today an increasing number of men coming and saying the Centre must take this up, I think the public memory is a little short. People ask, Why did you not do this a long time ago? I venture to remind the House that it was not so very long ago that any action at the Centre was viewed with grave suspicion by large numbers of the public. I remember, for example, that in discussions on the Industrial Commission's Report there was a serious apprehension that it would prove to have a centralising tendency; and when the Government of India pressed that they should have wider powers in respect of industries and the decision went against them, the decision was undoubtedly in accord with large sections of the public opinion at the time. I am less familiar with education, but I have the impression that there too and till very recently there was a considerable body of public opinion that felt that the best contribution the Government of India could make to educational policy was to leave it severely alone.

THE HONOURABLE MR. P. N. SAPRU: That would be a tragic blunder.

THE HONOURABLE MR. A. G. CLOW: Yes, but that is a matter of opinion. But the pendulum has been swinging a little wildly in the other direction. I was a little surprised when my Honourable friend said—if I took him down rightly—that we cannot allow the provinces to pursue separate economic policies—in other words, to develop policies on the very subject that are entrusted to them.

Now I am not putting that forward for a moment as a plea that the Central Government should sit idle, and I think that if you survey the course of recent history in respect of three of these subjects you will find that the Government of India, with the support of public opinion, has been playing an increasing part in them. The turning point was probably the work of the Agricultural Committee with the great developments that ensued from it. Honourable Members are fully familiar with these developments and I need not detail them. They are aware of the setting up of the Imperial Council of Agricultural Research and its beneficent work in many directions of the sugar grants, of the work done in regard to the marketing organisation, of the setting up only a few miles away from where we are today of the big new Pusa and of a number of other major and minor activities.

In respect of industries also the Central Government has been playing an increasing part. The recommendations, as a matter of fact, in the Report

relating to industries are mainly provincial in character, but there are some that concern the Central Government. Apart from casual references to textiles and leather three industries receive specific mention in the recommendations. These are glass, vegetable oils and sugar. Now in respect of glass, this is a subject that has been receiving rather special attention in the Advisory Council for Industrial Research. That organisation, I might remind the House, is a new and very modest beginning in what I believe to be a sphere full of possibilities for industrial development. Recently we have had one of the officers at our Bureau with special qualifications making an extensive survey of the glass factories in India. His investigations are not complete—he only returned from one of his tours a few days ago—but there are indications to my mind that in the technical sphere there are distinct possibilities of helping in this industry substantially. I am not overlooking the fact mentioned by my Honourable friend that the Sapru Committee's Report refers to the idea of fiscal protection for this industry. I can only declare my own conviction that in respect of the bulk of the industry, where you are dealing with a lot of scattered little factories very poorly equipped, you are likely to get more valuable and certainly more lasting results by pursuing the idea of technical assistance than by raising the fairly substantial revenue tariff. In respect of oil seeds and the oil industry, this is an industry that has received special attention from the Imperial Council of Agricultural Research. They have had an Oil Crushing Committee. They have been given annual grants to the Harcourt Butler Technological Institute at Cawnpore. They have recently sanctioned grants amounting to, I think, Rs. 1,66,000 for distribution over four provinces in respect of oil seeds. In respect of sugar, I can put the matter in a sentence for Honourable Members will agree that its present prosperity is almost entirely due to the action taken a few years ago and still being taken by the Central Government. I have not time to go on to other industries not mentioned in the Report but if Honourable Members will look round them I think they will find very few that have not received assistance in one form or another from Government.

That brings me to what I regard as one of the cardinal points of this whole question, and that is that when you are dealing with agriculture and with industries and endeavouring to stimulate them, you are really only touching the outside of the problem. You are not getting near its heart. One of the most unfortunate parts of our discussions on unemployment, Sir, is that too often schemes are put forward without any calculations of their effect. There is a widespread impression that you have only to adopt industrialisation and all our troubles will disappear. How it is to be adopted, we are very seldom

told. Now, I am profoundly interested in the development of our industries and take an interest—not so professionally but as an onlooker—in the development of our agriculture and other spheres. I believe that if people imagine that they are going to get a solution of this tremendous problem merely by working along that line, they are profoundly mistaken and I think I can claim that this Report lends important support to that view. I would like to read to the House a paragraph of the Report where they seem to me to put the matter both profoundly and courageously. They have been dealing in a section of this Report with the results of certain investigations made in foreign countries at source—a very useful part of the Report which I hope Honourable Members will study with care—and they end the chapter to which I refer with the following paragraph:

"Our study of the problem in foreign countries convinces us that the starting point of all concerted effort has been the overhauling and the re-organisation of their system of schools. While Governments there have done and are persistently doing a great deal to improve agricultural and industrial conditions and generally to readjust their economic

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life to post-war conditions and to recent technical progress, they have also realised the importance of dealing with the problem of unemployment, at its source. In the case of young persons, that source must necessarily be education; and while, in the course of our Report, we have considered it our duty to make suggestions, with regard to certain technical subjects, industries and agriculture, we are convinced that the essence of the problem in India lies in reorganising our entire educational system so as to equip our young men with knowledge, which may enable them to become useful economic units of the nation and efficient citizens."

That is both penetrating and bold, and they are words that I hope people will reflect upon. I am not going to deal with the educational sphere. I am not an educationist, but I trust that the Honourable the Leader of the House will have something interesting to say to us on that subject later. I would only like to refer to the setting up of the Central Advisory Board on Education which devoted a large part of its first session to this very problem with which we are now dealing. I considered it a great privilege to attend that session and to note how far its conclusions were guided by Sir Tej Bahadur Sapru himself.

There is only one other Chapter of the Report to which I would like to refer, and that is the important one dealing with Government service. I will have to pass over the professions including the extraordinarily suggestive passages dealing with legal employment, which obviously bear the mark of years of thought on the part of the Chairman. I will only just express a doubt as to whether, however sound the views expressed there are, they would have much effect on the volume of employment. But, dealing with Government service, the Committee open their discussion with these sentences:

"Upon the evidence before us, we can entertain no doubt that the vast majority of the products of our universities—and their parents share the feeling—aim at securing some appointment or other in Government service. It is only when they fail to secure Government appointments that they think either of private service or some other profession."

That is a very extraordinary statement. But talk with those who are in touch with our universities has convinced me of its essential truth and it carries with it, if Honourable Members will reflect, some very far-reaching implications. Because it means—I do not see how we can escape this conclusion—that the system of Government recruitment must share some responsibility for luring men into channels which afterwards prove completely infructuous. It is obviously with that idea that the Sapru Committee framed two recommendations, out of a number of recommendations, on this subject. One of them is that in respect of the bulk of Government services, Government should frame their own standards and should cut loose from this idea of academic qualifications. The other one is that in respect of these services, Government should lower the age of admission for entry into Government service. I would just like Honourable Members—I am not going to express my views—to reflect on these conclusions and on their probable effect.

That concludes the suggestions that I can offer on the Report itself and I wish I could have stopped there. But, unfortunately, stress has been laid by certain Honourable Members in this House, on two notes appended to the Report, one, a note by Sir Tracy Gavin Jones and another, a note by three gentlemen connected with the Allahabad University who claim to have had the assistance of two of their colleagues in that University. They are evidently not minutes of dissent. Sir Tracy Gavin Jones was writing in May, 1935, and the other note, judging from internal evidence, was prepared before the Committee started their Report; and they contradict on quite a number

of points—certainly at least note No. 4 does so—the conclusions in the Report, for example, on the subject of retrenchment, or unemployment insurance, and in my view on some other deeper issues involved. This note which was received with such commendation, is, in my opinion, a nebulous indication of grandiose schemes designed to provide employment. It contains three lists of undertakings. List A consists of what are called nation-building enterprises, and so far as I can judge, that means enterprises that must not be judged from the sordid standpoint of financial soundness. It has six heads and a number of sub-heads—matters like education, sanitary service, medical, etc. I may perhaps state that among those enterprises which the list regards as nation-building enterprise for state activity are theatres and cinemas. Then there is a second list of public utility services, those which we are told will pay in the long run. Then we are promised a third list of services which are to be of a strictly commercial nature from the commencement. But I cannot find this list. They seem to endorse the recommendations of another Committee and they add a list of 11 suggestions for examination by the Government of India. I should explain that they say that the three lists are for Provincial Governments. They say that Provincial Governments should embark on these three categories of undertakings as largely as possible. When we come to the question of finance, which obviously is very important, what have these three members to say? They say that

"the question of finance would necessarily be the greatest difficulty that would face the Provincial Governments in embarking upon any one of these schemes".

The members admit that vast sums of money will be required. They add:

"However, if the Provincial Government is to take the view that it does owe a duty towards the unemployed then it must face this proposition and raise the necessary funds".

A terrible dilemma for the Provincial Government, for they have either to raise the necessary funds or they have to deny that they owe any duty to the unemployed at all. However, they are not long kept on the horns of that dilemma, for, if we proceed one page further on, we find that they state there that

"For the next five years.....we shall have to reckon with continued provincial deficits and this in spite of all possible retrenchments and all possible increase of revenue. So clearly we cannot expect the provinces to finance any of these projects. Therefore the only hope we have is assistance from the Central Government".

Well, Sir, I do not think it necessary to go on and deal with the ways in which the Central Government is to be mysteriously financed for the purpose, partly because I want to say a word on that when I come to Sir Tracy Gavin Jones's note, which has obviously inspired the other note, but also because I think it is rather unfair to these members, because if I have read the Report aright, this note represents their first thoughts and not their last ones and I should like to believe that their more mature reflection on the subject is contained in the Report itself and leave it at that. I should only like to add that I am not referring to the technical advice in another note prepared by Dr. Higginbottom personally or to the note by Sir Anand Sarup.

That brings me to the first note which has received such warm commendation from at least one Member, the note of Sir Tracy Gavin Jones. I wish I could say that I hoped he has changed his views, but I doubt it. And this is to my mind an even more extraordinary note. It finds the solution, Sir, in monetary reform. I am not going to be led into a discussion of the

[Mr. A. G. Clow.]

rupee ratio: you, Sir, have warned us off that. But I should like to give one or two brief quotations from this note. It assures us that

"what the country wants at the present juncture is a measure of inflation, or what is sometime called reflation",

and we are told that

"100 crores more of notes could easily be issued without jeopardising confidence in the note issue".

Then we are told that

"India should expand her currency issue by 50 crores of rupees immediately without cover and issue it to provinces for agricultural uplift on condition that the money is expended within the year of issue"—

50 crores apparently for this year. What is going to happen next year I am not quite sure. And then we are told that

"money can be created out of nothing, by Government, by the issue of currency notes".

Well, no doubt it could, and no doubt wealth can be secured for some people in that way. But his Honourable colleagues in the other note admit that inflation is a form of hidden taxation, and when you create wealth by this means you are creating poverty too. Those who pay wages are going to find it profitable. Those who receive them will find that their real wages are mysteriously cut by a process they do not understand.

THE HONOURABLE MR. HOSSAIN IMAM: What about the sellers?

THE HONOURABLE MR. A. G. CLOW: Of course it upsets relations all round. But it is really going back to the old idea of making people wealthy by what I think Mr. Bernard Shaw called calling a penny twopence. Other countries have tried to do that.

Now, Sir, there is only one other point I would like to mention because it does arise in connection with these notes and has been mentioned by some Honourable Members here. In the fourth note to which I referred there is a suggestion of high fiscal protection. I am not going to enter on any discussion of the merits of protection at all, but I am going to ask Honourable Members to consider as accurately as they can in the light of statistics its probable effect on the volume of employment. For there is a widespread idea that if you protect an industry and if thereby you create employment, as you generally do, that employment is necessarily a gross addition to the numbers employed. I hope Honourable Members will have time to study the speech made by the Honourable Finance Member in another place last week, because he gave some figures, estimates admittedly, which, to my mind, were suggestive. As Honourable Members know, you cannot export goods unless you are prepared to import them, and his figures were designed to lead to the conclusion that if we had protection all round as high as the most ardent protectionist wants, you would destroy more employment than you would create. All these figures are approximate, but quite frankly I do not see how we are going to get away from that conclusion, and I do wish that, whatever the merits of protection and however ardently people may wish to have it, when they come to this question of employment they would remember that there is the possibility, and in some cases the certainty, that by creating employment through tariffs in one direction you are destroying it in another.

Further, if you measure up the quantitative sum of goods we are importing you will find that the hope that high protection is going to solve our difficulties is an absolute chimera.

I have said enough to indicate my own personal views on the subject and I would like to indicate the attitude of Government on this Resolution. It refers to a recommendation of the Committee that the Government of India should take steps which should relieve unemployment among the educated classes in India. Well, Honourable Members who have hunted through the recommendations have no doubt failed to find that one. But as my Honourable friend Mr. Sapru explained to me in private and afterwards to the House, he is referring to those passages of the Report, and particularly the one he quoted, on pages 18 to 19, where the Committee stress the important contribution the Centre can and in their opinion should make. I am not quarrelling with the wording at all. I recognise fully, and I think Mr. Sapru was at some pains to explain to the House, the intention underlying his Resolution. Now there has been a very short time, a few very crowded weeks, since this Report was published, and I know that Honourable Members and Government have devoted some time to studying it. But the House will appreciate it has hardly been possible for them in these few weeks to study it in detail, to consider it collectively or to reach considered conclusions on it. What they propose to do is to study it sympathetically and to take such action as appears to them to be desirable on it. On the understanding that they are not committed to the acceptance of any individual recommendation but will fulfil that undertaking, I am prepared to accept the Resolution which the Honourable Member has moved.

May I add just one word in conclusion? This is a subject which for a number of years past has seldom been long absent from my mind and my heart, and I believe that the greatest obstacle to progress, one which has had a profound effect in the past and which still besets us, is the popular impression that there is some simple and easy solution that will get us out of our difficulties. We hear every day strident voices shouting that if only a callous Government would accept some particular remedy the whole situation would be solved. Some of those gentlemen of course are only on the lookout for a little political capital, but others sincerely believe it or have convinced themselves of it. They have been driven to it unconsciously by the desire to avoid hard thinking or by an intense anxiety to avoid disagreeable realities. I agree fully with the Committee when in their concluding words they say they do not think there can be one single remedy that can solve the question of unemployment. It is not going to be solved by one remedy or in one year or by one Government or even by Governments as a whole. It demands the co-operation of every one and I believe we will only get that co-operation when men are prepared to penetrate deeply into its causes and to face the conclusions to which they are led however disagreeable they may be. I believe that this Report, if it is carefully studied and, if, above all, people penetrate to the deep thought underlying its more penetrating passages, will have an important effect in that direction. So I welcome it as a valuable contribution to the subject. (Applause.)

THE HONOURABLE MR. P. N. SAPRU: Sir, I am grateful to the House for the support my Resolution has received. The first speaker on my Resolution was our esteemed colleague the Honourable Sir Ramunni Menon. He is a very distinguished educationist and he emphasised the necessity of educational reconstruction. He spoke with the authority of a great educationist. Now, Sir, so far as educational reconstruction is concerned, there is no

[Mr. P. N. Saprú.]

difference of opinion on the point that we have to reform our existing system of education in certain respects. We have to give it a more practical bias. We have to make secondary education more self-sufficient. The proposals of the Saprú Committee are, speaking from an educational point of view, not unsound and I was glad to have the support of an authority of the eminence of Sir Ramunni Menon. My own point of view in regard to university education is that while I should like to see efficiency of university education improved, while I should like to see a more practical bias given to our scientific education at the universities, I would not do anything to restrict by artificial methods the inflow of students to our universities. Certainly I would not make that education more expensive. That is a view which is shared by the Saprú Committee. Sir, they have emphasised that they do not desire to see a restriction of university education. In our province we have teaching and residential universities. Teaching and residential universities imply adequate staff and limited numbers, and that was a point which was stressed by the Honourable Sir Ramunni Menon. I quite recognise that we have to think so far as university education is concerned in new terms and in modern terms also and I have no doubt that our universities are elastic enough to do so. Then, Sir, I am very glad that we have a Central Advisory Board of Education now. I am a man who believes that the Centre can do very much and I am very glad that the Centre is taking an interest in education, in agriculture, in industrial research, subjects which are of a provincial character. Then, Sir, the second speaker on my Resolution was Mr. Shantidas Askuran and he stressed the necessity of wise expenditure on social services. Now, Sir, that is really what Dr. Tara Chand and Mr. Higginbottom have really stressed in their memorandum and I think the Honourable Mr. Clow was a little hard on them. I have a Report of the International Labour Conference here before me and I was studying in that Report some of the things which have been done in other countries in order to deal with unemployment and many remedies which they have suggested have been tried by other countries. Take this question of depreciated currency. It has been tried in other countries. The United States is trying it. Sweden is trying it. (*An Honourable Member*: "What about Germany?") I am not going to refer to Germany, because there are special circumstances so far as Germany is concerned. We cannot say that the suggestion is a laughable one. So far as borrowing for social services is concerned, that too is being tried in some European countries. These are experiments which are being tried and we ought to be prepared in an age of rapid change for bold experiments. Then, Sir David Devadoss made a very profound observation and that is, he said, that one of the real difficulties here is that our men have strong objection to manual labour. Now, I am not a very great admirer of our social system. If I had my way I would remodel it altogether and I do think that it is necessary for both Government and society to do everything that they can to change the mentality of Indian youth and the Indian parent in this matter. We want to emphasise the dignity of labour; we want to emphasise that honest work, whether it is manual or intellectual, is worth doing and doing well. Then, Sir, I must respectfully differ from him so far as the question of reorganisation of the legal profession is concerned. He is against the dual system. I admit that the dual system is somewhat expensive, but the Saprú Committee have suggested a modification of the system, and I certainly think that that system suggested by them will increase the efficiency of the legal profession, will distribute more work among the lawyers and that further the litigant under that system will have his money's worth; he does not always have it now. Sir, then there was Sir Nasarvanji Choksy—

THE HONOURABLE THE PRESIDENT: In view of what the Government Member has said, it is somewhat superfluous to dissect the speeches of Honourable Members.

THE HONOURABLE MR. P. N. SAPRÚ: I will not take up much more time of the House except to thank Mr. Clow, who realised the gravity of the problem. He made, I think, a speech which moved this side of the House. It was a great speech and the House is indebted to him for many things that he said in that speech. It is perfectly true that there is no one solution of the problem of unemployment. The Committee itself recognise that there is no one solution of the problem. At page 237 they say:

"We do not think that there can be one single remedy which can solve the question of unemployment, or that the problem of unemployment can be solved immediately, but we do think that if it is attacked systematically on a well conceived plan, with the resources available to Government, a great deal of relief can be given to the unemployed among the educated men".

Well, Sir, I quite recognise that it is impossible for Government to arrive at any definite conclusions at this stage and I am satisfied with the attitude that they have taken up on this Report. It shows that the problem is receiving attention and therefore, Sir, these are all the observations that I have to make on this question.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I think the House would agree that my Honourable friend has not only performed a task of filial loyalty but also a great public service in bringing forward this Resolution. We are all very grateful to the Right Honourable Sir Tej Bahadur Saprú; I am sure the whole country is grateful to him for the great labour and thought which he has devoted to this important and pressing problem of unemployment among the educated middle classes. (Applause.) I think it will be recognised that the Report which he has presented is one of the most important contributions which we have recently had in regard to this problem. I think the House will also agree with me that we have listened with great admiration to the earnest, able and eloquent speech of my friend the Honourable Mr. Clow. (Applause.) He has made a penetrating analysis of the problem and of the opinions which have been expressed in the Report. He has told you how all of us, whether on this side of the House or on the other, have felt for the young men who enter our schools and colleges with high hopes, with bright visions of future prosperity and success, and how in the case of the large majority these hopes are dashed, that there is no fulfilment of their visions, that in a large number of cases they are set adrift, a danger to society and a source of grief to their parents and friends. We all know how in many cases the great sacrifices that their parents have made in educating their children are wasted. It is one of the tragedies of our recent educational system that every boy who enters the lowest primary school is supposed to work up to the university. Many of them are by nature not fit to receive university education. It is indeed a hardship that everyone should be expected when he enters school to complete a whole course of university education. My Honourable friend Rai Bahadur Lala Ram Saran Das referred to the case of Japan. Many years ago, Sir, I spent nearly six months in that country studying its educational system and one of the things which impressed me most was that there the university was limited to the most intellectual students of the country. It was recognised that university education cost the State so much that it should therefore be limited to the aristocracy of intellect.

[Sir Jagdish Prasad.]

Mr. Clow has also pointed out to you the distinction which should not be obliterated between the functions of the Centre and the provinces. He has told you of the violent swing of the pendulum that has recently taken place. We are often asked in this House to instruct Provincial Governments and to issue orders to them as to how they are to regulate their policy in regard to subjects which are within their sphere; but Mr. Clow has also shown you that the Government of India fully recognise that the problem of unemployment cannot be regionally demarcated, that it affects the whole country and that therefore the Government of India cannot remain unconcerned in regard to this great problem. He has pointed out the magnitude of the problem and also that for its solution many agencies may have to co-operate. The Government of India fully recognise that here is a problem to be faced and they are prepared to face it to the best of their ability.

My Honourable friend Mr. Sapru did not lay sufficient emphasis on the root cause of the evil, namely, the system of education. I think in the summary which Mr. Sapru read out at the end of his speech he placed Education as one of the last of the items to be dealt with. In that respect, I am afraid I must differ from him. I think it will be agreed that one of the fundamental evils which we have to tackle is the present system of education. (Hear, hear.) And the Government of India can say with a certain amount of satisfaction that they have not been slow in dealing with this problem. We have constituted, as I said on another occasion, a very representative Central Advisory Board of Education. On that Board are represented not only educationists but business men and eminent and prominent public men. The Right Honourable Sir Tej Bahadur Sapru is one of the members of that Board and so also is my Honourable friend Sir Ramunni Menon. This problem of the relation of unemployment to education was dealt with by the Board at their meeting last December. They passed a certain number of resolutions. They indicated in what respect reform was required. The Government of India have considered those resolutions and they propose very shortly to address Local Governments forwarding to them a copy of these resolutions and indicating to them the nature of the problem. And that is not all. We have also decided that if expert advice is required to give a more practical turn to secondary education, the Government of India will be prepared within limits to defray the cost of these experts. I think the House will recognise that we have not allowed the grass to grow under our feet, that we will tackle this question of the reform of pre-university education without avoidable delay. But Honourable Members will recognise that in the solution of this problem we must have the co-operation of the provinces. We cannot undertake to dictate to them the policy they should adopt. We must persuade them. We must have their co-operation. And therefore, so far as one of the main problems connected with unemployment is concerned, namely, educational reform, the Government of India are taking immediate action.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council to give effect to the recommendation of the United Provinces Unemployment Committee, that the Government of India should take steps which would relieve unemployment among the educated classes in India".

The Question is:

"That that Resolution be adopted".

The Motion was adopted.

RESOLUTION *RE* CONSTITUTION OF A RURAL CREDIT DEPARTMENT IN THE RESERVE BANK OF INDIA.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh): Sir, I beg to move:

"That this Council recommends to the Governor General in Council to take early steps for the constitution of a Rural Credit Department in the Reserve Bank".

Sir, it does not need any long explanation to prove the urgent and immediate need of providing rural credit. On account of the slump in prices of raw produce and inability of the agriculturist to meet his obligations, rural credit is almost dead. Then, again, the debt legislation which is to be undertaken to meet the peculiar position created by the fall in prices, has also served finally to close down the sluices of credit. On the other hand, money is said to be cheap, balances with the banks have grown; but in bank balances, money is almost sterilized and finds no circulation. Rural reconstruction to which Government have given a great deal of attention is only possible if agricultural credit could be rehabilitated. What the people need is long term credit and a low rate of interest and instalments fixed within the capacity of the debtor to pay.

It was hoped that the organisation of the Reserve Bank would lead to the organisation of agricultural credit. The Reserve Bank of India Act recognised the need, but has made no adequate provision for the creation of long term credit in the provinces and at the Centre. The result is that not only agriculture, but trade and industry are also stagnating. Our immediate need is to set money in circulation in the villages, and this can be only done if the experts of the Reserve Bank examine the whole position and prepare the plan for agricultural credit. We have not yet seen the Report of Mr. Darling who was appointed to make a survey. But I can definitely say that Government will have to broaden the basis of the Reserve Bank of India Act if the needs of agriculture are to be met.

The problem of agriculture is, in the first place, to find more money for the peasant, and, in the second place, to teach him to use it in a productive manner. A heavy responsibility lies upon the Government of India and Provincial Governments to do their utmost in helping the agriculturist to retrieve his position.

With these remarks, Sir, I move my Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, the subject, matter of this Resolution is so simple—I may almost say, non-committal—that I do hope Government will accept it, and in that hope I shall speak on this Resolution. The fact is admitted on all sides that rural indebtedness wants to be tackled thoroughly. There is no difference of opinion on that. That it is a vast thing, every one admits; that it requires an outside helping hand is also admitted. Only the other day, the Honourable the Finance Member was referring to our enormous agricultural debts amounting to Rs. 900 to Rs. 1,000 crores. There is a desire on the part of Government to help us. That also we admit. We know that a Special Officer was appointed in order to tackle this question, and he has submitted his report. But where we find the Government is not taking proper initiative in finding the money with which we can give rural credit. Unless Government is in a position to do this, and has money, it cannot give us any help.

[Mr. Hossain Imam.]

There are only two ways of doing this. It may be said that I am suggesting drastic measures, but there are only two means by which to cure this ill. His either inflation or official partial repudiation of debts. Without recourse to these, that is, either finance or the law to support you, you cannot do it. It is idle to try to convince us of things which have no basis. Any effort by the Government which does not involve either of these two measures cannot solve this question. Now, the question is how, when the Reserve Bank have created a Rural Credit Department, they are going to attack this question? The Reserve Bank Act itself is not elastic enough to allow the Reserve Bank to participate in rural credit to a sufficient extent. I shall not be giving away any secrets of the Joint Select Committee, but it is well known that the financing of agricultural produce involves a process at variance from that of industrial products. In industrial production, you give money to the seller, by means of bills of exchange, whereas in the case of agricultural produce, we have to give the purchasing power to the buyer who has no goods in his hand, and the goods which can be taken by the Reserve Bank as security do not exist. The whole basis of the Reserve Bank Act would require to be remodelled if a real and sincere effort for rural credit is to be made. In this connection, Sir, I should like to remind the House that although the Reserve Bank has been functioning for only one year, the time since the question of the Reserve Bank formation has been actively before the Government is now nearly three years, since that Committee was formed in England to draft the Reserve Bank Bill. In this time, Sir, no doubt something has been done, but due publicity to the Government's work has not been given. We request the Honourable Member in charge to let us know exactly how affairs stand at present.

With these few words, Sir, I support the Resolution.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, the Resolution deals with a very important subject concerning the rural population of India. There are about seven lakhs of villages in India whose population have got no banks of any kind. Even now after the rapid growth of co-operative credit societies and banks the vast rural areas are still without any facilities for rural credit. Sir, even these co-operative banks do not get the necessary help from the Reserve Bank who deal with the Government revenues. If the co-operative banks and other indigenous banks are given facilities to get money at cheaper rates of interest from the Reserve Bank they, in their turn, may help the agriculturists by lending money at a lower rate. It is a well known fact that the village *sahukars* and *mahajans* charge as much as 20 to 25 per cent. by way of interest on loans given to the agriculturists. The rural population do not require any banking facility for banking their income, as they have no saving at all. They always have a starving hand to mouth existence. After paying their debts and heavy interest thereon to the village *mahajans* they are practically left with nothing even to feed and clothe themselves properly. What these poor villagers and agriculturists require is provision of credit facilities by Government, by which they may get money at the cheapest possible rate to carry on their occupation, which requires a certain amount of capital though very small. The cultivators are to purchase cattle and ploughs and other implements for cultivating lands. They require seeds for sowing in harvest seasons. The capital required by the rural population for those purposes may seem to be very small to the comparatively richer urban population. But, Sir, even this small capital is very difficult for them to procure in the absence of any credit facilities provided through Government agencies like

that of the Reserve Bank. Sir, these village *mahajans* and *sahukars* are no better than the Pathan moneylenders in the towns and cities of India. I know that it is not possible for any bank, whether the Reserve Bank or the Imperial Bank, to open branches of their own in every village or in the different groups of villages for affording credit facilities to the rural population. But what these banks can do is to have sufficient funds earmarked for the purpose of affording facilities of loans to such of the indigenous and the co-operative banks and societies whose field of operation are mainly confined to the villages. I would even suggest that the Reserve Bank may help in the opening of the land mortgage banks in such of the provinces as have not yet been provided.

With these few words, Sir, I support the Resolution.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, agricultural indebtedness is a great problem all over India. For more than 100 years India has been under an orderly government, which has made the land tenure secure, has provided upright and impartial judges and has improved communications to a great extent. In an atmosphere like this the creditor is always willing to lend and the borrower is able to borrow. We must therefore realise that the debt is a result not of bad government but of good government. It is also the duty of that good government to take measures to overcome the evils of debt. Recently nearly all the provinces have made attempts to deal with the evil of debt. I do not say that our moneylender is particularly oppressive and exacting, but the way of Shylock all over the world is the same. The illiteracy, simple-mindedness and improvidence of the Indian agriculturist are well known. It is therefore no wonder that we find about 80 per cent. of our agriculturists hopelessly involved in debt. One result of the remedies applied in this respect by the recent legislation in the provinces has been that the agriculturist finds it extremely difficult to borrow for his agricultural needs at a reasonable rate of interest. There is a provision in section 54 of the Reserve Bank of India Act, 1934, for creating a special Agricultural Credit Department, but it is not known so far whether any action has been taken to create that Department. I would urge strongly that immediate steps should be taken in the matter to relieve the situation and put money in circulation.

With these words, Sir, I support the Resolution moved by my friend the Honourable Sardar Buta Singh.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : I rise to support the Resolution which my Honourable friend Sardar Buta Singh has moved. As far as agricultural indebtedness is concerned a great deal has been done by the Government in indiscreetly wiping out the old moneylender. I have no sympathy with those moneylenders who are usurers or who exact a huge interest upon their lendings. But, Sir, I want to ask the Government and through them the various co-operative companies what efforts they have made to find a substitute? In the Punjab co-operative societies which were started some years back have not at all developed to the extent that they can adequately meet the loan demands aggregating Rs. 140 crores of the agriculturists beyond, say, Rs. 12 crores of their total capital. (An Honourable Member : "No money available".) As far as money is concerned, it can be borrowed by Government at cheap rates in these days and borrowing by Government is the only solution. Then Government ought to lend it to the various banking companies or co-operative banks in the provinces at a half or one per cent. over their borrowing rate for agricultural finance. They will thus be doing a great deal to really help the *ryot*. A pious

[Rai Bahadur Lala Ram Saran Das.]

wish does not mean much. We should see what is being done in practice. As far as the Punjab is concerned, the debt of the agriculturist according to Mr. Darling's Report comes to say Rs. 140 crores. I may inform the House that although the Punjab is a comparatively prosperous province as far as mass agriculturists are concerned, even then we find that agricultural indebtedness is fast increasing. I will cite a few figures as regards agricultural indebtedness in other provinces. It will give this House an idea how we stand as far as agricultural indebtedness is concerned. Figures are for 1929. In Bihar and Orissa the total debt was Rs. 155 crores; Madras, Rs. 150 crores; the United Provinces, Rs. 124 crores; Bengal, Rs. 100 crores; Bombay, Rs. 81 crores; Burma, Rs. 55 crores; the Central Provinces, Rs. 36½ crores; Assam, Rs. 22 crores; North-West Frontier Province, Rs. 11 crores and Ajmer-Merwara, Rs. 4½ crores. The Punjab as I have said is about Rs. 140 crores. Thus the total for British India comes to about Rs. 900 crores. The population figures are as follows: The Punjab, 23½ millions; Bihar and Orissa, 37½ millions; Madras, Rs. 46½ millions; United Provinces, 48½ millions; Bengal, 50 millions; Bombay, 22 millions; Burma, 14½ millions; the Central Provinces, 15½ millions; Assam, 9 millions; North-West Frontier Province, 2½ millions and Ajmer-Merwara, 1·2 millions.

Well, Sir, my own impression is that, as the financial status of the agriculturist has very greatly diminished during the last few years, we have not much hope from the Reserve Bank or any other institution which wants sufficient security for an advance, and I think that is one reason which has led my friend Sardar Buta Singh to move this Resolution, as to why Government should not intervene for the sake of the agriculturists and lend them money as a matter of duty? Sir, I might mention that Government was not right in removing the credit facilities, the bulk of it, until they had found a substitute. I know that there is a great deal of difficulty for the agriculturist to raise money, particularly in times when he is suffering from the greatest economic depression that this country has seen.

Sir, I heartily support the Resolution and I want the Government to tell us what practical measures they are adopting in this connection and what period of time they will take to come to a definite decision.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I find some difficulty in understanding what exactly is at the back of the minds of some of the Honourable Members who have supported this Resolution. The Resolution in its terms is quite clear, except that it uses the phrase "Rural Credit Department" when there is in existence a statutory designation of this Department, namely, the Agricultural Credit Department of the Reserve Bank, but I presume that the Honourable Mover of this Resolution intended to refer to the Agricultural Credit Department. But to my surprise I find that several Honourable Members on the opposite benches, who are I am quite sure perfectly capable of understanding the implications of this Resolution, have been talking to a proposition which I can only describe as an entirely different proposal, namely, that the Government of India should provide sums of money for either rehabilitating rural credit or revitalising rural activities.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is not the Government now borrowing for the provinces for other useful purposes?

THE HONOURABLE MR. A. J. RAISMAN: Sir, I am quite aware that the Government of India are borrowing money and that they are placing it at

the disposal of the provinces, but what this Resolution asks for is the establishment of the Agricultural Credit Department of the Reserve Bank and I must respectfully point out that the establishment of such a Department in the Bank is an entirely different thing from providing sums of money directly from the treasury for agricultural credit purposes. The Government of India has, as all Honourable Members are aware, already provided from sums which have fortunately accrued in the course of a recent financial year generously for assistance to various deserving forms of village improvement. But the proposition which as I say is apparently sponsored by my Honourable friends on the opposite benches is an entirely different one and it is also different from that which I understand to be the Mover's intention. My answer to the Honourable Mover's speech is perfectly simple and that is that first the obligation to push on with all measures for the establishment of the Agricultural Credit Department is an obligation laid on the Bank. It is laid on the Bank in specific terms by section 54 of the Reserve Bank Act, which says:

"The Bank shall create a special Agricultural Credit Department the functions of which shall be—

- (a) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Governor General in Council, Local Governments, provincial co-operative banks, and other banking organisations,
- (b) to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with provincial co-operative banks and any other banks or organisations engaged in the business of agricultural credit".

The obligation therefore to create this Department is laid on the Bank. The Government of India have of course taken a considerable interest in this matter and even before the Bank was actually in a position to take any steps in this direction itself the Government of India in 1934 as one of the results of an Economic Conference which was then held at which the provinces were represented decided to set this in motion at once and they appointed Mr. Darling to make inquiries and survey the field of the possible credit facilities for agricultural operations and the possibilities of connecting up the existing agencies for agricultural credit with a central bank. There was no delay there. I am sure Honourable Members will realise that a survey of this kind is not a thing that can be done in a day or a week.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I ask what has been done in this connection so far during the last few years?

THE HONOURABLE MR. A. J. RAISMAN: If the Honourable Member will kindly bear with me, I am explaining exactly what has been done by Government and the Bank since the time when the Reserve Bank of India Act was passed, since this obligation was laid on the Bank.

I was saying that Mr. Darling surveyed this field and some months ago he presented his Report—he presented more than one report. Those reports are obviously for the Bank to consider. The nature of this inquiry, as I have already indicated, was to survey the whole field and see in what manner the Bank could best be linked to existing agencies for the provision of agricultural credit, and also in view of section 54 of the Act it was obviously the function of the Bank to consider the results of Mr. Darling's survey. Well, the Bank have been considering that Report. Moreover, to indicate that they have not been wasting time on the matter, they had already last year approached the Government of India with a request for the services of a suitable officer to assist in setting up the Department. Apart entirely from the preliminary survey undertaken by Mr. Darling, they asked for the services of an officer to be taken into the Bank at once to deal entirely with this question

[Mr. A. J. Raisman.]

and to pursue actively all the steps which were necessary. The Government of India placed at the disposal of the Bank the services of an Indian officer of the Indian Civil Service, a Central Provinces officer, Mr. Ambegaonkar, who has had considerable useful experience in the province of agricultural conditions and also was familiar with all the aspects of the co-operative credit movement. This officer is now in the service of the Bank dealing with these questions. Now, when the Bank came to consider Mr. Darling's Report, they found that before they could proceed further there was still a great deal of information which they required, a great deal of detailed information. I am sure the House will realise that a matter of this kind could not be done in a superficial way—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: In less than a century.

THE HONOURABLE MR. A. J. RAISMAN: I am afraid I have not heard what the Honourable Member said, but if I may say so I do not think I have lost much!

The Bank found that before they could proceed with this matter they needed a good deal of practical detailed information. It is obvious I think that before you draw up a scheme for lending large sums of money to large numbers of people, you want to know a good deal. That is merely a matter of practical commonsense. The Reserve Bank of India after all is a bank of sorts. It is not a philanthropic institution. And the Bank therefore require to make further detailed inquiries and this information could only be obtained from the Provincial Governments, and as soon as they had considered the matter they asked the Government of India to obtain certain definite kinds of information from the Provincial Governments, which the Government of India undertook to do, and these requests were sent to the Provincial Governments. Now I may say that the last thing that happened is that the Reserve Bank asked the Government of India whether they might be allowed to correspond direct with the Local Governments in order to reduce the possibilities of delay and to this the Government of India have agreed. So that I think I can honestly say that there has been no delay of any kind in this matter, that the Bank is pushing on with it as fast as it can. The Government of India are certainly satisfied that they are doing so, and as soon as all the information which is necessary is at the disposal of the Bank I have no doubt that they will formulate their proposals. Whilst I am on this subject I would like to point out that the obligations of the Bank in relation to agricultural credit are not confined to what is mentioned in section 54 of the Reserve Bank Act but that there is also in section 55 of the Act a provision that

“(1) The Bank shall, at the earliest practicable date and in any case within three years from the date on which this Chapter comes into force, make to the Governor General in Council a report, with proposals, if it thinks fit, for legislation, on the following matters, namely:—

- (a) the extension of the provisions of this Act relating to scheduled banks to persons and firms, not being scheduled banks, engaged in British India in the business of banking, and
- (b) the improvement of the machinery for dealing with agricultural finance and methods for effecting a closer connection between agricultural enterprise and the operations of the Bank.”

Well, Sir, it is only necessary to read that to realise what an enormous field the Bank really has got to cover in this matter. What is involved in section

55 is almost a census, a very carefully detailed survey of all the existing agencies engaged in providing agricultural credit. That is to say, actually you might almost say it goes down to individual moneylenders or at any rate bankers of a certain size. All this has got to be surveyed and it is quite a large problem, and I suggest there is nothing in what has happened so far to suggest that either the Bank or Government are being unduly dilatory in this matter.

THE HONOURABLE THE PRESIDENT: In view of the information given by the Honourable Member in charge, that there is already a statutory provision for an Agricultural Credit Department in the Reserve Bank, do you wish to press this Resolution?

THE HONOURABLE SARDAR BUTA SINGH: No, Sir, I do not wish to press the Resolution.

THE HONOURABLE THE PRESIDENT: Do you wish to withdraw it?

THE HONOURABLE SARDAR BUTA SINGH: Yes, Sir.

THE HONOURABLE THE PRESIDENT: Is it the pleasure of the House that the Resolution be withdrawn?

SEVERAL HONOURABLE MEMBERS: No.

THE HONOURABLE THE PRESIDENT: Resolution moved:

“That this Council recommends to the Governor General in Council to take early steps for the constitution of a Rural Credit Department in the Reserve Bank.”

The Council divided:

AYES—17.

Banerjee, The Honourable Mr. Jagdish Chandra.	Maung Aye, The Honourable Captain.
Barua, The Honourable Sriyut Heramba Prosad.	Mitha, The Honourable Sir Suleman Cassim Haji.
Buta Singh, The Honourable Sardar.	Muhammad Din, The Honourable Khan Bahadur Nawab Chaudri.
Ghazanfar Ali Khan, The Honourable Raja.	Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.	Raghunandan Prasad Singh, The Honourable Raja.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Kalika, The Honourable Mr. V. V. Kidwai, The Honourable Shaikh Mushir Hosain.	Sapru, The Honourable Mr. P. N. Suhrawardy, The Honourable Mr. Mahmood.

NOES—25.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.	Jagdish Prasad, The Honourable Kunwar Sir.
Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.	Jalan, The Honourable Rai Bahadur Radha Krishna.
Askuran, The Honourable Mr. Shantidas.	Johnson, The Honourable Mr. J. N. G.
Campbell, The Honourable Sir George.	Maqbul Husain, The Honourable Khan Bahadur Shaikh.
Charanjit Singh, The Honourable Raja.	McIntyre, The Honourable Mr. W. T.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Clow, The Honourable Mr. A. G.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Devadoss, The Honourable Sir David.	Parker, The Honourable Mr. R. H.
Ghosal, The Honourable Sir Josna.	Raisman, The Honourable Mr. A. J.
Glancy, The Honourable Sir Bertrand.	Russell, The Honourable Sir Guthrie.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Thomas, The Honourable Mr. E. F.
Ishrat Husain, The Honourable Saiyid.	

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, the House will meet tomorrow for official business, and the official business will be two Resolutions to be moved by the Honourable Mr. A. G. Clow. I think copies were supplied to Honourable Members some time back, but I will read them out to Honourable Members, with your permission.

The first Resolution will be :

"This Council having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work to 40 a week, recommends to the Governor General in Council that he do not ratify the Convention".

The second Resolution is :

"This Council, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in Glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention".

It is also possible, Sir, that the Finance Bill may be laid on the table tomorrow. I only say there is just a possibility. If this is so, then the intention is that the Finance Bill should be discussed on Monday, the 30th, and with the general consent of the Members of the House, on the afternoon of Tuesday the 31st. It has been represented to me that the 31st is Sri Ram Navami day, but Honourable Members have agreed to meet on the afternoon of the 31st provided that this is not regarded as a precedent. I am prepared to say that this will not be taken as a precedent for future years. So, I hope that this will meet with the consent of the House.

THE HONOURABLE THE PRESIDENT: With reference to the statement of the Leader of the House that the House will sit tomorrow, I have to inform the House that the election for the Standing Committee on Roads will take place on that day and will be conducted by means of the single transferable vote.

The Council then adjourned till Eleven of the Clock on Thursday, the 26th March, 1936.

COUNCIL OF STATE.

Thursday, 26th March, 1936.

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

STATEMENT LAID ON THE TABLE.

ORDER OF FINANCIAL COMMISSIONER, PUNJAB, DISPENSING WITH LICENCE FORM L-10—SALE OF FOREIGN LIQUOR.

THE HONOURABLE MR. A. J. RAISMAN (Government of India : Nominated Official): Sir, I lay on the table the information promised in reply to question No. 29 asked by the Honourable Mr. P. N. Saprú on the 26th February, 1936.

(a) Yes.

(b) (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 licenses 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 licenses in Form L-2 are persons of approved respectability who deal largely with members of the wealthier classes, and consequently maintain larger establishments in order to run their shops. The expenses of L-10 licensees in running their shops are 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 condition therefore of L-10 and L-2 licenses are very different.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have a Message from His Excellency the Governor General. I received this Message only ten minutes ago. His Excellency says :

"Dear Mr. President,

I enclose herewith a Message to the Council of State together with the Finance Bill bearing my recommendation endorsed thereon.

Yours sincerely,

(Sd.) WILLINGDON".

This Recommendation is :

"Whereas the Legislative Assembly has failed to pass in the form recommended by me 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, a copy of which Bill in the form recommended by me is hereto annexed ;

Now, therefore, I, Freeman, Earl of Willingdon, in exercise of the power conferred by sub-section (1) of section 67B of the Government of India Act, do hereby certify that the passage of the said Bill is essential for the interests of British India.

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

The 26th March, 1936.

"In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Freeman, Earl of Willingdon, do recommend to the Council of State 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."

The 26th March, 1936.

(The Message was received by the Honourable Members, standing.)

INDIAN FINANCE BILL LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of the provisions of section 67B of the Government of India Act, I lay on the table a copy of the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, which the Legislative Assembly has failed to pass in the form recommended by the Governor General and which has been certified under the provisions of the same section by the Governor General as essential for the interests of British India.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

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

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

The Motion was adopted.

STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

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

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

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the Motions which have just been adopted by the Council I have to announce that nominations to the Standing Committees will be received by the Secretary up to eleven o'clock on Monday, the 30th March, 1936, and the date for elections, if necessary, will be announced later.

RESOLUTION RE REDUCTION OF HOURS OF WORK.

The HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary): Sir, I move:

"That this Council, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work to 40 a week, recommends to the Governor General in Council that he do not ratify the Convention."

This Resolution and the following one which stands in my name relate to the deliberations of the last session of the International Labour Conference. I have had circulated to Honourable Members the Report of the Government of India's delegates on that Conference. They will find appended to that Report the results of the Conference. This Convention is in one respect the most simple and in other respects the most difficult Convention that has ever been adopted at the Conference. It is simple in that it is extremely short and, on the face of it, easy to understand. There is only one operative article which I take the liberty of reading to the House. The other articles are formal. It reads:

"Each Member of the International Labour Organisation which ratifies this Convention declares its approval of:

- (a) the principle of a forty-hour week applied in such a manner that the standard of living is not reduced in consequence; and
- (b) the taking or facilitating of such measures as may be judged appropriate to secure this end;

and undertakes to apply this principle to classes of employment in accordance with the detailed provisions to be prescribed by such separate Conventions as are ratified by that Member."

As the concluding words "such separate Conventions as are ratified by that Member" show, this Convention by itself imposes no direct obligation. It is, I suppose, in theory possible to ratify this Convention and then to decline to ratify the subsequent Conventions. But I think the House will agree that that would be an entirely dishonest proceeding and that the obvious intention of the Convention is that if you accept the principle you accept the subsequent Conventions, unless in the case of some particular industry or industries you have special national reasons for not doing so.

So far it is quite plain sailing. Then two perplexing points arise, and the first is this, that at Washington a Convention was adopted for a 48-hour week and has so far failed to secure general acceptance. It has not been ratified by the majority of countries. Why then is the International Labour Organisation now pressing for a 40-hour week before the 48-hour position has been consolidated? This is the first perplexing point and the second is—how is this system going to realise the object in view? Now, I think I can explain the first point by reference to the antecedents of this Convention, but I must confess that I am not able to explain the second one. The Washington Convention proceeded mainly from the conception of preventing excessive hours of work. The same conception underlies our own labour legislation, the feeling that the hours of work in the interest of the man working should not exceed a certain length and that he should have reasonable leisure to develop his life. This Convention proceeds from rather a different idea, because the basic motive underlying it is the hope that it will reduce unemployment. It is looking rather to the men out of work than to the men in work, and the idea with

which it started is that if you spread hours you will bring more men into employment. In one or two countries, and particularly in the United States, a good deal of attention has been given to what is called technological unemployment, which means the unemployment created by the introduction of mechanisation and rationalisation. The fact is that in some cases two or three men can do what required a hundred men to do before—and in consequence the idea naturally suggested itself—why not spread hours and thereby absorb the men thrown out of employment?

That brings us up against the bigger perplexity that I mentioned second. If you are going to reduce hours as a means of spreading employment, the obvious way is to reduce wages too. It involves a sharing out of hours and wages. If you have 3,000 men working 60 hours, you can spread that work over 4,500 men working 40 hours without calling on the employer to pay more wages. There is no insuperable difficulty in most cases to employers doing that. It calls for a very large amount of adjustment and it would involve them in minor expenses in certain directions, but it would not involve any cataclysmic change. But if you are going to call on the employer to pay the same wages for 40 hours that he has been paying for 50 and 60 hours, you are obviously up against an entirely different proposition. Now it is still arguable that if you adopt this process of "spreading out" on a nation-wide scale to apply to everybody, even if nominally the wages are reduced, the standard of living generally will not be reduced: It is arguable (I do not say I accept the proposition), because it would mean that those in employment would get less and those out of employment would get more and the standard of living might remain approximately the same. Of course, if you are going to adopt that method, the obvious way of proceeding would be to find out how many men were out of employment, to find out the general level of your hours, and then to make a corresponding reduction; and I would expect that reduction to vary in different countries. But here we are told that there is a principle involved, and the principle is that hours should be 40 a week irrespective of the conditions in particular countries.

But now that is not the biggest difficulty. The biggest difficulty of all is that you are asked to proceed industry by industry; you are asked to apply the principle first to one industry and then to another. In my second Resolution I shall be dealing with one of the consequent Conventions designed to carry out this policy and I must confess that I fail to see how the principle can be applied first to one industry and then to another. Remember that what you are asked to do is to reduce hours to 40 in such a manner that the standard of living is not reduced.

THE HONOURABLE MR. SHANTIDAS ASKURAN: The cost of production would be higher.

THE HONOURABLE MR. A. G. CLOW: The cost of production would obviously be higher.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): And the consumer must pay for it!

THE HONOURABLE MR. A. G. CLOW: Take people working 54 hours a week at present in any particular industry that occurs to any Honourable Member of this House. We tell the employer that he must reduce hours to 40. We also tell him that the standard of living must not be reduced.

He must pay the same wages for 40 hours as he pays for 54. This point is rubbed in by a Resolution which Honourable Members will find on page 36 of this booklet, which refers to the procedure for maintaining the standard of living of the workers. What is to happen? He has got to pay an increase of 30 to 35 per cent. in his wages. He may get a very small increase in production. It would not be anywhere approaching his increase in wages: it might be 5 per cent. He has obviously got to put up the price of his articles. As my Honourable friend Sir David Devadoss suggested, the consumer has got to pay more: but the consumer is not going to pay more for securing the articles. He is going to cut down his demand for the articles. In consequence, so far as I can see you are going to create unemployment at the other end. Honourable Members of this House may be able to penetrate more deeply into the thought underlying this Convention than I have been able to, although I have tried my best to follow the proceedings of the Conference. I recognise that this proposal has been considered in different forms at three successive Conferences, but I must frankly admit that I cannot see how this method of proceeding is calculated to secure even the object which its framers have in view.

If we come from the general sphere to the national, I am sure that all Honourable Members will realise that to attempt to enforce a 40-hour week and to keep wages at the same level, as the standard of living should not be reduced, would mean absolute chaos in Indian industry. It is just a little more than a year ago that we asked employers to reduce their hours in perennial factories to 54: it is less than a year ago that we asked employers in mines to reduce their hours. I submit, Sir, that to go to a 40-hour week or anything approaching it at present on the conditions indicated in this Convention is outside the realm of practical politics for us. (Applause.)

THE HONOURABLE MR. SHANTIDAS ASKURAN: Will the Honourable Member give the House an idea as to how much the cost of production has gone up by a reduction of nine hours in the hours of work?

THE HONOURABLE MR. A. G. CLOW: The Honourable Member is, I understand, an employer and I must leave it to him to work it out for himself.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I move:

"That to the end of the Resolution the following be added, namely:

'but that he do take such steps as may ultimately enable, by gradual stages, the Convention to be ratified'."

Sir, I do not expect that the House will favour my amendment. I shall not be disappointed if the House rejected my amendment. I have a certain point of view and I wish to place that point of view on the records of the House and that is the main reason why I am moving this amendment. I am not going to argue that a 40-hour week is immediately practicable. We have not yet recovered from the period of economic depression. I also recognise that our industrialists have to compete with other foreign markets, with countries which are not observing these international rules with regard to hours and with countries which have depreciated currencies. Therefore I do not say give effect to the Convention immediately.

THE HONOURABLE THE PRESIDENT : But your proposition is a very indefinite one.

THE HONOURABLE MR. P. N. SAPRU : I will just explain, Sir, what my proposition is. But I would say this, let us keep in view this goal. I am not opposed to progress by gradual stages provided it takes us to the ultimate goal that we have in view. Now, I think that on humanitarian grounds it is necessary that the workers should not be made to work long hours. The question is not one of profit but of humanity. (*An Honourable Member* : "What about other countries?") Sir, we must think in terms of a new social order. My Honourable friend Sir David Devadoss does not think in terms of a new social order. This new social order will be achieved not by a process of revolution but through gradual stages. But we do think, Sir, in terms of a better and higher social order.

THE HONOURABLE THE PRESIDENT : How many hours do you think would be reasonable?

THE HONOURABLE MR. P. N. SAPRU : Forty hours I think is a reasonable limit. When the new Factories Bill was before the House—and I recognise that the Factories Bill has improved the position of the workers in regard to hours of work—I had the honour of moving that the reduction should be to 48 hours and 54 hours. Therefore, Sir, our first effort should be to reduce the hours to 48 and 54 as was suggested when the new Factories Bill was under discussion. Shortened hours mean more leisure for the working man. They mean that the worker will have more opportunities for self-development. (*An Honourable Member* : "And the grog shop!") The question is not entirely an economic one. There are certain spiritual values which we must place before material values. Profits are all right but we cannot think always in terms of profit. (*An Honourable Member* : "If there are no profits would there be any industry?") Well, Sir, that is a very very big question and I do not wish to enter into the question whether the profit incentive is necessary for work in life. I have my own views with regard to that incentive. That incentive is good within certain limits but we want, in the world as we conceive it, to regulate that incentive within certain definite and proper limits.

It is said, Sir, that the Indian worker is lazy, that the work he puts forth is not of a concentrated character and that further reduction of hours would make industries more depressed than they are. Well, Sir, one result of a reduction of hours would be that we would be able to find more employment for our men but I think that if you make a man work fewer hours you would make him work in a more concentrated manner. Probably the reason why the Indian worker is lazy is that he has to work long hours. If there was a reduction of hours you could, without having your production reduced, make him work concentratedly better.

Then, Sir, it may be said—it has been said—that shortened hours might lead to a reduction of wages and a lowering of the standard of life of the worker. Well, Sir, these arguments are arguments which employers have always employed whenever the question of the reduction of hours has been taken up in any country. You remember, Sir, how the same arguments were used in England when the Factories Act was passed somewhere about the middle of the last century. With a proper minimum wage and proper state supervision I see no reason why wages should go down, and as for cost of production, well, Indian industry, if I may say so with all respect to my industrialist

friends, suffers from over-capitalisation and excessive overhead charges. They are always thinking of the wages they pay to their workers. They are never, if I may say so respectfully, applying their minds to reconstructing their business on modern lines. Sir, there are directions in which our employers can reduce their expenses. Sir, I am a supporter of the point of view of the employers to a certain extent. I want protection for Indian industries. Not that I have a very genuine belief in the protective tariff but I know that in the circumstances that exist in the world today we cannot do without protection, and if we must have protection we must have adequate protection. (*An Honourable Member* : "Not at the cost of the consumer.") I am not going into the question of the burden on the consumer. Therefore, Sir, those of us who are for protecting our capitalists must not be blamed if they sometimes think of the poor down-trodden workers. I do not say our capitalists do not treat our workers well. (*An Honourable Member* : "Do they?") Well, Sir, I will not make any statement in regard to that, but I know that there are some very good men among the capitalists. The men are better than the system. That is certainly true. Therefore, Sir, I am not asking the House to adopt a 40-hour week immediately. I am just in my amendment asking the House to keep in view this goal and to work to this goal by gradual stages. The first stage would certainly be the reduction of hours to 48 and 54 and I would therefore say that my amendment is a very moderate amendment. It keeps a certain goal in view. It does not say that that goal is to be achieved immediately or within any given period of time. We are going to work to that goal by gradual stages and therefore I have placed this proposition before you.

With these words, Sir, I would commend this amendment to the acceptance of the House. I do so, not in the expectation or belief that the amendment will be accepted by the House but in order to place a point of view which does not always find expression in this House.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That to the end of the Resolution the following be added, namely :

'but that he do take such steps as may ultimately enable, by gradual stages, the Convention to be ratified'."

The debate will now proceed simultaneously on the original Resolution and the amendment.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to support the amendment moved by my Honourable colleague Mr. P. N. Sapru. Sir, after the speech of the Honourable Mr. Clow in which he explained the difficulties of the situation, it would seem not very reasonable to press him to accept this amendment. But my difficulty is that although I accept all his statements, my acceptance makes me suggest that he should adopt the amendment. I refer to a very pertinent question brought out by Mr. Clow which is agitating the minds of India, that is, the advent of mechanisation. With the advent of mechanisation in every industry, human labour is being gradually and insidiously and effectively replaced by machines. For instance, in the Bombay mill industry, if they do introduce automatic looms and if you mechanise and reduce the labour charges, as you have been doing all along, you are reducing the number of wage earners. I can give you the instance of one industry at least with knowledge. In the Tatas, who are the best paymasters in India, if you look at their wages bill, you will find —

THE HONOURABLE MR. SHANTIDAS ASKURAN: Tata steel or all the concerns?

THE HONOURABLE MR. HOSSAIN IMAM: Tata steel. You will find that the wage bill has not increased *pari passu* with the increased production. The same is the case with the mill industry of Bombay. Although the wage per head has increased—I do not deny that—the total amount of wages paid to labour does not bear the same relationship to the finished cost as it used to in former days. Our total population is on the increase. No step is being taken by Government to check it.

THE HONOURABLE SIR DAVID DEVADOSS: You proposed that last year.

THE HONOURABLE MR. HOSSAIN IMAM: They did not support it. That is my difficulty. The amendment of the Honourable Mr. Sapru does not involve any radical change in the position of Government. It simply gives an inducement to the Government to work up to that standard. I quite appreciate the point of the Honourable Mr. Clow that we have not worked up to a 48-hour week—we passed a 54-hour week Bill last year—and it is rather something like dreaming to come now to a 40-hour week. But there are employers in the world who have adopted that system. I refer to Henry Ford, who has already adopted the 40-hour week, and that without decreasing the wages.

THE HONOURABLE THE PRESIDENT: Do you think the Indian workman will agree to have his wages reduced?

THE HONOURABLE MR. HOSSAIN IMAM: Henry Ford has not reduced the wages and yet he is producing at cheaper costs. He has the knack of doing things which other gentlemen have not got. He works in huge sums and in a huge organisation. He has his own supplies.

THE HONOURABLE SIR DAVID DEVADOSS: How many Fords are there in the world?

THE HONOURABLE MR. HOSSAIN IMAM: He gives income to the wage earners and then collects them by his other activities, so that the higher charge is returned to him in the profits that he has in supplies and other things. The only thing which is required to make a 40-hour week a success is the will to establish it. May I draw the attention of the industrialists to the fact that the days of *laissez faire* are gone. The State is intervening every day by means of protection to give them profits. The profits which the industrialists are earning are not the result of their own capital. If they had been fighting the world in competitive markets, then they would have been justified in saying that they are not prepared to shoulder this additional burden. There is another reason. The world's monetary rates of interest have fallen immensely since 1929. You may have the law of constant real interest which would say that if you increase the purchasing power of money, the monetary interest charges always fall, so that you have equilibrium in real interest charges. If the prices are high, the interest is high, and when prices are low the interest is low. But in our Tariff Board calculations, they always calculate at the higher rate of interest for the millowners, and we have made deduction of their overhead charges. At the time of high salaries, the fall in the prevailing interest

rate and the fall of overhead charges, is not accounted for. Therefore, we will be perfectly justified in demanding that shorter hours should be introduced and thereby the wage bill should be increased. I would refer to one other aspect. The efficiency of the worker is materially increased by the lesser hours that he works.

THE HONOURABLE SIR DAVID DEVADOSS: He will be more efficient, according to you, if he works only 30 hours a week.

THE HONOURABLE MR. HOSSAIN IMAM: The Honourable Sir David Devadoss will excuse me if I say that a better judge of that would be Sir Nasarvanji Choksy, who is a doctor, and who can understand what the element of fatigue does in the outturn of work. If we organise the works, we can eliminate any amount of unnecessary steps. If you have shorter hours and employ more men, the incentive will be greater, and unnecessary works can be eliminated, and thus the cost need not rise to prohibitive heights. I do not deny that there is a possibility of rise in cost, and there might consequentially be a fall also in the wages. But it need not be exactly in the same proportion as the reduction of hours. You can find out a formula by which there will be mutual adjustment in the case of increased efficiency on the one side, and decreased hours on the other, so that a reduction of about 10 per cent. in the wages would about compensate, due to the increase of efficiency for the reduced hours. If you take into account the number of men whom you will reduce by means of mechanisation, you will find that even with 40 hours a week your wage bill will remain as it was before 1925, given the same number of employees. Sir, we do appreciate the great services which the Industries Department have done. The Industries Department can readily be called a sort of transferred department, because it has always been working in the interests of India. But the trouble is that in Indian interests, labour and capital are at clash. It is very difficult for the Industries Department to choose the one or the other. The leaning is more often towards capital, though I do not say that they have not forced capital to accept some of their reforms which were very much overdue.

Sir, I commend this amendment to the House.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, I am sure that my friend the Honourable Mr. Sapru, if he had known the real condition of industrial labour at present, would not have moved this amendment. He will be surprised to know that in the cotton industry, with which I am concerned, we are paying labour charges of seven pies a yard. While in Japan the labour charges for manufacturing cloth like that which I have on, is only two pies a yard, against our seven. Millions of yards of cloth are daily placed on that basis, i.e., you can buy and sell in the Kobe market millions of yards at one anna eight pies per yard. You do not know the position there and I think nobody in this House can throw light on how they can manufacture at that price or whether they follow the Conventions of the International Labour Conference or not. I certainly am not prepared to say. But I may tell you that in spite of reducing the hours of work last year our cost of production in labour alone has gone up by 5 to 9 per cent. in Bombay. I will give you all the figures in my speech on the Finance Bill and the name of each and every mill which has been sold by auction and you will be surprised to know what the position is today. Mills to the extent of Rs. 11 crores worth have been scrapped owing to the competition and all their labour is at a loose

[Mr. Shantidas Askuran.]

end. If this 40-hour week were accepted I do not know what would be the fate of the textile industry in India. I only want to bring to the notice of this House that our industry is not in a happy state. On the contrary all the mills in British India last year have lost Rs. 20 lakhs, and if you count the depreciation charges it comes to Rs. 1 crore and 18 lakhs. That is the state of the industry.

With these words I oppose the amendment.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, I hope my Honourable friends Messrs. Sapru and Hossain Imam will forgive me if I join issue with them so far as the amendment before the House goes. It is quite easy to think theoretically of reducing the number of hours of work for labour in India. But we must face hard facts. We must consider what it would mean to our industries situated as they are. We must realise the difficulties which the employers have to face, for example, the competition of Japan and other countries and the existence of factories in Indian States where there are no factory laws. Will it therefore be opportune to advocate a reduction of hours of work at this time? The Honourable Mr. Clow has reminded the House that the majority of European countries have not still adopted the 48-hour week according to the proposal of 1919. My friend Mr. Sapru says that he does not want the 40-hour week to be achieved immediately. But my point is this. The International Labour Conference holds its session every year, and almost every year it recommends a reduction in the hours of work. Why cannot we therefore wait till our industries are able to hold their own in the industrial world? Then only could my Honourable friend Mr. Sapru ask the Governor General in Council to ratify such a Convention, when our industries could really afford to reduce the number of hours of work for labour. Situated as we are, I consider that an amendment of this character is premature and I hope that Mr. Sapru will seriously consider whether it would be proper for him to press it at this stage.

THE HONOURABLE MR. A. G. CLOW : I am sorry that I am unable to accept this amendment. I think the House will recognise that first on a point of form it is impossible for me to accept it, because it says

"to take such steps as may ultimately enable, by gradual stages, the Convention to be ratified".

Now a Convention like this cannot be ratified by gradual stages. It must be ratified once and for all, and in ratifying these Conventions even reservations are not allowed. But I am sure what my Honourable friend means is that we should work up gradually by stages to a position in which we are able to ratify the Convention. Now I think the House sympathises with the courage with which my Honourable friend, in perhaps a somewhat critical atmosphere, has advocated the cause of the workers of the country. But I would ask him to reflect in the first place, that he has not indicated what steps we are to take. As I listened to his speech I did not gather that even the 48-hour week was to be enforced now. Well, if we are not to take any steps now, I submit we should not adopt an amendment of this kind. I have never been one of those who believe that wisdom will die with us and that our successors will not be at least as well able as we are to decide on the proper steps to be adopted in the future. Still less at a time when big constitutional changes are impending should we attempt to commit our successors to a particular course of action.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That to the end of the Resolution the following be added, namely :
'but that he do take such steps as may ultimately enable, by gradual stages, the Convention to be ratified'."

The Question is :

"That that amendment be made".

The Motion was negatived.

THE HONOURABLE THE PRESIDENT : I will now place the original Resolution before the Council :

"This Council, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work to 40 a week, recommends to the Governor General in Council that he do not ratify the Convention".

The Question is :

"That that Resolution be adopted".

The Motion was adopted.

RESOLUTION *RE* REDUCTION OF HOURS OF WORK IN GLASS-BOTTLE WORKS.

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

"That this Council, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention".

I do not think I need detain the House long with this Resolution, first because the Convention to which it refers is merely a corollary of the one we have been considering, and, secondly, because the House considered only a year ago a Resolution relating to sheet-glass works which is in almost exactly the same terms. This Convention seeks to reduce the hours in automatic glass-bottle Works to 42 per week. 42 of course in place of 40 is in recognition of the fact that it is a continuous process and you therefore must have a number divisible by seven. I have made inquiries and the only automatic glass-bottle Works in India are the small one near Allahabad at Naini—and one recently started in Bombay by transference of a machine from Naini. These factories like practically all continuous process factories work on a 56-hour basis. What we ask them to do if we accept this Resolution—in fact force them to do—would be to cut down their hours by a quarter. Now I suggest—and I think Honourable Members will agree—that there is no reason for singling out this tiny little branch of industry for such extraordinary discriminatory treatment. And while as I suggested in the previous Resolution reduction of hours, particularly in those factories working in shifts already, is not a very serious matter for the employer provided he can reduce wages too, it is a very serious matter from the point of view of the operative—a point which I think was not noticed in dealing with the previous Resolution. There is nothing in this Convention, in spite of the fact that it follows on the previous one, about wages, so that in theory one could ratify it and reduce wages. But to ask workmen to accept a reduction—a reduction that would be considerable if the employer was to

[Mr. A. G. Clow.]

carry on his business as before—will be to ask them to accept a very greatly reduced standard of living.

The Motion was adopted.

STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to elect three Members of the House to serve on the Standing Committee for Roads. I may, however, point out that the Honourable Sardar Buta Singh and the Honourable Sir Hayat Khan Noon have withdrawn their candidature.

(Ballot papers were distributed and the election was proceeded with.)

THE HONOURABLE THE PRESIDENT: The result of the election will be announced later. The Council will now adjourn.

The Council then adjourned till Eleven of the Clock on Monday, the 30th March, 1936.

COUNCIL OF STATE.

Monday, 30th March, 1936.

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

MEMBER SWORN:

The Honourable Mr. Gurunath Venkatesh Bewoor, C.I.E. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXCHANGE OF BARREN AND UNPRODUCTIVE MARES FOR SUITABLE FILLIES FROM THE MONA AND SARGODHA DEPOTS.

143. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Do Government propose to change barren mares or mares otherwise declared unfit, belonging to the horse-breeding colonists in the Montgomery district? If so, from what date will this concession come into force?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Government have decided, as an experiment for one year from the 1st March, 1936, to allow *bona fide* breeders of the Army Remount Department to exchange their barren and unproductive mares of between four and nine years of age for suitable fillies from the Mona and Sargodha Depots on certain conditions.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is it going to be free of charge or have they to pay the price?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I cannot give the Honourable Member all the details in that order but I can send him a copy of the order if he likes.

NUMBER OF SAYYIDS ENLISTED IN THE INDIAN ARMY.

144. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Will Government be pleased to state how many Sayyids have been recruited to the army since the declaration by His Excellency the Commander-in-Chief in the Council of State last year that there were no restrictions on the enlistment of Sayyids in the army?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Fifty-eight.

ENLISTMENT OF SAYYIDS IN THE INDIAN ARMY.

145. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Do Government propose to publish in the Army Gazette the announcement of His Excellency the Commander-in-Chief that no restrictions on the enlistment of Sayyids in the army exist?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No. There is no restriction on the enlistment of Sayyids and Commanding Officers are well aware of the orders on the subject.

NUMBER OF INDIAN OFFICERS WHO HOLD THE KING'S COMMISSION.

146. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Will Government be pleased to state the total number of Indians who have obtained a King's commission so far? How many of these are sons of ex-military men, and what are their sub-castes?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Two hundred and ninety-eight of whom 72 were commissioned from the Indian Military Academy. Our records do not contain the information asked for in the latter part of the question but the Honourable Member will find the names of all the serving officers in the *Army List*.

NUMBER OF STUDENTS WHO JOINED THE INDIAN ARMY AFTER PASSING OUT OF THE MILITARY SCHOOLS OF SERI ALAMGIR AND JULLUNDUR.

147. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Will Government be pleased to state how many students have so far passed out of the Military Schools at Seri Alamgir and Jullundur, how many of these joined the army and how many of those who joined the army have been able to obtain a King's commission or Viceroy's commission?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Between three and four hundred boys have passed through these schools of whom the majority have entered the army. It would involve a great deal of time and labour to follow out the cases of each of these 400, but as the schools were only started in 1925 and the eldest ex-student cannot be more than 24, it is improbable that many have yet received Viceroy's commissions. One has so far been commissioned from the Indian Military Academy and four are at present gentlemen-cadets.

CONDITIONS UNDER WHICH SCHOLARSHIPS ARE GIVEN FOR THE INDIAN MILITARY ACADEMY, DEHRA DUN.

148. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Do Government give any special scholarships to the sons of ex-military men who are admitted to the Dehra Dun Military College? If so, how many such scholarships have been given during the last year and what are the conditions under which these scholarships are given?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Details of all scholarships, etc., available at the Prince of Wales's Royal Indian Military College, are given in the Regulations, a copy of which is in the Library. No scholarships of the kind mentioned have been awarded during the past year.

APPOINTMENT OF AN ADDITIONAL MEMBER TO THE RAILWAY BOARD.

149. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether they intend to add another Member to the Railway Board in the near future? If so, from what date? What are the reasons for doing so? What will be the annual salary and allowances in this case?

THE HONOURABLE SIR GUTHRIE RUSSELL: The matter is under consideration. If the appointment is made, it will have effect some months hence. As has already been explained by the Honourable Member for Railways in the course of the Railway Budget debate, the Board cannot carry on with three Members. If the post is sanctioned, it will carry the usual pay of a Member of the Railway Board, viz., Rs. 4,000 per mensem.

APPOINTMENT OF AN ADDITIONAL DEPUTY AGENT ON THE NORTH WESTERN RAILWAY.

150. THE HONOURABLE RAI BAHADUR LALA RAMSARAN DAS: Has an additional Deputy Agent recently been sanctioned for the North Western Railway? If so, what are the reasons which led to this addition? What are the additional annual salary and allowances in this case?

THE HONOURABLE SIR GUTHRIE RUSSELL: The reply to the first part of the question is in the negative. The rest of the question does not arise. NATURE OF DUTIES PERFORMED BY THE STAFF OF THE CENTRAL FORMS STORE AND THE CENTRAL STATIONERY OFFICE, CALCUTTA.

151. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Will Government be pleased to state:

(a) The minimum qualifications, the nature of duties and the scale of pay of the clerks of the Central Forms Store, Calcutta?

(b) The minimum qualifications, the nature of duties and the scale of pay of the record suppliers of the Central Forms Store, Calcutta?

(c) The minimum qualifications, the nature of duties and the scale of pay of junior clerks in the Stationery Office, Calcutta?

THE HONOURABLE MR. A. G. CLOW: (a) to (c). I am not in possession of information regarding the detailed nature of duties performed by the staff in question. So far as I am aware, no minimum qualifications have been laid down for record suppliers in the Central Forms Store or for junior clerks in the Central Stationery Office. The minimum qualifications in the case of clerks in the Central Forms Store is the matriculation or equivalent examination. The scales of pay are given in the statement laid on the table.

Staff.	Statement.	
	Existing rates of pay.	Revised rates of pay.
	Rs.	Rs.
Clerks, Central Forms Store, Calcutta	45—45—50—3—65—4	45—45—5/2—90—3
Record Suppliers, Central Forms Store, Calcutta.	—85—4—105—5—140	—105
	20—1—27	20—1—27
Junior Clerk, Central Stationery Office, Calcutta.	30—1—40	30—1—40

SCALE OF PAY OF RECORD SORTERS IN THE GOVERNMENT OF INDIA SECRETARIAT, ETC.

152. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : Will Government be pleased to state :

(a) Whether the record suppliers in the Department of Industries and Labour, Government of India, draw pay from Rs. 30 to Rs. 50 per mensem ?

(b) Whether the record suppliers in the Office of the Secretary, Imperial Record, are graded from Rs. 20 to Rs. 40 ?

(c) Whether the record suppliers of the Central Forms Store, Calcutta, are in the grade of Rs. 20— $\frac{1}{4}$ —27 ?

(d) Whether the record suppliers of Central Telegraph Office are in the grade of Rs. 30 to Rs. 75 ?

(e) If the replies to (a), (b), (c) and (d) are in the affirmative, will they be pleased to state the reasons for the differential treatment meted out to the record suppliers, Central Forms Store, Calcutta, regarding their pay and conditions of service ?

THE HONOURABLE MR. A. G. CLOW : (a) No. The scale of pay of record sorters in the Government of India Secretariat rises from Rs. 20 to Rs. 40.

(b) Yes.

(c) Yes, if they are permanently employed.

(d) No.

(e) This does not strictly arise but I should add that the scale of pay for the record suppliers in the Central Forms Store, Calcutta, is based on the scale of pay for similar employees under the Government of Bengal.

DUTIES PERFORMED BY RECORD SUPPLIERS OF THE CENTRAL FORMS STORE, CALCUTTA.

153. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : Will Government be pleased to state :

(a) Whether the record suppliers of the Central Forms Store, Calcutta, are required to assist the clerks in the discharge of their duties and even at times to perform the duties of the clerks independently ?

(b) Whether the record suppliers of the Bengal Secretariat, of the Central Telegraph Office and of the Central Forms Store, Calcutta, possess the same qualifications and perform the same duties ?

THE HONOURABLE MR. A. G. CLOW : (a) Record suppliers are supposed to assist the clerks in the discharge of their duties, and I understand that some of them have at times performed clerical duties independently.

(b) I have no precise information : the work of record suppliers in one office presumably resembles in some respects the work in another, but the standards required and the conditions of work are not necessarily the same.

ACTION TAKEN ON THE MEMORIAL SUBMITTED BY RECORD SUPPLIERS OF THE CENTRAL FORMS STORE, CALCUTTA.

154. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : Will Government be pleased to state :

(a) Whether the record suppliers of the Central Forms Store, Government of India, Calcutta, submitted a memorial to His Excellency the Viceroy through the proper channel on 18th November, 1929, and, if so, the contents of the said memorial ?

(b) Whether Mr. H. F. Trousdell, the then Deputy Controller of Forms, Central Forms Store, Calcutta, forwarded that memorial with strong recommendations thereon ? If so, the nature of those recommendations in detail ?

(c) The nature of action taken or intended to be taken in the matter ?

THE HONOURABLE MR. A. G. CLOW : (a) Yes. The memorial contained a request for enhanced pay and treatment of service as "superior".

(b) The memorial was received from the Controller of Printing and Stationery. Views expressed by individual officers on memorials of this kind are confidential, but I may add that there is no record in my Department of a recommendation by the Deputy Controller of Forms.

(c) The memorial was rejected.

ACTION TAKEN ON THE SECOND MEMORIAL SUBMITTED BY RECORD SUPPLIERS OF THE CENTRAL FORMS STORE, CALCUTTA.

155. THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : Will Government be pleased to state :

(a) Whether the record suppliers in the Office of the Manager, Forms Press, Central Forms Store, Calcutta, again submitted individual memorials on 14th August, 1935 to the Controller of Printing and Stationery through the proper channel praying for amelioration of their conditions ?

(b) If so, the nature of the action taken or intended to be taken in the matter ?

THE HONOURABLE MR. A. G. CLOW : (a) and (b). I understand that a memorial was received by the Controller of Printing and Stationery and was rejected by him.

DAMAGE CAUSED TO AGRICULTURAL LAND BY THE KHEWRA SALT MINES.

156. THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Will Government be pleased to state (a) whether the proceedings of the debate on the subject of damage caused by the Khewra Salt Mines held in the last Delhi session of the Council of State were forwarded by the Government of India to the Punjab Government ?

(b) Did the Punjab Government appoint an officer to investigate the causes of damage caused by the Salt Range to the lands in the neighbourhood and to suggest remedies ?

(c) If so, has the aforementioned officer already submitted a Report and has a copy been received by the Government of India ? If the answer is in the affirmative, will Government be pleased to state if they propose to publish this Report ? If not, why not ?

(d) Do the reports attribute a portion of the damage to the working of the Khewra Salt Mines? If so, what action do the Government of India propose to take in the matter?

THE HONOURABLE MR. A. J. RAISMAN: (a) and (b). Yes.

(c) and (d). The officer has submitted his Report to the Punjab Government and it is now being examined by that Government. A copy has in the meantime been furnished unofficially to the Government of India, who are awaiting the results of the Punjab Government's examination. I am not yet in a position to say whether the Report will be published or not and what action will be taken on it. A copy of the Honourable Member's question and of this reply will be sent to the Punjab Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The answer to clause (d) of my question has not been given.

THE HONOURABLE MR. A. J. RAISMAN: I think it was covered by my general reply.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Khewra Salt Mines under the Government of India or the Punjab Government?

THE HONOURABLE MR. A. J. RAISMAN: The Honourable Member is perfectly well aware that the Khewra Salt Mines belong to the Government of India.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Government of India to form an opinion on that Report or the Punjab Government?

THE HONOURABLE MR. A. J. RAISMAN: The Honourable Member is also aware that the question relates to the deterioration of certain agricultural lands in the vicinity of the Khewra Mines and not to anything directly connected with the carrying on of the Mines.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Is there no damage directly connected with the Khewra Salt Mines according to the Report?

THE HONOURABLE MR. A. J. RAISMAN: The Report, I may say, makes it quite clear that the Mines have caused the trouble in question only to a small contributory extent but that it is a problem of a much larger character.

ESTABLISHMENT OF CHEMICAL WORKS NEAR THE KHEWRA SALT MINES.

157. THE HONOURABLE RAJA GHAZANFAR ALI KHAN: (a) Does some British Company intend to start chemical works in the neighbourhood of the Khewra Salt Mines? If so, has any correspondence passed between the Government of India and the said Company on the subject?

(b) If the answer to part (a) be in the affirmative, will Government please lay on the table the purport of this correspondence?

(c) Do Government propose to lay down some conditions before issuing a licence to the said Company? If so, what are those conditions?

(d) Are Government considering taking a guarantee from the Company that as far as possible the staff and labour will be recruited by the Company from local people?

THE HONOURABLE MR. A. J. RAISMAN: (a) Yes.

(b) No.

(c) The Company have undertaken that before proceeding to manufacture, they will float a public company registered in India with rupee capital in which the public will be invited to take up a not unsubstantial portion of such shares as will entitle their holders to vote. They have also undertaken that they will employ Indians not only for ordinary labour but also in higher technical posts after training.

(d) No such stipulation has been made.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are Government prepared to consider the desirability of making this condition?

THE HONOURABLE MR. A. J. RAISMAN: No, Sir. I do not think Government can agree to the principle that the benefits of a particular industrial enterprise should necessarily be restricted to the people in the immediate vicinity.

STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

THE HONOURABLE THE PRESIDENT: I have to announce that the following Honourable Members have been nominated for election to the Standing Committee in the Department of Commerce:

The Honourable Mr. Satyendra Chandra Ghosh Maulik.

The Honourable Rai Bahadur Lala Mathura Prasad Mehrotra.

There are two candidates for two seats and I declare them duly elected.

STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT: I have also to announce that the following Honourable Members have been nominated for election to the Standing Advisory Committee for the Indian Posts and Telegraphs Department:

The Honourable Sir David Devadoss.

The Honourable Mr. H. P. Barua.

The Honourable Mr. Jagadish Chandra Banerjee.

There are three candidates for two seats and an election will be necessary. The date of the election will be announced later.

STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT: I have also to inform the Council that as a result of the election held on the 26th March, 1936, the following three Members have been elected to the Standing Committee for Roads for 1936-37:

The Honourable Sir Phiroze Sethna.

The Honourable Kumar Nripendra Narayan Sinha.

The Honourable Mr. Mahmood Suhrawardy.

INDIAN FINANCE BILL, 1936.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to discuss the Finance Bill. As there are many Honourable Members who would like to speak, I would request Honourable Members to be as brief as possible in their remarks. Of course there is no time limit fixed for Legislative Bills but I am sure Honourable Members will exercise their sound judgment and discretion as regards the length of their speeches. I may also mention that the Honourable Sir James Grigg has informed me that his presence is absolutely necessary in the other House today and that he will perhaps not be able to attend this House. But he will endeavour his very best to be in this House as early as possible. The debate will now proceed.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I move:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to 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 recommended by the Governor General, be taken into consideration".

Sir, I will not detain the House long with a speech at this stage. As the House is well aware, the circumstances out of which the Finance Bill arises are fully explained in the Budget speech. The effect of the Bill is to carry out the two proposals for relief which were indicated at the end of the Budget speech, namely, in the first place to reduce the existing surcharge on income-tax and super-tax by exactly a half, and in the second place to give certain relief in respect of the postage on letters. The only other provision of the Bill relates to the fixation of the salt duty which has to be done from year to year. I would only add that it is undoubtedly a matter for regret that this Bill should have come before this House once more in a form certified by the Governor General, but the House is well aware of the circumstances which have made it inevitable that this action should be taken. The amendments which were carried in the other place were such as to make it impossible to balance the Budget and the acceptance of those amendments would have resulted in a financial situation of the most extreme seriousness. In these circumstances, the Bill has had to be dealt with under the procedure of which this House is aware.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, before I commence my remarks on the Finance Bill, permit me to thank the Honourable the Leader of the House and the Finance Department for having restored the University grants for which we made such vehement appeals. But I am afraid, Sir, that when restoring these grants, he seems to have forgotten his alphabet! After Aligarh and Benares, Calcutta's Rs. 1,300 only was forgotten. The grants of Rs. 30,000 for Aligarh and Rs. 30,000 for Benares were restored, but not the grant of Calcutta. I hope that this was unintentional and that he will restore that grant also quickly enough.

Sir, certified Bills are always a reminder to us of our real condition of abject servitude. If it comes once in a way, it does not matter so much. But when it becomes the rule, it is time to ask what is wrong with the whole Constitution? Within the space of one year we have had three certified Bills before us. The Finance Bill of 1935-36 was brought before us in a certified

form in April, 1935; then again we had the Criminal Law Amendment Bill in a certified form and we have this Bill again in a certified form. We have no doubt that constitutionally, according to the rules, they are perfectly justified. There is no doubt about that. But the question is this. If you have made up your mind that the Legislature is not good enough to carry on, why have all this expenditure on the Legislature? Either you should make yourself responsive and show that you desire to meet the Opposition at least half-way, or you should abolish the Legislatures. Some of my friends who are habituated to discount our statements about the powerlessness of the Legislature, and about the unresponsiveness of the Government—even they would have been convinced by now, because the authority who has taken up the cudgels to support the Opposition is no less than the Honourable the Law Member. He quoted to us in the other House chapter and verse to show that under the present Constitution there was no transfer of power over the purse strings, that all this Budget discussion and Finance Bill were nothing more or less than permission to enact an annual farce. If that is so, why waste the time of the House? Why waste the money of the taxpayers? There is no need to have voting on demands; there is no need to have the Finance Bill discussion. Just let us have, as we had before, one day to discuss the whole thing and finish with it without voting.

THE HONOURABLE THE PRESIDENT: And pass an unbalanced Budget?

THE HONOURABLE MR. HOSSAIN IMAM: Sir, as we said last year, if we had the responsibility we would find ways and means. If income was cut we would reduce expenditure to balance it. But to confront us with an irreducible expenditure and then to ask us to balance the Budget is too tall an order. Sir, the Congress came to the Legislatures with the avowed object of proving that the Legislatures are powerless, that the Government is irresponsible, that the control of the Legislature over the Government is a myth, and what has Government done? It has played into the hands of Congress and has proved to the hilt every one of the accusations which Congress men brought against it inside and outside the Legislatures. At the present moment the policy of Government is not to look ahead, but to look just in front of their noses and to secure momentary victories. What will be the after effect, the effect on the country? The only aim and object of Government is to try and put the Congress wrong in some minor respect. Long views of things are not being taken. Then I witnessed a strange phenomenon. The Members of the Treasury benches were singing the praises of the former Opposition and in like manner the Opposition leaders were singing the praises of the predecessors-in-interest of the Treasury benches. That shows that in former days we had friendly bouts, exhibition fights; but now we are having the lists cleared for the fray; there are no niceties observed in the duel; we have to fight with bare knuckles and fight to the end.

Sir, there are people on this side of the House who do not see eye to eye with the Congress in their programme of abolition of the salt duty, but we had a right to expect from the Government something better than what they have done. It is common ground between the Government and ourselves that the surcharges were an emergency measure. It was promised that they would be remitted as soon as occasion offered. Have we no right to claim that those who have the least ability to pay taxes should have precedence in remission of taxation? Is it not a fundamental principle that relief must be given to those who can pay the least? Therefore it was quite possible for the Government to amend this recommended Bill so as to make some reduction in the salt duty. They would thereby quite possibly have gained the

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support of at least a section of the people in the Lower House. But, Sir, in the form in which the Bill has been introduced we cannot make these nice differences, whether we agree with a particular item or not. We have the precedent of the European Group in the Assembly in regard to this. Last year they set a very good precedent to the effect that in a recommended and certified Bill it is not possible to differentiate, and every item has the same force as the other. Therefore, if I am opposed to one item, I must oppose or remain neutral on the issue of the passage of this Bill as a whole. We have great respect for the European Members and we know that in what they have done they have not been animated by enmity for the Government. Their action could only have emanated from a love of the Constitution with all its faults. It is therefore very difficult, and impossible, for us to support this Bill.

The Finance Bill discussion is always one in which all sorts of matters are brought up, but I am going to impose a self-denying restriction on myself and am not going to refer to remote matters. But by way of personal explanation I have to say a few words about Quetta. When I agreed with the Honourable Finance Member that Quetta should be financed from revenue during the Budget discussion, I knew perfectly well that a section of Indian opinion was against its being financed from revenue. But I did not give any of my reasons for this because I thought I would be spending my time better in criticising those portions of the Budget to which I did not agree. But now the circumstances have changed. The Assembly has by an overwhelming majority of 73 against 52 rejected that demand, and in fairness to myself I wish to give the reasons which prompted me to differ from my non-official colleagues. The example of Japan was quoted in support of reconstruction being financed from capital, but I wonder why all the public men forgot an example nearer home. Are memories so short that the reconstruction of Bihar in 1934 from revenue was not remembered by a single person in the House? Sir, in financing the reconstruction of Bihar the Government went so much out of its way as to pay even for buildings for which neither the Government of India nor the Local Government were responsible. Most of the money was spent in financing the rebuilding of schools, hospitals, municipal and district board buildings, bridges, roads and those kinds of things. Nevertheless against that expenditure from revenue not a single responsible voice was raised in the whole of India, not even the Congress questioned the propriety of charging to revenue the cost of Bihar reconstruction. Now for Quetta the ultimate and primary responsibility is of the Government of India, and yet there has been a hue and cry. The reason for this is to be found in one word. Bihar was financed from a surplus and it would either have gone to reduction and avoidance of debt or to Bihar. It would not have gone towards remitting taxation, whereas in the present case the outcry is the result of nothing better than an indecent hurry to get remission of income-tax. Then, Sir, our own practice, the practice of years, to which no one has raised any objection, can be cited against financing this from capital.

THE HONOURABLE THE PRESIDENT: Is past practice inflexible?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. But it is even the present practice. In this Budget we have passed crores of rupees for original works under different heads, without protest from non-officials. I shall give you some examples. Within the last six years, we have spent Rs. 10½ crores under the head of Military Engineering Service in the Army Budget for original

works of building and communication. We have spent on the average Rs. 46 lakhs a year on building construction under the head Watch and Ward. We have spent Rs. 32 lakhs a year on the original works under head "73-Civil Works."

THE HONOURABLE THE PRESIDENT: Your argument leads to the conclusion that no hard and fast rule could be laid down. It is a matter of convenience—a matter of financial convenience.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. My argument was that past practice sanctions that reconstruction should be charged to revenue because it is not going to repay its way. That was the fundamental principle enunciated by the Honourable Finance Member that only that expenditure should be charged to capital which promises to repay interest as well as sinking fund charges. That principle is a very sound principle and I think the whole of my Indian friends believe in it. That is the reason why no one had questioned these expenditures on original works. In the last six years we have spent not less than Rs. 15 crores on original works and constructions, and yet for an expenditure of Rs. 7 crores in eight years on Quetta there is all this cry: and, as I said before, it is nothing more or less than the cry against delay in reduction of surcharges on income-tax. The Honourable the Finance Member said in the other House that this item should be debited to revenue, because it belongs to the class of expenditure—of which examples are very many in our Budget—of capital expenditure charged to revenue. That also shows that the public men of India have up to now allowed this heresy to continue unchecked because in their heart of hearts they believed in the principle of the Honourable the Finance Member. Sir, I have done with this Quetta item.

I now revert to questions arising directly out of this Bill. Last year the Honourable Finance Member referred to tariff reform. This year, too, in the other House suggestions were made during the Finance Bill discussion about the manipulation of the tariff, but I am sorry that in one whole year nothing has materialised. In the interests of the 80 per cent. of Indians it is necessary that our tariff should be modified in consultation with public men, with producers of primary products and with the manufacturers. I, Sir, as you know well, am not a protectionist by choice, but under compulsion of world circumstances I have sometimes to take up that attitude. But to me the old maxim, that the greatest good of the greatest number should be the ideal of a good government, has still an irresistible appeal. Sir, when we hear of this talk of industrialisation, I am grieved to see that my country is drifting towards the inhuman industrialisation which has been the bane of European countries. In a country with such a teeming population as India, with so much poverty, with so much unemployment, mechanisation and use of power can do nothing but demobilise our human labour and thereby reduce the purchasing power of the ultimate buyer, the 80 per cent. agriculturists.

THE HONOURABLE THE PRESIDENT: You want to go back 50 years.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, 50 years ago in the cost of production the labour charges were double what they are now: the number of men employed in producing goods were much more than they are now, and I challenge the Government to collect statistics and show if these are not the facts. Fifty years before, Sir, 90 per cent. of the cost of production was represented by three items, wages, price of raw material and profit of the

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distributor. Fifty years after, at the present time, what proportion do these bear? A lump sum of about 30 to 40 per cent. is taken out as overhead charges and interest on capital at charge, and service of the capital assets, depreciation and that sort of thing, thereby an enormous reduction is made in the purchasing power of the masses. Well, Sir, we have heard stories from commercial men of the losses that they are suffering at the present moment. The loudest in its cry is Bombay. But if we consider our own tariff at the present moment and what it was 50 years ago, you will find that Bombay's staple industry has received much more support than it had at that time. At that moment, as you will remember, there was a customs duty and a countervailing excise duty; we have no excise duty now. To that extent we have relieved them of their burden. In addition to that we have increased the protection.

THE HONOURABLE MR. SHANTIDAS ASKURAN: What percentage was the excise duty?

THE HONOURABLE MR. HOSSAIN IMAM: In former times it was 30 per cent. of the customs duty.

THE HONOURABLE MR. SHANTIDAS ASKURAN: I am asking about the excise duty.

THE HONOURABLE MR. HOSSAIN IMAM: Formerly excise duty was the same as the additional customs duty. Afterwards it was reduced and ultimately in 1925 it was abolished.

THE HONOURABLE THE PRESIDENT: It was 3½ per cent.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Now we have got so many duties to pay, which you ignore.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, may we tell, the commercial men that when they start industries, it is their duty either to make sure of their return or not to start industries.

THE HONOURABLE SIR DAVID DEVADOSS: How could they decide that beforehand?

THE HONOURABLE MR. HOSSAIN IMAM: I will prove to you what truth there is in the story of losses of Bombay. The population of Bombay is 7½ per cent. of British India, but the taxable income of the Bombay wallahs is 23 per cent. of the whole of India, that means three times the income which the other provinces of India have. That shows the true story of the poverty of Bombay. Then we find that while there is a reduction of 56 per cent. in the income of the registered companies, the reduction in the income of the firms and those who are managing these commercial concerns is only 42 per cent. Sir, it would give us some lessons and would silence many of the blind advocates of mechanised industry if the Government were to collect statistics about the wage bill of the industries of India. Has it increased *pari passu* with increased production? Has the number employed increased in the same ratio as the increase of production? Sir, industrialisation as a cure for unemployment has been exploded. When even England, the most

advanced industrial country, cannot give employment to 45 millions of its people, it is idle to think that in India with our servitude to a foreign power, we can give employment to 350 millions by industrialisation. Sir, I can understand the capitalist cry of further mechanised industrialisation, but I am surprised that those who pose as the champion of the masses should have taken up this cudgel for this form of industrialisation, because industrialisation had never, and has not and will never, cure unemployment, except if you have cottage industries. You cannot have a thriving home industry when there is competition between the mechanised industry and the cottage industry. Just as you have started a policy of protection for home produce from foreign competitors, if you want to save the cottage industry you have to protect it from the mill industry and that you can do, Sir, by means of tariff reform and the imposition of excise duties on the products of those power industries who compete with cottage produce as we have already done in respect of sugar to a certain extent. It is no new thing that I am advocating. (An Honourable Member: "What about competition from other countries?") What competition can there be? I can raise my tariff duty, as we did recently from 15 to 20 per cent. and from 20 to 25 per cent. (An Honourable Member: "And make the poor man pay!") The poor after all becomes the buyer as well as the seller, so that if he pays more he sells the produce at a greater price too.

I will cite to you, Sir, the example of France. For the last two years they have had an unbalanced budget to the tune of about £200 millions. And if you examine the index of prices in France you will find that it is very much higher than it was two years ago. Even an unbalanced budget has by economic reaction raised the prices, and increased the income as well of the Government. I came across it, Sir, in a recent issue of the *Economist*, dated the 29th February. (An Honourable Member: "What about the agriculturist who has to buy the cloth?") Sir, the agriculturist sells his grain at less than 40 per cent. of what he received in 1929 because there is no money in the country.

THE HONOURABLE THE PRESIDENT: Then by what method do you propose to feed the millions in India?

THE HONOURABLE MR. HOSSAIN IMAM: By giving them work for their leisure hours.

THE HONOURABLE THE PRESIDENT: But if there are no industries where are you going to give them work?

THE HONOURABLE MR. HOSSAIN IMAM: There will be the cottage industries, Sir, the home industries. If you have home industries, the people of the countryside will not be required to leave the village.

I will cite another instance, a very recent instance of the woollen industry. There too, Sir, I am indebted to the *Economist* for my facts and figures. Sir, we had an inquiry by the Tariff Board into the woollen industry and we found that, while the cottage industry and the mechanised industry have about the same amount of production, the number of people employed varies enormously in the two parts of the same industry. It shows for instance that in the mill industry there are 13 factories employing about 5,800 men, whereas in the cottage industry there are four lakhs of men employed. And this figure is taken from the Government's own records.

Then, Sir, Sir George Schuster, as long as he was here, declared it to be his first object to increase the prices of the primary products. But now, Sir,

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I find that in the regime of the present Finance Member there is no effort to attain this object. In reply to our Budget discussion on the 6th March, Sir, he told us that there was some sign of a rise in prices in India also. I wanted, Sir, to see the statistics and I am very much grieved to find that it is still three points below what it was in 1931. I am quoting, Sir, the figures for January, 1936 from *Indian Finance*. In 1931 the index number was 68·1 and in January, 1936 it was 65·0. In 1932 it was 64·5 and today it is 65·0. A rise of only half per cent. from the average of 1932 is all that has been attained for India whereas our Finance Member stated that there was an appreciable rise recently.

THE HONOURABLE MR. A. J. RAISMAN: Who has compiled that index number?

THE HONOURABLE MR. HOSSAIN IMAM: That is your official Calcutta index number. Then I will give you the example of the United Kingdom. The *Economist* index number for 1932 was 67·7 and today it is 77·2, a rise of 10 points in England with a rise of ·5 points in India. If, as the Government say, Sir, we are on the same parity, and our currency has been reduced to the same level as that of the English sterling, why is there this difference? I should like the Honourable the Finance Member or the Finance Secretary to enlighten us as to the cause of these apparently irreconcilable facts and figures. Given the same ratio, why should there be such a big difference? I can give you my own diagnosis. The price in England has risen because the Bank of England has made efforts to increase the prices by means of regulations of currency. From the 21st September, 1931 up to the beginning of this year, the gold stock of the Bank of England was increased by £130 millions worth of gold and currency expanded. This statement, Sir, was made by Mr. Neville Chamberlain in the House of Commons. Whereas in India, as I said before, not a tola of gold has been bought. Then again, Sir, England has accumulated in its Exchange Equalisation Fund an amount of gold for which no facts and figures are published but which has been variously estimated at £100 to £150 millions. The third item, Sir, is that the amount of currency available in England is not directly dependent on the note issue because as we know, there the cheque habit has so far increased that you have an almost second kind of currency in the form of bank cheques, and of that, Sir, the volume is even more staggering, being estimated at between £1,800 and £2,000 millions. Here, Sir, whenever we have asked the Government to increase the amount of currency we have been cold shouldered. Sir, it will come perhaps not as news to the House but it will certainly be something which will make them think. During the last eight or nine years that we have been on the 1s. 6d. ratio we have contracted Rs. 65 crores of debt in order to contract the currency. One-third of our debts uncovered by assets are represented by nothing more or less than the contraction of currency. By contraction of currency we assume the silver note as well as the paper note. We are told that it has not been transferred to the Reserve Bank and is not the concern of the Government of India. Why then have a liaison officer? If it is altogether a transferred subject, over which Government have no control, then there is no good having a liaison officer. We do not want that the printing press should take the place of the money market. That, Sir, would be real inflation. But to replace part of the contracted currency by means of inflation or reflation of currency would not only be welcome but it will be necessary if we want to have a rise in prices. You will never have a rise in prices as long as you do not

have recourse to this method. During the current year the Reserve Bank has maintained equilibrium; there has been neither contraction nor inflation of currency. They have only printed and circulated notes when they had got rupees. So that the Reserve Bank is doing more or less what was being done in the days before the creation of the Reserve Bank. What is the good of creating a Reserve Bank and saddling us with all the expenditure of payment of lakhs and lakhs to the Imperial Bank and all this paraphernalia of the Reserve Bank if it is not going to work in a manner different from a Government Department? Therefore, I want the Finance Department to make efforts to replace part of this loan annually; to reflate the currency by certain sums of money, so that the former debts may be redeemed. I do not want to go back very much; even if you go to 1st April, 1929, you will have to reflate the currency to the tune of Rs. 57·18 crores. That was the official figures which Mr. Tallents quoted last year.

THE HONOURABLE THE PRESIDENT: You have already taken 40 minutes. You know that many Honourable Members would like to speak.

THE HONOURABLE SIR DAVID DEVADOSS: He must cover everything, from China to Peru.

THE HONOURABLE MR. HOSSAIN IMAM: I never do that. I deal only with the financial aspects. I have never said anything about any of those grievances which is the general practice in the other House and even in this House. Sir, I have cited to the Finance Department the example of England. I can cite to them the examples of other countries too. We wish to know if there are any authorities which may be cited to the Finance Member, or whether the Finance Member and the Finance Department are a greater law unto themselves, from which there is no appeal. If that is so, we would be content even then, because then we need not waste our time in appealing to them.

Last year, Sir, I referred to the anomaly of having a Controller of the Currency who has no currency to control. Mr. Tallents was pleased to tell me that probably he will change the designation of the officer. I know that Mr. Kelly is too good a man to be wasted on a Department where there is no work to do. The ordinary day to day work, which comes now to the lot of the Controller of the Currency *minus* the currency is very small. Part of this work can very easily be transferred to the Master of the Mint and the other parts to the Reserve Bank. It is no good having an officer when there is no department. Mr. Tallents said that he acts as a liaison officer. I have enquired and I find that the Controller of the Currency attends only the meetings of the Central Board while the Reserve Bank migratory office is outside Calcutta. It is only when it happens to be in Calcutta and in the place in which the Controller of the Currency is himself present at the moment, that he attends the weekly meetings. If the work can go on for six months in the year without the participations of the Controller of the Currency in the weekly meetings, it can go on for a year too.

THE HONOURABLE MR. A. J. RAISMAN: The Honourable Member is wrong in his facts.

THE HONOURABLE MR. HOSSAIN IMAM: I have enquired and I say it with confidence that the Controller of the Currency does not participate in the weekly meetings in Bombay and in other centres of the Reserve Bank. It is only when the Central Board is in Calcutta that the Controller of the Currency attends these meetings.

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Then, Sir, I would refer to another aspect of the Reserve Bank, namely, the portfolio of securities. At the present moment we have in the portfolio of the Reserve Bank an investable sum of Rs. 118 crores, excluding cash and gold in hand and the rupees, the invested portion of the Reserve Bank is Rs. 117 crores. What do you think of an investing company which had Rs. 117 crores to invest and makes a return to you of Rs. 60 lakhs only? Would it be called by any one as a prudent management of the investment of the company if it does not give a return of more than half per cent. on the invested capital to those whose capital is invested? The reason is not far to seek. At the present moment, the whole of the 66 crores of our sterling securities held in the Issue Department are mostly treasury bills. This form of investment has been indulged into on a wrong idea of holding liquid assets. Liquidity of assets is a desirable thing, but it should not, I venture to suggest, be regarded as a fetish. In addition to that Rs. 66 crores, we have crores of external investments in the shape of balances held abroad, including cash and short term securities; there is an enormous amount of 21.39 crores so held. That is in liquid form and is rightly so. But to hold that enormous amount of 66 crores in treasury bills when the treasury market in England is unsteady and the discount rate is as low as 16s. per £100 is carrying the thing too far. It is pedantic and not sensible. Now, even if we do not bother about our sterling securities, if you only deal with the rupee securities of our Reserve Bank, instead of holding it in the form of intermediate treasury bills if we replace it by money market securities, we would have an additional income even from the 25 crores of our rupee securities of not less than 12 Noon. Rs. 40 lakhs, and it may be about Rs. 50 lakhs. As a Government Department it was right that it should hold in its portfolio mostly treasury bills or *ad hoc*s; but now that it has been transferred, the Reserve Bank should hold in its portfolio only such securities which they can, at any moment they like, disburden on the market and contract currency. Now, by holding treasury bills they cannot contract currency if they want to. There would be an additional income to the treasury if they held even moderate dated securities, say, of seven, nine or 14 years, from which they could get not less than 2½ per cent. while against this the last sale of treasury bills the discount was only eight or nine annas per cent. per annum.

Then there is another aspect of the Reserve Bank. Perhaps the House is aware that banks are being forced by their clients to lend money on gilt-edged securities at a rate lower than the present bank rate. That, Sir, shows that the bank rate is not in keeping with the rates that the money market demands. I would remind the House that on the 20th September during the discussion of a Resolution of mine I appealed to the Government to try and induce the Reserve Bank to reduce its rate from 3½ to a rate which would be either below or the same as the long-term borrowing rate of the Government on the quotations of the security market. I am glad that the Reserve Bank did reduce its rate from 3½ to 3 per cent. in October, 1935, but the reduction has not been as much as it should have been. The present rate of the Reserve Bank to enable people to deal in the securities market is about 2½ to 2¾ per cent.

THE HONOURABLE THE PRESIDENT: I do not wish to stop you from speaking, but it will be impossible for me to call upon other Members of your Party to speak.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, that means I am indirectly gagged?

THE HONOURABLE THE PRESIDENT: I have only a day and a half for this debate. I must give other Members a chance to speak.

THE HONOURABLE MR. HOSSAIN IMAM: It is always the same. The Government always bring this Bill so late in the day that we do not get time. The other House gets time on demands for grants to deal with all sorts of questions, but this House is always muzzled and gagged because it has not made itself felt and does not desire to retaliate. As long as we remain subservient and Christianlike and turn our left cheek when they strike the right, we will be treated like this.

THE HONOURABLE SIR DAVID DEVADOSS: A bomb would be better!

THE HONOURABLE MR. HOSSAIN IMAM: A time may come when even that will not be laughed at, and may become a reality if Government continue as irresponsible as they are!

THE HONOURABLE THE PRESIDENT: Order order.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I do not wish now to say much because I do not wish to deprive members of my Party of the privilege of speaking on this Bill, but I do wish to say one word about the question which I asked the Honourable Finance Member during the Budget discussion—I refer to the repayment of sterling debts. Since we have gone off the gold standard we have contracted sterling borrowings of Rs. 56 crores or £42,000,000. If we had not taken those sterling loans we would have had a saving of 1¼ crores in sterling interest charges, and it is only these external payments which have remained at the level at which they were before 1931 which are causing us all this trouble. When rich industrialised countries like England, France and Italy could not stand the drain of war debt payments to America, is it any wonder that we Indians also do not wish to be saddled with external payments? What was the reason for the repudiation of debts by England, France, Italy, and all those countries who now pose as great champions of rectitude? But we are being forced to repay the interest and other charges for all this expenditure. If Government does not take steps betimes to reduce its sterling expenditure I am afraid a time will come when it will become almost impossible for India to pay. Formerly we had a world market; our produce found ready sale in the world market; we had a balance of trade of enormous magnitude in our favour of from Rs. 80 to Rs. 90 crores a year. In emergencies we could repay in gold part of these external payments and yet not feel the pinch. But now when these industrialised countries have taken up the slogan of self-sufficiency, when even England is trying to produce as much of its foodstuffs as it possibly can, when Germany has put restrictions on imports of goods and we find the doors of every country being closed on us, how can we continue to pay? You will find that during the last two months even our gold exports are showing signs of becoming exhausted. The figures of gold exports are very low. I do pray that it may be finished, and it will not be until it is finally finished that the Government will awake to the realisation of their position. As long as this gold drain continues it will act as the main spring of our external expenditure. Sir, I ask the Honourable Finance Member to assure the House that he has the sanction of Whitehall and the blessing of Threadneedle Street, for repaying the maturing Sterling Loan without fresh sterling loan. For the last four years our sad experience is that we have been given the shadow but never the substance of things.

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Personally, I am a great believer in giving relief to the poor, and if I had had the choice, rather than reduce the income-tax rates this year, I would have removed the surcharge on salt. The cost would have been the same. Removal of the surcharge on salt would have cost the same amount as the relief which is given to income-tax surcharge, and if that had been done we would have been on surer ground; we would not have asked the Government to unbalance the Budget but to substitute relief for those who deserve it, and not to give it to those whose claim is the least.

Sir, the certified Finance Bill cannot be amended, cannot be improved. It is beyond our power and beyond the power of the Treasury benches. Therefore we have no option but to oppose this Bill.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I rise to enter my strongest protest against the policy of the Government to deliberately reduce this House to a dignified debating club. I have used the word "dignified" because of your presence in the Chair, because as Honourable Members are aware, in 1929 the Government came to this House at about 3 o'clock in the afternoon and said, "We must pass the Finance Bill within two hours". Previously we found that the sittings of this Council did not last for more than a few minutes every day. It is only because the Government were good enough to give us a non-official Chairman that we are now able (Applause) to call this House a *dignified* debating club.

My objection to the consideration of the Finance Bill is based on three grounds. Firstly, Sir, in plain language when we hear the word "consideration" the meaning which it conveys to us is that we shall be at liberty to discuss various details, to suggest improvements, to make changes and alterations. Therefore I want the Government to tell us what they mean when they get up and say that the Finance Bill may be taken into consideration. If the House unanimously makes any alteration in the Bill, are they prepared to accept it, are they prepared to consider it? When they are not prepared to accept it, when they say that the constitutional position is such that if you pass any amendment that means that the whole Bill will have to be withdrawn, what is the object in Government coming forward and telling—

THE HONOURABLE THE PRESIDENT : The powers of certification are given under the Government of India Act.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I am not concerned as to how certification powers are given. I will presently show that the Government of India Act does not give them those powers which they are using now. I submit that whatever the powers that they are given, why do they not come forward and tell this House that the Bill must be passed. It will avoid waste of time and probably the slight bitterness which naturally will arise in the minds of those people who will be discussing the Bill now—

THE HONOURABLE THE PRESIDENT : If you will please read the endorsement of the Governor General on the Bill, it is practically said that the Bill is to be passed into law.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : That exactly is my point. If the endorsement of the Governor General is that you must pass this Bill in a particular form, then what is the object of saying that the Bill may be taken into consideration? What is there to consider and what is

the use of my Honourable friend Mr. Hossain Imam saying that he will confine himself to the Finance Bill? Is anybody going to take any notice of what he says? Has anybody ever taken notice of what he says?

THE HONOURABLE MR. HOSSAIN IMAM : Never!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Therefore I confine myself to the objectionable procedure which the Government have decided to adopt in bringing this Finance Bill in its present form. The Government have different powers under the Government of India Act. In the first instance it is necessary for them to show that the Bill is essential for the peace and tranquillity of India.

THE HONOURABLE THE PRESIDENT : On that point the decision of the Governor General is final and it is not open to question.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Am I not entitled to show that there were different methods, and a different procedure, which the Government could have adopted, that the advice which had been given by Government to the Governor General in this particular respect was wrong and that there were better methods open to the Government?

THE HONOURABLE THE PRESIDENT : You can speak on that point.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Thank you very much, Sir. If the Government originally thought that any material change made in the Finance Bill either here or in the other place would make it necessary for them to certify the Bill, then why was not the certificate attached when the Bill was introduced in the other House if the Governor General thought that the passing of the Bill in the present form was essential for good government?

THE HONOURABLE THE PRESIDENT : After amendments were passed by the other House, the Bill in a recommended form was again placed before that House.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : My submission is that if the Government knew that any cut made in the Finance Bill would make it impossible for them to carry on the administration of this country, while introducing the Bill and before they asked the House to vote on the Bill they had the power under the Government of India Act to attach a certificate that the Governor General thought that the passing of the Bill as it was without any material change was essential for carrying out their duty.

THE HONOURABLE THE PRESIDENT : Unfortunately you were not in the Government of India then!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : That is most unfortunate, Sir! (Applause.) That is exactly my complaint that the people who are now in the Government of India—I will not say merely out of respect for their personalities, not because they are members of the Government, but merely out of respect for their personalities—I will only say, that better people could have been in their places and they could have adopted better methods, and that is exactly why I object to this procedure. The Government failed to attach a certificate then. They have invited that the

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valuable time of the House should be wasted for several days. The cuts were made by the other House and there were only two—one was in salt and the other in postal rates. The Government could easily have drawn a distinction between these two cuts. They knew that the one cut, the salt, invoked a reduction of about Rs. 8 crores and that was carried by the votes of only one party in the other House and the voting in favour of that salt cut was only 44 or 43, if I remember aright. There were certain Members who always take pleasure in voting with the Government who were absent on that day and there were other parties which remained neutral on this Motion, not because they believed that it is possible for the Government to carry on their administration with a cut of Rs. 8 crores, but because they were so disgusted with the general policy of the Government that they thought that they could not feel justified in supporting them, whatever happens to their Finance Bill. The other cut, as far as the post card was concerned, was carried by an overwhelming majority; practically every elected Member in the House voted for the reduction of the rate on post cards. This involved a reduction of about Rs. 50 lakhs. Now, Sir, if the Government had any consideration for the feelings or sentiments of the other House or for the matter of that of any representative of Indian opinion, whether inside or outside the House, they could have easily said, "We cannot accept one, but we are prepared to meet you half way and accept the other". But as was only to be expected the Government decided to pursue a most unreasonable, a most defiant and a most insulting policy. Then the other course which was open to the Government was after those cuts were made to bring the Bill into this House; and I would submit, Sir, that this was the main intention of having a second Chamber, that if the other House makes a mistake it should be corrected here; if they are wrong, that mistake should be rectified here and I can give you instances when such a thing has happened—when the Lower House has made a mistake and the Government have brought that Bill into this House. Amendments have been moved here and those mistakes have been rectified, and I would go a step further and say that when the Bill has gone back to the other House they have accepted the decisions of this House. If the Government want me to give an instance, I will invite their attention to what happened in the year 1928 when certain cuts were made and they came to the Council of State to move amendments here, got those cuts restored, went back to the Assembly and the Assembly accepted the decision of this House.

THE HONOURABLE THE PRESIDENT: You have spoken already for 20 minutes and you have not at all yet touched the question of finance.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I most respectfully submit, Sir, that as far as my limited knowledge of the Government of India Act goes, there is no time limit for speeches on this Bill and certainly when the Government comes forward and asks me to vote supplies for them and I refuse, I have every right to tell them why I refuse to give them supplies.

Besides, Sir, I would submit that there is nothing in the Government of India Act which binds us to pass this Bill by the 31st of March. It is only our co-operation which makes it possible, and that we are always willing to give provided it is properly invited. We can assure you that now we will co-operate with the Government and with yourself, Sir, in seeing that the discussion is over by tomorrow, knowing fully well that we are not bound by any orders to finish the discussion by that time. And it was not for the first time last year that the Governor General had to issue an Ordinance because the Finance Bill

was not passed by the other House before the 31st March. Then, Sir, are we in such a helpless position that even the smallest protest from us, even the smallest desire of discussing a thing properly would annoy the Government and set aside all the rules and regulations and result in a new procedure being adopted for this House. I beg to submit that I am yet discussing matters of procedure which I think are closely related to the consideration of the Finance Bill. I have given instances and, Sir, if you will permit me, I will certainly elaborate this point as long as I can to convince them and to convince the public outside that the Government have deliberately chosen a wrong course. It is not only a question of the Finance Bill. The Finance Bill is in the background. I may assure you, Sir, that when the Bill comes in a recommended or certified form, the merits of the Bill are thrown absolutely into the background and it is only the political and the constitutional aspect which has to be placed in the forefront. What do you want me to discuss about finance? Are the Government prepared to make any change, are they in a position to make any change? If they are not, then it is our duty to tell them in the most emphatic possible language that this procedure is entirely wrong and is bound to create unpleasantness and bitterness, which it is the duty of every Government to avoid as much as lies in their power. Now, Sir, I can assure you that in this particular case I have not the slightest doubt that if they had adopted the sensible course, which was to bring us this Bill as passed originally by the other House and get the salt cut restored and take it back to the other House, the other House would, I am sure, have accepted the suggestion of this House and the Government would have been saved the unpleasantness of having to pass it under a certification and recommendation. If I remember rightly, Sir, in 1919 when these powers were given to the Governor General, in the House of Commons an amendment was moved to point out, that if they are going to give responsibility to Indians and they give this arbitrary power to the head of the Government, then how will these people feel their responsibility and how will it be possible for them to learn the art of self-government? And, Sir, there when an actual amendment was moved on this question, the late Secretary of State, Mr. Montagu, said that there was much force in that amendment, but he assured the House that when he said that the Governor General would have the power to certify a Bill when he considered it essential for the tranquillity, peace and interests of India. The emphasis was on the word "essential" and not on the word "interests". Therefore, Sir, the House of Commons was led to believe that these powers will be used only when such a course is absolutely unavoidable. Now, Sir, am I not right, am I not relevant in asking the Government to submit how, after giving us all these hopes, and making their position so emphatically clear in the House of Commons, that almost every year they turn round and say, "Here is a certified Bill: either accept it or reject it". Is it not absolutely forcing the House to protest against the present Constitution? Now, Sir, I beg to submit that this policy of the Government has already alienated the sympathies of even the most moderate and most reasonable politicians in this country. When the new Constitution comes I do not know when it will come, but let us hope it will come sometime during our lifetime—when it comes, you know, Sir, that so far as provincial autonomy is concerned, the one thing which will irritate the people would be the special powers of the Governor. When the Government, just on the eve of the coming of that Constitution, is using their special powers in such a careless way, do you not think, Sir, that this will create a very strong prejudice against the new Constitution? So much, Sir, as regards the wrong procedure adopted by the Government.

Now, Sir, my second point concerns the general policy which the Government have pursued almost in all important administrative subjects during the

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past two years, and I will confine myself only to one or two aspects—I had intended to show the House that during the last 16 years since these reforms came into force the Government have not met even the most moderate demands of this country in any Department of the Government of India—but, Sir, as I am anxious that I should not take more time than I conscientiously believe is absolutely essential, I will save the House that trouble and will confine myself just to two things. First and foremost, there is the question of Defence. Now, Sir, I will not go into details, as every Honourable Member is aware that we feel greatly disappointed as far as the policy of Indianisation is concerned. It has been shelved by various subtle methods, the latest being that while the Government are taking 120 Indian cadets every year, the number of Europeans is not being reduced in the same proportion. What we meant by this Indianisation scheme was that at a certain time after 30, 40 or 50 years the numbers of Indians in the army should be 50 per cent. But when the number of Indians is being increased without decreasing correspondingly the number of Europeans, it is natural that the policy which was accepted by the Government should never take a practical form.

Sir, another important matter is helping the agriculturist and the unemployed middle classes in this country. In both these things the Government has failed hopelessly. I am afraid I have used the wrong phrase. They have made no genuine effort. For instance, Sir, the Reserve Bank has been established whose main concern we thought would be to help the agriculturist by relieving his indebtedness. What is happening at present, Sir? The Government in the local Councils are passing Acts which will make it impossible for the moneylenders to advance money to the zemindars. I am in favour of those Acts because they are intended to protect the agriculturist. But that will not be enough. That will create communal feelings; that will create racial hatred; and they would not help the agriculturist. If Government really wanted to help the agriculturist, they should have devised some means of advancing him money on reasonable rates through the Reserve Bank. When we broach this question, we are told that the Government are making enquiries, that it is a complicated subject, that it will take them a long time, that they have to collect statistics, they have to collect figures, etc., and I am sure, Sir,—this is a prophecy which I am making—when we meet in 1946, the Government will still be considering something, and nothing will be put into practice. That has been our experience. I will be delighted if this prophecy turns out to be wrong. But looking at the past policy of the Government, I can assure you that they will not bring into force anything in the near future. So much about the Reserve Bank.

We hear so much about the terrorist of Bengal, the communist of Bombay, and the communalist of the Punjab. This has become a very notorious unholy trinity. I really felt ashamed that we, coming from the Punjab, should still have the reputation of being communalists. But I assure you, Sir, that we in this country are in such a position that unless the Government actively participate in an enterprise, it is impossible for us to achieve success. Government, I boldly say, have not made any attempt to bring about communal unity in this country, neither collectively as Government nor severally as individual officers. On the other hand, Sir, if you see the list of honours, titles and decorations bestowed by the Government, you will find that for the last five or ten years they have made it a definite principle to bestow these gifts only upon those who are strong communalists and active leaders of communal organisations. I shall be glad if Government can give us even half a dozen instances throughout India where they have appreciated the services of people

who are supporters of joint electorates or communal unity. Public service, according to them, means a service rendered to the Government in some mysterious way which we are not aware of. I can assure you, Sir, that if the Government of India want to bring about communal unity, they can do it within six months, and where all our pacts, all our leaders, have failed they can succeed. As far as the terrorists are concerned, I was pleased to hear the other day from the Honourable the Home Member in the other place that the present Governor of Bengal has started educating and training some of the detenus for some professions. I wish Government had started that policy 20 years earlier. Then there would have been no difficulty. It is only because one individual who luckily happens to be a far-sighted administrator, has got down to this constructive work, that this is being done. I am sure that within a very short period the terrorist movement will disappear from Bengal.

Similarly, Sir, unless the Government of India realise that if they are to work in the interests of this country, they have to change their administration, to change their system and above all to change their mentality. Unless they do that, there will be no peace in the country, and India will not make even the slightest progress. They are doing nothing to educate the masses. They know fully well that the success of the future Constitution depends upon how the voters exercise their right of voting. They know that at least 90 per cent. of them are absolutely illiterate. Having given them the franchise, they would not take any steps to educate them in its use. When the Government want that the progressive parties in this country should come and work the new Constitution and take offices and accept responsibility, they should also realise, that they are making it impossible for them to accept any of the responsibilities. Giving Rs. 2 lakhs or Rs. 10 lakhs or Rs. 20 lakhs from the Centre will not change the situation. It requires a Finance Member who is far-sighted, who is not absolutely in the hands of the Secretariat, who does not merely look at the last year's Budget, takes a pencil and changes the figures here and there, but a person who is determined on setting apart, say, Rs. 5 or Rs. 6 crores every year to help this unhappy country. Unless he does this, his efforts will be immaterial. I do not see much difference between Sir Basil Blackett, Sir George Schuster and Sir James Grigg. They are all the same. The Budget is exactly the same. In one year it is shown as a Rs. 50 lakhs deficit budget, in another year it is shown as a Rs. 50 lakhs surplus. To me, neither the one nor the other appeals. I want a radical change in the administration of the country and in the attitude of the Government, particularly towards the members. They have been here for a long time; they ought to appreciate by now that Indians happen to be sentimental people. If you treat them nicely, if you try to enter into their feelings, if you repose confidence in them, if you take them into your confidence, you will find them always willing to help you.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY :
Are their hearts always open?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : It is only a doctor, a medical expert, who can say that. (Laughter.) I may assure my Honourable friends that they can take the best task out of Indians provided they know how to approach them. I know that in this House and in the other House there are quite a large number of well-intentioned, honest politicians of moderate views, of reasonable views, but they are all now up against the Government—and why? Because the attitude of the Government has been most defiant. Five years ago, if somebody had asked Mr. Jinnah, the Leader of the Independent Party, "Are you prepared to throw out the Finance Bill", he

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would have run miles away from Delhi at hearing these words. But now it has become an ordinary thing. Even the most moderate men think that the Government have degenerated to such an extent that they say, "What does it matter whether we give them supplies or refuse them supplies?" I want to restore in this country the dignity of the Government which has been rudely shaken and that can only be done if Government really try to meet us half-way and show some respect at least for the people whom they consider responsible representatives of public opinion.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadian): Sir, once again for reasons beyond our control we find ourselves in this House faced with a Finance Bill certified by His Excellency the Governor General. In these circumstances, Sir, I can only indicate the changes which, in my opinion, would have made the Bill, if not satisfactory, at least acceptable to public opinion in this country.

Sir, I must express my deep disappointment at the inability of the Honourable Member to accept the proposal for reducing the price of the post card to half an anna. As I have already pointed out in my Budget speech this relief to the poor man would have been some indication of the Government's responsiveness for which the Honourable Member took credit last week.

Also, Sir, I feel strongly that the Finance Member should have turned down the proposal to eliminate the surcharges on income-tax and super-tax altogether. And here I must protest most emphatically against the reasons he has given for their retention. Sir, he speaks somewhat glibly, I fear, of economic recovery in this country. Does he realise, if I may give a concrete instance from my own city of Bombay, that whereas in 1928 in the Mulji Jetha Market, which is the chief business centre for cloth in the whole of India, there were 80 persons paying super-tax on incomes of above Rs. 50,000, there are no more than eight today paying super-tax on Rs. 30,000? This is not private information I have got. I have here a list which has been published by the Collector of Bombay for the purpose of the elections to the Council of State and it is there I have found these figures. I want to make that clear. Sir, even the spokesman of the European Group in the other House was moved to use the phrase breach of faith in regard to the refusal of the Honourable Member to remove the surcharges. I will content myself, Sir, with using a milder phrase and say that the Finance Member has shifted his ground in justification of his action.

Sir George Schuster had made it quite plain that the imposition of the surcharges was only for the purpose of meeting a crisis which was upon us at that time. But with the Honourable Member who has taken his place it is not a present, but a future contingency for which he thinks he should provide. May I ask him, Sir, whether he seriously thinks that a responsible Member of the Government is entitled to shift his ground in this manner, regardless of his predecessor's pledges? What value will the public attach to any pledges given by the Government if one Finance Member claims freedom to do so and for reasons different from those which impelled his predecessor to make them? Whatever signs of recovery he may see, those of us who have to do with business and industry are only painfully conscious of the heavy handicaps with which it has to struggle. Sir, the textile industry of Bombay is an instance in point. Suggestions have been made more than once of the several crores which are supposed to be taken out of the pockets of the consumer by the manufacturers of piecegoods as a result of the protective policy of the Government. Sir, I challenge anyone to prove that the textile industry is in a prosperous condition

today. On the other hand, Sir, I have clear proofs in my possession to show how serious is the situation in which the industry finds itself. This great industry which was once our pride and a source of prosperity to my presidency is at present on the verge of decay. Sir, does the Honourable Member know that in Bombay City, mills of the aggregate value of Rs. 11 crores have been closed down or reconstructed, the machinery of most of them scrapped and several thousand workers thrown out in the streets? The position of Ahmedabad is not much better. Sir, I learn that in Ahmedabad two mills have already been closed down, and about half a dozen other mills are on the point of doing so involving loss of employment for over 10,000 workers. In 1933 the mill industry in India made a loss of Rs. 134 lakhs including depreciation. In the following year also it registered a substantial loss. Are these indications of the prosperity of the industry?

Sir, I must draw the attention of the Honourable Member to the consequences of the importation of large quantities of artificial silk cloth into India. Only a few years ago, Sir, this sample used to be sold in the retail market in Bombay at Re. 1 to Rs. 1-8-0 per yard. But today the price has gone down to Re. 0-2-9 c. i. f. and Re. 0-5-8 cum duty. Can anyone claim that either we in India or any other country in the world with the exception of Japan can produce this class of manufactured cloth at such low prices? Another fact to which I wish to draw his attention is that this Japanese artificial silk cloth comes into our country in different forms of wearing apparel. The cloth is temporarily stitched—a device deliberately adopted in order to circumvent the extra duty of 100 per cent. because it is subsequently converted into ordinary pieces of four to six yards. The Government, I observe, is taking some action at last in regard to fents by proposing to raise the duty to 50 per cent. But, Sir, the action of the Government will not, I fear, check the importation in large quantities of pieces of two and a half yards in length to be sold in India for making shirts. In this matter the Japanese importers have been extremely successful, and the competition with Indian manufacturers has been of the most unfair kind. Sir, it is high time that the Government took effective and immediate steps to prevent the ruin of this Indian industry. Further delay, Sir, will spell disaster for the industry at no distant future.

Sir, considerations of time prevent me from going into a detailed statement on the similar position of other industries such as coal. I believe, Sir, the jute industry also will be in an unenviable position soon. There is ample room for my contention that the industrial position in this country is very far indeed from being satisfactory. In these circumstances, Sir, it should be the aim of the Honourable Member to do all that lies in his power to stimulate the growth of industry.

I have already referred to the plight of the textile and other industries, notwithstanding the profession of adherence to a policy of protection. But, Sir, is the position of the agriculturist any better? As I observed in my speech on the General Budget, the value of agricultural produce in India had fallen between 1928-29 and 1933-34 from Rs. 1,021 crores per year to Rs. 474 crores, a decline of Rs. 547 crores per year.

Let me now refer in detail, as an example, to the grower of Oomrah cotton. The price at present is approximately Rs. 160 per candy for this class of cotton. But what are the expenses which the producer has to incur from the process of sowing to that of actual sale in the market. There is the initial figure of revenue to the Government which I place at the lowest estimate at Rs. 30 per candy. The grower pays Re. 1 as cartage for conveyance of the crop from the field to the nearest ginning factory. He pays Rs. 12 per candy for ginning and pressing. Approximately Rs. 16 would be the railway freight to Bombay,

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to which I would add at least another Rs. 4 as incidental expenses in Bombay itself. In other words, Sir, the farmer is left with less than Rs. 90 per candy or a little less than Rs. 45 per bale for himself, his family and his labourers who help him in ploughing, picking and weeding. Sir, this is in regard to Comrah cotton which sells, as I have just said, at about Rs. 130 per candy. The price of Rajputana and Punjab cotton is even lower, being about Rs. 130 per candy. This, I maintain, is a starvation rate, even without taking into account the exactions of the moneylender.

Sir, as I pointed out in my speech on the Budget, is it not significant that the number of those who pay income-tax between the limits of Rs. 1,000 and Rs. 2,000 per year is extremely small in a country with our population? Does that show the existence of widespread prosperity? I would like to ask the Honourable Member to reflect on the point; which section of the public in this country has he succeeded in satisfying? The industrialists look upon his policy with great suspicion. The Honourable Member has no doubt said that India is being governed in Indian interests and not in those of Britain. Does he really ask us, Sir, to take that statement seriously? So far as one can see, no section of public opinion in India—not even, I would add, European non-official opinion—is satisfied with the policy of the Honourable Member. I am almost tempted to suggest to him that he should at least cultivate the candour of a distant predecessor of his, Sir James Westland, who admitted in 1894 that he did not approve the taxation proposals of that year, but had no alternative, because of the instructions of the Secretary of State.

Sir, may I at this stage make a brief reference to the fiscal policy of the Government of India? I note with some satisfaction the Honourable Member's statement that whatever his personal view in regard to protection may be, as a Member of the Government of India, he accepts the policy of discriminating protection. But, Sir, he will forgive me for saying that since he took charge of the finances of India there has been too much of discrimination and too little of protection. May I ask him what has been the fate of the reports of the Tariff Boards on protection to the glass and to the woollen industries? How long does he think an industry must wait before the decision is taken to grant or even to deny protection? His attention has already been drawn to the long delay which takes place in the reference of the claims of an industry to the Tariff Board and again in announcing the decision of the Government on the report of the Board. Nothing can justify, Sir, a delay of more than six months—and that too in special circumstances—in publishing the decision of the Government on the recommendations of a Tariff Board. Sir, far too much emphasis is now laid on the conditions which the majority report of the Fiscal Commission recommended as the basic considerations for the grant of protection. Can the Honourable the Finance Member tell us whether in other countries which have resorted to protective measures the dearth of any raw material necessary for an industry is held to rule out automatically the grant of protection? He will forgive me for saying, Sir, that the argument about the interests of the consumers being sacrificed is only an excuse for denying protection.

THE HONOURABLE SIR JAMES GRIGG: A very good excuse.

THE HONOURABLE MR. SHANTIDAS ASKURAN: I earnestly hope that the need for a new Fiscal Commission to revise the protective policy of the Government of India and to ensure to industry prompt and sympathetic consideration in its demand for assistance will be considered favourably by the Government.

There is one more problem on which I trust the Finance Member may prove more sympathetic. Sir, the Honourable Member has shown some active interest in encouraging the dairy industry in this country by a special grant this year. But may I ask him whether he thinks that this is adequate for the purpose, having regard to the fact that there is hardly any country in the world which has such a large live stock as this country—300 million according to the expert advisers of the Government of India. In the United States of America, Sir, with a total of about 180 million live stock the Federal Bureau of Animal Husbandry spends roughly an amount equal to Rs. 4½ crores per year, not to mention the considerable sum of money spent by the 47 States. So far as India is concerned, we do not spend even a crore of rupees taking the Central and Provincial Governments together. The Honourable Member must realise that with better feeding of the cattle, a more stringent control of animal disease and type, effective restriction of the slaughter of milch cattle and a proper marketing organisation, the amount of milk and dairy products in India can be increased to an enormous extent. I am sure he knows, Sir, that this will mean not only a welcome addition of several crores of rupees annually to the pockets of the farmer, but from the point of view of the improvement of public health, will be a great factor? Sir, this has been a long neglected field. The Honourable Member who, I am confident, is sincere in his desire to help rural development and increase the efficiency of the masses should, I suggest, apply his mind more actively to this problem.

Sir, I would like to turn now to conditions in my own presidency. In my speech on the Budget I pointed out how serious is the financial position of several provinces. In Bombay itself I take this opportunity to say we owe much to the strenuous efforts of His Excellency Lord Brabourne and his Government to cut down expenditure in order to make both ends meet. Sir, for a Provincial Government it is not a small matter to reduce expenditure from nearly Rs. 14 crores to about Rs. 12½ crores. Retrenchment, Sir, is a term which covers many ruthless measures. The pruning knife has been applied all round in order to bring about such a result. People have been thrown out of employment and essential services have been curtailed. On the other hand, Sir, new measures of taxation in the province have been devised. It must be remembered, Sir, that perhaps in no other city in India is the burden of municipal taxation so heavy as in Bombay. It has risen from Rs. 10 per head in 1911 to about Rs. 22 in 1934.

Sir, I claim with a certain amount of pride that Bombay has manfully striven to put its financial house in order and I do ask the Honourable the Finance Member to recognise that fact. We want no charity, but ask for justice. If Bengal, Sir, can get half her share of the jute tax, and she has made it clear that she will not be satisfied with anything less than the whole, we too in Bombay have ample justification for claiming the whole amount of import duty on raw cotton which is realised by the Central Government. I would point out in this connection, Sir, that it is the mills in the Bombay Presidency which consume most of the imported cotton, and the prosperity of Bombay is dependent, in the main, and indeed of the rest of the country, on the fortunes of the textile industry.

Sir, I would like to make one observation about the Indo-Japanese Agreement which is due to expire at the end of this year. In the negotiations which will precede its revision, I would strongly urge the Government to bring into one picture the various interests involved in the matter of the textile industry. If I may make a concrete suggestion, I would welcome a Tripartite Conference

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in which India, Japan and Lancashire would be represented on terms of equality. I am confident, Sir, that with goodwill and patience, a fair and equitable agreement can be reached acceptable to all parties, but under no circumstances should any one-sided agreement be forced upon this country, for that would lead to further deterioration in the conditions of our indigenous textile industry and cause misery to millions connected with it.

Sir, with regard to civil aviation, may I at the outset observe that it strikes me as an efficient and economically run department. There are, however, two items on which I would seek a little information. The first is an allotment of Rs. 2.11,000 for the forthcoming year as a grant-in-aid to the Indian Trans-Continental Airways, Ltd. If this grant is given to the Company because it is conducted by Imperial Airways, Ltd., and carries the English and Australian air mails between Karachi and Rangoon *via* Delhi and Calcutta, I have no objection. But I would like to know, Sir, why there has been an increase of Rs. 51,000 in the grant to the Company for the coming year. Secondly, Sir, I find a new item of Rs. 1 lakh under the head financial assistance to National Airways, Ltd. May I know, Sir, whether the Honourable Member accepts the principle of giving such assistance to all companies, whether old or new, which aim at speeding up internal communications in this country? If it be a general principle with the Government to assist all on the same basis, I have no objection to this financial assistance being given to a particular company. But, Sir, it must be a fair field for every one and no favour shown to one party. I would be grateful to the Honourable Member if he will explain to the House whether he would be prepared to offer similar assistance to new Indian companies which may be started in the future.

May I say a word, Sir, about the programme of the Government for developing broadcasting in this country? It will no doubt be a service of increasing value to all of us. But, Sir, I would request the Government to take into consultation commercial opinion, both Indian and European, so that broadcasting programmes may be made of the utmost possible utility to trade and commerce in this country.

We have been told, Sir, that Defence expenditure will not go down in the coming years, but increase by gradual stages. Sir, I am convinced that considerable economies are still possible, as I indicated in a speech not many weeks ago on the floor of this House, even without a reduction in the number of troops. Apart from that, I would like to add, Sir, that on the civil side too, especially in the Railways, there is scope for retrenchment. Sir, if I may cite the example of Bombay I would suggest to the Honourable the Finance Member to approach the subject of retrenchment in central expenditure in the spirit in which the Government of Bombay approached it a few years ago.

Sir, I hope the Honourable Member will not take amiss the criticisms which I have felt compelled to offer. I am anxious, Sir, to see the spirit of goodwill between Britain and India become increasingly evident in the years that lie ahead of us. The relationship between the two countries will grow more harmonious and confer advantages on both only to the extent that the Honourable Member succeeds in giving us convincing proofs of his desire to help the agriculturist, to assist the villager and to stimulate the development of industry in this country. May I remind him, Sir, of a statement which Mr. Snowden, as he then was, made in Lancashire in 1929 on the eve of the general election in Britain that year? Mr. Snowden is reported to have said that if the earnings of the Indian masses could be increased by a farthing a week, British trade with India would be doubled. Since that statement was made,

the value of agricultural produce in this country has, as I have already indicated, fallen by more than half; and not only have the Indian masses suffered great privations, but British trade too with this country has declined sharply. I am sure, Sir, that the Honourable the Finance Member realises that the prosperity of India and an increase in the purchasing power of the Indian masses will not only solve many of our economic problems, but have a beneficial effect on British trade with this country.

THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA (Bihar and Orissa : Nominated Non-Official): Sir, it is an irony of fate that the Finance Bill is in the certified form. I venture to think that with a surplus Budget like the one which has been presented to us this year, it would have been possible to bring about more reduction of taxes if in the other place the heart would not have been allowed to overpower the head. It would have been, if I may say so, difficult for the Government to resist the demand of the Legislature if it would have been practicable. But, Sir, it is too late now to cry over it.

I take this opportunity therefore to make a few observations on the budget provisions in the hope that they will receive due consideration from the Government.

While I fully appreciate the proposals of the Government regarding the reduction of taxes on income, and provision for giving provincial autonomy a sound financial start, it is a matter of great disappointment to me that the emergency taxes still exist. When these taxes were first levied it was understood that the Government would remove them as soon as they could do so. We had hoped that Sir George would take the surcharge away. But what do we find? Even Sir James is not able to do so. Every year brings in fresh items of expenditure that take precedence over their complete removal. That is how the pledge has been kept! Heaven alone knows how long this is going to continue! I wish, Sir, to emphatically urge upon the Honourable the Finance Member that our protest should not be lightly treated and the removal of emergency taxes should be put down as the first item for giving relief to the taxpayers in the immediate future.

I need not say that I greatly value the solicitude of Government for rural welfare. Although it is primarily the duty of the Provincial Governments to deal with the problem, it will, I think, be a good thing if the Government of India as a co-ordinating body collects data, studies the conditions of the people as a whole, draws up a definite plan of country-wide development and constantly helps and guides the Provincial Governments to carry it out partly with its own resources and partly with the funds given to it by the India Government. Haphazard actions do not appeal to me. They do not take us very far. It is certainly one of the most pressing problems today and I think officials and non-officials alike should contribute towards its satisfactory solution. I wish the Rural Development Fund rapid expansion and I trust, Sir, that the Government will take every possible care to see that not a pice is misspent and the country gets full benefit from the taxpayer's contribution to the Fund.

In spite of what has been said in this House and elsewhere, I regret that I do not find myself in agreement with the Honourable the Finance Member with regard to his proposal for the reconstruction of Quetta from revenue. The city we all know will be reconstructed not only for the present generation, but for generations to come, and I feel that it will be unfair and unjust if the burden of taxation, instead of being distributed over as long a period as possible, is put on our shoulders. Paying the cost of reconstruction from revenue will, I am afraid, stand in the way of the taxpayer getting the full benefit

[Sir Kameshwar Singh.]

of a surplus budget for a long time, and in the event of a deficit budget in the near future, may result in much heavier taxation. I am strongly opposed to the idea of sacrificing the taxpayers of today at the altar of financial orthodoxy.

Sir, the imposition of the excise duty on sugar may be bringing a good revenue to the Government but it is to a great extent neutralising the effect of protection. The import figures indicate that foreign sugar still holds the market to an appreciable extent. Although the minimum price of sugar has been fixed, in my province the canegrowers are not satisfied with it and factory owners find the margin of profit to be so small that they are not in a position to pay more. This is indeed a very deplorable state of things. Sugarcane is one of the very few money-fetching crops for the agriculturist, and since the grant of protection industrialists have invested a large amount of money in sugar factories. Sugar plantation has consequently increased and it will be a great disaster if the sugar industry is allowed to languish. I hope, Sir, that both the Provincial and Central Governments will keep a close watch over it and help it to tide over its difficulties. In this connection, I am very glad to note, that the Government has allotted funds for sugarcane research and I am tempted to enquire from the Honourable the Finance Member what steps he is going to take to acquaint the farmers with the result of the researches and advise them about the best way of carrying on their agricultural operations. I think, Sir, that the Government should direct the Research Department, if they have not yet done so, to suggest practical ways and means for the improvement of agriculture keeping in view that the peasant population of this country is widespread and it is not in a position to take advantage of expensive and complicated devices. Further, the Government should take steps to bring agricultural materials within easy reach of the cultivators, so that they may not have to wander far in getting the necessities of better farming.

Before I conclude, Sir, I must express my satisfaction at the postal concession which the Government proposes to give. Apart from the actual relief to the correspondents in general it will save the unwary of them a lot of vexation which the inadequate weight had been causing them. While I quite appreciate that the extension of postal facilities is far more important than reduction in postal rates by three pies I hope, Sir, that in view of the general demand for the half anna post card, the Posts and Telegraphs Department will consider the proposal sympathetically and meet the wishes of the general public as soon as practicable.

With these words, Sir, I support the Finance Bill.

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

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

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, whenever a recommended Bill is placed before us we are asked to perform a duty which is neither very congenial to the House nor congenial to the elected Members. This year once again the recommended Bill made its appearance before us for being passed in the form in which it has been brought to this House. The other House refused to sanction the imposition of the salt duty, and also suggested the reduction in the price of post cards from nine pies to six pies. As regards the salt duty, I must submit, that

so far as Bengal is concerned, there is a very strong feeling against this tax. The poor villagers of those districts, lying on the sea coast, feel that their rights of producing salt have been deprived. They have been precluded by legislation to produce salt even for their own consumption. They feel also that their right has been curtailed for maintaining a system of administration whose cost is beyond proportion. Whether right or wrong, the notion about the top-heaviness of the present form of administration exists amongst the masses. It is the duty of every one, whether a Member of the Legislature or a Member of the Executive, to remove such ideas from the minds of the masses. But so long as this idea remains in the minds of the masses, their representatives cannot do anything, but to suggest and press for the abolition of such a tax. This is exactly what the other House has done. I for one do not like to discuss whether the action of the representatives in refusing to vote for the salt tax is right or wrong. I am stating only facts. On the other hand, Sir, I am not unaware of the fact that it is not possible for the Executive to wipe off the tax by a stroke of the pen as demanded by the other House. If this is done, it will mean a huge loss of Government revenues. After all, the Executive will have to carry on the administration so long as the responsibility rests on them under the present Constitution. Whether we like it or not, the fact remains that the present Executive is not responsible to us but to the British Parliament. It is under the same Constitution that we are in this House today to criticise the actions of the Government. Sir, really speaking, we cannot have any quarrel with the Executive. If we have any cause for complaint, it must be against the Constitution which has not made the Executive responsible to this House but to the British Parliament. But, placed as we are, it is our bounden duty to place before the Executive, whether they accept them or not, the feelings of the people of this country whom we represent. Our position becomes all the more difficult before our constituents when we feel that we cannot even suggest any reduction or alteration in the Bill before us. Sir, here at this stage I must say that Government is in the wrong when they propose to get certified even the price of the post card to nine pies. If the Government could accept the amendment of the other House about the postal rates for the newspapers, they could as well have accepted the amendment concerning the post card rates. Had they accepted the post card rate amendment of the other House, the Executive would not have been left in the indefensible position they are in today. I am perfectly positive the Government would not have lost so miserably in the voting on the Motion in the other House for the passing of the recommended Bill. I must say here that though the Government is not responsible there is no bar to their being responsive to public opinion. There was no bar for the Executive to accept the reduction in the rate of the post card. The introduction of cheap postage is a boon for which the masses of India used to feel so very grateful in the past to the British Empire. During the war and after, to balance the budget and in the name of exigencies of the State, the price of the post card was raised from three pies to six pies and later on was further raised to nine pies. This present rate of the post card is really putting a premium on the spread of education. It must be admitted that the system of cheap postage is a potent engine which helps in the rapid spread of civilisation as well as of education. In India the Executive themselves, by their short-sighted policies, one of which is the retention of the salt tax against the wishes of the people have given rise to the mass movement against the present system of administration. I admit that the Executive do try to move with the times and the feelings and the sentiments of the people of this country but they are always too late. The retention of the present rate of the post card have further strengthened the agitation of the masses against the present Government. I know that the Government is very anxious to reduce taxation, and it is also a

[Kumar Nripendra Narayan Sinha.]

sure fact that they will at some future date meet the wishes of the people in the matter of the reduction of the salt tax and the post card rates, but as usual they will always be too late to catch the imagination of the masses. Sir, the Honourable the Finance Member has given in the other House, during the course of discussion on the recommended Bill, a categorical list of the measures taken by the present Government for the improvement of the conditions of the people of this country. I make bold to say that his statement is correct in every word uttered, but to my mind it would have been much more desirable if he would have left the advocacy of those things in other hands, self praise is no praise, even if the actions are praiseworthy. It is not for the Executive to praise themselves for their own actions, but it is for the people to praise them, if and when they deserve. The main foundation on which the British Indian Empire was established was the sense of justice and the sincerity of purpose of the British people in the past for the advancement of the cause of the people of this country. Unfortunately, the present day British statesmen are adopting the most short-sighted policy, and are alienating the sympathies of even men who are moderates in politics and who can very well be called the main pillars of the present structure of the British Indian Empire. In this present form of the Finance Bill, we are not entitled to do anything more than to place our appeal before the Government. I therefore appeal to them not to proceed in haste but to get the recommended Bill passed in its present form. I would appeal once more to the Government to accept the demands of the representatives of the people, at least for the reduction in the price of the post card. For the present I, for myself, will have no objection if in the matter of salt duty the *status quo* is maintained till the next budget when I hope Government will seriously consider and devise ways and means by which they can bring down the salt duty or at least take steps for the abolition of the surcharge on the salt duty. If the Government desire to remain in power they must take steps to satisfy the people, as the basic principle of every Government is the willingness of the people to acquiesce in the decisions of the Government. It is the moral duty of every Government to meet the wishes of the people as far as possible otherwise no Government can ever remain in power under any form of constitution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Mr. President, I greatly regret that the Finance Bill should have come to us in a certified and recommended form. In view of this fact it has become essential for us to consider whether we can support Government or not in the procedure which it has adopted. I know, Sir, that the Executive in this country is an irremovable Executive. I know, Sir, that the Executive has got to discharge certain responsibilities towards the British Parliament. I know, Sir, that in matters affecting defence, in matters affecting finance, in matters affecting law and order, in a Constitution like this the last word must remain with the Executive. These are limitations inherent in the Constitution, which we know only too painfully. I also know that the Joint Select Committee intended certification to be real, that they intended this power of certification to be used. The question therefore is not whether Government has or has not the legal power to certify. The question therefore is not whether the power of certification is a real power or is not a real power. The question really is this. Is the use of the power in the present circumstances wise and proper? That is the real issue before the House and on that issue I must respectfully differ from my Honourable friends opposite. Everything which we can do legally is not wise. There are many things that you can do under the law, but those are things that you will not do because statesmanship, wisdom, demands that you should not do those things. The question therefore

really before the House is simply this. Was it right, was it proper, for the Government to ignore all shades of opinion, to ignore not merely Congress opinion—I am not thinking of Congress opinion, I am thinking of other opinion which exists in this country—whether it was wise for Government to ignore all opinion and to treat all opinion irrespective of the fact whether it was extreme opinion, whether it was radical opinion, or whether it was moderate opinion, alike and to certify the Bill in more or less the identical form in which it was introduced in the Lower House? I say more or less, because in one minor matter an amendment was accepted and that has been incorporated in the present certified Bill. Now, Sir, our answer to that question would really depend upon what we conceive should be the relation between an Executive constituted like this and a Legislature constituted like this in this country. Sir, the question that I would like the House to consider is this. Is the course adopted one likely to lead to an atmosphere in which the work of the new Viceroy will become easier in this country, is the course adopted one which would rally round the Government the more reasonable, the more responsible, section of public opinion in this country, or is it one which would further alienate public opinion from the Government? I venture to say, Sir, with all respect and in all humility that the course adopted is one which will exasperate public opinion, which will not help the growth of a healthy Parliamentary mentality in this country and we want, we really desire, a healthy Parliamentary mentality to grow up in this country. I venture to submit, Sir, that the course adopted is one which will not help in the growth of a healthy Parliamentary mentality in this country; I venture to say that the course adopted is one which will accentuate ill-will and make Indian legislators and Indian Legislatures feel that they are helpless and powerless. I recognise that the present constitutional position is difficult both for Indians and Europeans. We do not—and I would ask my official friends to believe me when I say that we are quite sincere—we do not believe that your present economic and financial policy is sound. You on the other hand think—perhaps you have reason to think so—that our criticism is academic and theoretical. You do not believe in our views, in our point of view; we do not believe in your views and your point of view, and yet we have got to pull together, and how can we pull together if we will not approach our task in a spirit of mutual accommodation; and I say, Sir, with all sorrow that the Executive on this occasion has not approached the task in a spirit of mutual accommodation. That is the main reason why I must oppose the Finance Bill. I shall not go into the merits of the Bill. I think a procedure has been adopted which makes it incumbent on us to signify our dissent from that procedure and the only way in which we can signify our dissent from that procedure is by refusing support to the Finance Bill.

Well, Sir, I shall assume—I am not going to argue that point, but I shall assume—that the Legislature was wrong in totally abolishing the salt duty. Were there no other items besides salt on which Government could have yielded before bringing in a recommended Bill? Was it necessary for Government not only to certify a portion of the Bill which related to salt but also the portion which related to postal rates? What disaster would have overtaken this country if Government had agreed to a half-anna post card and financed Quetta out of capital and not revenue? I am sorry that on this question of Quetta I do not agree with my esteemed Deputy Leader, Mr. Hossain Imam. The House knows that Mr. Hossain Imam and I seldom differ, but it is just one of those matters on which I do not find myself in agreement with him. I think, Sir, that posterity should not be made to pay for the rebuilding of Quetta. For seven years our revenues are going to be mortgaged. No disaster would have overtaken the Government of India if they had yielded to the wishes of the

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Legislature and reduced postal rates and financed Quetta out of capital and not revenue. It may be that from a strictly financial point of views the Honourable the Finance Member is right in financing Quetta out of revenue and not capital, but, Sir, it is possible, I would suggest, to ride financial principles to death and I seriously suggest that the Finance Member has not approached the whole question from the point of view of broad statesmanship; he has approached the question, if I may say so, without meaning any offence, from the point of view of a treasury official. It is never right for a Government to act irresponsibly; an Opposition can act irresponsibly. It is the privilege of the Opposition to be irresponsible. You cannot expect an Opposition, and particularly an Opposition in a country like this, to be always responsible; but the Government stands on a very different footing, particularly a Government in the position of the Government of India. The Government of India is an irremovable Executive. The Government of India's main task at this supreme juncture must be to convince people that by Parliamentary methods they can achieve a real Parliamentary system in this country, and if you, the Government of India, act in an irresponsible manner or if you act in a manner which does not show sufficient responsiveness to popular opinion, then you destroy belief in Parliamentary methods of agitation; you destroy belief in Parliamentary institutions. Therefore, Sir, I say that the Government of India should have acted in a more responsive, in a more responsible manner. Sir, we on this side of the House are not opposed to co-operation. We do not believe in opposition for the sake of opposition. I can honestly assure the House, Sir, that we on this side of the House try to discover maximum points of agreement with you. But then we find that there are on some matters very honest differences of opinion between you and us. We have certain conceptions which you do not share with us. It is rather difficult for us on occasions to take exactly the same line as you take. Now, Sir, if that is the position, then it necessarily means this, that if we are to have co-operation there must be some mutual accommodation. There must be some spirit of mutual arrangement. If you will show no desire to listen to us, if you will show no desire to accommodate yourself to the extent that it is possible for you to do so to our views, then how can you expect us to be responsive to you? Sir, I do not think that it was necessary in the interests of India, I do not think it was necessary for the essential discharge of its primary responsibilities for the Executive to have this Bill certified and therefore I say that a procedure has been adopted which violates—I will not say the letter of the law—but certainly the spirit of the Constitution. I do not think, Sir, that the great author of this scheme, the Englishman who will always live in our memory, the late Mr. Montagu, who will always have a place in our hearts, could have anticipated that this kind of use would be made of the power of certification which is to be found in the Government of India Act. Was there no other course open to you except certification if you wanted the whole Bill preserved as it stands? I say, Sir, there was another course open to you. What was that course? The Government could have brought the measure as amended by the lower House to this House and moved amendments in this House. I may point out, Sir, that so far as our Constitution is concerned, no distinction is made between a money Bill and other kinds of Bill. So far as our House is concerned, it has got equal powers with the other House in regard to money Bills. I am not going to argue whether this is a good thing or a bad thing. I may have my own views as to what the proper functions of a second Chamber are. As the Constitution stands, the Council of State has co-equal powers with the lower House so far as money Bills are concerned. Well, Sir, the Government could have brought this measure to this House. They have

got a permanent majority here. There would have been no difficulty here in their carrying any amendment they wished to move in this House. Government could have moved the amendments they desired to move in this House and if this House had agreed to those amendments the Bill could have gone to the other House, the other House would then have been given another opportunity of reconsidering the issues involved and the Government would have in that way avoided certification. Why was that procedure not adopted? It may be said that there is no precedent for such a course. But, Sir, I have often said in this House—and I repeat it again—that statesmanship is greater than precedent. We have to create precedents and a precedent of this character would have been a healthy precedent for the future. It may be said that this procedure would have delayed the passage of the Finance Bill. Well, Sir, it might have delayed it for a few days but then there is the Ordinance-making power of the Governor General and you could have invoked that power to your aid. No calamity would have overtaken the country if the Finance Bill had been passed on the 5th or 6th April instead of the 31st March. But by this course Government would have shown that they were anxious to placate public opinion, that they were prepared to co-operate with reasonable sections of public opinion, that they were prepared to discriminate between those who believe in obstruction for the sake of obstruction and those who believe in what the late Mr. Tilak described as responsive co-operation. But, Sir, a very different procedure has been adopted and therefore it has become impossible for us with all the effort that we might make to support this Bill and indeed it has become necessary for us to oppose this measure. Sir, none of us wants to create further difficulties in the way of the new Viceroy. We may have our views and we have certainly very strong views in regard to the real character of the new Constitution. But, Sir, we all want to give the Marquess of Linlithgow a fair chance in this country and I would say, Sir, that the Government of this country is not giving the Marquess of Linlithgow a fair chance. By the procedure they have adopted, they have made the task of the new Viceroy more difficult.

Then, Sir, I would just like to make a few observations on certain economic views which were propounded by the Finance Member in another place. I know, Sir, that the Honourable the Finance Member holds those views very sincerely but the question of sincerity is really an immaterial one. The question really is: Are those views sound? Are we really on the road to recovery in this country? The tests are: What is the position of our export trade? What is the state of our index figure of prices? Now, Sir, I will not dilate on these points. The figures speak for themselves. The country is not on the road to economic recovery. At any rate it has not recovered to the extent to which the Finance Member would have us believe it has recovered. But the Finance Member in a speech which he delivered in another place went a little further and he demonstrated to his own satisfaction that the country is richer than it was in the days of Asoka, Akbar and others and that indeed the country is materially much better off than it ever was in any golden age, real or imaginary. Now, Sir, I am not one of those who believe in golden ages. I do not look to the past for my inspiration. I do not even look to the present for my inspiration. I look to the future. I have no desire to enter into historical disquisitions in regard to the past, but there are certain chapters in Indo-British relationships which we should both forget in the interests of both the races. Is the Finance Member really satisfied with the economic condition of India under British rule? Is it a compliment to British administration that after very nearly 150 years of British administration the average income of this country is only Rs. 82 per head per year and that there are not more than a lakh and fifty thousand people who pay an income-tax on an income of less than Rs. 2,000? India may or may not have been a country overflowing with milk and honey at

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one time of her history—we have no proper statistics of those ages but the Honourable the Finance Member has relied upon certain historical books and I can rely on certain historical books too. I have here a passage to be found in the monumental work of the great Elphinstone. This is what Mr. Elphinstone says about the state of Hindu India :

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"All the descriptions of the parts of India visited by the Greeks give the idea of a country teeming with population, and enjoying the highest degree of prosperity. . . . The numerous commercial cities and ports for foreign trade, which are mentioned at a later period (in the *Periplus*), attest the progress of the Indians in a department which more than any other shows the advanced state of a nation. . . . Arrain mentions with admiration that every Indian is free. . . . The army was in constant. . . . pay during war and peace. . . . The police is spoken of as excellent. Megasthenes relates that in the camp of Sandracottus, consisting of 400,000 men, the sums stolen daily did not amount to more than about £3. . . . The fields were all measured, and the water carefully distributed for irrigation; taxes were imposed upon trade, and an income-tax levied from merchants and traders. Royal roads are spoken of by Strabo and milestones. . . . Gold and gems, silks and ornaments were in all families; the professions mentioned show all that is necessary to civilised life. . . . The number of kinds of grains, spices, etc., which were grown afford proofs that the country was in a high state of cultivation. . . . Their internal institutions were less rude; their conduct to their enemies more humane; their general learning much more considerable; and, in the knowledge of the being and nature of God they were already in possession of a light, which was but faintly perceived, even by the loftiest intellects in the best days of Athens."

Then, Sir, speaking of the great days of the Moghul Administration in this country—and we, Sir, Hindus and Muhammadans, do not look upon Moghul rule as foreign rule; it had become really indigenous rule—speaking of the great achievements of Moghul rule, Bernier, who visited India in the reign of Shahjahan, gives a glowing description of his capital. He speaks of his immense treasures, gold and silver and jewellery, "a prodigious quantity of pearls and precious stones of all sorts", . . . and marvels over the incredible quantity of manufactured goods. . . . "Embroideries, streaked silks, tufts of gold turbans, silver and gold cloth, brocades, network of gold", etc. Tavernier also gives a long description of the manufactured goods, and dwells with wonder on the "marvellous peacock throne, with the natural colours of the peacock's tail worked out in jewels, of carpets of silk and gold, satins with streaks of gold and silver, endless lists of exquisite works, of minute carvings, and other choice objects of art".

Then, Sir, Sir Henry Cotton, writes in his *New India* that when Clive entered Murshidabad, the old capital of Bengal, he wrote of it:

"This city is as extensive, populous and rich as the City of London, with this difference that there were individuals in the first possessing infinitely greater property than in the last city".

Well, Sir, I said that there were chapters in the history of the relations of the two races which had better be forgotten by both in the interests of both England and India. As the Finance Member has chosen to refer to this aspect of Indo-British relationship, perhaps, Sir, the House will forgive me if I were to trouble the House with certain quotations in regard to what the East India Company did in this country in the remote days of British administration.

THE HONOURABLE THE PRESIDENT: Was not the Finance Member provoked to reply on that point by Congress Members in the other House?

THE HONOURABLE MR. P. N. SAPRÚ: I do not really understand this word "provoked". I am not here, Sir, to defend the Congress Members. But I should certainly say that a responsible Treasury Front bencher ought not to make statements light-heartedly; he ought to make statements with a

greater degree of responsibility than spokesmen of a mass political organisation. Sir, if the House would rather that I did not quote, I will not quote; but I have a number of quotations and I can supply those quotations to the Finance Member. I can supply him with numerous authorities which ought to make him pause and ask himself this question, "Was everything all right with the establishment of British rule in this country? Were the methods employed just and fair and humane? These are questions, Sir, which we might ask ourselves. We ought to have an introspective habit of mind in these matters."

THE HONOURABLE THE PRESIDENT: You do not for a moment suggest that when Government is accused of deceit, cunning and mismanagement, they are not to defend their policy?

THE HONOURABLE MR. P. N. SAPRÚ: There are ways of defending policies. I think, Sir, one can defend one's policy without being offensive to one's opponents, without entering into the regions of controversies which do not relate to the present, but to the past. Anyway, Sir, I will not trouble the House with those quotations. The quotations are there. I can supply those quotations to the Honourable the Finance Member if he cares to have a look into them. I am sure he knows them himself. What I was saying was this, that it is one of the tragedies of the situation in India that neither we, Britishers, nor we, Indians, are absolutely intellectually honest in these matters. You have a certain point of view to defend; therefore, you must invoke history and politics and economics to your aid. We have a certain point of view to push forward and therefore we must invoke history and economics and politics to our aid. I do not think that we shall ever be able to develop real intellectual honesty in this country unless our political relations are based on a new footing.

So far as the financial aspects of the Finance Bill are concerned, they have been commented upon and criticised by other speakers on this side of the House. I do not wish to go into those issues myself very much. But I should like just to stress one point, and that is, that we do desire now in this country a change in the monetary policy of the Government of India. An expansionist currency policy is always laughed out by our very orthodox financiers in this country. If the Honourable the Finance Member says that he does not look upon industrialisation as a panacea for unemployment in this country then I say none of us looks upon industrialisation as a panacea for unemployment. I am in favour of industrialisation, but I do not look upon it as a panacea for the economic ills from which this country is suffering. Even in highly industrialised countries, on account of the nature of the capitalist system, there is a good deal of unemployment. But then, what is the alternative to industrialisation? The Honourable the Finance Member has never answered that question. But, as far as I have been able to understand him, he believes that we must ruralise India, that we must go on emphasising agriculture to the exclusion of industry; or, in other words, India must continue to remain an exporter and producer of raw materials for the benefit of countries which are manufacturing countries.

THE HONOURABLE THE PRESIDENT: I do not think you are putting a fair interpretation on the statement made by the Finance Member on that point.

THE HONOURABLE MR. P. N. SAPRÚ: I shall be glad to be corrected, but that at any rate is the general impression which his speeches have created

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in this country and it would be a good thing if he could remove that impression. Much of the prejudice—if I may use that word—which is connected now with the Finance Member is due to the growing belief that he stands for a policy not of rapid industrialisation but of ruralisation. I shall be glad if my speech gives the Finance Member an opportunity of contradicting this belief and clarifying his position. But what I was saying is, What are you doing to help the agriculturist in this country? Are you doing anything to raise the level of agricultural prices in this country? Government says, “We have a lot of sympathy with agriculturists: we are spending a crore of rupees over rural development”. That is all right, but what are they doing to raise the level of agricultural prices? And the view which we have stressed here is that, in order to raise the level of agricultural prices, it is necessary for Government to follow a policy of moderate currency expansion. That policy, Sir, has been followed in other countries. It has succeeded as I pointed out the other day to this House, in Sweden: it has succeeded to a certain extent in the United States of America. I might quote the Report of the Director at the Nineteenth Session of the International Labour Conference:

“From the above survey it is evident that the countries with currencies depreciated since the depression have all improved their employment position to a greater or lesser degree. It may be asked, however, whether this result has not been less by depreciation itself than by the policies of internal credit expansion, cheap money, borrowing for schemes of national development or making money available on easy terms for private enterprise which abandonment of the gold standard made practicable. It remains to be seen what has been the effect of deflationary policies as practised by countries whose currencies have been maintained in a fixed relation to gold”.

And, Sir, other countries which have benefited in varying degrees by action along these lines are Great Britain, Portugal, Canada and Australia. In the partial recovery effected in Great Britain depreciation of the currency and the various measures adopted to expand credit at cheap rates have played the principal part. To the latter cause must be ascribed the remarkable boom in building. The index for residential building (1928=100), which stood at 100·9 in 1931, rose to 155·3 in 1933 and to 173·4 in 1934. Most of this activity was due to private initiative, though it was helped to some extent by Government aid for slum clearance.

Sir, therefore there is nothing very revolutionary or very insane about the policies for which our business men, our industrialists and our politicians stand. It is easy to sneer at them or to laugh out their policies. Unfortunately our industrialists and our politicians have no chance of carrying those policies into effect. You have had a chance of carrying into effect your policies, and we are certainly entitled to say that you have not succeeded and that we have never been tried. If we had been tried we might have done better.

Therefore I do not wish to take up more of the time of this House. What I would say is that I consider that it is our duty to vote against this measure, and we are voting against this measure with a full sense of responsibility. We feel that in the course Government have adopted they have treated all sections of public opinion. I will not say with contempt, but certainly unfairly, and having regard to the constitutional issues which are raised by certification it is impossible for us to support the Finance Bill and that indeed we must vote against it. These are all the observations that I have got to make on the Finance Bill.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, I join with Mr. Saprú in regretting the certification of this Bill, but I must say that I put it down to other causes than those to which he attributed it. I think that Congress having left a deficiency of some Rs. 10 crores in the Budget there was no alternative.

The Honourable the Finance Member has already made a speech on the Budget in this House but I am sorry to say I cannot regard it as a reply. He rather dealt with the matter on the line that if A says “Yes” and B says “No” they can neither of them be right, the one cancelling out the other. I say that A must be considered and B must be considered, and one of them may be right. He has in another place given his reasons for not accepting our views, and as far as we are concerned, we propose to vote for this Bill *in toto*.

Some Honourable Members have complained about the incidence of the salt tax. It does seem to me that the salt tax having an incidence on the people of something like five annas per head, as I understand, is a very reasonable tax and ought to be continued. And when you think that these people who pay their five annas get all the protection which another man gets who may be paying lakhs of rupees in income-tax and super-tax, I do not think he has any cause of complaint.

The Honourable Mr. Shantidas Askuran referred to the fact that eight members of the Mulji Jetha Market are now paying super-tax with a limit of Rs. 30,000 instead of Rs. 50,000 and eight were previously paying on an income above Rs. 50,000. I suggest that that indicates the cleverness of those with incomes between Rs. 30,000 and Rs. 50,000. As to his remarks regarding the mill industry, I would personally ask the mill industry to help itself first and ask Government to help it afterwards. Like a good many other industries in India it seems to think that Government ought to help it by indirectly taxing the poor. It has been suggested that other countries with high protective tariffs are in a better position than India. I must say I cannot agree with that at all.

As regards post cards, I am not in favour of the reduction suggested in the other House because I think we ought to regard the Posts and Telegraphs Department as a commercial department and we ought to be very slow to encourage any commercial department to run any portion of it at a loss.

With regard to Quetta, I must say that I am still unconvinced that Quetta ought to be rebuilt at all. I am strongly of opinion that it is a matter of communications and not a matter of rebuilding. It reminds me of Bombay 15 years ago, when they made a lot of land at vast cost when all they ought to have done was to improve communications, and we have been suffering for it ever since. But if you assume that Quetta must be rebuilt, then I agree with the Honourable the Finance Member and with the Honourable Mr. Hossain Imam that this should be done out of revenue, subject to this, that I assume—and I would like the Honourable the Finance Member to correct or to agree with me—that this money is being spent on replacing assets which have been lost and that those assets will not be producing a greater revenue than the assets which they are replacing. I personally think that if that is the case, to finance it out of borrowing would be only justified by absolute necessity.

Then there is one other point on which I am in agreement with the Honourable the Finance Member in principle, but I think he dealt with it quite wrongly. He agreed that you ought to be allowed to carry forward business losses for income-tax purposes. I think everybody agrees on that as a matter of fact; but I do think that if you agree that a tax is inequitable

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and wrong you ought to cancel it and put on a tax which is equitable and right. I think it is quite wrong to carry on with a tax which you admit is wrong.

Sir, I support the Bill.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I did not intend speaking, but I speak now because I find that the discussion has gone somewhat wrongly. It is being discussed too much from a scientific point of view. When I was young I got dyspepsia and I could not digest food at all; then the doctors came, *vaids* came, but they were not able to do any good. My mother hit upon a plan. She said, "You ate too much and therefore you got this dyspepsia". Then she asked me to sit down to the meals. She got very good food prepared. She said, "This is the food. Just see; you do not eat it; if you eat it you will get dyspepsia". In that way she went on for 15 days and starved me during that period; at the end of the 15 days the dyspepsia was gone. Government might say, "If you cannot manage it and you always do wrong, then you will have no power on the Budget at all". The form has however to be kept. It might be sent to the upper House with an order that it should be passed in that form; if not it will become law all the same. It is just like my mother bringing food to me and showing it to me. That is how the Government of India every year presents us with this thing, and says, "Take care, you are not to eat, if you alter it, it will be taken away from you". Why do you make this farce? What is the good of this? They might as well have said the other House rejected it and the Viceroy makes it into an Act on his own powers. It is needless waste of breath here and my Honourable friend bringing large books and quoting from those things, hunting up political economy. What for and for whose ears? It falls on deaf ears. The Government of India Act should be amended in this way that if the Government wants it may submit the Finance Bill to the upper House and if they do not want to do so, not submit it at all. That would be a much more easy process than this. This is all I have got to say. I shall vote against it.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I shall not take up the constitutional issue raised by my friend Mr. Sapru as to the powers of this House to alter the Finance Bill. My Honourable friend Mr. Khaparde very aptly put the whole case before the House and from his point of view it is a waste of time for the House to have discussed this Bill.

THE HONOURABLE MR. HOSSAIN IMAM: Are you going to vote with us?

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: I shall let you know later on. My Honourable friend the Deputy Leader of the Opposition concluded his very long and interesting speech by saying that we could not do anything with this Bill because it has been certified by the Viceroy. That is the position, but unfortunately I find that the other House have gone at random and they went on and on and dropped altogether Rs. 10 crores from the Finance Bill. How is the administration to be run? They ought to have been careful to see that the Government could adjust their Budget. So far as the post card is concerned, I fell very strongly and I regret very much that the Government were not able to accept the decision of the other House. My Honourable friend Mr. Parker from Bombay just now

said that he does not agree with the reduction. As a matter of fact, villagers use a large number of post cards. I remember the time when we had the three pie post card; then it was increased to six pies and then to nine pies. I was hoping that if the Government could not accept other amendments of the other House they would at least accept this amendment of the post card rate and fix it at six pies. When this was brought up in 1931 as an emergency measure, the Honourable Member in charge then, Sir Joseph Bore, with whom I had a private conversation about this, said: "I shall do my best to see it reduced in a year if things are getting on satisfactorily; in 1932 we shall be able to restore it to six pies"; but nothing has been done even in 1936.

Coming to the surcharge on income-tax and super-tax, my friend Mr. Hossain Imam said that he did not agree at all to reducing that. Probably it does not touch his pocket. But it does touch the pockets of many others here. I am very glad to see that Mr. Parker very strongly opposed it. He said and very rightly—that whatever we do, we cannot touch a certified Bill. That is the whole position. I therefore appeal to the Honourable the Finance Member, who I am sorry to say is not here, to give relief to these over-taxed income-taxpayers. Some concession is shown this year and I hope the whole surcharge will be wiped away next year at least so that the pledge given by Sir George Schuster might be redeemed. In 1931 he said that this was a temporary measure which would be removed as soon as possible. I find it went on even in 1934-35 and it is only in 1936-37 that a small remission is given. I do hope that in justice to the industrialists, merchants and bankers, the whole surcharge will be wiped away at least next year. I appeal to the Government of India to be more sympathetic in the matter of the poor man's communication, that is, the post card, and in the matter of other remedies which I have suggested. We have no option but to support this certified Finance Bill.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal: Non-Muhammadan): Mr. President, the maxim that he who pays the piper must call the tune does not seem to find much favour in the City of Imperial Delhi. Whatever is said in this place or elsewhere and whether the taxation proposal is agreed to by the Legislature or not the Executive must have it restored in its entirety under the special powers. The financial pandits are so very infallible in their calculations that a single departure from their proposal would unbalance the Budget and therefore needs must stand as it is in the interests of British India. It is not the only time that the Bill is before us in a recommended form. It has become almost a precedent that this certified and recommended Bill should receive the support of this Honourable House even if it be rejected in another place.

The Executive have not shown any regard to the criticisms in another House and has flouted public opinion entirely, which shows to what extent an unresponsive Executive, irresponsible to the people can go in their stubbornness. The sham nature of the reforms is clearly manifest before the public, and we get a foreshadow of how the special powers are going to be used in the next reforms.

I do not want to rush into constitutional issues, but, Sir, to my mind it seems it was not the intention of the framers of the present reforms that Government should fall back upon the Council of State in which there is an official majority to have a recommended Bill passed which did not find a passage in another place. In this connection, Sir, I will read, with your permission, a

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few lines from the Report of the Joint Select Committee on the Government of India Bill. It says :

"The Committee have no hesitation in accepting the view that the Governor General in Council 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".

I ask the House to consider the implication underlying those words. My Honourable friends Raja Ghazanfar Ali Khan and Mr. Sapru have already dealt at length with the constitutional points, and I do not want to discuss them any further.

It is not within the range of practical politics for us in this House constituted as it is to alter or amend the Bill in any way, much less to throw it out altogether. It therefore follows that all our arguments and criticisms offered on the Finance Bill will be more or less of an academic nature. But at the same time it is our duty to ventilate our grievances before we vote the supplies not with the idea of destructive criticism but with a view to their being remedied in the near future. The first and foremost in order of importance which comes to our mind is the Defence Department—a department which spends Rs. 46 crores of public money. It has always been the subject-matter of much criticism and the target of attack both here and in another place. Particularly in view of the fact, that unless we are able to take a larger share in our defence we cannot aspire to become a self-governing dominion. That brings me to the vexed question of Indianisation. Much has already been said about this and I do not want to go into the details of this subject and I will only point out that the intake in the Indian Military Academy has not been increased in spite of the repeated demands of the public. We were told a few months ago that the right type of young men do not come forward for army service. But, Sir, may I know what steps the Government are going to take to ensure the recruitment of the right type ? What is the definition of the right type ? If we could get the right type for the Indian Civil Service, Indian Police and other all-India Services, why is there a dearth of young men for army service ? There must be some fundamental defect in the system of recruitment and it is up to the authorities to find it out and remedy it. Educated smart young men of good social position are turned down simply because they do not, to use a hackneyed expression, belong to the martial classes or because their distant relatives hold different political views.

The fact that Government is not taking as much interest as they should to improve horse-breeding in India calls for some comment. A large percentage of army mounts have to be imported from Australia, a system which does not speak well for the Remount Department. The Defence Department maintains, I understand, a Military Dairy Farm. May I know if it is run on commercial lines and whether the amount spent on the upkeep of this Department is commensurate with the gain ? A small percentage of the dairy produce is consumed by the army and the rest is sold to the civil population.

Coming now, Sir, to the administration of the Indian Territorial Force, I venture to point out that the way in which it is run is far from satisfactory and defeats the very object with which it was started. In Bengal where we have an Indian Territorial Force unit, for the last two years, for reasons best known to the Government, no annual training camp was held and the University Training Corps Battalion in Bengal was also deprived of its annual fortnightly camp training in the year 1934-35. If you do not train them up

how can you expect them to be efficient ? There is a move I understand to reduce the strength of the Indian Territorial Force, including the University Training Corps units. Such an action is bound to create resentment in the minds of the public. It naturally drives the public to think, and rightly too, that Government do not want to make the Indian Territorial Force a success. After the reorganisation of the Indian Territorial Force and the Auxiliary Force (India) due to the recommendation of the Shea Committee, we expected that there should be very little difference in the treatment of these two sister units. But, Sir, in actual practice we find that it is not so. Whereas the Auxiliary Force are allowed to carry army rifles, the University Training Corps units are debarred from using them and carry D. P. rifles. The only time they get the army rifle is at the time when they fire their annual musketry course at the range. This shows that there is racial discrimination and distrust of Indians.

The recruitment for the Indian Medical Service calls for a great amount of criticism. At present the ratio of the recruitment of Europeans to Indians in the Service is 2 to 1. Not long ago, a Resolution was moved in this House by a nominated Member to alter this ratio, but alas, Sir, even a nominated Member could not get that Resolution through in this House. When the ratio of the Indian element in the Indian Civil Service is being raised to 50 : 50, it stands to reason that the Indian members of the Service would not mind being doctored by Indians. There cannot therefore be any reason why the same ratio should not be maintained in the recruitment of the Indian Medical Service.

I would like, Sir, to invite the attention of the Postal Department to the fact that one of the principal items of revenue is the telephone service which in the presidency-towns is at present being maintained by private companies at a great profit to their shareholders. Why cannot Government buy them up and augment their revenue from this Department ? Money is cheap at present and they could easily raise a loan for this purpose. It would add considerably to their revenue and ultimately enable them to reduce the rates of postage. I do not want to say much about the reasonableness of the reduction in the price of post cards because it has already been supported by all the Members who have spoken before me. I only wish to associate myself with them in pressing for its reduction to six pies.

The Imperial Council of Agricultural Research, I would urge, should set apart some money for carrying on research work on jute with the possibility of this product being more profitably utilised than at present. It would help to raise the price of jute in Bengal and would mean prosperity for the poor peasant.

Sir, I am glad that the lower limit of income-tax has been raised to Rs. 2,000, and in this connection I would like to suggest to the Honourable the Finance Member, that the hill allowances should not be subject to income-tax. It would be a great hardship to the poor clerks who have to move up to the hills along with the Government if these allowances are subjected to income-tax deduction as it would mean an increase in the rate of income-tax.

Last though not least in point of importance, which calls for comment is the standard maintained both in the judicial and administrative sides of the High Court in Calcutta, and requires careful scrutiny. The relationship between the Bench and the Bar is not as it should be, thus hampering the administration of justice. The litigants suffer to a great extent. This has been the subject of much criticism in the local Council and people in Bengal are beginning to lose faith in British justice as administered in the High Court.

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There is an accumulation of work due to too many holidays and vacations. I understand there is a proposal to increase the number of additional Judges, but, Sir, what we want is quality and not quantity. I would venture to suggest that His Majesty's Government be approached to set up a Royal Inquiry Committee with particular reference to the standard of work maintained in the High Court.

Sir, before I resume my seat, let me once again appeal to His Excellency the Viceroy, who has always evinced great concern for the people of India and has spent the best part of his life in India, to reconsider his decision and reduce the price of post cards at least, an amendment which was commented upon with approval by every section of the House in another place. This will be an act of grace and will be very much appreciated by the public at large. It is not yet too late to be generous if he cannot be just.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, inasmuch as I am neither a constitutional expert nor a commercial magnate, I do not propose to enter into the relative merits of the various questions raised. I would however like to say a word or two about some matters which are of importance for the people of this country. Before however I refer to these I would say that eleven autonomous provinces are coming into existence next year, and I wonder whether the principles and policies that have been enunciated by the speakers who have opposed the Finance Bill will be taken to heart by them, adopted and acted upon when they come to hold offices under the new Constitution?

Sir, the unprecedented increase of four crores in the population of India between 1921 and 1931, as also a further anticipated increase during the current decennium, has given rise to serious thought, whether the productive capacity of the country was capable of supporting it. There has not however occurred a *corresponding* increase in the cultivation of food crops; the deficiency has therefore to be made up by large imports. Extensive areas of land are lying fallow at present as owing to lower returns, through depression, it pays more to allow them to remain thus. The non-food crops, mainly for exports, absorb the rest. The main question is whether the peak of production has been reached and the soil has become so greatly deteriorated as to be incapable of producing more. A former Commission on Agriculture praised the industry of the Indian cultivator and his age-old method of ridge cultivation that ensures adequate drainage of the field. But the difficulties of inducing him to adopt newer methods have been almost insurmountable, and his apathy to avail himself of the same through demonstrations is not easy to overcome. On the other hand, he is too poor to profit by those. And here it is that the land mortgage banks, co-operative credit societies, etc., may be asked to expand their activities and come to his help by hiring tractors, and providing him with better seeds, manure, implements and encouraging him to adopt modern methods; if, however, this is not feasible, every *taluka* should have a demonstration farm to educate the cultivator. Rural uplift would thus follow. Then again the ravages made through catastrophes of nature have to be repaired and the ruthless methods of peasants of deforestation from indiscriminate felling of trees prevented. Though nature is often bountiful, it is man who is vile and destroys her handiwork. Lands have to be reclaimed from marshes, uncultivable and eroded land improved by scientific application, conservation of the rainfall, dry farming, etc., have all to be brought into the service of man. The Imperial Council of Agricultural Research has done and is doing much by its investigations, its practical results should be

made to percolate to the masses. If some such measures were adopted and if the results should incite his interest and even his cupidity, it is not unlikely that there will be considerable increase in the production of food crops. And when that comes to pass, the dream of my Honourable friend Mr. Sapru of an economic Utopia will be realised, and this land will flow with milk and honey. I appeal therefore to the Honourable the Leader of the House to signalise his tenure of office by devising suitable measures to this end and earn thereby the gratitude of the people. The time has arrived for a new orientation of our land policy. It has been said, Sir, that Government have taken no steps to increase the price of crops. I would have asked my Honourable friend, Mr. Shantidas, if he were present, whether it is not a fact that the agents of the exporters leave a good margin for themselves when buying up crops for their masters? When those are exported, they have to face world competition with other countries that produce the same articles; then there are exchange difficulties; in addition to lower rates when the crops are ultimately sold and all these factors go to lower the prices. No amount of Government help can increase price levels having regard to the above circumstances.

Sir, there is however another school of thought that believes that the salvation of India lies in industrialisation, with protective tariffs. There is however scant regard of the burden to be imposed upon the poor consumer who must pay for this expensive luxury. It is not my purpose to digress into the merits of this debatable financial question. Let us however look at the present conditions. The Department of Commercial Intelligence and Statistics has classified our industrial factories into 30 categories—that employ over 15 lakhs of workers. Of these, the operations for cotton, jute, railways and trams absorb nearly 10 lakhs. This labour is however mainly illiterate, unorganised and undisciplined, and is liable to break out into strikes. The so-called trade unions are not directed by methods that exist in other civilised countries. Much has been done for labour and improvement of its prospects. Industrialisation has however been followed in its wake, by mechanisation, rationalisation, automatic appliances, etc.—as even a robot can now pilot an aeroplane—and consequent unemployment. Look at Great Britain, Germany, France and the United States of America where the adoption of such measures have led to unemployment of millions of workers. In the United States of America at present there are 10 millions unemployed. The two countries where it does not exist are Japan and the Soviet Republic. The latter brooks no trade unions nor strikes, and every individual who refuses to work has to go to prison. Mills in Japan are worked by girl labour, who number from 2,000 to 3,000, in shifts of ten hours each. They operate 20 to 40 looms. They are housed, fed and educated on the premises and after three to four years' service they leave for their homes with their savings. There are no trade unions nor strikes. Japan proper has more than 60,000 factories, and two million workers in a population of 6½ crores, and the whole Empire 9 crores.

Last year, Mr. Oliver Stanley placed before the House of Commons certain data of unemployment in Great Britain. Of the 12½ millions who were registered under the Unemployment Insurance Scheme only about five millions claimed the benefit of the fund as they had been employed for 32 weeks in the year. Of the two millions described as unemployed 250,000 were employed for a short time, 90,000 were casual and dock labourers and 90,000 were boys and girls under 16 years just out of school. The total was thus reduced to 1·8 millions, two-fifths of whom had been less than three months without work and 400,000 had been without work for over a year. Is it possible that in India with its population nine times as large to introduce this or any other

[Sir Nasarvanji Choksy.]

scheme like that of health insurance, etc., for workers. Will the employers, employees and Government be able to contribute their respective shares? India cannot enter *ad hoc* into industrialisation with such grave disabilities? Sir, I would ask the House to envisage the sad plight of the Bombay mill industry that has existed there for well nigh three-quarters of a century. The President of the Millowners' Association said at its annual meeting on the 24th instant that most of the textile mills showed little or no profit last year and that competition internal and external had played an important part in making the marketing of goods unremunerative. And we are being directed to the panacea of industrialisation. I would inquire whether Honourable Members recollect the events of that great industrial strike that was intended to paralyse the British Government? It was temporarily staved off for a year by timely concessions and when it did come off as threatened, their organised measures were so complete that it failed. Even His Majesty King Edward VIII worked as an engine driver, and the best in the land—the educated classes, university students, boys and girls—all worked with a will to break it. That it was broken was due to the prescience of the Government and the indomitable spirit of all classes.

Any further progress of industrialisation in India must be slow; it should be well planned having regard to the capacity, industry, goodwill of the workers and with the prospect of a good return.

Sir, I did not wish to say anything with regard to some expressions that fell from my Honourable friend Raja Ghazanfar Ali Khan about communalism. But I should have liked to remind him as to how communalism came into existence after a deputation of Moslem leaders had waited upon Lord Minto in the year 1910. They represented that they were the only loyal subjects of the King and that their special interests should be protected by Government. Lord Minto gave them an assurance that they were not likely to suffer and that he would see that their special interests were safeguarded. Sir, when Lord Morley heard of that, he did not appreciate what had been done, and I believe he remarked in his book that Lord Minto had put his foot into a thing, the consequences of which he did not and could not have foreseen. Well, Sir, those consequences we see now. It is to be regretted that he should have said that Government are honouring those who are for perpetuating communalism and not those whose object was to bring about peace.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHDAUR (Madras: Muhammadan): My esteemed friend Mr. Khaparde has very graphically described the process of tantalising to which the Members of this House are subjected by repeated presentation in this House of Bills in a certified form. He has very humourously but very rightly observed that it is like food being brought to you and placed on the table; it is very good food, inviting you by its appearance and tempting flavour to fall on it and eat it. But you dare not do that. All that you are allowed to do is to cast wistful glances at it, to smell it, so that your appetite becomes more keen and it becomes all the more necessary to appease your appetite; but that course is denied to you. Sir, the action of the Government in bringing this certified Bill to this House has deprived the discussion here of everything except an academic interest. I agree with my Honourable friends who have said that there were other and better courses open to the Government than to bring this Bill in a recommended form. I wish that those whose duty or privilege it was to advise His Excellency the Viceroy could have seen their way to meet the wishes of the other House at least half-way and made some concession to popular demands as put forward

in the other House. If, as has been stated by my Honourable friend Raja Ghazanfar Ali Khan, the Government had only refrained from certifying the measure and on the rejection of the original measure in the other House had brought it to this House and got the salt duty restored and along with it had seen its way to accept the amendment in regard to the post card rate it is just possible that if this Bill had then been taken back to that House the Assembly would have accepted the Bill and passed it and this situation would not have arisen.

THE HONOURABLE THE PRESIDENT: And suppose it had not accepted it, what would have happened? Why do you say that that House would have accepted it?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: If it had been reasonable it would have accepted it.

THE HONOURABLE THE PRESIDENT: Ultimately it would have been certified in any case and it would have been a waste of public time.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I do not hold that that House would have rejected the measure in all events. I am sure those people are not so impervious and are amenable to reason and would have been persuaded to accept the Bill if it had been brought back to them in a more acceptable form with the assurance that popular opinion is not altogether ignored.

Now, Sir, it is idle to contend that even in respect of post cards the popular demand could not be conceded. After all it cannot be said that the Budget proposals are so accurately framed and the revenue estimates so correctly made that even the slightest variation from them would upset the whole Finance Bill and dislocate the entire budgetary position. I do not think the finances of our country are in such an inelastic condition that even a slight variation is not possible. We see how year after year the surpluses estimated ultimately turn out to be very much in excess of the estimated figure. So it should have been possible to cover this cost by some means or the other. There was also this to be taken into consideration, that the reduction in postal rates would surely have resulted in increasing the volume of post cards used. In the first year the addition to revenue might not have been enough to cover the loss of that reduction, but in course of time, in two or three years the extra traffic would have more than covered the loss accruing from the reduction. Sir, year after year we have pressed our views in this respect. We have pointed out how the post card is the only means by which the poor man carried on his correspondence. We have pointed out how the increase in the post card rate from one pice to three pice has practically deprived the poor man of the only postal facility that was available to him and deprived him of the opportunity of communicating with his relations and friends. As has been pointed out, the Postal Department is meant not only to work as a commercial department but it has also got an educative object to achieve—communication with friends and relatives, communication with the world at large. Those are means of civilising people. This aspect of the department should have appealed to the postal authorities and they should have seen their way to effect the desired reduction in the postal rate. While on this subject I would like to offer my thanks to the Honourable Member in charge of this Department and to the Director General for having seen their way to resume the direct sea route mail service between Madras and Rangoon which had lately been given up.

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Now, Sir, as regards some observations that were made with reference to communalism, though I congratulate my Honourable friend Raja Ghazanfar Ali Khan on the able speech he made and the manner in which he has pressed his views as regards other matters, I differ from him in the views he expressed in regard to communalism. I wish my Honourable friend had steered clear of that, and of all people Raja Ghazanfar Ali Khan should have been the last to have stumbled over this hurdle because he is well known to be one of the most ardent followers of Mr. Jinnah. I wish he had taken his leader's own advice which he gave as recently as last night in regard to communal questions. Mr. Jinnah than whom there is nobody in the country who is regarded as being more patriotic or nationalistic, Mr. Jinnah in plain words deprecated all controversies about it, and said that Indians would do better to forget this question altogether, so that they might not fritter away their time and energy over this very insignificant question and direct their attention to things of greater importance requiring their immediate attention. Mr. Jinnah made it clear that even though he was dubbed a communalist, he was not ashamed of it. He was proud of being called a communalist; because he said that after all communalism in its right aspect was nothing of which one need be ashamed; he made it clear how the interests and rights of minorities have got to be protected and anybody who champions those interests need not be ashamed of any taunts and jeers that might be directed to him by people who possibly do not wish those other communities to fare quite as well as themselves. I wonder, Sir, what our friends mean by communalism when they level their attacks against it. Sir, communalism may not be an unmixed blessing.

4 P. M. Nothing on this earth, nothing under the sun, is an unmixed blessing; so like every other thing in this world, communalism is not an unmixed blessing, but this very communalism would be an effective force, a very powerful factor, in the building up of the body politic, in the development of the country, if it only works on proper lines. Sir, if only the energies are directed on right lines, if improvement of a particular community or communities is sought for the purpose of equipping that community with the things requisite for discharging its duty in the body politic, if communalism is used for this purpose, I think communalism is not only tolerable but it is a thing which is highly desirable. Sir, India, as we know, is a vast continent with a heterogeneous population, with various classes and communities inhabiting it, each one of these communities and classes has got its particular special interest which needs to be protected as much as the interests and rights of the biggest majority in the land. My submission is that if these special interests of any community or communities are such as tend to improve the condition of the community without militating against the common cause, I feel, Sir, that this kind of communalism is a very wholesome, very healthy, institution and that it should be encouraged instead of being deprecated like this in season and out of season. Sir, is it wrong, is it unpatriotic, to espouse the cause of the weak, to assert the rights of minorities, is it wrong, Sir, for anybody to maintain that the rights of a minority, however small, however insignificant it might be, that the rights and interests of this minority will be treated as being quite as legitimate, as sacred, as inviolable, as the rights and interests of the biggest majority? Sir, I admit that in the awakening that has come about—and I am glad it has come and we are sorry that it has been very long in coming—I admit that in this awakening and in the scramble that we now see everywhere for power, there is a certain amount of confused thinking, but I feel sure, Sir, and I have every hope and faith that the world has not altogether discarded its ideas of justice and fair play, that the people have not become so unreasonable as to assert their own right of living without conceding the same

right to their own fellowmen. I know, Sir, that in spite of all those recriminations, all those anathemas that are directed against communalism, the heart of the country is sound; the bulk of the people are convinced that communalism practised on proper lines is just the thing that would go to contribute to the common weal, because they know that the improvement and amelioration of any of the communities that compose the body politic would ultimately result in bringing added strength to the whole body politic. I know that the bulk of the community do not disapprove of communalism, do not disapprove of any steps that are being taken to improve the condition of any community, but on the other hand they do approve and subscribe to and wish to practise the motto of live and let live.

Now, Sir, as much has been said about the financial aspects of the Bill I do not want to take much time over it. I would simply refer to one or two points which I would like to bring to the notice of the Government. First and foremost, as has been observed by my Honourable friend the Deputy Leader of the Progressive Party, whenever there is a surplus and relief is sought to be given to people who have been taxed, the relief should first go to those as have the least capacity to bear the burden of taxation which was imposed upon them. So, Sir, I feel, judging by this rule, the Government have made a great blunder in giving relief to the richer classes, to the people who are in receipt of large incomes, by removing the surcharge, even though partially, on income-tax and super-tax. It does not matter whether the very person who gives this relief is affected adversely, but you have to administer a whole country; when you have to look after the welfare and well-being of millions of people in the land, it does not matter if you have to suffer a loss to some small extent. Unless there is this kind of sacrifice, there cannot be any improvement in this land. Therefore, I feel that the Government would have been well advised if they had only refrained from or delayed giving relief in respect of income-tax and super-tax and on the other hand had come to the rescue of the poor man by reducing the postal rate, by reducing taxation which was recently imposed on some of the necessities of life as kerosene and matches. Just a word, Sir, about the industrial activity in the country. I feel in this matter exactly like my friend the Honourable Mr. Sapru. I feel that the economic condition of the country could not be improved except by industrialising the country, but I feel—I admit that there has been some effort at encouraging and fostering industries in the land, protection has been given to some industries—I feel, however, that we must redouble our efforts and see that the country is industrialised as quickly as possible, because not only will it help to vindicate the honour of this country which is perfectly in a position to take its proper place among the industrial countries of the world, not only will it go to add to the wealth of the country, but it would also go a long way in providing employment to most of the people who are now out of employment. Again, Sir, we know that our country is full of natural resources; most of the natural mineral and other wealth lies untapped and if only industrial activity is enlarged, there is every possibility that most of the resources which have not been explored could be turned to good account. But while I am on this subject, Sir, I should like to emphasise the necessity of keeping the interests of the smaller industries at heart. What I wish to make clear is this, Sir, that while we are endeavouring to encourage and promote these large scale and factory industries, we should not lose sight of the cottage industries. Because, after all, what will really go to help the poor cultivator, the poor man in the village, will be these cottage industries. We know that more than three-fourths of the Indian population is agricultural, and however much they may turn to industry, not all of them will take to it and it is not in the interests of the country, Sir,

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that everybody should turn to industry; there must be some people in agriculture also. So when we are going to improve the industry of this country we should also have the interests of these villagers in view. We know, Sir, how conservative the people of this country are. The conditions here are such that most of the cultivation depends on the monsoons which are not very regular, and even when the rainy season is a satisfactory one there are certain months in the year when the agriculturist is without work, when there is no necessity for him to attend to his field operations. It is on such occasions that these cottage industries would come to his assistance. He is unwilling to migrate to any town, he wants to stay at home, near his field but he would like to be shown a way by which he could be enabled to eke out his livelihood. The encouragement of cottage industries would go a long way to fill his leisure hours with subsidiary work.

Sir, just one word about the economic condition of the country. It has been said that the country is on the road to recovery. I doubt very much, Sir, whether we would be justified in taking this view of the situation, however, much we might like to see that this view is justified. Sir, there are no doubt indications that foreign trade has improved but it has not improved to the extent that it might be made possible for the country to stop drawing upon its reserve. We know, Sir, that even though we have been paying for our imports, even though in these days of depression, the credit of India has been maintained high, it was possible only because there was some reserve in the country and people drew upon it. For a long time past, Sir, India had enjoyed a very favourable balance of trade and she was consequently in a position to store up a stock of gold and in this time of stringency that reserve has come to the rescue of the country. But this stock of gold is not inexhaustible. Most of it has already been spent and it is high time that we saw that this drain was discontinued. Therefore, I feel that so long as we still have necessity to draw upon this reserve, to fritter away all the reserve that was accumulated during all these past years, so long as there is this necessity, and so long as the favourable balance of trade is not restored, we cannot feel that the country has turned the corner and we are on the road to recovery.

Just before I sit down, Sir, I should like to draw the attention of the Government to the necessity of trying to improve the condition of the agriculturists in my own province of Madras. The necessity has been emphasised by most Honourable Members that something should be done to put up the price of agricultural produce. There is a general demand, Sir, in this connection, but I should like to draw the attention of the Government to the pitiable plight of the rice-growers in Madras. I know, Sir, and am grateful to the Government for it, that some relief was given to the rice-growers last year, but it was very meagre and has not cured the evil, and after all what relief was given was in respect only of broken rice. Relief is also wanted in respect of whole rice. In addition to this, Sir, I would request the Government to give some sort of protection to the cocoanut industry. In the west coast of Madras this industry is very largely practised and a large number of people depend entirely on this industry. I hope, Sir, the Government will be persuaded to see their way to impose a sort of duty upon Ceylon cocoanuts and give some relief to the cocoanuts growers in the west coast of Madras.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal; Non-Muhammadan): Sir, the recommended Bill presented by the Executive does not deserve any consideration from the representatives of the

people in this House, as the Executive have not shown any consideration towards the feelings and the sentiments of the people of this country as and when placed before them. The present administration, Sir, is run with only one consideration and that is the exploitation of this country. Every action of the Executive is guided by the sole motive of sidetracking the real objectives by mere false promises and pledges never to be redeemed. The whole administration is based on mistrust and hypocrisy in the name of diplomacy. Sir, the distrust of Indians by the Britisher is only natural. After all, they know that exploitation can only be continued so long as the exploited nation do not realise that they are being exploited. History proves that once the exploited nation realise the game of their being exploited, there are always mass upheavals culminating in revolution. In order to guard against such contingencies the exploiters require a huge army of occupation. In India also in the name of Indian defence a huge standing army is being maintained. As a result of that distrust a strong contingent of British troops are being maintained in India to help the British people in exploiting the country on the point of bayonets. The hypocrisy comes in when the Executive tries to force us to believe that this huge military expenditure is required for the benefit of our country and for the maintenance of the internal peace of this country. Unfortunately, Sir, the people of India have by now realised about their exploitation that is being carried on in every field of administration for the benefit of only the United Kingdom and her sons. The huge expenditure of India for military occupation is costing her to the tune of about 40 per cent. of her total revenues. Out of this huge expenditure the major portion goes to England by way of pay and allowances of British troops and officers and their pensions. A huge sum also goes to England by way of purchase of army stores and increases the resources of England. Our masters are not satisfied with only exploiting us. But they want us to keep mum about this exploitation. If anybody ventures to stand up against this exploitation of my country he is dubbed as a rebel and is lodged immediately in one of the jails as one of the guests of His Majesty's Government. Sir, this is the reason why we find men like Mr. Subash Chandra Bose, Mr. Sarat Chandra Bose, Mr. Jawaharlal Nehru, Mahatma Gandhi, Dr. Ansari and Maulana Shaukat Ali and a host of others being imprisoned, interned or externed from time to time. The only fault of these brilliant jewels of India was that they succeeded partially to show to the people of this country as to how they are being exploited. The flower of youth of this country who are bold enough to stand against this British exploitation are dubbed also as rebels and revolutionaries and are interned without any trial. Sir, if these good services of the Executive to our leaders and the youths of the country by way of imprisonments, internments and externments are to be paid for, then of course we must sanction the finances required for the present form of administration. Let us now see the fate of those of my countrymen who wanted to create a favourable atmosphere in the international world outside India. Such of our men who wanted to go out of India, met with the barricade of the Government of India's Passport Rules. These Rules are more rigorous than the rules governing the entry and exit of convicts into and from the jails. Sir, men whom Government think have got power to wield their pen in foreign lands in creating an atmosphere in the international world which would be unfavourable to British exploitation of India, are refused permission to leave India or visit other countries. So far as India is concerned the whole country is nothing but a heritable big jail for the nationals of this country. This is not all. The irony of fate is that we are asked to pay for the services of those men who have framed these rules for transforming India into a jail and are guarding us as our jailors. We are asked to pay for the Departments of Radio and Telegraph which are not our

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properties and which the nationals of the country can not utilise for the advancement of the cause of our country. In all countries the speeches of the Ministers and the Leaders of the Opposition are allowed to be broadcasted for the purposes of information of the public at large, whereas here if the speeches of the Members delivered in the Legislature are published by newspapers, the presses of such newspapers are forfeited and the editors and managers penalised.

Sir, I ask whether any Government would have dared to restore a tax which has been refused by the elected representatives of the people in the name of governing a country. The salt tax is a tax which is obnoxious in principle and iniquitous in its incidence. This tax is paid equally by the richest and the poorest alike. Nay the poorer man pays more of this tax than the richer people. A poor man's food consists of a frugal meal consisting of a pinch of salt and a few pieces of *phulkhas* or a quantity of boiled rice. As he has got nothing else besides salt to eat his food, he naturally takes more of the salt than a rich man who takes various dishes prepared of sugar as well. Therefore the poor man pays more of the salt tax than the rich man. It is the most natural sequel that in obedience to the dictates of the masses their representatives rejected the tax, but our benign Government consisting both of white and brown bureaucrats, restored the tax in the Finance Bill, for protecting their own pay and the pensions of their predecessors.

Sir, now I come to the question of the income-tax. The very name of the tax shows that a man who has an income is asked to contribute to the cost of the administration. The richer men require the services of Imperial Police Service officers for the protection of their lives and properties. It is they who require the help and treatment from the Indian Medical Service officers in times of their sickness. It is the rich who require the services of the costly Indian Civil Service officers to administer justice in law courts for the protection of his rights of succession and rights of recovery of dues. It is therefore most natural that the richer business men must be made to pay more by way of taxes than the poorer men. But this benign British Indian Government is based on such a solid foundation of justice that they feel that the richer must pay less than the poorer men, as the former gets more services from the Government than the latter. Here a question may be asked, as to why should a Government deliberately levy less tax on the richer people than on the poorer men. Sir, the reasons are very plain. First of all the income-tax assesses and the super-tax assesses are mostly the European officials and the European business men and, secondly, the poorer masses are less vocal.

THE HONOURABLE MR. A. J. RAISMAN: Will the Honourable Member please mention in what cases Government levies less income-tax from the richer men than from the poorer men?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I am coming to that very shortly. They live in starvation and consequently have got no voice to make it heard to the administrators living in comforts and luxuries in Olympian heights and in palaces situated far away from the villages.

Then, Sir, I come to the question of the postal rates. Here also the same old tale repeats itself—

THE HONOURABLE MR. A. J. RAISMAN: Will the Honourable Member answer my question, please?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I have not sufficient time at my disposal. I shall go on with my speech.

THE HONOURABLE THE PRESIDENT: Order, order. You have made a very important statement and the Government Member wishes to know on what basis you have made that statement. You certainly ought to reply to it.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I cannot say off-hand.

The post card is used by the village masses for communicating amongst their near and dear relations. The masses very seldom use an envelope. If statistics are taken I am positive it will be found that not more than 5 per cent. of the communications handled in village post offices are envelopes. Therefore, the poorer folks are not at all affected whether envelope rates are increased or decreased.

THE HONOURABLE MR. G. V. BEWOOR (Government of India: Nominated Official): Sir, that figure of 5 per cent. is entirely wrong.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: That is my information. I am subject to correction, of course. (*An Honourable Member*: "It is being corrected".) They care more whether the price of the post card is reduced or increased. Sir, when during the war the Government of India wanted to balance their budgets in the name of keeping Indian credit in the international money markets the price of the post card was raised with the distinct understanding that this increase in the rates of post cards is an emergency measure. If that is so, what justification has the Government to keep the post card rate to 9 pies when the emergencies of balancing the budget are over? The reason for this differential treatment is not far to seek. The first and foremost reason is that the richer people and the business men, both Europeans and Indians, are more vocal and are more powerful. Therefore the present Government in order to keep them satisfied reduced the price of envelopes first with a vain promise to reduce the price of post cards if and when the condition of the finances permit. As I said, Sir, the whole bureaucratic administration is based on the principle of taxing the masses for the benefit of the British officials and British capitalists. The Tariff duties levied under the Finance Bill has been so arranged that British manufactures may have an unrestricted entry into India at the expense of the Indian consumers. If I am to give a categorical list as to how a poor man is paying more taxes in comparison with the services he received from the Government then, Sir, it will be a volume by itself. By way of a passing remark I may say that the poor man's kerosene and the matches have also been taxed in the past in the name of giving them better administration in this country. Had India been independent or had she had a national Government then the Executive responsible for all these atrocious and iniquitous acts would have been lodged in places as the guests of His Majesty's Government. Sir, the present Executive have failed in their duties miserably in every field of administration. In the matter of rural development they have neither helped the landlords to improve their position nor helped their ryots in improving their position either. Landlords as a class have been ruined owing to want of facilities of credit in times of depression. It is the landlords who saved the British administration so many times in the past from their troubles but the reward they received from the Government was the callous neglect towards their present-day miseries. The collections from their estates have dwindled down to 30 to

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40 per cent. whereas they are to meet land revenues by borrowing at heavy rates of interest. The Government now-a-days only care to placate the business magnates and the industrialists. I will not be far from the truth if I say that the Executive are hand in glove with the Associated Chambers of Commerce and it is the latter who is running the administration from behind the scenes. It is a mutual help association between the British Executives and the British business magnates. At times when the increase in pay and allowances of Imperial Service officers are required the European business men will trumpet the cause of the Executive and in return the British Executive will go out of their way to arrange tariffs and trade agreements in such a way as to help the British capitalists to drain out India's resources. Even in the name of the protective tariffs the Executives would invite the British capitalists to start firms in India for ruining Indian industries. In the name of the purchase of stores of Indian manufacture they would always place orders with such firms as are run with British capital and British management. Sir, the whole British administration in India is a catalogue of broken pledges and false promises. The British Indian Empire was established with the help of Mir Zaffar by a false promise to him of making him and his heirs the Nawab of Bengal but Nawab Mir Zaffar was shunted out to make room for Mir Kasim as soon as the Britishers found that the latter will be more helpful in their exploitation. If history is to be traced the British Indian administration began with such false promises and this sort of diplomacy culminated during the war when India was promised Dominion Status and self-government. Those promises were made to get India's money and India's men to win the last Great War. Those promises of allowing nations the power of self-determination was the greatest hoax given by British statesmen to bring the war to a successful close in their favour. But those pledges and promises were never made for being redeemed. The result is that India today is poorer by so many lakhs of men and many crores of her resources. Even now the open door policy of the Executive in the matter of free export of gold from India is a proof positive that the British Executive here is to help the British business men to exploit to the best of their advantage. Sir, the Finance Member compared gold with any other commodity like coal or iron. I do not know how he compared this metal with other minerals with which India is full. If coal or iron is exported India's resources of iron and coal are not depleted as she has vast coal and iron mines which may be said to be inexhaustible. But gold does not stand on the same footing. The quantity of gold which has once gone out of India is not to be replenished, as India is not the possessor of innumerable mines of this valuable metal.

Sir, in the face of all these things it is not possible for any Indian worth his salt to support the motion.

THE HONOURABLE THE PRESIDENT: I will now adjourn the Council till 5 P.M. for tea, when we shall sit again till 6-30 P.M. I shall call on Members on this side of the House (the Opposition Benches) to speak this evening, and I shall call on Mr. Raisman and Mr. Bewoor tomorrow at half-past two to address the House.

The Council then adjourned for Tea till Five of the Clock.

The Council re-assembled after Tea at Five of the Clock, the Honourable the President in the Chair.

THE HONOURABLE THE PRESIDENT (to the Progressive Party): Before we proceed, I would like to know how many Members propose to speak from your side.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Three.

(Three Honourable Members stood in their places.)

THE HONOURABLE THE PRESIDENT: Nobody else?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: No, Sir.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir the constitutional aspect of this certified and recommended Bill has already been so ably commented upon by my Honourable friends Mr. Sapru and Raja Ghazanfar Ali Khan that I do not think it necessary to dilate on this point any further.

So far as the merits of the Bill are concerned the Bill, being, on account of surplus in the Budget, devoid this year of some features which gave cause for non-official criticism in past years, is more acceptable to Indian public opinion than its predecessors in the past; but it is a pity that the Government did not see its way to accept the verdict of the lower House even so far as the reduction of the price of the post card was concerned and got the major votes of that House reversed by the Governor General by the process of certification. True the Assembly's vote relating to registered newspapers for being carried on the present rate up to 10 tolas has been accepted and for this concession newspaper men will be thankful. But this is only a minor thing and is therefore negligible. In view of this unsatisfactory attitude of the Government, Sir, the Assembly was perfectly justified in rejecting the recommended Finance Bill.

Sir, so far as the abolition of the salt duty goes, it could be conceded that the Government might have found it difficult to adjust the Budget without the provision of the salt duty as its abolition would cost the Government about Rs. 8 crores. But the Government cannot reasonably plead any such justification in the case of reduction in the price of the post card. After all, the Assembly had voted for the reduction of the prices of single and reply post cards not to three and six pices as they used to be years ago, but to six pices and one anna, respectively. One pice off the price of post cards would have been greatly appreciated by the poor to whom every pice is precious. And the loss was only estimated at Rs. 50 lakhs. This was not such a high sum as the Government could not manage if they only had the will to manage. But they would not agree to it on the plea that post offices should pay their way and not be a burden on the general taxpayer. In advancing this argument in the lower House, Sir, the Government conveniently forgot that the postal department should not be considered merely a commercial department, with due deference to the Honourable Mr. Parker, but also a public utility department, because it is a department which is essentially doing good to the country. The argument of a certain thing being a burden on the taxpayer is trotted out by Government only when it suits their purpose to do so, but is conveniently forgotten by them when such matters as the top-heavy cost of the administration, the huge military expenditure and the like are placed before them by

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non-official opinion as being a burden on the taxpayer. Moreover, Sir, if the Government can vote away lakhs of rupees in subventions to broadcasting and air mails, why can they not do the same in the case of post offices to enable them to render service to the masses? A number of ways were suggested to the Government in the other place to make good the loss involved, such as by charging the Quetta expenditure to Capital, by the increased income that would accrue to the Department by reason of thousands of candidates in the next elections which are going to be held during the budget year spending such a good deal on postage, and several other methods. But the Government remained unmoved as ever.

And yet the Honourable the Finance Member talked of "responsiveness" in the course of his speech in the Assembly in moving the amendment restoring the salt duty in the Finance Bill. One wonders whether Sir James Grigg really thought that his recital of Government's acts of "responsiveness" would impress any student of Indian politics. The Finance Member cited among other things the withdrawal of the cotton excise duty as evidence of Government's responsiveness. But, Sir, this iniquitous impost, which was in force for 30 years, was only withdrawn when the Indian cotton mill industry was threatened with a collapse and when it was felt that such a disaster would create an unprecedented economic crisis. The policy of discriminating protection has been considerably modified by the introduction of the policy of Imperial preference. Even so, Sir James Grigg has made no secret of the fact that he is not in favour of even this very cautious and diluted policy of protection. On the major questions, such as the Indianisation of the army, a revision of the exchange and currency policy as demanded by public opinion and Indian commercial interests, development of the Indian mercantile marine, stoppage of the export of gold, etc., the Government has adopted an uncompromising attitude. These and other instances amply show how hollow is the claim of the Finance Member regarding the responsiveness of the Government. If the Government was really anxious to make a gesture of responsiveness they should have accepted the vote of the lower House at least in the matter of the price of post cards which would have cost only Rs. 50 lakhs. That they did not choose to accommodate non-official opinion even in this small matter shows which way the wind blows.

In the Demands for Grants we find on page 418 that the grant-in-aid to Indian Trans-Continental Airways has been increased by Rs. 51,000, i.e., from Rs. 1,60,000 to Rs. 2,11,000, and a new item of expenditure refused by the Standing Finance Committee has been incorporated as financial aid to National Airways of Rs. 1 lakh. Will the Government please enlighten the House on what grounds these expenditures are proposed to be made? Is it the policy of Government to help all Airways Companies and, if so, at what rates? Or is it to be given only to the favoured few? Is it a fact that a favoured firm is getting Rs. 75,000 for the upkeep of the Viceroy's aeroplane? Could not the Army Department look after it and thus permit of this much money being saved?

Sir, the only relieving features of the Finance Bill are the abolition of income-tax on incomes below Rs. 2,000, the reduction of surcharge on income-tax and super-tax from one-sixth to one-twelfth and the small concession granted in the weight of letters and registered newspapers. This relief which the Government have given is of course being looked upon with appreciation. But there are still provisions in the Bill in regard to which the Government should have been more amenable to non-official opinion. But there is absolutely no hope of the Government being accommodating to the views

of the non-official Members in this House as it is a certified and recommended Bill and hence there is little prospect of the vote of this side of the House going in favour of the measure.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: non-Muhammadan): Sir, the Bill has again come to us in a certified form as last year, and I am afraid if the attitude of the Government remains adamant as it is, it may become an annual feature for years to come. The question is, what does it show? The lower House wanted two amendments and the Members moved them according to the wishes of the people. I do not agree at all with the abolition of the salt tax at one stroke because it would definitely tell upon the revenues of the Government. But, Sir, the time has come for the Government to show some consideration for this demand which is being made for the last 30 or 40 years. They could very easily have accepted another amendment for reducing the salt tax by four annas and bringing it to one rupee. If that gesture had been shown by the Government, I am sure the Members would have appreciated the attitude and the Finance Bill may have been passed in the other House and no certification would have been required.

Another amendment that was pressed in the other House and passed by an overwhelming majority was for the reduction of post cards from 9 pies to 6 pies. I think, Sir, that every Member of this House has expressed the desire that the post card rate should be reduced. I am aware, Sir, that if the rate for post cards had been reduced from 9 pies to 6 pies, Government would have lost Rs. 50 lakhs and if they could have accepted the reduction of the salt tax from Rs. 1-4-0 to Re. 1 they would have lost another crore and a half. These two amendments in total would have upset the Budget to the extent of about Rs. 2 crores. Now, Sir, let us examine and see if this amount was easily available in the Budget or not. The Honourable Members of this House are aware that Government is going to keep Rs. 1 crore and 97 lakhs in the Reserve Fund for giving a subvention to the provinces when provincial autonomy is inaugurated. We have seen, Sir, how the estimates of the Government for 1934-35 as well as for 1935-36 were not quite correct and there was a surplus of about Rs. 4 crores. Now, Sir, if out of this Rs. 1 crore and 97 lakhs they had met the wishes of the people and accepted these two amendments, there would have been no serious upsetting of the budget and all along satisfaction. And this stigma of bringing a certified Bill again this year would not have been required. As for the subvention to the provinces at the time of the inauguration of provincial autonomy, we are confident that when we have the actuals for 1935-36 we will have another surplus of about Rs. 2 crores or a little less. Then when we have a revised budget for 1936-37 there might be another surplus. And these amounts would have met the desire of the Government to give a subvention to the provinces. Sir, all this has not been done and a certified Bill has been again sent to this House. The position of a certified Bill has been thoroughly discussed by Mr. Sapru, Raja Ghazanfar Ali Khan and others, and I do not want to repeat these arguments and waste the time of this House. But, Sir, this sort of attitude of the Government to this House is most unfair. What is the situation? The situation is that we cannot have any amendments in this House. The moving of amendments becomes practically useless, because there is absolutely no hope of the Government accepting any amendments whatsoever, even if their effect is only very small, and if any amendment is carried, which is impossible in this House, the result will be that Government will have to withdraw the Bill. So, even if we move an amendment of one rupee, Government will fight it and let the amendment fail. The net result is that, as my

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Honourable friend said, this House has practically become a debating society so far as the Finance Bill is concerned. It would have been better if only one motion had been made in this House that the Bill be passed. That would have saved much of the time of the Treasury Benches as well as to the non-official Members of the House. Sir, there are many reasons why we cannot join the Government in voting for the passing of this Finance Bill and I do not want to dwell upon them at this late hour. I would like to postpone dealing with them for the third reading when amendments, as we expect, are defeated in the House. We will then consider what our attitude should be. But, so far as this certified Bill is concerned, we are definitely against the principle and we are opposed to the passage of the Bill unless some better consideration is shown to our amendments.

(The Honourable the President then called on the Honourable Mr. V. V. Kalikar to speak, but the latter was not in his place.)

THE HONOURABLE THE PRESIDENT: I think it would not be fair for me to ask the Government Member to speak at this stage after the announcement that I made before tea, because some of the Honourable Members on both sides, thinking that the motion would not be put to the vote today, might have left the House. As the monourable Mr. Kalikar is not present, I have no other alternative now but to adjourn the Council.

The Council then adjourned till Half Past Two of the Clock on Tuesday, the 31st March, 1936.

COUNCIL OF STATE.

Tuesday, 31st March, 1936.

The Council met in the Council Chamber of the Council House at Half Past Two of the Clock, the Honourable the President in the Chair.

INDIAN FINANCE BILL, 1936—contd.

THE HONOURABLE THE PRESIDENT: The debate will now be resumed on the Finance Bill.

THE HONOURABLE SIR JAMES GRIGG (Finance Member): Sir, owing to circumstances over which I had no control I am very sorry that I was unable to hear more than a small part of the debate in this House and the main task of replying to it therefore will have to be left to others and I shall confine myself to dealing with one important question of policy.

The complaint was made yesterday, and with that complaint I have a good deal of sympathy, that for the second year in succession the Finance Bill reaches this House in a recommended form and that the debates here must therefore take on a certain air of unreality. So far as this is a procedural point, it was raised last year in this House and was dealt with at considerable length by the Law Member and I think I need not go over that ground again. But it is of course rather more than a procedural point, for at the back of the complaint is the contention that, although it was quite right to use the Governor General's special powers to restore the salt duty, it is quite wrong to do so for the purpose of restoring the present rate of postage on the post card. The argument runs something like this. Of course you are quite right in refusing to have your budget wrecked by allowing a hole of Rs. 8 or Rs. 9 crores to be made in it, but Rs. 50 lakhs is a mere trifle and if the elected representatives of the people ask you to make this surrender it is your plain duty to do so. In this calmer and upper air I do not propose to enter into arguments about the proper limits of responsiveness. I dealt with it fully in another place and the Law Member touched on it in the debate to which I referred a year ago. Nor do I wish particularly in this place to make counter accusations of irresponsibility. I simply want to confine myself to the argument that the refusal of a reduced rate for the postage on post cards was a mere act of wanton defiance and one which proceeded from no financial necessity. That I think is the summary of the argument which has been used so frequently in another place and quite frequently here, so far as I can gather from the papers. In the Lower House arguing on this very point I gave some comparisons with the United Kingdom designed to prove that Rs. 50 lakhs was not a matter of no moment in a budget of Rs. 80 crores. But I think it would be almost an insult to the intelligence of this House to argue that point at length, for it is indeed obvious that half a crore is a very substantial sum, and it is also obvious that the creation of a hole of this magnitude in the Budget does justify the resort to special powers, and indeed there are precedents for doing so in the case of sums of this order. I think the one I quoted in another place

[Sir James Grigg.]

referred to one of the earlier budgets of my predecessor when the powers of certification were resorted to because a cut of Rs. 65 lakhs a year was made in the yield of the salt duty. Admitting then that Rs. 50 lakhs is a considerable sum on a budget of Rs. 80 crores, the question boils itself down as to whether there is in fact a margin of Rs. 50 lakhs on the Budget or a sufficient chance of such a margin to justify our taking the risk of giving away revenue to this amount in additional postal concessions. And here let me say that I propose to leave out of account the argument that even if there is a margin of Rs. 50 lakhs on the General Budget it would not be right to create a deficit of this amount on the Posts and Telegraphs budget. That point will be dealt with by my Honourable colleague the Member for Industries and Labour in his remarks on the merits of the post card concession generally. I am merely arguing on the relation of that concession to the Budget as a whole. I think also that in this House at any rate I can leave out of account the argument which was used in another place that we could provide sufficient money for this postal concession without a budget deficit or any chance of a budget deficit by charging the cost of Quetta reconstruction to capital and not to revenue. With the very weighty and repeated support of my Honourable friend Mr. Hossain Imam on that point, I do not think I need argue the matter further. At any rate, with his support I am strengthened in my view that this was the least that we could do in the interests of financial rectitude. To sum up what I have said, it all comes to this, is there likely to be a margin of Rs. 50 lakhs on the Budget, or is it such a trifle that we can afford to take a chance in the matter? Now obviously I did not think that there was a margin of Rs. 50 lakhs at the time the original Budget was presented. If there had been or if I thought there would be, it was clearly incumbent upon the Government to submit to the Legislature proposals for allocation of that sum. Nor do I think that anything that has happened since makes it more likely that there is a concealed margin in the Budget. Indeed, both in the matter of the sugar import duty and the revenue from the salt duty—in the latter I think, owing to the vagaries of another House, there may be certain postponements of clearances which may disturb the salt revenue quite considerably—but anyhow, whatever the cause, both in the case of sugar and in the case of salt there have been somewhat disturbing declines in the revenue receipts. Well, if there is in fact, or if we still think that there is in fact no margin on the Budget, then that leaves only the contention that this is such a small sum that you can afford to take a chance in the matter and if all goes well the chance will come off and your Budget will not be unbalanced after all and the elected representatives of the people will have got what they want. But even supposing that is true, which as I have just said I do not believe and there is no evidence that that is the case, even if that is justified, it is not the whole story. Even if on this basis we squeak through the year 1936-37, the year which starts tomorrow, what about the following year 1937-38 and the years following that? In the Budget speech I tried to show that, assuming that 1937-38 is the first year of provincial autonomy, there would be additional liabilities of something like Rs. 5 crores a year to meet. The net cost of the separation of Burma will be Rs. 2½ crores, and I was reckoning for purposes of calculation a sum of something like Rs. 2 crores as a result of the Report of Sir Otto Niemeyer, and I said that the normal growth of revenue *plus* this revenue reserve fund of Rs. 2 crores which has just been created would barely suffice to meet that extra burden. As I said just now, this was on the basis of the Niemeyer Report involving an immediate devolution of revenue to the provinces of not more than Rs. 2 crores. It was a figure adopted for purposes of calculation. We do not know whether it will be more than that.

I personally think it can hardly be less having regard to the needs of the provinces as disclosed in their budget deficits. But if he does recommend more than Rs. 2 crores, we shall have a very difficult task in balancing our Budget in 1937-38 anyhow unless—of course there is always an unless—unless improvement in general economic conditions is going on more rapidly than we think. But here again of course the people who advance the contention I am now dealing with as usual are trying to have it both ways. They first say there is no improvement at all, the position of the country under this monstrous British rule is disgusting, disastrous; nevertheless there is plenty of money to give away. It is the usual way in this country of having it both ways. Incidentally of course the Rs. 50 lakhs loss of revenue involved in the reduction of the post card rate is a recurring loss. It is no good people saying that the growth of the use of the post card will restore that loss in a very few years. Nothing can get away from the fact that for quite a number of years the loss of revenue will be of the order of Rs. 50 lakhs, because Rs. 50 lakhs is arrived at after assuming some growth in the use of the post card. But if we then give away Rs. 50 lakhs a year, there will quite clearly be an additional gap of Rs. 50 lakhs to meet in the year 1936-37, but also there will be the same gap to meet in 1937-38 and the following years; and I say, after having given to the calculations and forecasts the best attention and skill available in the Government of India, that we cannot simply rely on furnishing the amounts necessary to finance the first stage of the reforms without running ourselves into deficit for several years in succession. The deficits may not be very large, but they will be there, and even a small continuing deficit has a very serious effect on the credit of the country. Now, as I said in the Budget speech—and I have repeated it over and over again since not with very much effect on the minds of the people to whom it was said—as I said then, I believed that my primary task is to see that the first stage of the new reforms, that is provincial autonomy, should not be wrecked on the inability of the Centre to provide money for seeing the provinces start off on an even keel, or alternatively by putting the provinces straight the Centre should not run itself into deficit year after year, with the effects on the credit of the Government of India which I have just referred to. This being so, the Government of India are not prepared to take undue risks this year and we say that the surrender of Rs. 50 lakhs of revenue which is not in sight is an undue risk; and when the Assembly which after all has not the final responsibility in this matter tries to force us to take risks which we do not think to be justified, we consider that we are justified—in fact we have no other alternative—in having recourse to the special powers which the Constitution confers upon the Governor General. That, Sir, is the main contention, the point of policy, which was dealt with in yesterday's debate. Having heard very little of the debate, that is the only point which I propose to deal with. But I would like to add that I apologise to this House for not having been able to attend and hear more of the debate and deal with it more fully in my reply. (Applause.)

THE HONOURABLE SIR FRANK NOYCE (Industries and Labour Member): Sir, a Member of Council who comes occasionally to the calm and restful atmosphere of this House from the turmoil and excitement of the other House is at a serious disadvantage, especially in dealing with a Bill such as that before the House this afternoon. He can only repeat or rather say over again in rather different words the case he has put before the other House and he can never be quite sure how far this House wishes a case which has been elaborately stated in another place to be gone into with equal elaboration here. He is naturally anxious to pay this House all the respect that is due to it; he is not quite sure of the exact measure of respect that the House would like him to pay

[Sir Frank Noyce.]

I am at a special disadvantage this afternoon as I was not here yesterday and in this connection I can only repeat the apology for absence which has been made by my Honourable friend and colleague the Finance Member. I think the House is aware that I was engaged in an important debate in another place.

I went at very great length into the financial position of the Posts and Telegraphs Department in the other House and I doubt if this House would wish me to repeat all that I said there. I overwhelmed that House with facts and figures, but I think it unnecessary to state them again: I think the House would merely wish me to bring out a few salient facts. Those salient facts are the budget estimates and results for 1935-36 and the estimates for 1936-37. The estimated results of the working of the Posts and Telegraphs Department in 1935-36 are a profit of Rs. 6 lakhs against a budget estimate of a deficit of Rs. 13 lakhs. Our reasons for budgetting for a deficit were that we were restoring the remainder of the cut in pay costing about Rs. 28 lakhs, we were also restoring the contribution to the depreciation fund at a cost of Rs. 19 lakhs, though this was still some Rs. 10 lakhs short of the figure required on the expected basis of assets and we also had to provide Rs. 15 lakhs for annual increments in salaries. Our estimates of revenue have fortunately been exceeded and in the revised estimates we were able to take credit for an increase of Rs. 30 lakhs over the 1934-35 figures. This improvement in revenue has been due partly to a general improvement in trade conditions and partly also to the intensive publicity work the Director General is carrying on. Another reason for it is that we have not relaxed our efforts to economise—that is a point on which I shall have to say more later. On the expenditure side we have had to meet unexpectedly heavy charges in pensions. Those increased charges came to Rs. 26 lakhs more than we had anticipated owing to the fact that the effect of the extent of retrenchment that we have made in recent years on our pensions budget had not been sufficiently realised. We have retrenched our staff to the extent of about 15,000 during the last 3½ years and that has obviously meant that they have come on the pension list far earlier than was anticipated and that the pension charges have gone up accordingly. I think the House will agree that it is satisfactory that in these circumstances, with increased pension charges and the restoration of cut in pay, we should still have been not only able to balance our budget, instead of having a deficit, but that we should close the year with a profit of Rs. 6 lakhs. So much for 1935-36. For 1936-37 we estimate our receipts at Rs. 1175 lakhs and, after making the concession that we have made, the increase in the unit rate for letters from half a tola to one tola for one anna which will cost us Rs. 13 lakhs, we shall have a net balance of Rs. 2 lakhs and Rs. 2 lakhs only. That is also. I should mention after providing Rs. 2 lakhs for an improvement in the postal facilities in rural areas, a point to which the Members both of this House and of the other attach great importance. We have still to provide for increments in pay. They will cost us Rs. 12 lakhs. We have also to provide again for increased pension charges Rs. 9 lakhs. I hope the bill will begin to go down after this year. And we have to provide Rs. 7 lakhs for haulage charges payable to Railways. The net result is that we expect a total revenue of Rs. 1175 lakhs and a total expenditure of Rs. 1173 lakhs. That, Sir, as I have said, gives us a net balance of Rs. 2 lakhs.

And now I come to the main point—the question of the post card rate—and I am proposing to deal with that mainly from the departmental point of view, that is, the point of view with which I personally am most concerned.

I should like to point out that both in the other House and, as far as I am aware, in this, no criticism—no serious criticism that is—of our estimates of either revenue or expenditure has been made. No one has been able to point out to us any way in which we can either increase our revenue or decrease our expenditure materially. I think it has been definitely recognised on all sides that we are doing our best to economise, that we can do no more, and that it is hopeless to expect further economies to bridge the great gap which would have to be filled if we reduce the post card rate. That is the salient consideration that I want to put before this House. The reduction in the post card rate from nine pies to half an anna would cost us Rs. 50 lakhs. That estimate, as I said in another place, has been framed by our experts on the best information available. They may be right or they may be wrong, but I think they are much more likely to be right than any of us would be if we attempted to frame an estimate of what the Department would lose if we reduce the post card rate.

Now, Sir, two suggestions have been put forward for bridging the gap. One is: Why not provide for the reduction in the post card rate by trenching on the General Budget? The other is: Why not provide for it by taking the money out of the grant for village uplift? My Honourable colleague has dealt with the first of these two aspects. He has emphasised the very important consideration that we are not here dealing with a recurring surplus. Our estimates for the loss this year is Rs. 50 lakhs and that allows for a 10 per cent. increase in traffic. If traffic goes on increasing, we may get down to Rs. 40 lakhs next year, we may get down to Rs. 30 lakhs the year after, but it will be some years before the cost of reducing the rate on post cards could be met by an increase in the traffic. There may be such a general improvement in trade as to improve the position of the postal budget all round. That is an entirely different matter. But no increase that can reasonably be extended in the number of post cards sent through the post can by itself bridge the gap for many years to come. Therefore, Sir, if the cost of reducing the post card rate is provided from the General Budget this year, you would have also to make provision for it from the General Budget next year and the year after that and so on. And my Honourable colleague, the Finance Member, has put forward, I venture to think, very good reasons why that is entirely out of the question.

The other suggestion, as I have said, is: Why not take this money out of the grant for village uplift? Well, that again does not meet the difficulty about a non-recurring surplus. If you take it out of village uplift this year, what guarantee have you that the Finance Member will be in a position to provide further grants for village uplift in years to come. I should think, after the statement he has made, the House will agree with me that it is extremely unlikely, to put the case at its mildest. And on this question of village uplift, Sir, I should like to make the point that I endeavoured to make in the lower House. We have heard a great deal about the "poor man's post card". But I endeavoured to show to the other House the exact amount of the benefit that the poor man is likely to get if you reduce the cost of his post card. In 1935-36, we estimate that the total number of post cards which will pass through the post will be 410 millions. The highest figure ever reached was in 1921-22—no less than 14 or 15 years ago in the period immediately after the war when trade was booming and when we were all very happy and thought that that state of things was going to last for ever. In that year we had a pice post card and the number of post cards that passed through the post was 648 millions. Nobody has asked or expects us to get back to the pice post card. But even if we had a boom in trade and were able to get back to that old figure of 648 millions at once, what would it mean? It would mean

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no more than that on the average everybody in India would have to send one and three-quarter post cards a year against the one and a quarter post card they are sending now and the benefit that would accrue would be somewhere about three-fourths of a pie per head per annum,—the difference between one and a quarter post cards at nine pies and one and three-quarters post cards at six pies. And even that again is on the high side because, as I think the House will agree, the rural population of this country sends far fewer post cards per head than the urban population.

That, Sir, is the position. If you reduce the cost of the post card from nine pies to six pies, you are benefitting the people of this country by somewhere about three-fourths of a pie per head per annum. Can anybody in this House or elsewhere seriously maintain that a diffused benefit of that character is of the same good to the country as the schemes of village uplift to which Local Governments are devoting the funds placed at their disposal, which have a definite object and should yield definite results? And can they maintain, Sir, that it is as important to this country that the post card rate should be reduced at this juncture as that provincial autonomy should start on a sound financial basis? Now, Sir, I should like to deal with the matter, as I said I was going to, from the purely departmental view. We in the Post and Telegraphs Department—and I include myself in that Department for this purpose—are doing our very best. We are

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straining every nerve to get that Department—a Department which is expected to pay its way—back to a sound and healthy financial condition, a condition in which the restoration of the half-anna post card will be a normal feature of its activities. (Applause.) We shall go on doing so. But if it had been decided to give the Department an artificial stimulus by trenching on the funds of the general taxpayer from the General Budget, what would be the effect on the Department? Good-bye to all its efforts to economise. It would feel that it could sit back and let things look after themselves. It would feel that whatever happened, whatever its financial condition, it had only to come to this House and say, “Unless you give us more money, we shall have to go back to the nine pies post card”. As I said in the other House, where are you going to stop? This House and the other House may this year regard the restoration of the half-anna post card as the most important change in postal rates. There is no guarantee that in future, a House differently composed may not take a rather different view. It may think—a suggestion has been put forward to that effect in the other House—that sending newspapers free to village reading rooms and libraries, or indeed sending them free to all villages, may be a useful form of advancing the cultural development of the country. Then again, why stop with the Post and Telegraph Department? What about your railway rates? Why not give favourable rates to certain classes of goods in order to benefit that part of the population which uses the post card? There are various ways in which you can help them. Where are you going to stop? That, Sir, is my main contention. Let us get back to the half-anna post card in the normal way. Do not use any artificial stimulus. Take a long view. We are as keen as you are to have the half-anna post card. (Hear, hear.) But we feel that the time has not yet come for it. If we can get back to it in the normal way, it will come to stay. If we do not get back to it in the normal way, I shall be very sorry for my successor if he has to come to the other House or this House in a few years’ time and say, “I am sorry I cannot go on; you must restore the old rate”. I think his position would be a very difficult one. I do not want my Department on the dole. That is my position.

That, I think, concludes all I need say about the post card rate. I am sorry, as I said at the outset, that I was not here yesterday to hear any other criticisms brought against the Departments in my charge. I understand a point was raised with regard to the subsidy to the Indian National Airways. I may perhaps say a word or two about that. I believe an Honourable Member asked whether the grant of that subsidy meant that the Government were departing from their policy in regard to the subsidisation of Civil Aviation in this country. I should like to explain to the House that there has been no departure from that policy in any way. We are giving this financial assistance to Indian National Airways for a limited time and for a very limited purpose, in exceptional circumstances. As the House is probably aware, greatly increased frequencies, both on the trans-India route and on the two feeder routes from Karachi to Lahore and from Karachi to Madras are in contemplation. There is a very strong possibility that those increased frequencies may come into operation next year. The question before us was whether we should keep the Indian National Airways alive—and it could only have been kept alive with a certain measure of assistance from Government—or whether it would have to be closed down at once which would have meant the discharge of a highly qualified and efficient staff before the question of increased frequencies was finally settled. An organisation, such as that maintained by the Indian National Airways, cannot be built up at short notice, and emergency arrangements with a new concern might well prove both unsatisfactory and expensive. If Indian National Airways shut down, we might have to help another organisation to be brought into existence next year at a very much greater cost.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of information, Sir. Is it the general principle of the Government to help all the Airways if they incur any loss?

THE HONOURABLE SIR FRANK NOYCE: No, Sir, it is not. It is only intended to help this company for a limited time and for a limited purpose. That is the point.

THE HONOURABLE MR. HOSSAIN IMAM: Why this speciality, Sir?

THE HONOURABLE SIR FRANK NOYCE: I have explained why that is necessary. I do not wish to enter into a discussion about the merits of any other company. All I can say is that no arrangement with any other company would have proved less expensive than the arrangement we have made, and if you have to help a company, why not help a company which has already done the work to your satisfaction? That is the position, Sir. We have tested this company, its organisation and efficiency. We have no experience of any other company except, of course, Tatas, which in this connection does not come under consideration. I repeat that we have no experience of any other company and it would have been most unsafe to alter our arrangements at this juncture.

THE HONOURABLE MR. HOSSAIN IMAM: If Tatas also mismanage and incur losses, will they also get help?

THE HONOURABLE THE PRESIDENT: You are putting a hypothetical question.

THE HONOURABLE SIR FRANK NOYCE: This, as you have said, Sir, is a hypothetical question, but it also contains an inference from which I

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strongly dissent. I do not admit that the affairs of the Indian National Airways have been mismanaged. There is no justification whatever for that assertion, Sir. It is true that the high hopes with which they started the Calcutta-Dacca service, for instance, or the Calcutta-Rangoon service, have not been realised. I should like the House to know something about the Calcutta-Dacca service. It provides an important lesson in regard to civil aviation in this country. The Calcutta-Dacca service was started between two important cities in Bengal. They are—my Honourable friend Mr. Banerjee will correct me if I am wrong—separated at present by a tedious railway journey.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Mohammadan) : But why was the line closed down recently ?

THE HONOURABLE SIR FRANK NOYCE : I am coming to that. Calcutta and Dacca are separated by a tedious railway journey and a river crossing. I think the journey takes 18 hours by train and you have two changes also, whereas it took a little over an hour by air, about an hour and a quarter I think. Well, Sir, if there were two places in India between which air communication held out promise of success, it was these two cities. And what happened ? You got one or two passengers a week and a few ounces of mail : and that was the reason why the service had to be closed down. The Calcutta-Rangoon service was closed down for very similar reasons. It is mainly the failure of these two services that has made it necessary to assist Indian National Airways at this juncture. I maintain that the grant of that assistance is fully justified in the present circumstances and needs no further defence from me.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of information, Sir. For what period has it been sanctioned ?

THE HONOURABLE SIR FRANK NOYCE : I have already explained. It has been sanctioned for next year, for a limited time and for a limited purpose. If there is any proposal to continue it after that, we shall of course have to bring it before the Legislature and to justify our action.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : May I ask one question ? Suppose a company wants to start a daily service, not twice a week, between important cities in British India, will consideration also be given to that company by the Honourable Member ?

THE HONOURABLE THE PRESIDENT : I think the Honourable Member has already explained the special features of this case and the circumstances in which Government came to help this company. I do not think any further inquiry is necessary.

THE HONOURABLE SIR FRANK NOYCE : I think that concludes all I have to say. I very much hope that I have convinced the House, both in regard to the impossibility of the post card rate being reduced in present circumstances and also of the soundness of Government's action in granting a small measure of help to Indian National Airways.

(The Honourable Rai Bahadur Lala Ram Saran Das rose in his place.)

THE HONOURABLE THE PRESIDENT : I had specially fixed the whole of yesterday for non-official Members to address the House and I was prepared to sit here till 7 o'clock in order to give all Honourable Members an opportunity to speak on the Bill. You were unfortunately not present yesterday : is there any special reason why I should now give you a chance of speaking on the Motion at this stage ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I beg to submit that it was a very sudden and important engagement at Lahore which caused my absence yesterday, and I will not take more than ten minutes.

THE HONOURABLE THE PRESIDENT : In that case I will allow you.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Thank you, Sir.

The debate has left no doubt in the minds of Honourable Members that Government stands isolated from popular opinion by its decision to certify the Bill. A large number of arguments have already been covered by previous speakers. I will attempt to put before the Government broader considerations. It is, Sir, true that the Constitution provides a definite machinery for certain occasions. That power was meant to be real and to be used. But, Sir, by no stretch of the imagination could it be contended that the framers of the Act intended that it should be made a matter of routine application, and that is what has happened year after year.

THE HONOURABLE THE PRESIDENT : The position and circumstances have been explained this afternoon by Sir James Grigg and I do not think any useful purpose would be served by your repeating the same arguments which were advanced yesterday.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I will deal, Sir, with the observations which have been made by the Honourable Finance Member.

THE HONOURABLE THE PRESIDENT : You can speak on that.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : In saying that he has been since the last few years under estimating the income and over estimating the expenditure —

THE HONOURABLE SIR JAMES GRIGG : I am completely unaware of having said anything of that sort. Even if I had done it, I would not confess to it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : But, Sir it is a fact.

THE HONOURABLE THE PRESIDENT : That is your view.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The Finance Member himself in his budget figures shows that there was under estimation of income and over estimation of expenditure.

THE HONOURABLE SIR JAMES GRIGG: I was careful to explain that only for one of those years were the estimates mine: the others were my predecessor's.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But that is a fact. Even though the Honourable Finance Member has explained it today, when it becomes a habit to certify the Bill every year and to ignore even the verdict of the majority of the elected Members of the people, we have got no other alternative left but to bring it to the notice of Government that they are not acting rightly in the matter. Sir, as the Honourable Finance Member has said, the cost of reduction in the post card rate will be Rs. 50 lakhs. That Rs. 50 lakhs can be easily found from this over estimating of expenditure and under estimating of income. You will find that at the end of the year there will be a further surplus and the Finance Member will find that I am right.

Sir, I cannot entirely congratulate the Finance Member upon the grant for rural uplift. It would have been much better and the people would have felt it a positive help if a reduction in revenue rates had been given. If the Honourable Finance Member is serious in regard to uplift in rural areas, I would suggest that he should establish a Central Board, to be assisted by Provincial Boards, for a proper economic plan of the country. That is what the country needs for its agricultural and industrial development. I do not say that we ought to follow the example of Russia and go in for communism, because India is not at all in favour of communism, but barring the taint of communism the rest of their programme is worth while following. Then there is the question of financing industries and financing agriculture. Various methods have already been suggested, and I would say that until Government takes upon itself the task of financing industries and agriculture with long term loans to expect an increased income in the budget will be difficult. What we find at present is that agriculture cannot be at all adequately financed. Even now some co-operative banks find it very difficult to invest all the money that they have for investment because the agriculturist is unable to furnish adequate security. Some method ought to be evolved to meet that difficulty of the rural people. The Honourable Sir Frank Noyce has said that the use of the post card in rural areas is very meagre. In case the rural areas are to be helped, why not rule that all correspondence addressed to branch post offices and to post offices in rural areas should be carried on a lower postage rate in the country. That is practicable and in case you cannot meet the whole demand meet it thus half-way. Then another point which I want to mention is that all these demands of the public can be met by lowering army expenditure in India. His Excellency the Commander-in-Chief notwithstanding persistent requests from Honourable Members of this House did not reply as to why the cost of the defence of India was doubled after the war. We, Sir, at least expect an answer from him today, because otherwise people who are under the impression that the doubling of expenditure of the army in India is due to the policy in the Middle East and in the Far East, will take it as a fact.

Sir, I assure you that we all have got very great respect for His Excellency the Governor General and we have given very careful consideration to the recommendation made by the head of the Government, but as we feel that the Government has failed to respond to popular demand even to the extent that they could have, I must therefore regretfully dissociate myself from the proposals made.

THE HONOURABLE THE PRESIDENT: Motion made:

"That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to 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 recommended by the Governor General, be taken into consideration."

The Question is:

"That this Motion be adopted."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 2 stand part of the Bill."

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan): Sir, I beg to move:

"That in clause 2 of the Bill the words 'and four annas' be omitted".

The object of my moving this amendment is to reduce the salt duty from Rs. 1-4-0 to Re. 1 only. If the surcharge which was levied as an emergency measure is taken into consideration the total amount of salt duty comes at present to Rs. 1-9-0. If my amendment is adopted the net result will be that the duty on salt with the surcharge will remain at Rs. 1-4-0. Sir, the highest duty on salt so far was Rs. 1-4-0.

THE HONOURABLE SIR JAMES GRIGG: That is not true. The highest duty ever levied was Rs. 2-8-0—exactly double the figure the Honourable Member said.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: The Honourable Finance Member might be speaking of a time ages ago.

THE HONOURABLE SIR JAMES GRIGG: Within recent times.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know when Rs. 2-8-0 was levied if it was in recent times?

THE HONOURABLE SIR JAMES GRIGG: In the time of Sir Basil Blackett.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: For how long?

THE HONOURABLE SIR JAMES GRIGG: For one year. Even before that in the Nineties it was Rs. 2-8-0.

THE HONOURABLE MR. P. N. SAPRU: We can go back to the Sixties.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: If my friends are anxious to know the history of the salt duty, I am prepared to relate it very briefly. It was in 1903 that this salt duty was levied at eight annas only and it was continued up to 1915 at that rate. In that year the salt duty was increased to Re. 1 and it continued from

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

1915 to 1922. In 1922, being backed by public opinion, the Assembly abolished the duty altogether, but the Government certified it at Rs. 1-4-0 and from that time to 1923 it continued at Rs. 1-4-0. It was again raised with the addition of surcharge. I may remind the House that when in 1930 this duty was again raised and report was sent by the Government of India, the then Secretary of State made a very serious comment on this attitude of the Government of India and in commenting on the Administration Report let us see what the Secretary of State did write? He wrote:

"I do not propose to comment at length on any of the measures adopted by your Government except the general increase in the salt duty", and went on to say, "While I do not dispute the conclusion of your Government that such an increase was under the circumstances unavoidable, I am strongly of opinion that it should be looked upon as *temporary* and that no effort should be spared to reduce the general duty as speedily as possible to its former rate".

Further on, Sir, he wrote in still stronger terms:

"I will not dwell on the great regret with which I should at any time regard the imposition of additional burdens on the poorest classes of the population through the taxation of a necessary of life. But apart from all general considerations of what is in such respects right and equitable, there are, as Your Excellency is well aware, in the case of the salt duty in India weighty reasons for keeping it at as low a rate as possible".

Sir, this was not a comment of any non-co-operator or responsive co-operators like ourselves, but the highest official who rules India. What have the Government done since then? He made this comment in 1930 and more than five years have elapsed, but the Government have not seen their way to reduce the salt duty. We all know, Sir, that last year we had a surplus budget and this year also fortunately we have a surplus budget. These surpluses are being continued on account of these emergency taxes and it was right and proper for the Government after such a serious comment from the Secretary of State to give relief to the poorest classes by reducing the salt duty. Sir, if the Government had reduced the salt duty from Rs. 1-4-0 to Re. 1 the consequent loss of revenue would have come to about Rs. 1,50 lakhs.

THE HONOURABLE THE PRESIDENT: It is a very small amount.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Considering the benefit from it to the poorer classes it is, Sir, a small amount. We know how the money is being spent. At present we know also that Rs. 1 crore and 97 lakhs has been reserved for giving subventions to the provinces. We know that a crore is being spent on the rebuilding of Quetta. I think, Sir, that this is not a proper charge on the current revenues of the Government. Sir, if that amount had been taken away from the capital, I think that amount alone would have gone a great way towards giving relief to the poor. We know, Sir, that a crore of rupees is being spent on aviation. I do not think it is more necessary than the one that I have proposed. So the question is where there is a will there is a way. If Government wanted to make a cut of this amount from the Budget they could have done it very easily. We all know, Sir, that the cut on salaries was restored in a very short time and the Government of India had to spend Rs. 2 crores on that account. What was the necessity? I do not know, Sir, that salaries in any country are higher than what we are paying in India. If that is the question and if the Government are not prepared to challenge that statement, I am sure, Sir, that the poor of the country ought to have got relief from this

tax before this cut was restored. Sir, we all know that the average income in this country according to the Central Banking Inquiry Committee—

THE HONOURABLE THE PRESIDENT: Please confine yourself to the salt question.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I am dealing with the same question. I am describing the condition of the people on whom this tax is being levied.

Sir, the income per head of the population is one anna nine pies per day. To that class of people even to have to pay a tax of four to eight annas a year is very hard. The tax on salt is a tax not only on the rich and middle classes but on the poor. Nobody can live without the use of salt. (*An Honourable Member*: "Question?") Therefore, I think, Sir, that Government ought to have taken the first step to reduce this tax after the comment made by the Secretary of State for India in 1930.

With these words, Sir, I move.

The Motion was negatived.

Clause 2 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That Schedule I stand part of the Bill".

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act 1898, for the entries under the head 'Post cards' the following be substituted, namely:—

Single	Six pies.
Reply	One anna."

Sir, I quite realise the handicap under which this amendment is being moved. On the one hand, the recommended Bill is a threat that the Bill must be passed either in the form in which it has been brought to this House or if any amendment is made, it would mean that the Bill has been rejected. The second disadvantage is, Sir, that at this late hour on the 31st March, the Government are very anxious that the discussion should be over by this evening and the Bill should somehow or other be passed before we enter the 1st of April. And so you are equally anxious, Sir, I suppose, that the debate should close at an early stage. Therefore, I shall try to be as brief as possible.

As far as the merits of the case are concerned, we are all aware that a reduction in the value of the post card will involve a loss of about Rs. 50 lakhs to the revenue. I personally consider that in this Budget a reduction of Rs. 50 lakhs will not upset the calculation of the Finance Department and if they are really determined to see that they should meet the united wishes of Members of both the Houses in this respect, they can easily find means to accede to our request. I would submit for the serious consideration of the Government whether the change which they have already agreed to—that is the reduction of three pies in the postage for a tola—will not increase the number of people who will write letters. If my conjecture is correct, there will be thus an additional income to the Postal Department which they have not taken into calculation.

[Raja Ghazanfar Ali Khan.]

Then, Sir, there are other heads in the Budget. I would not suggest the army because that suggestion to my mind would be too vague. But there are other heads from which this money can be easily appropriated. The Finance Member in another place has shown that his chief anxiety is to provide funds for the new autonomy which is being introduced after a short time and he is setting apart a certain sum for this purpose. May I request him to consider that whatever amount he may spend on the inauguration of the new scheme, he must not forget that the new scheme is to be worked by the Indians themselves? And if he thinks that by rejecting even this modest recommendation he is going to alienate the sympathies of those very people who will have to work the new Constitution, he is not doing a service to anybody, either to the Government or to the people. His chief concern in my opinion should be to win the good opinion and goodwill of the representatives of the people both in the other House and in this House.

My other object in bringing this amendment, Sir, when I knew that there was little chance of its being carried, seeing that the Bill has come to us in a recommended form, much less of its being given effect to if it was carried, was to provide an opportunity to the Honourable Members of this House, particularly those Members who represent certain constituencies—I mean the elected Members—to show at a time when the General Election is not very far off that we do not forget that we are answerable to the people who have sent us here. Those of us who have any desire to take part in the new Constitution or to stand again for election to this House must remember that there are people outside who are watching our actions, and closely watching how we exercise our right of vote on the floor of this House. I have not the slightest doubt that there is not a single Honourable Member here who would not wholeheartedly agree with me that this demand for the reduction of the post card is universal.

THE HONOURABLE MR. R. H. PARKER: No, no.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I quite admit that my Honourable European friends will not seriously consider what relief this can provide to the poor zamindars. Those rich men and big firms, who are multi-millionaires, are only concerned with the surcharges and they do not mind if they have to pay nine pies instead of six pies for the post card. But they must remember that the moment a poor man goes to the post office and wants to buy a card, and instead of paying three pice, has to pay only two pice, he immediately feels that there is relief of one pice, which considering the conditions prevailing in this country, I can assure you, Sir, is a great relief to the ordinary cultivator. When we are called upon to give our votes, Sir, the chief consideration which should be present in the mind of every elected Member of this House is what the desire of their constituencies in this particular matter is. I would ask any Honourable Member to tell me if his constituency will be pleased if he votes against this amendment. If so, Sir, then I would ask them to forget that this is a recommended Bill. What does it matter whether the Bill is in a recommended form or not?

THE HONOURABLE THE PRESIDENT: Your argument then is that this amendment is an election stunt?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Certainly, Sir. In every representative Government, that is the chief concern of the Members

who come to the House, and they will be dishonest and unscrupulous if they forget or ignore what their constituency desires and they come and play with their votes in any way they like.

THE HONOURABLE THE PRESIDENT: I want the Honourable Member to confine himself to, and speak on, the merits of his amendment.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I may assure you, Sir, that all along I have been under the impression—whether right or wrong—that I am speaking on the merits of my amendment.

THE HONOURABLE THE PRESIDENT: I am afraid you are not. Please confine yourself to the merits of your amendment.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Very well, Sir, if it is your ruling that my appealing to Honourable Members—

THE HONOURABLE THE PRESIDENT: You may appeal. I am not stopping you.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN—as to what is the opinion of the constituencies with regard to the amendment before the House—

THE HONOURABLE THE PRESIDENT: I have nothing to do with your constituency outside the House. I am only interested in what opinion Members here take of the amendment.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I entirely agree that you have got nothing to do with our constituencies. We have everything to do with our constituencies, and we will not be sitting here and enjoying your kind hospitality if we considered that we had nothing to do with the people who send us here. Therefore, let all Honourable Members bear in mind that this question of the reduction of the rate on the post card has been discussed in both the Houses for the last 10 or 15 years and the demand that the price of the post card should be reduced to six pies has been so universal and so constant that I think no Government which claims to show any consideration for the feeling of the public will have any hesitation in accepting this amendment. So far as the Budget is concerned, I will appeal to the Honourable the Finance Member to seriously consider whether at the end of the year he will not have a saving of over Rs. 50 lakhs, if on no other ground than that the actuals as against the anticipated expenditure will not amount to more than Rs. 50 lakhs? If that is the case, then why not show your goodwill, a good spirit, a friendly spirit, which has been the request of every representative in this House and the other House for so many years? So far as the post card is concerned, there are other means, which Government have not taken into consideration, which would make up the deficiency to a considerable extent. Let us take the losses which the Department will suffer on account of the reduction of the price of post cards. We all know that elections under the new provincial autonomy will be taking place after six months, and I think there will be an election to the Council of State also. I can tell you this from my own experience. In my own constituency, which used to be a very small one compared to the present constituencies of the Legislative Assembly, I never spend less than Rs. 1,500 or Rs. 2,000 on my propaganda through the post office, by telegrams, letters and post cards. Now, Sir, when provincial autonomy comes into force next year, I assume that the number of

[Raja Ghazanfar Ali Khan.]

candidates all told will be nearly 15,000 to 20,000. If there are 15,000 or 20,000 candidates standing for election, how much money will they spend on their election propaganda through the Post and Telegraph office? I think that the number of voters in one small constituency in my district for the next Punjab Council is 27,000. Even if I have to write four letters to each voter, you can imagine the amount the Post and Telegraph Department will derive. So, I may assure the Government that the actual loss will not be anywhere near Rs. 50 lakhs. I am sure the loss will be just a few lakhs—I think about Rs. 10 lakhs only. It is such a small amount.

THE HONOURABLE THE PRESIDENT: You have heard the Honourable Sir Frank Noyce this afternoon explaining what little benefit would result if you reduce the rate on the post card. Sir Frank Noyce fully explained the situation half an hour ago and he pointed out to the Council that the gain on this head would not substantially benefit the user of the post card and he gave facts and figures in support of his statement.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The benefit of this reduction will not help the public? I do not know what facts and figures there can be which would go to prove that to anybody who writes a post card if he pays six pies instead of nine pies, it will not be a gain. I am sorry I was not present to hear those wonderful figures!

THE HONOURABLE THE PRESIDENT: I am very sorry, also!

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Naturally, I expected that the speech on post cards will be made after the amendment relating to it had been moved. When the amendment was on the agenda, one would naturally have expected a reply on the amendment rather than Government anticipating the arguments—

THE HONOURABLE THE PRESIDENT: As other Honourable Members had spoken and argued this point yesterday, Sir Frank Noyce was perfectly justified, before the Motion for consideration was put to the House, in offering an explanation on this point. If you move your amendment, of course the Government Member will again say something on your amendment.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you very much, Sir. I hope that he will give us the pleasure of hearing again those figures which are so closely connected with this amendment, because they will be more relevant in relation to this amendment than to anything else. I can assure you, Sir, that if I am convinced on his facts and figures that a reduction of the rate on the post card will not bring any relief to the villagers then I shall not press my amendment.

THE HONOURABLE SIR DAVID DEVADOSS: That is not what he said.

THE HONOURABLE SIR FRANK NOYCE: I never said it will not bring any relief. I said that the relief will be very small indeed. My Honourable friend can have the figures over again in a few minutes if he wants them.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Thank you very much, Sir. I admit that the relief will be very small, but for a poor man,—

I do not think he is under any misapprehension regarding the poverty of the people in this country, particularly the class of people in the villages who use the post cards,—he knows that to these people even a relief of one pice will be of very great help. I have purposely confined myself just to this one amendment regarding the post card rate. I am one of those who believe that the salt duty, however undesirable some people may consider it, is a source of revenue which Government should not easily give up, and I may assure the Government that their taxation will not be resented if a substantial part of the proceeds is annually spent on the welfare of the people themselves, and it was because of the gesture of the Honourable Finance Member in setting apart a small amount for village uplift that several of us have not even thought of touching the salt duty. But in regard to the post card I hope that Government will take a more conciliatory attitude and will show that they are prepared to accept suggestions if they are reasonable.

Sir, I move the amendment.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan): Sir, I rise to give my whole-hearted support to this amendment which has been so ably and eloquently moved on the floor of the House by my Honourable friend Raja Ghazanfar Ali Khan today. Speaking generally, Sir, the abolition of the salt duty for the benefit of the poor man is quite a different matter from the reduction of the price of the post card. The former yields a revenue running over crores; therefore I am prepared to concede that the finances of the Government of India do not warrant this measure of much needed relief. However much I like, I feel I should not embarrass the Government. But the question of the post card is a different matter. This yields a revenue of a few lakhs only, which could have been easily given up and adjusted under other items.

But, Sir, the reduction in the price of the post card has become a hardy annual. Time after time, year after year, repeated arguments have been urged on the floor of the House for the reduction of the price of the post card. Whenever there is a surplus, it is usual to expect that some share of it, be it small or great would go to the people who contributed it. I mean, Sir, that something tangible and directly appealing to the masses and the poor agriculturist ought to be given. But, Sir, we are painfully familiar with the reply that the Department has been commercialised, and that it must pay its way before any reduction in the price of the post card could be granted. It is conceded, however, that the Postal Department has been working at a profit but it has unfortunately to buttress the Telegraph Branch. Need I say, Sir, how much pleased the whole country will become if only the Honourable the Finance Member will find a way to reduce the price of the post card only, which would certainly capture the imagination of the teeming millions of India.

Sir, the much applauded author of the Budget has said with modesty that it is a surplus budget and not a spectacular budget. But even to the meanest understanding, Sir, if the Budget is anything it is a gorgeous and elaborate attempt at the spectacular, a skilful manoeuvre to play to the galleries.

May I know from the Finance Member what justification he has to leave untouched the question of reducing the price of the post card from three pice to two pice and the reply card, from one and a half anna to one anna, against such a huge storm of protest raised on the floor of the House by the accredited representatives of the suffering people, in the other place, which has resulted in the intervention of His Excellency the Governor General for certification?

[Mr. Mahmood Suhrawardy.]

What does the Mother of Parliaments do in his own country with its surplus? Well, Sir, if she does anything she relieves the children of the soil of certain taxation. Why not do that here too? What is sauce for the gander is sauce for the goose.

Sir, I have been sent to this House by a constituency which consists of people who are perhaps the poorest of the Mussalmans of this country and where flood, famine, malaria and influenza are annual guests. I know how keenly it touches them to pay three pice for a post card, that would fetch anxious news from their distant relatives. I have seen how, with a pinch of salt they eat their morsels and curse their fate with suppressed tears—I have seen all those—I, a passive spectator, a helpless representative, a spectacular Member of the sonorous sounding upper House of the Indian Parliament. It is a peculiar situation, Sir, as you must know it, where you have every thing to endure and nothing to redress. This is, Sir, England's work in India.

Now, Sir, coming direct to the amendment, the position in regard to the post card is this. When the emergency taxation was levied in September, 1931 all classes of the people had to bear the brunt of heavy additional taxation. The income-tax assessee, the users of the postal and railway services and the importer had to pay additional surcharges.

The price of the post card with which I am concerned had already been doubled from the one pice post card in the war days to the two pice post card. But 1931 saw the price of the post card *trebled*, so the price of the post card has been trebled and since then people have been burdened with the three pice post card. It should be remembered that according to the new dispensation, we will have a *one anna* letter. Sir, just imagine the inequality involved in the differential value from returns of the post card for three pice and an envelope for one anna. Is it fair and equitable? Let me repeat and say what does it matter to the people of remote villages if you can talk from one hilltop to another hilltop, from Delhi to Simla, from Simla to Calcutta or from Poona to Madras, or from Bombay to London, and Whitehall so long as you cannot give any tangible relief to the poor people of the villages, and what does it matter when you can spend lakhs and lakhs to keep abreast of the latest marvels of civilisation—broadcasting and aviation? It matters little to them.

Before I sit down, Sir, I would urge the Government to have the grace to accept this popular demand. But, Sir, that you will not do, for whatever you are paid to do by the Government of India you are not certainly paid to budget for submission to the popular demands. But, Sir, I am sure, Sir James Grigg is paid by the Government of India to play the fiddle, while Rome burns.

Finally, it is the refusal of this much needed relief that has brought about the rejection of the recommended Bill in the Assembly. But at the same time I hope—although hoping against hope but hope is an architect which builds pyramid on the point—that the Government would themselves accept this demand with effect from the next financial year. I am making this forecast, reading between the lines of the speech of Mr. Bewoor in another place. Let my friend Mr. Bewoor opposite answer me.

Sir, I support the amendment.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to support this amendment not so much because it is a popular demand or because of the fact that it will greatly benefit

the masses or because it has found champions in the other House, but I rise simply to join issue with our Honourable colleague Sir Frank Noyce when he said that it is not possible either to reduce expenditure or to increase the income to make this concession. On this issue, Sir,—

THE HONOURABLE SIR FRANK NOYCE : I did not say that. What I said was that no suggestions have been forthcoming. If my Honourable friend has any suggestions, I shall listen to them with the utmost interest and pleasure.

THE HONOURABLE MR. HOSSAIN IMAM : I am very grateful for inviting suggestions on these two points, and it is from this angle of vision alone that I shall tackle this question. In the first place, I may tell the Treasury benches that when this amendment was given notice of we did not delude ourselves into the belief that it will be carried in this House. We were neither under the misconception that it could possibly be accepted by the Government but the central idea behind this Motion is to try and convince the Department that there is a possibility of eventually balancing your Budget though granting this concession, if not this year, at least next year. It is even possible for the Government to reintroduce another Bill and thereby accept the reduction in postal charges if they wish to do it as was done in 1931 when a second Finance Bill was introduced in the Assembly six months after the year had commenced.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Sir David Devadoss.)

Sir, I am ready to concede that this Department is a commercial department and it should be treated as a commercial department; but when I want it to be treated as a commercial department I do not mean that it should be regarded as a commercial department only as far as giving concessions to the public is concerned. Where Government's mistakes are concerned, it should also be regarded as a commercial department, and if any loss to the Department is being borne because of mistakes of the Government of India, the Government of India should pay for those mistakes and not the Postal Department. I do hope I shall have the strongest championship in this crusade of commercialising the Department from the Honourable the Finance Member. The Government of India in days past had committed some blunders. The Postal Department has been bearing the burden of those blunders up till now. If we ask now that the commercial department should be relieved of those charges, it is only commercial propriety that induces us to move in the matter. In this connection I should like to draw the attention of the Honourable the Finance Member to the fact that in the other House suggestions were made that this Department should be subsidised; and the objection of the Honourable Sir Frank Noyce was that if there is a subsidy from general revenues it will have a deteriorating effect on the morale of the work of the Department. May I ask why this principle of deterioration was not thought of when bounties were given to the Tata Iron and Steel Co.? It was good enough then; it was proper to give a private company a subsidy because they were catering for a national necessity. In the same manner if the post offices were subsidised to a certain extent with the object of serving the country it would not have been an improper thing.

Now, Sir, I wish to recount the mistakes of the Government of India. This is not my own statement, I should say it is a remark of an authority higher than the Government of India, of His Majesty's Government's own Committee which came to India, and was known as the Davidson Committee, which went into the question of the immunities enjoyed by the States, and dealt with

[Mr. Hossain Imam.]

those in the sphere of posts and telegraphs as well. It will surprise the House that in no part of the wide-flung British Empire does the post office carry the mails of any State without payment of postal charges except in this unfortunate India, where everything impossible is made possible, where everything which is not in the interests of British Indians is done and we are made to bear the burden of every thing. I am referring to the fact that 27 of the Indian States get a free grant of stamps for official use. The value of these stamps has been found by this Committee to be Rs. 3,12,000. The remarks of this Committee about this concession are interesting and I cannot do better than quote those remarks.

"We understand that the Government of India does not deny that a review of past practice in the matter of these privileges reveals a degree of liberality hardly consistent—mark the words 'hardly consistent'—with the fundamental principle by which alone they can be justified. Concessions have been granted to certain States without any *quid pro quo* from them, and the concessions applicable to others have been *liberally increased even though, in some cases, such increase was specifically debarred by the terms of the original grant*. The purposes of such grants have also been interpreted by some States in a wider sense than was originally contemplated, in that they utilise these free stamps for correspondence outside as well as within their territories and for the sending of telegrams".

This is the remark of an impartial authority on the administration of the Government of India in the past, and yet the Government have the hardihood to brag about the commercialisation of the Postal Department. But that is not all. We are carrying official correspondence of six favoured States free of charge. Here, Sir, the value which the Committee put on this concession was Rs. 7,15,000. I cannot do better, Sir, than again quote from the Report of this Committee. I am quoting, Sir, from page 277, item 4. Referring to the concession made to Mysore, the Committee makes the following remarks:

"Mysore was incorporated in the British Indian postal system in 1888, the price paid for securing unity being the concession that the whole of the official correspondence of the State would be carried, within State limits, free of any cost to the Darbar. Previous to this arrangement, Mysore was maintaining its own postal department at an annual loss of about Rs. 65,000. This figure did not, however, contain any credit item in respect of official correspondence and if the carriage of such correspondence had been paid for, the receipts would have risen by Rs. 1½ lakhs, transforming the deficit of Rs. 65,000 into a considerable surplus. It is estimated that if the articles which are now carried free for the State had to be paid for at the British Indian rates, the revenue accruing therefrom to the Posts and Telegraphs Department would be Rs. 5,57,700 per annum".

For Rs. 60,000 profit we pay Rs. 5,57,700. So much for the dictum about the commercialisation of the Post Office.

(At this stage the Honourable the President resumed the Chair.)

Then, Sir, there are two other items which even this Davidson Committee were not able to evaluate. These are items concerning five States who have their own post offices, where we maintain offices of exchange, and all the correspondence to these particular States goes through those exchange offices. That costs us a certain amount of money. Then, Sir, there are 10 other States, including the premier State of India and other big States, where we maintain a post office of our own for receiving letters intended for British India and for those Indian States which are in the postal union with us. The maintenance of these post offices costs money. Why should we do it? If these States are not willing to come into the postal union they should be isolated and there are examples of Indian States which have been isolated even now. Or if the Government is anxious to keep them in the postal union, then the Exchequer is the only authority

which should be liable for all the losses incurred by the post offices in this matter. In this connection, Sir, I should like to ask if we had abolished our postal union with these people, who would have suffered? Not British India. The Indian States would have suffered. And what is paramountcy? The telegraph is maintained in every part of geographical India without anything being heard from Indian States, but in the post office we hear of this serious objection. Either it is true that paramountcy cannot be defined and its powers are unlimited or it has been defined and restricted.

THE HONOURABLE THE PRESIDENT: Under the guise of this amendment do you propose to review the entire administration of the Post Office?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir, I am joining issue with the Finance Member when he says this is a commercial department and everything must be run on commercial lines. What is the commercial practice when we find that the Department is being run at a loss? If a branch is not making money I would close it, or I would ask the man who wants the branch to be kept to compensate me or give a guarantee. There must be some certainty, otherwise you cannot run it on a commercial basis. I am ready to regard it as a public utility department and say nothing about the commercial aspects. Then I would not mind the loss—it would not matter. The Honourable the Finance Member has been complaining that Indians want it both ways, but I find he has not been slow to acquire this bad habit during his short sojourn in India, and has become an adept at this game.

The Honourable Sir Frank Noyce said that it is not possible to decrease the expenditure. I do not know much, Sir, about the details of the working of the postal department and I will plead guilty to not having studied this question as much or as often as I have studied other questions. But I was surprised to find, Sir, that the interest on capital that this Department is paying is much more than that paid by the Railway Department. The Railway Department, Sir, on a capital at charge of Rs. 757 crores pays an interest of Rs. 29·90 crores which gives a rate of less than 4 per cent, while our capital at charge according to the Report which has just been placed in our hands—

THE HONOURABLE THE PRESIDENT: All this you could have usefully stated yesterday. We are now discussing the amendments and I would like you to confine yourself strictly to them.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, Sir, with due respect I submit that if we want a concession to be made and we show that it can be made by substantially reducing expenditure, we are perfectly justified in giving our views. The question is whether we can find Rs. 50 lakhs—the estimated loss or not? I am giving estimates, Sir, that you can reduce Rs. 15 lakhs from postal expenditure on account of concessions given to the States, and I am showing what we can do by reducing the rate of interest which is being charged to this Department. My source of information for this is the explanatory memorandum of the Finance Secretary at page 5. The budget estimate is for Rs. 81 lakhs of interest being paid by the Posts and Telegraphs Department and in the Annual Report I find, Sir, that the capital at charge of this Department at the end of the last year was Rs. 17·7 crores.

THE HONOURABLE SIR JAMES GRIGG: I think the Honourable Member is under a misapprehension. Both the Railway and the Posts and Telegraphs Departments are charged exactly what the money costs the Government of India—not a penny more. The difference which he has discovered in the average rate of interest is entirely due to the different times of borrowing.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I am attacking the system which the Government of India has adopted, of tacking on every loan of a particular year to department's expenditure. The rate charged from a commercial department should be the over-all rate of your ordinary debts. Or if you go further and incorporate your other obligations in it, the all inclusive rate which you paid last year should be charged in the next following year.

THE HONOURABLE SIR JAMES GRIGG: For the whole of the debt wherever borrowed? Well, that amounts to giving them a subsidy. That is the exact suggestion that my Honourable colleague, the Member for Industries and Labour, dealt with.

THE HONOURABLE MR. HOSSAIN IMAM: The point is, that you do not contract any loan for a particular purpose. You float a loan with which, one may say, you finance your deficit and meet other requirements. What about those deficits? Why should these debts which were borrowed in 1931-32, when the rate of interest even on Treasury Bills was $6\frac{1}{2}$ per cent., bear the same rate now? Why should that rate be continued now?

THE HONOURABLE SIR JAMES GRIGG: Surely, a very good argument for it is that the Government is still paying that rate of interest on those loans.

THE HONOURABLE MR. HOSSAIN IMAM: Our argument is, that if there is central borrowing, the idea is to facilitate the rate of interest which each and every individual participating in the Central borrowing office would get. Otherwise, it will be impossible for us to repay all these loans that you have contracted. We have only a loan of Rs. 17 crores, and we can repay it to you by contracting a loan at 3 per cent. today in the market and save Rs. 28 lakhs a year. Would you allow the Post Office to repay that loan to you?

THE HONOURABLE SIR JAMES GRIGG: Certainly not when we have not the right to repay our loans to the public.

THE HONOURABLE MR. HOSSAIN IMAM: A great part of the postal loans were taken before we started commercialisation of this Department. A great part of this capital was really not a loan, as it was financed from revenue. If you go into its history, you will find that all these postal buildings and other things were financed from revenue. It was only because commercialisation of the Department was started that we brought in all these systems of accounting. To saddle this Department with the higher rate of interest which prevailed in the post-war years is hard lines. In this Department, the loan is so small as Rs. 17·7 crores as compared to Rs. 757 crores on the Railways and we pay Rs. 14 lakhs more interest than we would be called upon to pay if we had to pay the same rate of interest as the Railways. That, Sir, is the jugglery—if the Finance Member will excuse me—of the Finance Department by which they want to show a reduction in the rate of interest on other uncovered portions of our loans. Incidentally, the rate for these loans which are called interest-bearing obligation not covered by above assets is 4·5, while you charge the Post Office 4·6 per cent. and Railways 3·8 per cent. You are charging more interest than you are charging for your obligations which were taken just at the end of the period during the last five or six years when we had deficit budgets.

Now, I come to the question of the Post Office itself. Why should the Postal Department bear the losses of the Telegraph Department? The Postal

Department is a unit, and there was a profit in it, after paying interest and other things, of Rs. 24,33,000 in the year 1934-35. The revised estimate given to us for 1935-36 is Rs. 23,64,000. The losses on the Telegraph Department has increased in this year because of the decrease in telegraph rates. The loss on the Telegraph Department in the year 1934-35 was Rs. 7·87 lakhs and this year it is Rs. 34·56 lakhs.

THE HONOURABLE MR. G. V. BEWOOR: That was due to the special reason that contributions to the Depreciation Fund were not made to the full extent as a temporary measure.

THE HONOURABLE MR. HOSSAIN IMAM: That is what I am drawing the attention of the House to. There is that loss. The loss is due to the Telegraph Department, and the people who use the post card and the letters are entitled to get relief to that extent. There is a net loss to the Department which should be paid by the Telegraph Department. If we have reached the point of diminishing returns, if an increase in traffic rates will cause a decrease in the traffic, if that is the argument, you have to find out what is wrong with the Department—whether you have over-capitalised it or over-valued its assets. Have a Committee and revise the capital at charge, or reduce the rate of interest. Approach the Finance Member for a revision of the rates. But you are not entitled to saddle that responsibility on the Postal Department. So, I have established that there is a clear profit of Rs. 23 lakhs even today to recoup this expenditure. There is the possibility of reducing the expenditure by reducing the rates of interest which the Finance Department ought to charge. It amounts to Rs. 14 lakhs. And there is another Rs. 15 lakhs to be found by the Exchequer, to be paid to the Post Office, on every commercial principle, due to mistakes of former days. So, you get Rs. 52 lakhs from these three heads, which will balance the loss of Rs. 50 lakhs of the Postal Department.

I now come to the volume of the post cards that will be carried at the reduced rate. Sir, it is instructive to find that although they have increased the rate on the post card by 50 per cent., the actual increase in the income is only 10 per cent. of what it was in 1928-29.

THE HONOURABLE SIR FRANK NOYCE: Before the depression!

THE HONOURABLE MR. HOSSAIN IMAM: Yes, Sir, before the depression. But every year consecutively, without any stop, the number of post cards carried has fallen, whereas you find that in books, newspapers, letters, parcels, money orders and everything else, there has been lately an increase. If you go on continuing this rate of three pice for the post card, I can tell you that most probably you will come to a point when your increased rate would be neutralised and you will have no excess of income on account of the 50 per cent. increase. That also should induce the Department to be more considerate and give the post card a chance. With these few words, Sir, I commend this amendment to the acceptance of the House and I hope that it will fructify next year.

THE HONOURABLE MR. G. V. BEWOOR (Government of India: Nominated Official): Sir, I ought to be very grateful to the last speaker, as he has suggested to me very many ways of robbing some other people in order to improve the revenues of this Department. When I heard that the Honourable Member was going to make suggestions for improving the revenues of the Department, I immediately pricked up my ears, because this is just the type of man I want for my Department, but I very much regret to say, Sir, that most of his suggestions are like robbing Peter to pay Paul. The Honourable Member

[Mr. G. V. Bewoor.]

criticised the accounts of the Department. I very much regret that apparently his attention has never been drawn to a most excellent Report which was drawn up by a Committee which was constituted in 1931. This Committee was known as the Postal Accounts Enquiry Committee, and it was presided over by one of the well-known commercial magnates of Bombay, and had on it a special financial expert from England and one from India. If the Honourable Member had read this Report, I am sure that half of his speech would not have been delivered. I should be very delighted to send him a copy and I would request him to read the Report. I am sure that when he has done so he will not repeat many of the criticisms that he has made today.

Regarding interest on the capital assets of the Department, Sir, there is a whole chapter devoted by the Committee to the question whether Government is right in charging interest on the capital at charge of the Department or not, and the Committee came to the conclusion that it is essential to charge interest on the capital of the Department in order to arrive at a correct estimate as to whether the Department was paying its way or not.

As regards the rate of interest, again they examined the same criticism that has been made by the Honourable Member. They state that the rate of interest per cent. per annum is the same as is charged on the capital expenditure on major irrigation and other works, that is to say, on the capital outlay of commercial departments generally. A rate of 3.3252 per cent. has been fixed in perpetuity in respect of capital outlay up to 1916-17. On the rest the rate has varied from year to year, and the rates actually charged have been mentioned in this Report. I am sure the Honourable Member will now be satisfied that the interest charged to the Department is not excessive and that interest is a correct charge in dealing with the commercialised accounts of a Department.

THE HONOURABLE MR. HOSSAIN IMAM: Why is it a half per cent. more than for the Railways?

THE HONOURABLE SIR JAMES GRIGG: I tried to explain that to the Honourable Member. The rate of interest depends on the time when the money was borrowed and the rates of interest obtaining at the time. The difference simply means that the Post Office borrowed their capital at a different time, or had a different distribution for their borrowings than the Railways. That is all.

THE HONOURABLE MR. G. V. BEWOOR: I will now pass on from the question of interest to the question of Indian States. The Honourable Member raised again a rather controversial point of extraordinary historical interest. Here again, the Committee examined this criticism and they have devoted a chapter to it. I will only read out a short passage from their conclusion. They say:

"Our own examination of the documents placed at our disposal leads us to endorse the view of the Butler Committee that the grants of service stamps have been made on no general principle. Broadly speaking, however, the concessions have been made in most cases to attain throughout India a unified postal system, which would conduce to the general convenience of the public, and the ultimate advantage of the Department. We are not, therefore, in a position to recommend, immediately, either the stoppage of these concessions or the allocation of the cost thereof to any other department of Government."

Sir, the matter is under consideration in connection with political developments that are now going on, but at the present moment it is not a matter which we could profitably raise in this discussion.

One of the points made by another Honourable Member was that this is a commercial department and we should therefore close all our losing concerns, and the Honourable Mr. Hossain Imam mentioned in this connection that we should close post offices in Indian States. Sir, is the Honourable Member prepared to have me close all the losing post offices in India?

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir. Because we pay for them; the Indian States do not.

THE HONOURABLE MR. G. V. BEWOOR: Now, Sir, all our post offices in Indian States are not losing concerns. There are some very paying concerns. Sir, the real point is that the Department is not a commercial concern. I am afraid that there is a great deal of misunderstanding on this point and there is a great deal of loose thinking and the term "commercial" is used very loosely. The point is that the Department is a public utility department. It is fully recognised, and Government have said so more than once, that the Posts and Telegraphs is a public utility department. But they have also stated that, like all other public utility departments such as railways, etc., the Department is expected to pay its way. In its monopoly of postal and telegraphic services the Department has a valuable monopoly, and there is no reason why such a valuable monopoly should not be worked in such a manner as not to be a burden on the taxpayer but instead be a source of benefit. The whole essence of the Department therefore is this: it is a public utility department, and must be regarded and worked on a self-supporting basis. And in order to find out whether it pays its way or not, we maintain the accounts on a commercial system, and the whole basis of a commercial system is that all debits and credits should be shown on both sides and nothing should be hidden. There should be neither an indirect subsidy nor an indirect revenue derived from the Department. That being so, Sir, in the last few years when the depression came on and reduced our traffic, our efforts have been aimed in two directions: one was to reduce our expenditure and the other was to improve our revenues. We have in the last few years carried out most extensive retrenchments, and we are glad to say that today, in spite of the large number of staff who are on the old incremental scales of pay, we hope to have our expenditure in 1936-37 about Rs. 38 lakhs less than what it was in 1929-30 when we had reached the highest peak. As regards the revenue side, unfortunately the depression brought down our revenue. Various measures have been taken and are being taken, by way of publicity and by stopping leakages, to improve our revenue. For the next year therefore we estimate revenue at Rs. 11 crores and 75 lakhs. One of the Honourable Members has criticised this as being an under estimate, and I have been told that the elections are going to bring in a very large revenue. I am extremely glad to hear it and I only hope the Honourable Member will not forget to spend Rs. 2,000 on postal and telegraph services in connection with his election! But I am afraid, Sir, our experience of past elections does not give us that hope of a large revenue which has been estimated.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: There is now a much larger number of voters.

THE HONOURABLE MR. G. V. BEWOOR: I am quite aware that the franchise has been broadened and that there are more electors. I have however to take into consideration the fact that a large number are not literate and that it will be no use sending handbills to people who cannot read. There are also other means of publicity such as speeches and so on. So it is no use

[Mr. G. V. Bewoor.]

my making an estimate which will not come right. The House may criticise me next year for having made excessive and unjustifiable estimates. With our experience we think that, allowing for the elections, the estimate of Rs. 11 crores and 75 lakhs, which is Rs. 45 lakhs more than the highest revenue we have derived in the last few years since the accounts were commercialised in 1925-26, is a very fair estimate. If anything, it is rather on the optimistic side. Honourable Members are aware of the general conditions in the world today, and he would be a bold man who could say that things will go on improving. We must therefore be cautious in our estimates. It is no use letting our imagination run away with us and in our desire to have a half-anna post card, put up our estimates to a fanciful figure. That being so, we anticipate for the next year a surplus of just Rs. 2 lakhs. It is not possible out of that surplus to find the Rs. 50 lakhs required for the reduced post card. It is not as if Government is not aware of the strong desire of Members of the House here and elsewhere for a lower letter rate, for a lower post card rate and also for lower registration charges and so on. Who does not desire a lower rate? But we have to cut our coat according to our cloth. It is not as if we have done nothing for the public. As soon as our revenues improved and we had a surplus we gave the public a lower letter rate of one anna for half a tola. As soon as the revenue further improved we have given them a lower letter rate of one anna for one tola. We have permitted a larger private manufactured post card, and a better printed embossed post card; and I am sure, Sir, the action taken by Government should convince Honourable Members that Government is not forgetful of the wishes of Honourable Members here and elsewhere. There are besides other demands on the revenues of the Department for a number of beneficial purposes. The Honourable Diwan Bahadur Narayanswami Chetty wants motor-car services between places connected by rail. There are people who want more post offices in villages. The other day we abolished one of the four services connecting Burma and India, and there was a great deal of agitation and we were not permitted to save that money. The public wants various facilities and we want to give them those facilities. But you cannot have more facilities, more offices, longer hours of work, more deliveries, better services, and low rates. The proper thing therefore is to proceed on sound lines, to build up our revenue, to organise our expenditure, to give to the public the full benefit that we can possibly give, and then reduce our rates. What good is it to the public, to the rural public, to the poor man, if you give the half-anna post card and the nearest post office is 15 miles from his village or he receives a delivery by a postman once a month? Surely it is better that we should give all the benefits simultaneously. The Honourable Raja Ghazanfar Ali Khan enquired about the remark made by the Honourable Member in charge of Industries and Labour about the benefit to the poor man. Nobody denies that when you sell the post card for two pice instead of three pice you benefit the purchaser. It is an obvious truth, but the point we wish to make is this. You say that the poor man will be benefitted by the reduction in the post card rate. We say "True, but what is the extent of the benefit and what is the burden on the revenues of the Department?" There are, as we have said, 410 million post cards in the inland post per annum. Assuming—and this is a pure assumption but a generous one in favour of your line of argument—that some 75 per cent. of these post cards are used by the poor man, it comes to 300 million post cards. There are 350 million people in India and if you assume that the head of the family pays for the post card and not every woman and child—taking five people for an average family—there are 70 million families. I assume again—and this again is a pure assumption—that 60 millions of these families

belong to what you call the poor classes. That gives an average of five post cards per man or rather per head of the family per annum. By reducing the post card rate you are going to benefit a family by five pice or one and a quarter annas per annum. At the same time, I am told, Sir, that the poor man will send more post cards. It is not as if the number of post cards will remain the same. Let us assume that each poor man of the 60 millions sends one extra post card. That must happen; otherwise how is the post card traffic to go up. I have been told to assume that 410 million post cards will in one year become 500 millions and that I will lose very little. Somebody has got to buy those post cards if I am to get more revenue and if the poor men are going to buy that extra post card, the benefit which is one and a quarter annas per annum will be reduced by half an anna for every post card which he is going to buy. The illiterate man has further to pay one pice more to get his post card written. He is not going to benefit to that extent therefore of three pice, having thus only a benefit of half anna per annum. I do not deny that there is a benefit. I am merely saying that there is a large amount of loose thinking and gross exaggeration in the minds of Honourable Members of the benefit which it is alleged, will accrue to the poor man by having a half-anna post card.

Now, Sir, I should like to conclude. I have taken more time of the House than I had intended to take. I wish to assure the House, as the Honourable Member in charge of my Department has already done, that we have every sympathy with the demand that Honourable Members on the opposite side have made and I may further assure them that the matter has not been lost sight of by the Department. We ask you to wait, we ask you, as I have already said, to permit us to build up our revenue, and put the Department on a sound basis. We will not hesitate to reduce the rates if we can possibly do so. No one can say whether we could do it next year or the year after. That depends on the course of revenue and expenditure in the coming year. But, Sir, after having heard what the Government are doing and after having heard the assurance of the Honourable Member in charge of the Department, I am sure the Honourable Mover of the amendment will withdraw it. (Applause.)

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I rise to support the amendment of my Honourable friend Raja Ghazanfar Ali Khan. I expected from the Honourable Mr. Bewoor a reply to a very pertinent question which my friend Mr. Hossain Imam put to him as to whether the Postal Department was making a yearly profit of about Rs. 24 lakhs, while the Telegraph Department was losing, and on that the Honourable Mr. Bewoor has thrown no light.

THE HONOURABLE MR. G. V. BEWOOR: I am sorry, Sir, that as there were so many points raised during the course of the debate and as I thought it was too late in the day, I rather confined myself to a few points, but I would refer the Honourable Member—

THE HONOURABLE THE PRESIDENT: You will have a right of reply. You can allow the Honourable Member to speak and I will give you an opportunity to speak again.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The second point which I want to ask my Honourable friend, the Director General of Posts and Telegraphs is whether any detailed statistics are kept by the Postal Department as regards post cards sent to rural areas and the post cards sent

[Rai Bahadur Lala Ram Saran Das.]

to urban areas. Did the Honourable Member make a guess only or is his statement supported by statistics? My own assumption is that people in rural areas generally very largely use post cards. My Honourable friend Mr. Bewoor has observed that in rural areas deliveries are made once a month. Does that statement not mean that the people in rural areas are not given due consideration in treating their communications. In every civilised government communications are the blessings which everybody expects, and if that statement made by the Honourable Mr. Bewoor is right that in the villages there is a delivery once a month, I think the Postal Department ought to immediately mend that. As far as the Punjab is concerned, my own information is that in most of the villages postal deliveries are effected once a week, but I am rather amazed to hear that in certain areas as long as a month is taken before a second delivery is expected. Whether we consider the Department as a commercial department or as a public utility department, the rural people have as much claim to postal services as the urban people have. My friend also referred to the Cowasji Committee and that Report was circulated to the Members of the Legislature as far as I remember, but there was no discussion on that Report; and so, Sir, mere publication of a report of a Committee does not mean that the report has got the support of the Legislature. As there is great economic depression and a good deal of poverty, if Government feel for the poor in rural areas, they must as desired reduce the postal charge and that charge should be met from the excess estimate or from the revenues of the Postal Department. In case the Telegraph Department does not pay its way, then certain other measures ought to be adopted by which the Telegraph Department will pay its way. The Telegraph Department should not be worked at the expense of the Postal Department and so I will use the same expression which Mr. Bewoor used that we should not rob Peter to pay Paul. Here you are doing that, you are robbing the Postal Department to pay the Telegraph Department. This is a universal demand that Government should meet us as far as this demand is concerned. So I will urge upon the Government to reconsider their decision and accept this reasonable amendment.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I rise to support the Motion moved by my friend Raja Ghazanfar Ali Khan. I will not repeat the arguments that have already been advanced but I certainly question very strongly when it is said that the Post Office should be regarded as a commercial department. I am one of those, Sir, who believe that it is the first duty—

THE HONOURABLE THE PRESIDENT: Are you not satisfied with the explanation that Mr. Bewoor gave that the word is very loosely used?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: No, Sir, I am not satisfied. It is the duty of every civilised Government to make communication as easy as possible and as cheap as possible and therefore they should not regard the Post Office as a commercial Department. It is a department of public utility and they should consider it in that light. I do not mind their regarding the telegraph and telephone as a commercial department—they can be considered in that light, but not the post office.

Sir, we all know that the increase from six pies to nine pies was made as an emergency measure in 1931 for 18 months only but we are sorry to find

that it is being kept year after year. And if the Government has definitely decided that it is a commercial department, what was the necessity of restoring the salaries cut in the Department when there was a deficit budget year before last?

Sir, I moved a similar amendment in 1934 and in reply to my arguments the Honourable Sir Frank Noyce was pleased to give a definite assurance, on which I withdrew it on that occasion. He said:

"I have convinced the House that we are in sympathy with the motive which has prompted it and we hope that it will not be long before the amendment will be embodied in the Finance Bill presented to the Council".

THE HONOURABLE SIR FRANK NOYCE: I still hope so.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, this assurance was given—

THE HONOURABLE SIR FRANK NOYCE: Sir, that was no assurance. It was merely a hope, which is a very different thing. I still possess that hope and I am still unable to give an assurance.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: My Honourable friend may treat it as a hope but we regard it as an assurance coming from the Member in charge. We had a surplus budget last year in 1935 and we were expecting that after this assurance in 1934 this would be incorporated in the budget. But we were disappointed. Last year we did not move any amendments as a protest against a certified Bill. This year we have again received a certified Bill and we decided that we must give vent to our feelings on the particular Motion and point out to the Honourable Member in charge that he has had a surplus budget for the last two years and, whether it was a hope or an assurance, he ought to have incorporated it in the Finance Bill. He has failed to do it and therefore, Sir, we have moved the amendment in this House today and I strongly support it.

THE HONOURABLE SIR FRANK NOYCE: Sir, I do not propose to detain the House long but one or two points have been raised by the last few speakers at on which I feel I ought to touch. One is that raised by my Honourable friend, the Leader of the Opposition, who holds that because the postal branch of the Department is working at what he thinks is a profit and the telegraph branch is working at a loss, therefore we ought to reduce the postal charges, and possibly raise the telegraph charges. I really thought that after many years of explanation in this and the other House we had got rid of the idea that different branches of the Department must be treated separately.

THE HONOURABLE RAI BAHADUR LALA RAMSARAN DAS: They ought to be treated separately.

THE HONOURABLE SIR FRANK NOYCE: When the Posts and Telegraphs Departments were combined some years ago, they were combined with the idea that the Department should be treated as a whole and it is on that basis that we have been working ever since. It is, I submit to the House, Sir, a natural basis. The postal, telegraph, wireless and telephone branches are all inter-connected and are all engaged in providing communication services which compete within

[Sir Frank Noyce.]

limits with each other. For instance, if the urgency of a communication is such that a day or two makes no difference, the communication is sent as a letter and not as a telegram. If, on the other hand, the message is of such urgency that the sender wants to send it immediately he obviously has to try to secure a trunk call, and so on. You must treat all the various means of communication provided by the Posts and Telegraphs Department as a whole and for the purposes of a reduction of charges you cannot set off the loss and gain against each other. But even if my Honourable friend's contention were accepted, what is the position? Now, Sir, for next year we estimate a profit of Rs. 17 lakhs only on the postal branch. How are you going to provide Rs. 50 lakhs out of that for the reduction of the post card rate? Again, Sir, when my Honourable friend talks of the heavy loss on telegrams, he entirely overlooks the fact that we are making a very considerable profit out of telephones. Those are the complementary methods of communication which are most closely connected and undoubtedly a great deal of the heavy loss on telegrams is due to the fact that people are using the telephone to a far greater extent than they used to and to an extent that is rapidly increasing. Would my Honourable friend suggest that we should shut down the Telegraph Department altogether? It is, I submit, Sir, absolutely out of the question to treat the various branches of the Department separately. We have, of course, to see how they are working financially for our own information and obviously to adjust our rates accordingly.

I think it was my Honourable friend the Leader of the Opposition who asked if we have statistics of post cards for rural areas. We have some rather interesting information on that point. Some time ago we took special statistics for about 250 rural post offices. It is a small number compared with the vast number of post offices throughout the country, but still the figures obtained are a guide. These statistics were taken for a fortnight and we found that the proportion of letters to post cards was 182 to 100.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: May I ask, Sir, whether that census was taken at a time of marriages or harvesting?

THE HONOURABLE SIR FRANK NOYCE: It was taken at a normal period as far as I know, and I am informed the proportion of post cards to letters was 182 to 100 as compared with a proportion of 112 to 100 for the whole of India. That is a complete answer to the Honourable Mr. Banerjee's statement that only 5 per cent. of the communications sent from rural post offices are sent in the form of letters.

I have nothing else to add to the exposition of our case set out by the Honourable Mr. Bewoor except in regard to the point raised by the last speaker about the Post and Telegraph Department being a commercial department. As Mr. Bewoor has said, there has been a lot of loose thinking about it. It is called a commercial department, but we have emphasised time and again that it is only a commercial department in the sense that it is expected to pay its way and that our policy in regard to reduction of rates is based upon that. As and when it does so, we are able to alter our post and telegraph rates accordingly. The Department is, at the moment, I am glad to say, paying its way, but it is not yet paying its way to such an extent as to enable us to make the drastic alteration in the rates on post cards suggested by my Honourable friends opposite.

THE HONOURABLE THE PRESIDENT: 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, namely:

'Single	Six pies.
Reply	One anna."

The Question is:

"That that amendment be adopted."

The Council divided:

AYES—19.

Askuran, The Honourable Mr. Shantidas.	Khaparde, The Honourable Mr. G. S.
Banerjee, The Honourable Mr. Jagadish Chandra.	Kidwai, The Honourable Shaikh Mushir Hosain.
Barua, The Honourable Srijit Heramba Prasad.	Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Buta Singh, The Honourable Sardar.	Mitha, The Honourable Sir Suleman Cassim Haji.
Ghazanfar Ali Khan, The Honourable Raja.	Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Halim, The Honourable Khan Bahadur Hafiz Muhammad.	Sapru, The Honourable Mr. P. N.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.	Sinha, The Honourable Kumar Nripendra Narayan.
Kalika, The Honourable Mr. V. V.	Suhrawardy, The Honourable Mr. Mahmood.

NOES—29.

Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.	Johnson, The Honourable Mr. J. N. G.
Bewoor, The Honourable Mr. G. V.	Kameshwar Singh of Darbhanga, The Honourable Mahatajadhiraja Sir.
Campbell, The Honourable Sir George.	Maqbul Husain, The Honourable Khan Bahadur Shaikh.
Charanjit Singh, The Honourable Raja.	McIntyre, The Honourable Mr. W. T.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Mohammad Hussain, The Honourable Khan Bahadur Mian Ali Baksh.
Crow, The Honourable Mr. A. G.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Commander-in-Chief, His Excellency the.	Parker, The Honourable Mr. R. H.
Devadoss, The Honourable Sir David.	Raisman, The Honourable Mr. A. J.
Ghosal, The Honourable Sir Josna.	Ray of Dinajpur, The Honourable Maharaja Jagadish Nath.
Glancy, The Honourable Sir Bertrand.	Russell, The Honourable Sir Guthrie.
Hafeez, The Honourable Khan Bahadur Syed Abdul.	Thomas, The Honourable Mr. E. F.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Williams, The Honourable Mr. A. de C.
Hallett, The Honourable Mr. M. G.	
Ishrat Husain, The Honourable Saiyid.	
Jagdish Prasad, The Honourable Kunwar Sir.	

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: Honourable Mr. Mehrotra, I thought you were not going to move your amendment as you did not rise at the proper time.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I got up, Sir, but you called the Honourable Raja Ghazanfar Ali Khan.

THE HONOURABLE THE PRESIDENT: You ought to have brought it to my notice then that your amendment preceded his amendment. Do you still, after seeing the result of this division, wish to move your amendment?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: We know the result of our amendments in this House. There cannot be any other result in this House, but we have to do our duty.

THE HONOURABLE THE PRESIDENT: Then you have decided to move it?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Yes, Sir.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head 'Letters' the following be substituted, namely:

For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas	One anna and three pies.
For every additional tola or fraction thereof	Half an anna."

Sir, I am glad the Government has realised its mistake in keeping the weight of half a tola for a one anna envelope and has this year increased the weight to one tola. But what they have given with one hand they are taking away with the other. At present a letter weighing two and a half tolas can be sent for one anna and three pies. Now under this Bill a letter weighing two and a half tolas will cost two annas. I consider it to be a big jump and I warn the Government that they will find in due course that their proposal is unreasonable and the jump too great. I have therefore proposed a gradual increase and by my amendment a letter weighing up to two and a half tolas will cost one anna and three pies. After that any increase in weight will be charged half an anna for each tola or part thereof, as proposed by Government. The amendment is very simple and I do not think it will cost the Government much, and possibly it may not cost the Government anything more. They have at present budgetted for an excess of Rs. 2 lakhs in the Posts and Telegraphs and as far as I can see my amendment will not cost more than that amount. As the Government has not seen its way to accept either of the two bigger amendments, I hope that they will accept this minor one.

With these words, Sir, I move.

THE HONOURABLE MR. G. V. BEWOOR: Sir, the existing postage rate on letters is somewhat illogical. As all Members are aware, we charge one anna for the first half tola, then for the next two tolas the additional charge is only one pice, and when the two and a half tola limit has been passed the charge increases immediately by one and a quarter annas. This rate is of course the result of various modifications made in the past. At first the rate was one anna for two and a half tolas and then an extra pice was put on. Then we came down to the half tola unit and fixed the one anna postage rate. The proposal that has been made in the Finance Bill is definitely intended to put the letter rate on a rational basis, the rational basis being one anna for the first tola and half an anna for each subsequent tola. We consider that this is a rational basis as the rate increases uniformly from weight to weight and the increase is not very high at each stage, that is to say, it does not jump up by more than two pice for each tola.

If we accept the amendment that has been proposed the rate would increase by only one pice for the weight between one tola and two and a half tolas, and after that each additional tola is only going to give us half an anna. We consider that this is not a rational rate. The Honourable Member seems to think that his proposal would not involve any loss, or, if it does at all it would be a very small amount. Well, Sir, we have made our estimates. A similar proposal was given notice of in the Assembly but not moved, and our estimate is that the loss in revenue would be Rs. 26 lakhs, because, as will be noticed, on the letters between one tola and two and a half tolas we would be losing and we would be losing very heavily on letters above two and a half tolas. A large percentage of letters, about 70 per cent. generally come in the first unit of weight, but of the rest 20 per cent. would come in the one tola to two and a half tola category. As the loss is Rs. 26 lakhs and as the tariff proposed by the Honourable Member is not on a rational basis, I must oppose the amendment.

THE HONOURABLE THE PRESIDENT: Do you wish to press your amendment?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: I do not wish to withdraw.

The Motion was negatived.

Schedule I was added to the Bill.

Clause 3 was added to the Bill.

Schedule II, Parts I and II, were added to the Bill.

Clause 4 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I move:

"That the Bill in the form recommended by the Governor General be passed".

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I have an objection, the objection being that the Bill is already law and we cannot pass a passed law. When the Viceroy certified it, it became a law straight off and therefore it cannot be again passed.

THE HONOURABLE THE PRESIDENT: Let me tell you that it did not become law on the certification of the Viceroy. After the consideration and passing by this House, it will become law. Even if amendments were passed, it would be open to the Viceroy not to assent to them. What you are stating is not the correct position.

THE HONOURABLE MR. G. S. KHAPARDE: With due submission to your ruling, Sir, whether we pass it or not it becomes law. If so, it has already become law and being law, it cannot be passed again.

THE HONOURABLE THE PRESIDENT: That is a mere quibbling with words.

Honourable Mr. Kalikar. I hope you will now confine yourself to the Bill itself and not go into other extraneous matters.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : If you want me, Sir, I shall be as brief as possible. I can finish my speech in five minutes or I can go on for an hour.

THE HONOURABLE THE PRESIDENT : I know that !

THE HONOURABLE MR. V. V. KALIKAR : I shall be as brief as possible. I shall finish my speech within ten minutes, Sir.

Sir, you want me to go into the merits of the Bill. My first objection to go into the merits of the Bill is as follows. As far as I can read the Government of India Act, as far as I can read the Montagu-Chelmsford Report on the Reforms, and as far as I can understand the position under the law which is given to the Executive in this House or the Government of India, and after taking into consideration not only the recommendation but the certification, I do not think any useful purpose will be served by going into the details of the Bill, and therefore, Sir, I refuse to go into the details of the Bill. There is a feeling, Sir, on that side of the House that we think they are responsible to us. We know that they are not responsible to us. What we desire is that they should be responsive to our wishes. We do not say that under the law they have committed any mistake in getting the Bill certified. None of us has said so. We have always been saying and repeating that they are irremovable, that they are not responsible to us. What we say is that they should respect the wishes of the representatives of the people in the Legislature. They should be reasonable and they should help in developing the Constitution of which they are so proud. Sir, the question is whether the Executive should respect the wishes of the representatives in the Legislature or not? They are perfectly right according to the law, according to the letter of the law, in rejecting our wishes, in rejecting our demands, but are they reasonable, because I want them to be reasonable, because under the Act we have been conceded the right of criticising the action of the Executive, the right of expressing our wishes in this House. What is the use, what is the importance, of conceding that right? What is the use of having a discussion on the Finance Bill? According to me, Sir, the use of having a discussion on the Finance Bill is to allow an opportunity to the Executive to readjust their plan according to our wishes, and to remedy the grievances of the public. Sir, in the other House a long list of Resolutions passed by the Legislature and accepted by Government was read out. It was stated that on other Resolutions the Government did not find their way to agree to the wishes of the representatives of the people, because that was against their policy. It seems to me, Sir, that those Resolutions were accepted by the Government not because they had a desire to do something in the interests of India but because they were dictated to from above to accept those Resolutions. I know, Sir, that another Government was in power at that time in England and that Government wanted to accept to some extent the wishes of the representatives of the people and therefore they had to accept those Resolutions. I mean the Labour Government was in office.

THE HONOURABLE SIR JAMES GRIGG : The list that I read out related to a period before the Simon Commission and not to the period of the Labour Government at all.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : How many of those Resolutions which were accepted were accepted during the period when Mr. Montagu was Secretary of State?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : I think we will never finish at this rate. The Honourable Member is on his feet.

THE HONOURABLE MR. V. V. KALIKAR : Well, is it a fact that no Resolutions were accepted when the Labour Government was in power? Is it a fact that no Resolutions were accepted when Mr. Montagu was in power? Sir, I am convinced that it was not to meet the wishes of the representatives of the people that the Resolutions were accepted, but I again repeat that the Resolutions were accepted because orders were given from above. Sir, I will leave the past and speak of the present. I should like to speak of the present session of this House. A modest Resolution was moved by my friend Mr. Sapru to appoint an advisory committee—a committee to advise only—in army matters, and the Resolution was strongly opposed. What does that show? That shows clearly that you do not want to take the representatives of the people in your confidence. His Resolution did not suggest that you should accept the recommendations of that Committee. His Resolution suggested that you should only consider the suggestions made by the representatives of the people; but you did not accept it; not only that, but you strenuously opposed it. So I do not want to speak of the past. Just as you remarked, Sir, yesterday, a Member of the Government might have been provoked to make certain remarks, or quote certain quotations—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Very objectionable quotations.

THE HONOURABLE MR. V. V. KALIKAR : We can give quotations from men like Burke, John Stuart Mill, and many others. But what is the use? I wish the Executive of the present day to bring about an atmosphere in India for receiving the new Act which has been recently passed. Are you going to do that by this way of yours? I am a man who has got very strong faith in constitutional methods. You are playing into the hands of those who favour direct action. You are playing into the hands of those who are talking of boycotting your next reforms. Mind you, if you have adopted this attitude and if a certain section of the Indian public takes it into their heads not to work the reforms but to wreck the reforms, I shall hold the present Government of India responsible for it.

Sir, I do not desire to enter into the merits of the Bill because I know I have not the power to change a comma in it. I therefore merely record my emphatic protest against the Bill.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill in the form recommended by the Governor General be passed".

The Council divided :

AYES 32.

Akram Husain Bahadur, The Honourable
Prince Afzar-ul-Mulk Mirza Muhammad.
Bewoor, The Honourable Mr. G. V.
Buta Singh, The Honourable Sardar.
Campbell, The Honourable Sir George.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur
G. Narayanaswami.
Choksy, The Honourable Khan Bahadur
Dr. Sir Nasarvanji.
Clow, The Honourable Mr. A. G.
Devadoss, The Honourable Sir David.
Ghosal, The Honourable Sir Josna.
Ghosh Maulik, The Honourable Mr.
Satyendra Chandra.
Glancy, The Honourable Sir Bertrand.
Hafeez, The Honourable Khan Bahadur
Syed Abdul.
Haidar, The Honourable Khan Bahadur
Shams-ud-Din.
Hallett, The Honourable Mr. M. G.
Ishrat Husain, The Honourable Saivid.
Jagdish Prasad, The Honourable Kunwar
Sir.

Jalan, The Honourable Rai Bahadur
Radha Krishna.
Johnson, The Honourable Mr. J. N. G.
Kameshwar Singh of Darbhanga, The
Honourable Maharajahdiraja Sir.
Maqbul Husain, The Honourable Khan
Bahadur Shaikh.
McIntyre, The Honourable Mr. W. T.
Menon, The Honourable Diwan Bahadur
Sir Ramunni.
Muhammad Hussain, The Honourable
Khan Bahadur Mian Ali Baksh.
Noon, The Honourable Nawab Malik
Sir Mohammad Hayat Khan.
Parker, The Honourable Mr. R. H.
Raisman, The Honourable Mr. A. J.
Ray of Dinajpur, The Honourable
Maharaja Jagadish Nath.
Russell, The Honourable Sir Guthrie.
Suhrawardy, The Honourable Mr. Mah-
mood.
Thomas, The Honourable Mr. E. F.
Williams, The Honourable Mr. A. deC.

NOES 10.

Banerjee, The Honourable Mr. Jagadish
Chandra.
Halim, The Honourable Khan Bahadur
Hafiz Muhammad.
Hossain Imam, The Honourable Mr.
Jagdish Prasad, The Honourable Rai
Bahadur Lala.
Kalikar, The Honourable Mr. V. V.

Khaparde, The Honourable Mr. G. S.
Kidwai, The Honourable Shaikh Mushir
Hosain.
Mehrotra, The Honourable Rai Bahadur
Lala Mathura Prasad.
Ram Saran Das, The Honourable Rai
Bahadur Lala.
Sapru, The Honourable Mr. P. N.

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, the 7th April has been allotted for official business and so far as we know at present the official business will be these two Resolutions which will be moved by the Honourable Mr. A. G. Clow :

"1. This Council having considered the draft Convention concerning the establishment of an international scheme for the maintenance of rights under invalidity, old-age and widows' and orphans' insurance, adopted by the Nineteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Convention.

2. This Council having considered the draft Convention limiting hours of work in coal mines, adopted by the Nineteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Convention."

The 17th April has been allotted for non-official business and I understand that the balloting under the rules will probably have to be on the 2nd April as the 17th is the date allotted. Of course, on the 8th, as has already been announced, the House has been summoned to a joint session to hear the Address by His Excellency the Viceroy, and I would only remind Honourable Members that their presence has been requested.

The Council then adjourned till Eleven of the Clock on Tuesday, the 7th April, 1936.

COUNCIL OF STATE.

Tuesday, 7th April, 1936.

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

MEMBER SWORN :

The Honourable Mr. Thomas Alexander Stewart, C.S.I. (Commerce Secretary).

DEATH OF KHAN BAHADUR SHAIKH MAQBUL HUSAIN.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, it is with the greatest regret that I have to announce to this House the sudden death of the late Khan Bahadur Shaikh Maqbul Husain of heart failure on the afternoon of April the 4th. The late Shaikh Maqbul Husain was a Talukdar of Oudh and was a resident of Gadia in the Bara Banki district. After completing his education in Europe and after being called to the Bar, he was appointed to the Provincial Service in the United Provinces. He soon made his mark and after serving for a few years in the United Provinces, his services were lent to the Kashmir Darbar. On completing his period of office there, he returned to the United Provinces and was for a number of years Registrar of Co-operative Credit Societies, and a District Officer and ended his official service in the province as the Commissioner of a division. Shaikh Maqbul Husain also took a very prominent part in the deliberations of the British Indian Association of Oudh. I had the privilege of knowing Shaikh Maqbul Husain for more than 30 years. By his untimely and sudden death, my province lost a valued citizen and this House a Member who had endeared himself to all those who knew him. I request you, Sir, to convey on behalf of this House our deepest sympathies to his brother, the Honourable Shaikh Mushir Hosain Kidwai, and to the other members of the family. I would also request you, Sir, to adjourn this House as a mark of respect to the memory of the late Shaikh Maqbul Husain.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, on behalf of the Progressive Party, I wish to associate myself with the remarks made by the Honourable the Leader. Sir, the late Shaikh Maqbul Husain had been a Member of this House, off and on, for the last seven years and all of us, irrespective of our political opinions, found him a courteous gentleman and a valued friend. To me, Sir, it is also a personal loss, because he and I happen to be disciples of the same Saint and we regarded ourselves as spiritual brothers. Sir, I associate myself with what has been said by the Honourable the Leader.

*Not corrected by the Honourable Member.

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THE HONOURABLE THE PRESIDENT: Honourable Members, I desire also to associate myself with all that has fallen from the Honourable the Leader of the House and the Honourable Mr. Hossain Imam, the Deputy Leader of the Opposition. I cordially endorse what has been said on this occasion. The deceased gentleman, since 1928, served in this Council for four distinct periods from time to time, and during the time he was here, he was liked, admired and respected by his colleagues. He was a perfect gentleman in every sense of the term. He was a most regular attender and on account of his affability and personal character, he was much respected by all the Members of the House. I quite agree with the Honourable the Leader of the House that by his death this Council also has lost a very useful Member, and as a mark of respect to his memory, and in consonance with the wishes of the Council, I will adjourn the House today. But, before I do so, I would ask the Honourable the Leader of the House if he has any statement to make regarding the course of business.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, I propose that the House should now meet on the 15th April for official business.

THE HONOURABLE THE PRESIDENT: The Council will now adjourn.

The Council then adjourned till Eleven of the Clock on Wednesday, the 15th April, 1936.

COUNCIL OF STATE.

Wednesday, 8th April, 1936.

ADDRESS BY HIS EXCELLENCY THE VICEROY TO THE MEMBERS OF THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY.

HIS EXCELLENCY THE VICEROY: Mr. President and 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.

[His Excellency the Viceroy.]

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.

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. 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 whole-heartedly 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 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.

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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 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 evergrowing 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 different parts of the country, and during recent months the situation in

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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 good-will 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 Government 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 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.

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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.

COUNCIL OF STATE.

Wednesday, 15th April, 1936.

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

MEMBER SWORN:

The Honourable Kunwar Haji Ismail Ali Khan, O.B.E. (United Provinces: Nominated Non-Official).

QUESTIONS AND ANSWERS.

LADY TICKET COLLECTORS, NORTH WESTERN AND EAST INDIAN RAILWAYS.

158. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Are Government aware that there is racial discrimination in the treatment of Indian lady ticket collectors?

(b) Are Government aware that European lady ticket collectors are given a superior type of quarters and that Indian lady ticket collectors are given inferior types and sometimes far away from the railway station?

(c) Is it a fact that European lady ticket collectors are provided with better winter clothing than that of the Indian lady ticket collectors? Are Government aware that only a thin shawl is given to Indian lady ticket collectors?

(d) If the replies to (a), (b) and (c) be in the affirmative do Government propose to remove the grievances of Indian lady ticket collectors?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) I presume the Honourable Member is referring to the North Western and the East Indian Railways because no Indian lady ticket collectors are employed on the Eastern Bengal, Great Indian Peninsula and Burma Railways. If so, Government are informed that there is no racial discrimination in their treatment on these two railways.

(b) and (c). The reply is in the negative.

(d) Does not arise.

CALCUTTA-DACCA AIR ROUTE.

159. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Will Government be pleased to state the reasons why the Dacca-Calcutta air route is being closed both for the carriage of mails and passengers?

(b) Will Government be pleased to state if there is any possibility of the route being re-opened in the near future for the quick carriage of mails and for the convenience of the passengers wishing to travel by air on that line?

(c) Is it a fact that the Indian National Airways have stopped the service as it was not a paying concern for them? Was the Government of Bengal making any contribution towards the cost of the carriage of mails between Dacca and Calcutta?

(d) Is it a fact that several representations have been made to lower the rates and fares from Dacca and Calcutta? If so, with what results?

THE HONOURABLE MR. A. G. CLOW: (a) and (b). The air route between Calcutta and Dacca has not been closed and could be used by any air transport company willing to operate a service between the two places. I cannot say whether there is any prospect of a service being provided.

(c) The answer to the first part is in the affirmative and to the second part in the negative.

(d) Government have no information regarding representations made to Indian National Airways. No representations were made to Government.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Is it a fact that the Indian National Airways have to pay landing and housing charges for their aircraft operating on this service and also have to pay the road tax on petrol used by them?

THE HONOURABLE MR. A. G. CLOW: I believe they have to pay landing charges and of course they have to buy petrol at a price which includes whatever taxes are imposed on it.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Do Government consider that in the present stage of development of civil aviation such charges can be reasonably borne by pioneer companies?

THE HONOURABLE MR. A. G. CLOW: I submit that that asks for an expression of opinion.

COST OF PROTECTIVE WORKS TO THE HARDINGE BRIDGE AT SARAGHAT.

160. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Will Government be pleased to state the total cost of repairs of the Hardinge Bridge at Saraghat and who has undertaken the work of repairs?

(b) Has the work been completed? If not, when will it be finished?

(c) Will Government be pleased to state why the bridge was declared unsuitable for traffic so soon after its construction was finished by an expert brought from England? What was the amount spent on that expert by way of pay and allowances for the construction of the Hardinge Bridge?

(d) Is it a fact that the same expert who was in charge of the original construction of the Sara Bridge has been engaged in the repair work of the bridge? If so, why?

(e) Will Government be pleased to state the total cost of construction of the Hardinge Bridge at Saraghat?

(f) Will Government be pleased to state whether the total cost of construction and repair was borne by the Government of India or was any contribution made by the Government of Bengal for these purposes?

(g) If so, what was the ratio between the Government of India's contribution and the Government of Bengal's contribution for the construction of the Sara Bridge? Are the Government of Bengal expected to make any contribution towards the cost of repairs and maintenance? If so, what is the amount of such contribution.

(h) Will Government be pleased to state whether any tenders were called from any other experts and firms and whether quotations were received before finally giving the job to the present expert? If not, why not? If tenders were called for, will Government be pleased to state whether the quotation of the contractor doing the job was the lowest? If not, what was the difference between the lowest tender and the tender of the firm carrying out the repair works and why was the contract not given to the lowest tenderer? What is the name of the firm who quoted the lowest rate?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) No repairs have been required for the Hardinge Bridge itself. The works recently carried out were for the protection of the bridge and will have cost Rs. 163.29 lakhs to the end of the year 1935-36. The works are being carried out by the Eastern Bengal Railway Administration.

(b) No. The Hardinge Bridge Committee consider that some further works will eventually be required, but the date when they will become necessary depends on the movement of the river, which cannot be foretold.

(c) The bridge has not been declared unsuitable for traffic. The further question does not arise.

(d) The officer who was in charge of the construction of the bridge was asked for his opinion on recent developments of the river. He has not been engaged in repair work.

(e) Rs. 3½ crores, including approach lines and river training works.

(f) The whole cost was borne by the Government of India.

(g) Does not arise.

(h) Does not arise.

POST OFFICE SAVINGS BANK RULES.

161. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Do the Post Office Savings Bank Rules provide that a maximum sum of Rs. 5,000 may be deposited in the name of a minor?

(b) On the attainment of majority, is the minor compelled to withdraw the whole of the sum deposited in his name and allowed to open a fresh account only with a sum of Rs. 750? If so, will Government be pleased to state the reasons why the whole amount of deposit in a minor's name is not allowed to be redeposited in a fresh account on such minor's attaining legal majority?

(c) Does this Savings Bank Rule cause hardship to many people throughout the whole of India? If so, do they propose to amend the Post Office Savings Bank Rules in this respect?

(d) Under the existing Post Office Savings Bank Rules is a depositor allowed to deposit only Rs. 750 a year?

(c) Are Government aware that in rural areas the Post Office Savings Bank is the only Bank which is relied on by the illiterate masses in the villages? If so, do Government propose to amend the Post Office Savings Bank Rules in such a way as not to put any restrictions on the total deposits in the course of a year?

THE HONOURABLE MR. A. J. RAISMAN: (a) A minor can open an account in his own name and, in addition, a separate account may be opened on his behalf by his guardian or any of the persons related to him. The maximum of Rs. 5,000 applies to each of these accounts.

First part of (b) and (d). Yes.

Second part of (b), (c) and (e). The Post Office Savings Bank is intended mainly for the poorer classes for depositing comparatively small sums. When sufficient amounts have accumulated in such accounts the depositor can invest either in post office cash certificates or in ordinary Government securities which can be purchased through the Post Office. The Government do not, therefore, propose to make any change in the existing rules.

COPPER ORE IN INDIA.

162. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: (a) Are the best Indian copper mines in the hands of the English concern incorporated in England under the name of the "Indian Copper Corporation"?

(b) Was any opportunity ever given to any Indian concern to convert copper ores into finished metal in India?

(c) If so, what terms or facilities were offered to such Indian company and what was the name of such a company?

THE HONOURABLE MR. A. G. CLOW: (a) The output of copper ore in India has recently been derived mainly from the Indian Copper Corporation's mines in the Singhbhum district. I do not feel called upon to express an opinion on the value of the mines.

(b) and (c). I am unable to follow the Honourable Member's question. The conversion of ore into copper is a matter for private enterprise and Government have no orders for smelting to place.

DEFINITION OF "PAY" AND "SALARY" UNDER THE CIVIL SERVICE REGULATIONS AND UNDER THE FUNDAMENTAL RULES.

163. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether under Civil Service Regulations allowances which were of the nature of pay were included in "salary", while under the Fundamental Rules this distinction is abolished and such allowances have been included in pay proper?

(b) Whether an allowance which is reckoned for leave salary, provident fund contribution and gratuity is of the nature of pay? If not, why?

(c) Whether a travelling allowance which is treated like pay is of the nature of pay?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) and (b). In the Civil Service Regulations, "Pay" was defined as "substantive pay" including

technical and overseas allowances, "Salary" included "pay proper" and certain allowances such as acting allowance, charge allowance and duty allowance.

In the Fundamental Rules, the term "salary" has been replaced by "pay". I am not clear what exactly the Honourable Member means by allowances of the nature of pay. It seems to me to beg the question.

(c) Travelling allowances is never treated like pay.

REDUCTION OF PAY OF GOVERNMENT SERVANTS ON ACCOUNT OF INEFFICIENCY, ETC.

164. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether the pay of an employee under the Government of India cannot be reduced except as punishment?

(b) Whether the pay of a Government servant can also be reduced on abolition of the post?

(c) What are the circumstances in which a post is abolished?

(d) Whether the abolition of a post and its re-creation under a different designation involving no change of duties can lead to reduction in the pay of employees?

(e) Whether on re-creation of the abolished post the old employees cease to earn their privileges of pay and allowances attached to the post abolished?

THE HONOURABLE MR. A. J. RAISMAN: (a) Under the provisions of Fundamental Rule 15 a Government servant's pay can only be reduced on account of inefficiency or misbehaviour or on his written request.

(b), (d) and (e). A change in the designation of a post usually implies the abolition of that post and the creation of a new post which may be on a lower rate of pay. The pay and other terms attaching to the new post accordingly apply to its incumbent.

(c) A post is abolished if it is no longer required or if it is found administratively convenient owing to a change in circumstances or reorganisation of work to abolish it and create a new one in its place.

REDUCTION OF PAY OF GOVERNMENT SERVANTS ON ACCOUNT OF INEFFICIENCY, ETC.

165. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether a post can be abolished for the purpose of reduction in the emoluments of the Government employees who are otherwise protected by Government Rules?

(b) Is there any statutory protection against the abolition of a post?

THE HONOURABLE MR. A. J. RAISMAN: (a) The Honourable Member's attention is invited to the reply given to question No. 164.

(b) A post can only be abolished by a competent authority.

TRAVELLING TICKET INSPECTORS, EAST INDIAN RAILWAY.

166. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether prior to 1st June, 1931 the travelling ticket inspectors of the East Indian Railway were employed on the following scales of pay under the Accounts Department:

Rs. 60—4—64—8—120

Rs. 130—10—200

Rs. 220—20—300?

(b) Were the travelling ticket examiners on the North Western Railway prior to 1st June, 1931 employed on the following scales of pay:

Rs. 50—5—95

Rs. 100—10—180

Rs. 190—10—210?

(c) Whether the said employees on both the Railways in question were brought on to new scales of pay on and from 1st June, 1931?

(d) Whether the East Indian Railway employees on representation of their case were "*allowed the option of retaining the scale of pay applicable to the former permanent posts held substantively by them with the benefit of increments therein*"?

(e) Whether later on the North Western Railway employees "*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*"?

(f) Whether the Railway Board granted this concession to the North Western Railway staff "*having regard to the concessions granted in somewhat similar circumstances to similar staff on other State-managed Railways*"?

(g) Will Government be pleased to state for what reasons the Agent, East Indian Railway, has refused to allow the staff to get an increment beyond Rs. 120 and Rs. 200? Has the Agent, North Western Railway, allowed the same staff to go beyond Rs. 95 and Rs. 180 on his Railway?

THE HONOURABLE SIR GUTHRIE RUSSELL: With your permission, Sir, I propose to reply to questions Nos. 166 and 170 together.

Government have during the last five years, already replied in both Houses of the Legislature to more than 400 questions concerning travelling ticket inspectors, travelling ticket examiners and similar staff on the North Western and East Indian Railways giving detailed information covering almost every aspect of this subject, and I would refer the Honourable Member to these replies.

Government have given the whole subject their very careful consideration and have granted the staff concerned the maxima concessions in pay allowances and prospects that they considered justifiable. Government are not prepared to revise these orders and, in the circumstances, consider that no useful purpose will be served by providing further information on this subject.

MILEAGE ALLOWANCE ON STATE-MANAGED RAILWAYS.

167. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state, with reference to the reply given by Government in the Legislative Assembly on the 26th September, 1935, to part (b) of starred question No. 741, whether the mileage allowance paid to certain employees on the State Railways in India is treated as pay subject to a maximum of 75 per cent. of pay?

THE HONOURABLE SIR GUTHRIE RUSSELL: Mileage allowance is included in the calculation for leave salary, provident fund, bonus and gratuity subject to the maximum of 75 per cent. of pay.

DEFINITION OF "PAY" AND "SALARY" UNDER THE CIVIL SERVICE REGULATIONS AND UNDER THE FUNDAMENTAL RULES.

168. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether under the Civil Service Regulations allowances which were of the nature of pay were included in "salary", but, under the Fundamental Rules this distinction is abolished and the allowances in question have been included in pay proper?

(b) Whether mileage allowance which is of the nature of pay comes under pay proper as per above Rules?

(c) Whether mileage allowance which is of the nature of pay has the same statutory protection as pay as declared by Government in the Assembly on 26th September, 1935.

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The Honourable Member is referred to the reply given to part (a) of his question No. 163.

(b) and (c). No.

MILEAGE ALLOWANCE ON STATE-MANAGED RAILWAYS.

169. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether mileage allowance paid to the staff on State Railways was granted and reckoned as pay up to the extent of 75 per cent. of pay before or after the introduction of the Fundamental Rules?

(b) If granted after the introduction of the Fundamental Rules, then under what rules it is governed?

(c) If granted before the introduction of the Fundamental Rules, under what authority is it curtailed?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) The inclusion of mileage allowance in the calculation of leave salary, provident fund, bonus and gratuity was in force before the introduction of the Fund Rules.

(b) Does not arise.

(c) Under paragraph 362 of the State Railway Open Line Code, Volume II.

MILEAGE ALLOWANCE GRANTED TO TRAVELLING TICKET INSPECTORS,
EAST INDIAN RAILWAYS.

170. THE HONOURABLE SHAIKH MUSHIR HOSAIN KIDWAI: Will Government be pleased to state:

(a) Whether according to the Rules promulgated in 1927 the travelling ticket inspectors employed under the Accounts Department of the East Indian Railway were promised pay of the Accounts *plus* average mileage allowance on transfer to Operating Department?

(b) Whether contrary to the provisions of the said Rules they were brought on to the new scales of much lower rates of pay and allowances on 1st June, 1931 when they were transferred to the Operating Department?

(c) On representation of their case were they restored to their old rates of pay of the Accounts Department by the Railway Board in December 1932?

(d) So far as allowance was concerned, did the Governor General in Council grant them enhanced rates of consolidated allowance for the fact that they had suffered a heavy drop in their emoluments due to the abolition of mileage allowance?

(See reply to question No. 166.)

GOVERNMENT CARGO SHIPPED ANNUALLY ON THE INDIAN COAST.

171. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state the total quantity of the following classes of Government cargo shipped annually on the Indian coast during the last five years?

(i) Stationery stores.

(ii) Telegraph stores.

(iii) Naval, military and marine stores.

(iv) Railway stores.

(b) Will Government be pleased to lay on the table a statement showing the quantity of each of the above classes of Government cargo shipped in Indian and non-Indian ships respectively on the Indian coast?

(c) Is it a fact that the then Commerce Secretary Mr. (now Sir John) Woodhead stated, in a letter dated the 30th December, 1929 to Mr. Jamnadas Mehta, M.L.A., that "these stores are conveyed by the British India Steam Navigation Company under the terms of an old contract and consequently no opportunity can be given to any other shipping company to quote for the carriage of such stores"?

(d) Will Government be pleased to state the reasons for the continuance of such an agreement with one single non-Indian company in spite of the adoption by the Council of State on the 15th March, 1922 of the Resolution of Sir Lalubhai Samaldas recommending that instructions be issued to the Government Departments to give Indian shipping companies an opportunity of quoting for the carriage of Government and railway materials and to give them preference if their quotation is approximate to that of other companies?

(e) Do Government contemplate to terminate their old agreement with the British India Steam Navigation Company, and to adopt the policy accepted by them in the Council of State in 1922?

THE HONOURABLE MR. T. A. STEWART: Enquiries are being made and necessary information will be laid on the table of the House in due course.

QUOTATIONS FROM INDIAN SHIPPING COMPANIES FOR THE CARRYING OF GOVERNMENT CARGO.

172. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state whether, with reference to the answer given by the Honourable Sir Frank Noyce to clause (a) of starred question No. 1267, dated the 1st December, 1933, of Mr. K. C. Neogy, stating that enquiries are being made and the result will be communicated to the House as soon as possible, they have completed their enquiries in regard to quotations from Indian shipping companies for the carriage of Government materials, and, if so, will they be pleased to lay the result on the table of the House?

THE HONOURABLE MR. A. G. CLOW: The Honourable Member is referred to the information placed on the table of the Legislative Assembly on the 19th July, 1934 in reply to part (a) of starred question No. 1267 asked by Mr. K. C. Neogy on the 1st December, 1933.

RESERVATION BY THE NORTH WESTERN RAILWAY OF TEN POSTS OF ASSISTANT SURGEONS.

173. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) Under the existing orders of Government, have ten posts in the Medical Department of the North Western Railway been reserved for the Anglo-Indian Assistant Surgeons of the Indian Medical Department? Has this number been exceeded? If so, do Government propose to ask the North Western Railway authorities to revert those Anglo-Indians who are in excess of the prescribed number?

(b) Will Government be pleased to state why Assistant Surgeons of the Indian Medical Department are transferred to other Departments? Is the existing number of Assistant Surgeons in the Indian Medical Department surplus to the actual requirements of the military? If so, do Government propose to retrench the surplus staff?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) Ten posts have been reserved in the Medical Department on the North Western Railway for Assistant Surgeons of the Indian Medical Department. Government are informed that there is a slight excess in the number of Assistant Surgeons of the Indian Medical Department on the North Western Railway at present but it is expected to work it off shortly.

(b) In order to create a war reserve. The existing number of Assistant Surgeons in the Indian Medical Department is not surplus to the actual requirements of the "military" bearing in mind the necessity for maintaining a war reserve.

STATEMENT LAID ON THE TABLE.

RUNNING OF THE ECLIPSE STAKES IN BOMBAY.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I lay on the table the information promised in

reply to question No. 72 asked by the Honourable Sir Pheroze Sethna on the 11th March, 1936.

- (a) Yes. The average number of entries is 63.
 (b) Yes.
 (c) Yes.
 (d) Yes.
 (e) Yes.
 (f) One mare.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 14th April, 1936, namely:

A Bill to prohibit the making of certain loans and credits; and

A Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I beg to move:

"That this Council do proceed to elect in such manner as may be approved by the Honourable the President, six non-official Members from the Council who shall be required to serve on the Central Advisory Council for Railways."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the Motion which has just been adopted by the Council, I have to announce that nominations for the six non-official Members to be elected to serve on the Central Advisory Council for Railways will be received by the Secretary up to eleven o'clock on Friday, the 17th April, 1936, and the date for the election, if necessary, will be announced later.

RESOLUTION *RE* LIMITING HOURS OF WORK IN COAL MINES.

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

"That this Council, having considered the draft Convention limiting hours of work in coal mines, adopted by the Nineteenth Session of the International Labour Conference recommends to the Governor General in Council that he do not ratify the Convention."

I think I can explain this Convention best by referring briefly to its development. It owes its origin to a Resolution passed by the Assembly of the League

of Nations in 1929, when they suggested that a preparatory technical conference should be convened consisting of the principal coal-producing countries of Europe to discuss what coal questions might be placed before the International Labour Conference. That technical conference met early in 1930 and framed certain proposals for the reduction of hours of work. The conference, I may say, consisted exclusively of European representatives, the representatives of nine European States attending. Those proposals came before the International Labour Conference in 1930 in the form of a Convention applicable to European countries. The European countries failed to agree on the subject and in the result the Convention failed to get a two-thirds majority, so that it was rejected; but the proposal was put down on the agenda of the Conference for the following year, that is, 1931. In the interval the jurists of the International Labour Organisation came to the conclusion that a Convention of the International Labour Organisation should not be limited to particular countries, that it would have to be universal at least in form; and so when the Conference of 1931 met it was asked to consider revised proposals which in form were generally applicable to the Member-States throughout the world, but in intention they were still definitely European. I can say that with some confidence as I had the privilege of attending that Conference. That Convention was adopted and it came before this House in 1932, when the House adopted the following Resolution:

"This Council, having considered the draft Convention limiting hours of work in coal mines adopted at the fifteenth Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Council."

In pursuance of that Resolution, the matter was referred to Local Governments, to the interests concerned and to the public. The results were analysed and the conclusions reached by Government were placed before the Legislature in the form of a Bill. That Bill, the Indian Mines (Amendment) Bill, came before this Council about a year ago and was passed into law. It actually came into force in October last and effected important reductions in the hours of work, not merely in coal mines to which this Convention is limited, but in mines generally. It did not of course go as far as the Convention required and consequently that Convention was not ratified.

But if we made some progress in the matter, the countries more directly concerned did not, because the Convention was not ratified by any country, European or non-European, except Spain, a country in which coal mining is of comparatively little importance. In consequence, as the Convention requires that two of the leading European coal-producing countries should ratify it before it takes effect, the Convention never came into effect at all. Looking into the matter it seemed to those in Geneva that the difficulties in the way of ratification related to matters of detail and not to matters of principle and so they started to frame modified proposals; and the Convention now before the House represents, with very minor alterations, the same Convention as was considered in 1932. The modifications, as I have said, relate solely to matters of detail, and indeed small detail. The modifications of substance are confined to Articles 6 and 8 in Article 6, which relates to the weekly holiday, they inserted a proviso requiring not that the 24 hours rest should all be on a Sunday but that it could overlap on one of the other days so long as 18 hours were on Sunday. The other changes were the insertion of two clauses (in Article 8), which relate to categories of workers whose work is ancillary to the main work of mines and provide for certain relaxations in their case.

[Mr. A. G. Clow.]

As I have indicated, these minor modifications in no way affect the general structure of the Convention and they do nothing to render it more acceptable in India for which indeed, as I have explained, the Convention was really not originally intended. For example, in dealing with holidays, they still insist that the holiday must be on a Sunday, whereas our Mines Act allows the holiday to be on any day of the week. And in dealing with hours, the relaxations do not affect the main class of miners. We are still asked to adopt a 7½-hour day under ground and that is to be worked on a system of calculation—in fact there are two systems of calculation but both of them differ radically from that in the Indian Mines Act. I think the House will agree that as changes in the hours in mines have been introduced less than a year ago, there is now no reason for introducing a further radical alteration, which would probably injure the miners at least as much if not more than the coal-owners.

The Motion was adopted.

RESOLUTION *RE* MAINTENANCE OF RIGHTS, OLD-AGE AND WIDOWS' AND ORPHANS' INSURANCE.

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

"That this Council having considered the draft Convention concerning the establishment of an international scheme for the maintenance of rights under invalidity, old-age and widows' and orphans' insurance, adopted by the Nineteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Convention."

This Resolution also relates to a matter which is not entirely unfamiliar to the House. The International Labour Conference in 1932 adopted a series of six Conventions which provided a fairly complete scheme for invalidity, old-age and widows' and orphans' insurance. These Conventions covered not merely industry, and other more organised occupations but also covered agriculture. The Conventions came before the House in December, 1933, when the Council adopted the following Resolution :

"That this Council having considered the draft Conventions and the Recommendation concerning invalidity, old-age and widows' and orphans' insurance, adopted at the Seventeenth Session of the International Labour Conference, recommends to the Governor General in Council that he should not ratify the draft Conventions nor accept the Recommendation."

Now, these schemes covered by these Conventions were national schemes. Had the Conventions been ratified, they would have involved setting up schemes for India applicable within India. This Convention is in a double sense an international one, because it is designed to secure the co-ordination of national schemes *inter se*. I think I can best explain it by a short quotation from the Report of our Delegates, which is in the hands of Honourable Members, in which they say :

"...it was pointed out that in the absence of international arrangements a worker who is employed and is compulsorily insured successively in two or more countries is often unable to fulfil the qualifying conditions required separately by the national schemes. He loses credit for the contributions paid in respect of him in the first country, because he interrupts his insurance, and in the second country he either does not qualify for a pension, or obtains only a small pension corresponding to the time he has worked there. The problem of the removal of these and similar disabilities had already found a partial

solution in many bilateral treaties contracted between countries of emigration and countries of immigration. The Conference held that a complete and satisfactory solution could only be achieved by means of an international Convention. The draft Convention therefore is more or less a generalisation of the characteristic points of the existing bilateral treaties."

I think it will be clear to the House that, as we have no systems to co-ordinate, this Convention does not really concern us, but I might perhaps add that, even if we had a system to co-ordinate with that of other countries, I doubt whether it could concern us. For we are separated by several thousands of miles from any other country that has such a system and we have no immigration from any such country that matters, or emigration to any such country, so that co-ordination between India and the European countries, in the light of whose conditions this Convention has mainly been designed, would have very little meaning.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Mr. President, I agree with the Honourable Mr. Clow that in the circumstances in which we find ourselves it is not possible for us to ratify this Convention. At the same time I should like to say that in my opinion we should keep in view, as our financial circumstances permit and as conditions improve, the possibility of introducing some of these schemes of invalidity, old-age and widows' and orphans' insurance, particularly in the case of industrial workers. It may not be possible for us to cover all the insurance propositions but some such scheme of national insurance we must, at as early a date as possible, adopt. I quite recognise that at present it is impossible for us to ratify this Convention. I am not thinking of today ; I am thinking of the future. These are all the observations that I have to make on this Resolution.

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Friday, the 17th April, 1936.

* Not corrected by the Honourable Member.

COUNCIL OF STATE.

Friday, 17th April, 1936.

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

MEMBERS SWORN :

The Honourable Major-General Cuthbert Allan Sprawson, C.I.E.,
K.H.P. (Director General, Indian Medical Service).

The Honourable Mr. Shavax Ardeshir Lal (Government of India :
Nominated Official).

QUESTIONS AND ANSWERS.

DISBANDMENT OF THE BENGAL WING OF THE 11/19TH HYDERABAD REGIMENT.

174. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Is the Bengal Regiment of the Indian Territorial Force being disbanded ?
If so, will Government be pleased to state why it is being disbanded ?

(b) Are Government aware that a sufficient number of members of
the educated middle classes do not join the Indian Territorial Force ?

(c) Are Government aware that the reason for this is the fact that it has
not been given the same status and position as the Indian Auxiliary Force
in matters of rank, pay and allowances, etc. ?

(d) Do Government contemplate steps to place the two forces upon the
same basis in these matters ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Government have
at present under consideration a proposal to disband the Bengal Wing of the
11/19th Hyderabad Regiment, consisting of two companies and to form at
Calcutta, in its place, an urban unit of the Indian Territorial Force also con-
sisting of two companies. The proposal is in the interest of Bengal, and in-
habitants of the province will lose none of the opportunities for military train-
ing they at present enjoy.

(b) and (c). No, I would invite the Honourable Member's attention to
the Report of the Auxiliary and Territorial Forces Committee, 1925, with
special reference to paragraph 21, upon which the present conditions in the
Indian Territorial Force are based.

(d) No, Sir.

RAISING OF A BENGALEE REGIMENT.

175. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Was a Resolution on the subject of raising a Bengalee Regiment in the Regular Army adopted by the Legislative Council, Bengal, in 1934 ?

(b) Will Government be pleased to state the reasons why the Government of India is disbanding the Bengal Regiment of the Indian Territorial Force ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) I refer the Honourable Member to the answer given on the 9th August, 1934, to his question No. 33.

(b) I refer the Honourable Member to the answer I have just given to his question No. 174.

UNIVERSITY TRAINING CORPS.

176. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD :
(a) At the first Conference of Indian Universities in 1928 was a resolution passed requesting the Government of India to make provision for the expansion of the existing facilities for University Training Corps ?

(b) If so, will Government be pleased to state how far the authorities concerned have given effect to the above-mentioned request during the last eight years ?

(c) Was the following resolution passed at the last session of the Inter-University Board held recently :

"That the Board regrets that in some universities facilities for military training had been sought to be reduced and that the Government of India be requested to afford additional facilities for military training at Indian Universities" ?

(d) Are Government spending Rs. 5 lakhs a year on the University Training Corps ?

(e) Was it the opinion of the Territorial Force Committee, presided over by General Sir John Shea, "that the University Training Corps should be regarded as the foundation of the national army and as the primary means of diffusing military knowledge and training, and that no artificial limits should be set to its expansion" ?

(f) Have the authorities set limits to the expansion of the Corps and are they reducing even existing facilities ? If so, what limits have been set and how far the existing facilities have been reduced ?

(g) What are the reasons for the attitude of the authorities referred to in (f) above ?

(h) Do Government propose to afford additional facilities for military training at Indian Universities ? If so, what ? If not, why not ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes.

(b) New units of the University Training Corps have been formed at Karachi, Nagpur and Dacca, and the unit at Delhi has been expanded.

(c) Government have not yet received any intimation of the resolution.

(d) Government are spending about Rs. 6 lakhs a year on the University Training Corps.

(e) Yes. Subject to financial considerations and provided that the University or College authorities can guarantee a fixed minimum number of members and can provide suitable officers.

(f) and (h). No. Government have no intention of reducing the University Training Corps, and are prepared to expand it when they are satisfied that full advantage is being taken of the existing facilities.

(g) Does not arise.

NUMBER OF INDIAN CIVIL SERVICE OFFICERS EMPLOYED IN THE GOVERNMENT OF INDIA SECRETARIAT.

177. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) Will Government please state, province by province, the number of Indian Civil Service officers drawn from each province and at present employed in the Imperial Secretariat of the Government of India ?

(b) How many Punjab, United Provinces and Bengal Indian Civil Service officers are at present employed in the Imperial Secretariat and how many of them are Indians and how many Europeans ?

(c) What are the criteria on which these Indian Civil Service officers are recruited to the Imperial Secretariat from the various provinces ?

(d) What is the normal period of employment for which these officers are drawn from the provinces ? Are some officers granted long extensions, while others are given short periods ?

(e) Who are the Indian Civil Service officers, province by province, of the Imperial Secretariat who have been granted extensions after their normal period of service and what are the reasons for such extensions ?

THE HONOURABLE MR. M. G. HALLETT: (a) and (b). I lay a statement on the table.

(c) I would invite the attention of the Honourable Member to my speech on the 10th February, 1934 in connection with Resolutions by the Honourable Rai Bahadur Lala Jagdish Prasad and the Honourable Mr. Jagadish Chandra Banerjee regarding the Indianisation of the Indian Civil Service.

(d) The normal period for which officers are employed as Joint Secretaries, Deputy Secretaries and Under Secretaries in the various Departments of the Government of India is three years. Except in the Legislative and Foreign and Political Departments where there is no specified tenure, the tenure of the post of Secretary in all Departments was three years until May, 1935 when it was extended to four years in respect of future incumbents. Some of the present incumbents of the post of Secretary have, however, been granted extensions for administrative reasons.

(e) I lay a statement on the table.

I

Statement showing the number of Indian Civil Service officers, province by province, at present employed in the Imperial Secretariat of the Government of India and the number of Europeans and Indians in the Indian Civil Service in the Imperial Secretariat belonging to the Punjab, United Provinces and Bengal.

Name of province.	Total No.	Europeans.	Indians.
Madras	6	..	..
Bombay	3	..	..
Bengal	9	8	1
United Provinces	6	4	2
Bihar and Orissa	3	..	..
Central Provinces	2	..	..
Punjab	7	6	1
Burma	1	..	..
Assam	1	..	..
Total	38	18	4

II

Statement showing the number of Indian Civil Service officers, province by province, of the Imperial Secretariat whose normal periods of service have been extended and the reasons for such extensions.

Name of officer.	Post held.	Province from which officer was recruited.	Reasons for the extension.
1. The Honourable Mr. A. G. Clow, C.S.I., C.I.E., I.C.S.	Joint Secretary, Department of Industries and Labour.	United Provinces.	Was given an extension as Joint Secretary for legislation arising out of the recommendations of the Royal Commission on Labour. He is not now holding that post.
2. Sir Girja Shankar Bajpai, K.B.E., C.I.E., I.C.S.	Secretary, Department of Education, Health and Lands.	United Provinces.	In the public interest.
3. Mr. A. H. Lloyd, C.S.I., C.I.E., I.C.S.	Member, Central Board of Revenue.	Burma . . .	In the public interest.
4. Mr. G. R. F. Tottenham, C.S.I., C.I.E., I.C.S.	Secretary, Defence Department.	Madras . . .	In the public interest.
5. The Honourable Mr. M. G. Hallett, C.S.I., C.I.E., I.C.S.	Secretary, Home Department.	Bihar and Orissa	In the public interest.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Do Government propose to publish the recommendations of the Wheeler Committee?

THE HONOURABLE MR. M. G. HALLETT: The matter has not yet been finally decided. Government have had no time to consider the Report yet.

REPRESENTATION OF MINORITY COMMUNITIES IN THE OFFICE OF THE DIRECTOR OF ARMY AUDIT.

178. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) Are gazetted and clerical posts in the Head Office of the Director of Army Audit and in the Command Offices mostly filled by Hindus and have the rights of the minority communities not been safeguarded?

(b) If so, do Government propose to direct the Director of Army Audit to maintain the communal proportion in these offices strictly in accordance with orders issued by them?

(For reply, see under question No. 179.)

REPRESENTATION OF MINORITY COMMUNITIES IN THE OFFICE OF THE DIRECTOR OF ARMY AUDIT.

179. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) Is a special pay attached to every clerical post in the Office of the Director of Army Audit to the benefit of Hindus?

(b) Do Government propose to direct the Director of Army Audit to employ the requisite number of Muslims in his office either by direct recruitment or by transferring clerks from the Command Offices?

THE HONOURABLE MR. A. J. RAISMAN: With your permission, Sir, I propose to reply to questions Nos. 178 and 179 together.

Information is being obtained and will be laid on the table of the House in due course.

NUMBER OF CANDIDATES WHO APPEARED FOR THE PUBLIC SERVICE COMMISSION EXAMINATION FOR THE THIRD DIVISION DURING 1931 TO 1935.

180. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) What is the number of candidates who actually sat for the Ministerial Service (Typists and Routine grade clerks) examinations held by the Public Service Commission during each of the years 1931 to 1935?

(b) Was the number of candidates for the examination in 1935 considerably less than those in the previous four years?

(For reply, see under question No. 181.)

HANDWRITING PAPER IN THE PUBLIC SERVICE COMMISSION'S EXAMINATION FOR THE THIRD DIVISION.

181. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (a) What is the number of candidates who have been declared qualified as a result of the 1935 examination for Typists and Routine grade clerks of the Government of India offices and is this number less than the expected number of vacancies during the next year?

(b) Are the number and percentage of candidates that have secured qualifying marks in the handwriting paper of the examination are less than those for the same paper in the examinations held in 1933 and 1934?

(c) What are the reasons for the large number of failures in the handwriting paper of 1935 ?

(d) Do Government propose to declare the candidates who have failed by a few marks in the handwriting paper but have passed otherwise, as qualified for holding the posts of typists unconditionally and of clerks subject to the condition of passing the handwriting test at the next examination ?

THE HONOURABLE MR. M. G. HALLETT :

Question No. 180—

(a)

Year.	No. of candidates.
1931	655
1932	1,531
1933	420
1934	398
1935	252

(b) Yes.

Question No. 181—

(a) The number of candidates available for employment is 91. The number of vacancies that will occur is not known, but 60 or 70 in a year may be regarded as a normal figure.

(b) Yes.

(c) Government are not aware of the reasons.

(d) Government can not interfere with the conduct of examinations by the Public Service Commission.

STATEMENT LAID ON THE TABLE.

LIST OF INDIAN ARMY CADETS REMOVED FROM THE INDIAN MILITARY ACADEMY, DEHRA DUN.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I lay on the table the information promised in reply to questions Nos. 111—113 asked by the Honourable Raja Raghunandan Prasad Singh on the 18th March, 1936.

List of Indian Army Cadets removed from the Indian Military Academy.

	Name.	Unit.	Removed.	Remarks.
1st term	Mohd. Zamurrad Khan.	Central India Horse.	June, 1933 .	Serving.
	Shingar Singh .	P.A.V.O. Cavalry	Dec., 1933 .	Transferred to, and serving with, Military Grass Farms.
	Makhan Singh .	Signal Training Centre.	Dec., 1934 .	Discharged at own request.
2nd term.	Gurbaksh Singh .	P.A.V.O. Cavalry	June, 1935 .	Transferred to, and serving with, I. A. O. C.

List of Indian Army Cadets removed from the Indian Military Academy—contd.

	Name.	Unit.	Removed.	Remarks.
2nd term	Jetha Singh	10/2nd Punjab Regiment, (late Pioneers).	Dec., 1934 .	Transferred to, and serving with, B.I.T. Company, Jullundur.
—contd.	Bhanwarpal Singh	5/7th Rajput Regiment.	June, 1935 .	Failed in final examination. Serving. Promoted to Jemadar.
	Mohd. Ashraf	2/9th Jat Regiment	June, 1934 .	Serving.
	Iqbal Hussain .	11/12th F. F. Regiment, I. T. F.	June, 1934 .	Serving. Lieutenant (I. T. F.).
3rd term	Abdul Aziz .	4/8th Punjab Regiment.	June, 1934 .	Discharged.
	Parduman Singh.	Central India Horse.	June, 1935 .	Serving.
	Gurbans Singh .	3/14th Punjab Regiment.	June, 1935 .	Serving. Promoted Havildar, being recommended for Jemadar.
	Shamboo Sahai Sharma.	11/7th Rajput Regiment.	Dec., 1933 .	Serving.
4th term	Parbhathi Singh .	Skinner's Horse .	Dec., 1934 .	Serving. Promoted to Dafadar.
	Sayad Sarfaraz H. Shah.	3/10th Baluch Regiment.	Dec., 1934 .	Serving.
	Trilok Singh .	1/13th Frontier Force Rifles.	Dec., 1934 .	Serving. Seconded to K. G. R. I. M. School, Jullundur, as Educational Instructor.
	Mohd. Mukarram Khan.	12 M. T. Company, R. I. A. S. C.	June, 1935 .	Serving.
5th term	Jaswant Singh .	P.A.V.O. Cavalry	June, 1935 .	Discharged at own request.
	Man Singh .	Central India Horse.	June, 1935 .	Serving.
	Nagindar Singh .	2/11th Sikh Regiment.	June, 1935 .	Serving.
	Bagambar Singh .	1st Kumaon Rifles	June, 1935 .	Serving.
6th term	Chaudhari Kartar Singh.	2/15th Punjab Regiment.	Dec., 1935 .	Serving.
	Balwant Singh .	4/2nd Punjab Regiment.	Dec., 1935 .	Serving.

RESOLUTION RE TAKING OF 50 PER CENT. INDIAN CAPITAL FROM NATURAL BORN INDIANS IN FUTURE INDUSTRIAL CONCERNS FLOATED WITH EXTERNAL CAPITAL.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, the Resolution which stands in my name runs thus :

"This Council recommends to the Governor General in Council that immediate steps be taken to bring forward legislation by which all companies which will hereafter be floated with external capital for the purpose of opening factories in India for manufacturing any kind of articles either from raw materials available in India or from semi-finished or finished parts imported into India would be compelled to take at least 50 per cent. of the total capital from natural born Indians."

[Mr. Jagadish Chandra Banerjee.]

Sir, the subject-matter of my Resolution is very simple. By this Resolution I wish to see the development of the industries of my country. The Resolution has not been brought before this House on any political ground. I wish to deal with only the economic aspect of it. Sir, I am not one of those who believe in expropriation of all external capital. There is no denying the fact that external capital, especially British capital flowed into the country in the primary stage of the development of Indian industries. There is no denying the fact that British capitalists in the beginning suffered tremendous losses in order to develop the industrial field in India. That is just the reason why I do not desire expropriation of those capital which are already invested in this country in the industrial field. My demand is not expropriation or replacement of all external capital. We all agree with the statement made in the first paragraph of the External Capital Committee Report. It stated that any definite programme of complete replacement of external capital is impracticable. Therefore, Sir, there is no difference of opinion. My Resolution does not contemplate to raise racial antagonism or racial discrimination. If Indian capitalists and European capitalists are compelled to work together it will go a great way in cementing the bond of friendship between India and Great Britain which is very desirable at the present moment. I know there is a section of opinion which holds the extreme views and which demands the expropriation of all capital. But, Sir, as I said before I do not believe in that theory. I believe in justice and equity. The external capital which is at present working in the industrial field must be protected. It is for the protection of such capital that my Resolution has been so worded as to restrict the future entry of external capital into the industrial field in this country. Sir, here I must say that by external capital I mean all capital which belong to men who are not natural born Indians. I do not make any distinction between British capital, German capital, American capital, Swedish capital or Japanese capital. I hold the view that all capital which will enter India in future from beyond the boundaries of India are external for the purposes of my Resolution. Sir, I am not a believer in Imperial preference or Asiatic preference. If I believe in any preference it is the preference of the capital which has come or will come in future into the industrial field from the natural born Indians. I believe in the preference of Indians and Indians alone. Sir, in my Resolution I have used the word natural born Indians in order to protect the indigenous capital. Our experience in the field of Indianisation of the services is very bitter. In the field of Indianisation of the services we find that men who for all practical purposes are *de facto* Europeans are being treated as Indians. Even the Europeans are styling themselves now-a-days as Anglo-Indians in order to have equal treatment like Indians. The result of such Indianisation in the field of services is, as I proved by facts and figures during the last Railway Budget discussion, is the changing of the term Europeanisation into Anglo-Indianisation than real Indianisation. In order that such ambiguity may not enter in the wording of my Resolution I have used the words natural born Indians. Sir, in the field of industry I do not desire the same ambiguity to creep in. My Resolution demands that hereafter all companies, floated either in India or outside with external capital for the purposes of opening manufacturing concerns within the boundaries of India must be compelled by legislation to allot at least 50 per cent. of the shares of such concerns to the natural born Indian investors. This demand is not a new demand. Such a demand was made by the Legislative Assembly when protection was given to the Tata Iron and Steel Company. During the course of the Debate on the Steel Industry Protection Bill, the non-official Members expressed a strong feeling on the subject of fixing quota of Indian capital in

such firms which will enjoy the bounty on steel produced in India. In order to meet the wishes of non-official Members of the Legislature the Honourable Sir Charles Innes, the then Commerce Member, in the course of the debate stated as follows :

"I am aware that there are sections in the House which would like to incorporate in the Bill specific provisions regarding the proportion of foreign capital. I am prepared to take up separately the examination of questions of that kind and in that examination I am prepared to associate with the Government a Committee of the Legislature appointed *ad hoc* for the purpose".

THE HONOURABLE THE PRESIDENT: That is all a very old story. Do you realise that your recommendation is opposed to Part V, Chapter III of the new Government of India Act?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Sir, in pursuance of that promise a Committee was appointed—

THE HONOURABLE THE PRESIDENT: Will you kindly answer my question?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE— to go into the question of external and foreign capital. The major portion of the Report deals with suggestions for bringing out Indian capital into the field of industry. In 1925 the External Capital Committee Report deplored the absence of the free flow of indigenous capital into the field of industries. In paragraph 8 of that Report they stated that though India possesses a large store of potential capital but unfortunately much of it is unproductively locked up in bullion and jewellery. The statement might have been correct in the past. It does not apply to India at present. Times have since changed. A large amount of indigenous capital is flowing into all the industrial fields. By way of illustration I must say that practically the whole of the sugar industry was financed by Indian capitalists. Indian capital has flowed in the iron and steel industry, salt industry, porcelain industry and various other industries. But the unfair competition of foreign capital and foreign firms in the field of Indian industries are ruining Indian capitalists and Indian enterprises in every field of industry and is making indigenous capital once more very shy. In order to substantiate my statement I may be excused if I quote a few examples as to how foreign companies with the help of foreign influence are trying to kill Indian industries. I first take the iron and steel industries. In the field of iron and steel industry we find that the Bengal Iron Company incorporated in England with sterling capital entered into competition with smaller concerns with Indian capital and Indian management. By way of illustration I may say that the Indian firm of Messrs. Sikder and Company, the pioneer firm in India for the manufacture of rain water pipes and other light castings, were crippled and had to go into liquidation as soon as this firm of the Bengal Iron Company backed with huge foreign capital entered into unfair competition with them. This very firm, the Bengal Iron Company are also entering into unfair competition with smaller Indian cast-iron factories run with Indian capital and under Indian management like that of Messrs. Dhang and Company, Chatterjee and Company, D. N. Singhee and Company and others. All these smaller Indian concerns are in a state of moribund condition as the Bengal Iron Company and Messrs. Tatas and Company, who are the manufacturers of pig iron, have formed into a combine. The raw materials like pig iron are sold by the

[Mr. Jagadish Chandra Banerjee.]

above combine to the smaller Indian concerns at a very higher price than that at which they export pig iron to foreign countries like Japan and other places. Sir, this is nothing but unfair competition.

THE HONOURABLE THE PRESIDENT: But I cannot understand how it will help your cause if you take 50 per cent. of Indian capital instead of 50 per cent. of English capital?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: My Resolution does not say anything about English capital.

THE HONOURABLE THE PRESIDENT: How will it help you? How will 50 per cent. Indian capital help you to stop the ruination of the industry?

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Supposing Indians do not take the shares offered?

THE HONOURABLE THE PRESIDENT: That is another matter; but how does that help you?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I am gradually coming to that in the course of my speech. They do not desire to see smaller industries grow up as subsidiary industries, though they are developing themselves under the shade of Indian protection. Pig iron is a raw material required for the manufacture of all castings. The Bengal Iron Company do not desire to see any other firm competing with them in the field of light castings. Therefore in order to have a monopoly business, they refuse to supply pig iron to the smaller industries. Now a question may be asked as to why the Indian concern of Tatas have joined hands with this foreign firm? It is due to self preservation. Even the firm of Tatas is mightily afraid, that unless they join hands with English firms in keeping up the price of pig iron in India, the latter may try to manufacture such articles as rails and corrugated sheets and may enter into competition with Tata products and may even kill the Tatas. In this very field of industry another English firm is coming to India backed by a capital of Rs. 15 crores or thereabouts. If such firms operate in India with foreign capital and foreign management then the protection given to Indian industries will be neutralised.

Sir, then I come to the field of the paint industry. There are only two or three Indian firms, viz.,—

THE HONOURABLE THE PRESIDENT: You are going off the rails altogether. These points are not covered by your Resolution. Your Resolution wants Indian capital to be taken.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: It will come later on, Sir, as I develop my points.

There are only two or three Indian firms, viz., Murarkas, Napiers, etc. run with Indian capital, Indian management and with Indian experts but as against these there are four or five paint factories in India run with external capital, foreign directorate and foreign management and with foreign experts. Paint is an article whose main consumers are the Railways, the Public Work

Department, and the Military Works Department. The paints of Indian manufacturers are to be chemically tested by the Government Test House, the factories are to be inspected by the officers of the Stores Department and paints are also to be tested to undergo a practical test of exposure as to their lasting properties by the paint foremen of different railway workshops of the different Railways before the Indian industrialists are even permitted to submit their tenders, whereas in the case of the European manufacturers all these conditions are not insisted upon or are mere formal matters. By way of example I mention here that the Eastern Bengal Railway purchased in 1931-32 and 1933 black paints from the European firm of Jenson and Nicholson without even calling for a tender as will appear from the reply to starred question No. 1068 (d) (i) of the 24th November, 1933. Sir, this is not all. The paints purchased were never even tested by the Government Test House as has been admitted in this very House in reply to question No. 50 (c) of the 6th March, 1934. In 1932-33 the East Indian Railway purchased 5,000 cwt. of black stiff paint from the European firm of Jenson and Nicholson at a higher price than the price of the tested material of an Indian firm. In 1936-37 an Indian firm offered at a lower rate a signal red paint tested not only by the Government Test House but also tested by the North Western Railway. Still the other State Railways, like the Eastern Bengal Railway, Bengal Nagpur Railway, Great Indian Peninsula, and others, will insist on the purchase of a material from an European firm, named Messrs. Bergers and Company. Sir, if I had sufficient time at my disposal I would have quoted any number of instances in this particular field of industry to show how Indian industries are being ruined. This is how indigenous capital is being made more shy. I next come to another industry, viz., the bulb manufacturing industry. Sir, though there is no protective duty on imported bulbs, yet the revenue duty and the surcharge on this article have worked as a protective wall to this industry. Now, Sir, taking advantage of the position a few Indian firms manufactured bulbs by the name of Bengal lamps, Bharat lamps and Indian lamps. But immediately the two big European firms of Messrs. Osram and Philips started their firms in India with foreign capital and with foreign management with the result that they entered into competition with those bulbs manufactured by Indian enterprises. The result is obvious and our Indian industries have been practically brought to the verge of ruination. I now come to the shipping industry. Foreign shipping companies with foreign capital and foreign management enters into competition with Indian shipping companies both in the coastal shipping and inland navigation with the result that many Indian companies with Indian capital and management had to close down. Even the Scindia Navigation Company and other Indian concerns are having a precarious existence in the field of shipping business. In coming to the field of the coal mining industry I find that firms with foreign capital have entered into competition with collieries run by Indians with Indian capital and are practically killing the small collieries and gradually these smaller collieries are passing into the hands of these foreign capitalists.

In coming to the field of the match industry we find that the Swedish Match Combine with huge foreign capital have started manufacturing matches in India and are competing unfairly with indigenous Indian concerns producing matches. In the field of the chemical industry some chemical companies like the Imperial Chemical Company with foreign capital and management are going to start their operations in India and for entering into unfair competition with the Indian Chemical Industries. In the field of the motor car industry the General Motors, Limited, backed with huge foreign capital is working in India and is draining out a huge sum by way of profit and management charges, and are making it impossible for any Indian concerns to come

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into existence in the near future. In the field of the soap industry firms with foreign capital like that of Lever Brothers have opened factories in India and are entering into unfair competition with soap factories run with Indian capital and Indian management.

Sir, I have shown so far how the firms with foreign capital are at present entering into unfair competition with Indian companies and are killing our industries. It is not all. I shall not be surprised if in time to come we find the Manchester magnates and the Birmingham magnates come over to India to open factories here and drain out India's resources by way of dividends and management charges. Now, Sir, India has adopted the policy of discriminating protection for the growth and development of her own industries. By Indian industries I do not mean industries started with foreign capital and management but having factories in India for the purpose of changing her raw materials into the finished product. By Indian industries I mean such industries run with Indian capital and Indian management with Indian experts. Sir, this discriminative protection has brought in the expected result which the members of the External Capital Committee and the members of the Indian Industrial Commission apprehended. Even the Minority Report of the Fiscal Commission anticipated this very thing and stated as follows :

"There is one aspect of the question to which attention must be drawn. If our colleagues' recommendation is accepted it will be open to every foreigner to establish manufacturing industries in India by means of companies incorporated in their own countries and in their own currency. This danger did not exist under a policy of free trade, but it is bound to materialise when the benefit of protective duties becomes available. We may have under such circumstances companies incorporated elsewhere, say in America in dollars, in France in francs, in Italy in liras, in Germany in marks, in Japan in yens, and in China in dollars, etc. It will be also possible for these companies to obtain their whole capital in their own countries and thus carry away the entire profit of manufacturing industries established behind the tariff wall. The consumer will have paid a higher price, due to protective duties, and the entire manufacturing profit will have gone out of the country".

Sir, at present as I have shown before this is exactly what is happening and is bound to give stimulus to all foreign companies to have their field of operation transferred from Manchester, Birmingham, Tokyo or Hamburg to Indian towns and provinces. I therefore demand in my Resolution exactly what our most revered Indian leader, Pandit Madan Mohan Malaviya, wanted a decade ago. This is what he said in his minute of dissent appended to the External Capital Committee Report :

"It is not only necessary that a reasonable proportion of the directors of every new company which may be formed hereafter in India should be Indians, but also that at least half of the share capital should be reserved to Indian subscribers for a definite period of time. If after that period Indians have not subscribed their share, the company should be free to acquire the remaining capital where it could".

THE HONOURABLE THE PRESIDENT: Yes, but the Report does not support that.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Even in 1916 Sir William Clark, the then Commerce Member, apprehended this result. In speaking on the Resolution for the appointment of the Industrial Commission he stated as follows :

"The building up of industries where the capital, control and management should be in the hands of Indians is the special object we all have in view".

He deprecated the taking of any steps which might :

"... merely mean that the manufacturer who now competes with you from a distance would transfer his activities to India and compete with you within your own boundaries".

His apprehensions have materialised at present. Even great Europeans like Sir Frederick Nicholson desired to see Indian capital protected and Indian industries developed with indigenous capital. Sir, during the course of the labours of the Industrial Commission Sir Frederick stated as follows :

"I beg to record my strong opinion that in the matter of Indian industries we are bound to consider Indian interests firstly, secondly and thirdly, I mean by 'firstly' that the local raw products should be utilised; by 'secondly' that industries should be introduced; and by 'thirdly' that the profits of such industry should remain in the country".

The subject-matter of the Resolution has attracted the attention of the public as well. Only on the 5th April last Seth Kasturbhai Lalbhai one of the industrial magnates in India and a very important member of the Federation of the Indian Chambers of Commerce spoke on this subject very strongly. In the course of his speech at the annual meeting of the All-India Organisation of Industrial Employers he stated as follows :

"I want particularly to invite the attention of the Government to the springing up of a number of foreign concerns backed by foreign capital behind the tariff structure of this country".

Further on in the course of his speech he stated as follows :

"The effect of such a move on the part of foreign industries is already being felt by some of the smaller industries. I have, therefore, to suggest, for the consideration of the Government of India that they should institute an investigation into the working of these non-national concerns and the extent of competition which they are offering within the country to indigenous manufacturers".

I think, Sir, I have proved that the necessity has arisen now to stop foreign capital from deriving the unrestricted advantage of draining out India's resources in the shape of the middleman's profits for changing the raw materials of India into the finished product within her own boundaries. Once it is agreed that a necessity has arisen to check the incoming of foreign capital legislation is necessary to carry out the desired end.

Sir, one word more and I have done. I do not for a moment say that Indian capital is not working in any foreign companies that are now working in India. There may be hundreds of such cases. But my Resolution does not affect such companies at all. My Resolution affects only such companies which will in future be floated with foreign capital. All such future companies must be compelled by legislation to allow Indian investors to invest 50 per cent. of capital in such companies. I am not unmindful of the apprehensions of the members of the External Capital Committee as to the many *benami* transactions that might be effected in the matter of the purchase of shares by foreign capitalists through Indian names. But, Sir, when legislation will be undertaken we will have to safeguard against such contingencies by penal clauses. Penalties of forfeiture of shares purchased under *benami* transactions if provided in the future legislation will have sufficient deterrent effect to prevent such *benami* transactions by Europeans. I therefore hope the House will accept this very modest Resolution for the advancement of the cause of industries in India.

Sir, I move.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I was very happy to hear the assurance of the Honourable Mr. Jagadish Chandra Banerjee that this Resolution has arisen not from any racial antipathy but from a sincere desire to do the best for Indian industry. That is an assurance, Sir, that I am ready to accept and it is the more regretful therefore that I have to oppose his Resolution. Mr. Banerjee has referred at considerable length to the External Capital Committee—a Committee of both Houses

[Mr. T. A. Stewart.]

of the Indian Legislature which was constituted some 11 years ago to consider the question of the inflow of capital into India. I do not propose, Sir, to quote in length the findings and recommendations of the External Capital Committee. In brief, they were that external capital had been of enormous value to India in the past and was likely to be in the future, that it would be unwise policy to place any restriction on its inflow and that in any case, except in a specified instance, such restrictions were not practical. Mr. Banerjee would have us reject those findings of that authoritative Committee on the ground that times have changed since 1925 when the Committee reported. I listened with some interest to find out the respects in which there had been change. Two instances struck me very forcibly. One was that recently there has been an enormous development of Indian industry with the help of Indian capital. The Honourable Mr. Banerjee instanced, for example, the sugar industry. Now, if that is a change that signifies anything, it indicates that the need for legislation today is less than it was 11 years ago. Also, if I heard my Honourable friend aright, another change was that certain small industries interested in the production of iron and steel were suffering from the competition of the Tata Iron and Steel Industry. Now, that is a change that may have come about, but I cannot see that legislation of the nature which the Honourable Member proposes would in any way prevent this happening.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Why not, may I know?

THE HONOURABLE MR. T. A. STEWART: Tatas, I understand, is to a very great extent Indian capital—is it not?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Yes.

THE HONOURABLE MR. T. A. STEWART: Well, Sir, I do not want to labour the more theoretical objections that might be based on the Report of the External Capital Committee. Let me suggest one or two practical objections to the Honourable Mr. Banerjee's proposal. It of course would not cover the operations of a private company. That, I think, must be admitted. But leaving out of account that objection—

THE HONOURABLE THE PRESIDENT: As the Resolution is worded, it would also cover the case of a private company.

THE HONOURABLE MR. T. A. STEWART: Theoretically it would, Sir, but it would be impossible in the case of a private company—

THE HONOURABLE THE PRESIDENT: Of course I agree with you.

THE HONOURABLE MR. T. A. STEWART—to determine what is the allocation of shares as between the various members. But, leaving out of account the fact that it would be a direct encouragement to the private company to the detriment of joint stock enterprise, let us consider what would happen. You start your company with a 50 : 50 distribution of the capital. The next day that proportion may be disturbed. How do you propose to avoid it? By a system of day-to-day inquisitorial examination of the books of the company? Well, there is another way of getting over it. We can have two kinds of

shares; 50 per cent. of the shares may be transferred to anybody and 50 per cent. may only be interchangeable between Indians. Does the Honourable Mr. Banerjee recognise the implication of that? There would be a double set of quotations for the shares of the company on the Stock Exchange and the purely Indian share would be at a considerable discount as compared to the others. These are practical difficulties.

But there is one other difficulty, Sir, and that lies in section 113 of the Government of India Act of 1935.

THE HONOURABLE THE PRESIDENT: That is what I pointed out to the Honourable Member at the start.

THE HONOURABLE MR. T. A. STEWART: This section, if I may read it, Sir, runs:

"Subject to the following provisions of this chapter, a company incorporated, whether before or after the passing of this Act, by or under the laws of the United Kingdom, and the members of the governing body of any such company and the holders of its shares, stock, debentures, debenture stock or bonds and its officers, agents, and servants, shall be deemed to comply with so much of any Federal or Provincial law as imposes in regard to companies carrying on or proposing to carry on business in British India requirements or conditions relating to or connected with—

- (a) the place of incorporation of a company or the situation of its registered office, or the currency in which its capital or loan capital is expressed; or
- (b) the place of birth, race, descent, language, religion, domicile, residence or duration of residence of members of the governing body of a company, or of the holders of its shares, stock, debentures, debenture stock or bonds, or of its officers, agents or servants....."

In view of the terms of that section, Sir, it would be entirely infructuous to attempt any such legislation as the Honourable Member has referred to.

THE HONOURABLE THE PRESIDENT: I think that any such legislation, even if passed, would not over-ride a British Act of Parliament.

THE HONOURABLE MR. T. A. STEWART: That is my suggestion, Sir, that if we pass such legislation, it would become immediately inoperative as soon as the Constitution Act came into operation. For these reasons, Sir, I feel that I must oppose this Resolution.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Sir, I am very sorry that this very modest Resolution of mine has not been accepted by the Government, nor are Government agreeable even to appoint a committee consisting of officials, experts and non-officials, to make further investigation into this subject. So far as I am concerned, I have nothing more to add to what I have already said in the course of my speech in moving my Resolution. I know that if I press this Resolution to a division, it will be negated by the Government officials of the Treasury benches with the help of the non-official nominated Members. But, still, in order to keep on record the views of the non-official elected Members of this House—

THE HONOURABLE THE PRESIDENT: Nobody else has expressed any opinion on your Resolution.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Still, Sir, I should like to press the Resolution to a division.

THE HONOURABLE THE PRESIDENT : Your own opinion you have expressed. Do not refer to the opinions of other elected Members.

Resolution moved :

" This Council recommends to the Governor General in Council that immediate steps be taken to bring forward legislation by which all companies which will hereafter be floated with external capital for the purpose of opening factories in India for manufacturing any kind of articles either from raw materials available in India or from semi-finished or finished parts imported into India would be compelled to take at least 50 per cent. of the total capital from natural born Indians ".

The Question is :

" That that Resolution be adopted ".

The Motion was negatived.

RESOLUTION RE SPECIAL FACILITIES TO THE SUGAR INDUSTRY.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASHAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I beg to move :

" That this Council recommends to the Governor General in Council to direct the railway authorities to grant special facilities to sugar factories by giving concession rates of freight and providing an adequate supply of wagons for the transport of cane, molasses and sugar ".

As Honourable Members know, India largely depended for its consumption of sugar on Java and other foreign countries before 1931. After April, 1932, India got protection, on account of which a large number of factories sprung up. Indians invested a capital of about Rs. 25 crores in the industry. The number of factories also rose enormously. In 1931-32, before protection was given to the industry, the number of factories was 32 ; in 1932-33, that is, after protection was given, the number increased to 57 ; in 1933-34, it rose to 112, in 1934-35 to 138 and in 1935-36, as far as my information goes, there were about 152 factories. Sir, as the number of factories rose, the import of sugar also decreased. Before protection was given, sugar worth as much as Rs. 6,06,36,542 was imported into India in 1931-32. In 1932-33 it came down to Rs. 4,17,84,671. In 1933-34 it came down further to Rs. 2,63,71,431. In 1934-35 the value of imported sugar was only Rs. 2,04,75,462, and in 1935-36 it is expected that it will be somewhere about Rs. 1,88,27,440. These figures have been tabulated by the Indian Sugar Mills Association, Calcutta, and I presume that they are correct. So within a short period this industry now occupies the position of the second largest industry in India and thus plays a very important part in the national economy. It directly supports about a lakh of manual labourers and about 2,000 graduates, in addition to a large number of undergraduates working as clerks, cane supervisors and so forth. (An Honourable Member : " What is the number of under graduates ? ") I have got no figures. Graduates being important employees of the factories the figure has been given by the Indian Sugar Mills Association. So that this industry helps substantially in solving the problem of the day, I mean the unemployment question.

THE HONOURABLE MR. P. N. SAPRU : Does it solve it ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASHAD MEHROTRA : I say it helps substantially ; I do not say it has solved it. And as regards agriculturists, I must submit that it has helped them vastly

both tenants and zamindars. My province produces more than 51 per cent. of the total sugarcane grown in the whole of India, and I do not know what would have been the condition of the agriculturist had the industry not been developed. It is the principal crop in the United Provinces and in Bihar and the tenants are in a position now to pay the rent for the whole year out of the production of sugarcane. So in the United Provinces and Bihar it has played a very important part. Now what is the result ? The result is that after three years an excise duty has been levied and this nascent industry has been hit hard before it was in a position to consolidate itself and to build up a reserve to meet competition.

THE HONOURABLE THE PRESIDENT : What is the average rate of dividend paid by these companies ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASHAD MEHROTRA : Sir, the industry paid very good rates of dividend before the excise duty was levied, and as you have put this question directly I may give you the dividends that it has paid. For some of the factories in the United Provinces and Bihar I have got the figures in my hand. In the United Provinces, three factories have paid 6 per cent. ; one has paid 8 per cent. ; two to three have not paid any dividends. I am not giving the names of those factories. They are here in this pamphlet which I hope has been distributed to all the Members by the Sugar Mills Association. In Bihar, one factory paid 6 per cent. ; two suffered a loss, one to the extent of Rs. 54,585 and another Rs. 69,077. In the Punjab one factory has suffered a loss of Rs. 2,57,999. In Burma a factory has suffered a loss of Rs. 65,676. In Madras, one factory has paid a dividend of 10 per cent., while two factories have not paid any dividend as they made a very small profit and a fourth factory has suffered a loss of Rs. 7,244. These are the figures that I have got at present with me.

So, Sir, as this industry developed the question of the reduction of railway freight also came up. Before the establishment of so many factories the railways used to give concessions from Calcutta to the principal inland markets for the transport of sugar, but with the increase of these factories that position has been reversed. Now the mills are in a position not only to supply inland markets but also to transport it to the port towns to meet the competition of foreign sugar. Representation after representation was made to the railway authorities to give concessions for the transport of sugar from these factories to port towns and I am glad that after about a year and a half the railway authorities gave certain concessions and brought down the freight from about Rs. 1-5-0 to Rs. 1-1-0. But I fail to understand why this concession has not been given to all the factories. So far as the East Indian Railway is concerned, I understand that it has generally given this concession, but the North Western Railway has given a certain concession with the greatest difficulty and some of the factories have not been given it at all. The Bengal and North-Western Railway has given a concession to the majority of the factories, but still there are many factories in the north of Bihar and in the central parts of the United Provinces which have not received the concession and hence they are not on the list of concessions which I have got. I do not want to waste the time of the House by reading the names of all the factories that have been given this concession rate. The matter was brought to my notice when this list was

12 NOON. circulated and I made a representation to the Bengal and North-Western railway authorities. My own factory, the United Provinces Co-operative Sugar Factory is the only semi-Government factory working on co-operative lines in the United Provinces out of about 75 factories. This factory was unluckily one which has not received any

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concession so far as the transport of sugar or gunny bags or molasses is concerned. We wrote several letters to the Agent, but I do not know what is the practice of these railway authorities. They do not want to reply to letters; they do not want to acknowledge even telegrams. All the letters remained unreplyed. It was on the 9th of March this year that a letter was addressed to the Agent from this factory, which runs thus:

"We very much regret to point out that whenever a circular of special rates is issued from your office the name of our factory is omitted. Ours is a semi-Government institution and deserves special consideration at your hands, nothing to say of placing it on an equal footing with other firms. Other factories which get special reduced rates can sell sugar at an advantage—"

THE HONOURABLE THE PRESIDENT: On the same Railway? Are factories on the same railway not treated alike?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Yes, Sir. That is the peculiar thing.

"Other factories which get a special reduced rate can sell sugar at an advantage. We wrote a letter No. 3720, dated the 19th February, but sorry we have not heard any reply. We also sent a telegram; that also met with the same fate. Kindly look into the matter and remove our grievance as early as possible."

The letter has not yet been acknowledged. Then, Sir, so far as the question of gunny bags is concerned, the place where this factory is located is a great business centre and exports grain of about Rs. 20 lakhs, besides sugar, tobacco and other commodities. There is a railway station just close to Biswan, namely, Burhwal, and fortunately it happens to be on the East Indian Railway. Although it is a distance of about 30 miles, that railway station without any special import has got concession in transport of gunny bags, but this place where business for over Rs. 20 lakhs is transacted has got no concession rates. The letter on the point was addressed to the Agent on the 16th September, 1935—so long ago—but no reply has been received. The letter runs as follows:

"As there is no special rate for gunny bags traffic from Cawnpore, Katihar, or via Katihar in the Bengal and North-Western Railway Goods Pamphlet, it causes a great deal of loss to the traffic as well as to the public. We may mention here that the public and mill traffic as well as transport of goods is heavier at the Biswan station than at Burhwal, which can easily be found out from the Biswan station records. We assure you that the gunny bags traffic has been increasing here day by day, and considerable demand for our mill use is expected in future.

"We would, therefore, please draw your early attention to consider the matter as to grant a suitable concession in rates of new gunny bags from the stations noted above to the Biswan station."

Sir, I have not got figures of individual factories and hence I cannot place them before the House. As I am particularly interested in this factory, I know all the facts and figures. But reading the Report of the Indian Mills Association for the year 1934-35 I find that complaints of this sort have been made from many factories and the Association has represented to the Railway authorities and the Government of India. They write at page 27:

"Complaints of inadequate supply of wagons were received every now and then from member factories during the season."

Now, I come to the supply of wagons. The supply of wagons on the Bengal and North-Western Railway is also very inadequate. When these factories help very much in increasing the revenues of the railways, I do not see any reason why they should not make adequate arrangements for the

supply of wagons. As there are a large number of factories in the United Provinces on the Bengal and North-Western Railway, I think it is in the fitness of things that the authorities should take special care in supplying wagons. After all, railways are business concerns and no business man will like to grudge spending money on a matter from which he expects to get greater income.

THE HONOURABLE THE PRESIDENT: But the demand is always fluctuating; it is a seasonal demand only.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: It is increasing. It is fluctuating in the sense that it is increasing day by day; it is not diminishing at all as many factories are increasing their capacities. Besides, they do one peculiar thing. They supply closed wagons for transport of cane. The East Indian Railway and as far as I know the North Western Railway supply open trucks. The factories are especially benefitted when they receive open trucks, because there is very great facility in loading and unloading sugarcane when we get open trucks and it is with the greatest difficulty that a closed wagon is loaded and unloaded with sugarcane.

THE HONOURABLE THE PRESIDENT: What about theft in transit in open wagons?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Cane is being carried from a very short distance, say two or three stations and it is always the practice that the railway receipts are brought by somebody with the railway wagons and therefore there is not much likelihood of theft. There is certainly some theft, but it is all the same whether the wagons are closed or open, as closed wagons are not locked.

Then, Sir, I come to the supply of molasses tank wagons. It was only this session that I put some questions about the supply of molasses tank wagons and the Government was pleased to reply that they had supplied as many as 150 wagons to the Bengal and North-Western Railway. I sent one or two letters, but did not receive a reply. It was only when I made a reference to the questions in the Council of State and the reply given by the Government that I received a reply in plain words from the Bengal and North-Western Railway authorities and in their reply they said just the reverse of what we got in answers on the floor of this House. They said that they have purchased 150 wagons (no doubt from Java—second-hand wagons) with framework only without tanks on them and the Molasses Export Company that has been established at Calcutta has supplied tanks on these wagons. So the wagons are entirely at the disposal of the Molasses Company and therefore they asked us to correspond with that Company. What is the result? The result is that Company is going to have a monopoly of those wagons and unless we agree to give them molasses on the terms offered by the Company we are helpless in selling our molasses at a higher rate to other individuals. There are two factories on the East Indian Railway which are about 30 miles from the United Provinces Co-operative Factory. They sold their molasses at a rate of five annas a maund and four annas a maund. But as they have got molasses tank wagons on the Bengal and North-Western Railway, the Molasses Export Company of Calcutta are not prepared to offer more than one anna per maund to the factories on the Bengal and North-Western Railway. I fail to understand why the Government is helping to give a monopoly to this Company. The railways should be supplied with special wagons and anybody who wants to transport molasses should have those wagons at his beck and call, as other

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wagons are supplied to the factories. If this is done we are sure the factories will be able to sell their molasses at a higher price, as is being done on the East Indian Railway.

With these words, Sir, I move my Resolution

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, this Resolution, as far as I can make out, asks for two things—first, for reduced rates of freight for the three commodities concerned—the raw material (sugarcane), the manufactured article (sugar), and the bye-product (molasses); and further that there should be an adequate supply of wagons. In other words, that sugar traffic should take preference over all other traffic. Now, I was very glad to hear the Honourable Mover state that railways were business concerns, because if railways are business concerns the only possible justification for a reduction in rates can be if that reduction in rates is going to so increase traffic that the loss caused by the reduction will be more than neutralised. It cannot be a business proposition for the railways to pay or to neutralise the excise duty which was, I think, another proposition of the Honourable the Mover. Now, Sir, the two railways most concerned, as far as rates are concerned, are the East Indian and the Bengal and North-Western and I think it might interest the Council if I detail some of the concession rates which have already been granted to sugar producers. On the East Indian, special lump-sum wagon mile rates are quoted for sugarcane on the basis (with slight variations) of four annas per wagon per mile, subject to a minimum of Rs. 10 per four-wheeler wagon. These rates, except on very short leads, approximate to the minimum permissible, namely, one-tenth pies per maund per mile. On the Bengal and North-Western Railway, special rates are quoted per wagon per mile. These are from one-third to one-fifth of the ordinary classified rates. For example the rate from Bettiah to Majhowlia per covered wagon is only Rs. 6 as against the ordinary classified rate of Rs. 17. The rate from Salempur to Sardarnagar is Rs. 6 as against the ordinary rate of Rs. 29.

The Honourable Member stated that certain factories are not enjoying the benefits of these reduced rates. If he can produce cases to prove this and put these up before the Rates Advisory Committee and prove undue preference, he will probably win his case.

Then as regards the rates for sugar, special rates have also been quoted both for the Bengal and North-Western and for the East Indian Railways, and I shall give you a few examples of these. From Dehri-on-Sone to Howrah, the ordinary rate is Re. 0-9-9 and the special rate Re. 0-8-8; to Madras the ordinary rate is Rs. 2-15-9 and the special rate Re. 0-14-5; to Bombay the ordinary rate is Rs. 1-11-0 and the special rate is Re. 1; to Karachi the ordinary rate is Rs. 2-8-3 and the special rate Rs. 1-1-3. I can quote many other rates on the East Indian which show a similar reduction but these will I think suffice.

Now take the Bengal and North-Western. From Basti to Howrah the ordinary rate is Rs. 1-4-6 and the special rate Re. 0-12-6; to Madras the ordinary rate is Rs. 3-6-7 and the special rate Rs. 1-1-0; to Bombay the ordinary rate is Rs. 1-15-4 and the special rate Re. 1-0-3; to Karachi the ordinary rate is Rs. 2-0-2 and the special rate Re. 1-0-6.

Now finally, molasses. Molasses are classified first class at owner's risk or 0-38 pies per maund per mile, but special reduced rates are quoted both

over the East Indian and Bengal and North-Western Railways to assist factories in the disposal of this commodity. On the East Indian, a reduced schedule scale is quoted for traffic in minimum wagon loads of 270 maunds. The reduction from ordinary class rates varies from 8 pies at 100 miles to Rs. 1-1-10 at 900 miles. Besides these, special reduced rates based on very near the minimum are quoted to assist the export traffic from Mokameh Ghat to distilleries and to Kidderpore Docks. Special rates are also quoted over the Bengal and North-Western Railway. Some of these may be of interest. From Basti to *via* Katihar, a distance of 354 miles, the ordinary rate is Re. 0-12-11 and the special rate Re. 0-3-11. From Majhowlia to *via* Katihar, a distance of 233 miles, the ordinary rate is Re. 0-8-8 and the special rate is Re. 0-2-9. From Basti *via* Mokameh Ghat, a distance of 248 miles, the ordinary rate is Re. 0-10-3 and the special rate Re. 0-3-6. From Majhowlia *via* Mokameh Ghat, a distance of 141 miles, the ordinary rate is Re. 0-6-6 and the special rate Re. 0-2-3.

Surely nobody can complain that the railways have not gone a very long way to help the sugar industry. Now, the Honourable Member in his speech detailed the unprecedented progress of the sugar industry, if railway rates had crippled the industry, surely that progress would not have been made? Actually at the present moment I may say that we have received a recommendation from the Indian Railway Conference Association to raise the classification of sugar from class 2, which is 0-42 pie per maund per mile, to a new class 2A, which is 0-46 pie per maund per mile. This is a very small increase and as far as one can see it will not affect the existing rates for long distance traffic to the ports.

Now, we come to the second part of the Resolution—special facilities for the supply of wagons. I have made a reference both to the East Indian and the Bengal and North-Western Railways, and I am assured by both Railways that in co-operation with the sugar factories their main difficulties have been got over. There have been difficulties in the past for the transport of cane. It has been normal for factories to utilise all the cane near at hand which could be transported by cart at the beginning of the season. Then, later on, that is by February, when the supply of carted cane diminished, they have had to go further afield and railway transport has been called into operation. That means that for a short season all the cane has been concentrated on the Railways and that has caused a certain amount of inconvenience. But now the factories, I understand, are arranging to spread their requirements throughout the season and I believe that difficulty will be removed. So far as I am aware, there has been no difficulty as regards the transport of the manufactured article except occasionally when ghat stations have been jammed by through excess traffic. When you have got to remove ghat stations owing to changes in the river, no godown accommodation can be provided, and railway wagons are used as godowns and occasionally wagons are held up and restrictions are put on stations, but that only happens occasionally.

Now we come to molasses. The Honourable Member complained about the shortage of wagons on the Bengal and North-Western Railway. He is quite correct when he says that these 150 wagons are primarily for the traffic of the British Molasses Export Company. They were enterprising and they put forward a suggestion to the Bengal and North-Western Railway to import under-frames from Java, and they supplied the tanks. But I can assure the Honourable Member that if the traffic in molasses increases and there is justification for providing more wagons, these will be provided. A molasses wagon is not a cheap article. It is a wagon which is only used for a very few

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months in the year, and you have got to think twice before you sink a large amount of capital in the construction of wagons of that description. You have got to be assured of the traffic, but if the traffic develops I do not think the Railways will be slow to provide the wagons. Actually, on the East Indian Railway, up till last year I think they had about 96 tank wagons and 50 new ones have been provided this year. That should go a large way to meet the needs of the sugar industry.

I hope that having explained the position to the Honourable Member, he will see his way to withdraw this Resolution; otherwise, I am afraid I have no option but to oppose it.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I am certainly prepared to withdraw this Resolution if my Honourable friend is prepared to draw the attention of the Bengal and North-Western Railway authorities to remove this differentiation of factories being given the concession and factories not being given the concession. Their whole supply of molasses tank wagons have been given to the British Molasses Export Company and there is absolutely no chance for any private company—

THE HONOURABLE THE PRESIDENT: The Honourable Sir Guthrie Russell has controverted the charge of undue preference. He said, "If you give me instances and proof, I will look into the matter". He has controverted your allegations.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: In this very House I am prepared to show him the letter I have received from the Bengal and North-Western Railway authorities in which they have definitely told us that these wagons have been placed at the disposal of the British Molasses Export Company and I am to settle with the Company. Otherwise, there is absolutely no chance of getting molasses wagons. We have got that letter in our possession, and I cannot see how my friend is prepared to contradict that letter. So, if my Honourable friend is prepared to remove our grievances and to draw the attention of the Bengal and North-Western Railway authorities to them I see no objection in withdrawing the Resolution, but not unless I get that assurance.

THE HONOURABLE SIR GUTHRIE RUSSELL: Sir, I am prepared to forward the Honourable Member's speech to the Agent of the Bengal and North-Western Railway and ask him to consider the points raised therein.

THE HONOURABLE THE PRESIDENT: Does that satisfy you?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Yes, Sir. I am now prepared to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION RE ESTABLISHMENT OF A CIVIL MEDICAL SERVICE INDEPENDENTLY OF THE INDIAN MEDICAL SERVICE.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I beg to move the following Resolution:

"This Council recommends to the Governor General in Council that a separate civil medical service should be established independently of the Indian Medical Service which is primarily a military service".

Sir, it is well known that the Indian Medical Service is primarily a military service. But it lends officers for employment in the civil section. According to the present arrangement the interests of the military are the first charge on the attention of the Indian Medical Service, and Indian Medical Service officers are drafted to the civil administration in order to suit the convenience of the Army Department. This system obviously dates back to the time of the East India Company when they had to import their doctors along with their armies and after their getting hold of the territory they had to expand a system of medical administration for their service also. But, Sir, this principle has outlived its usefulness and is now out of date. The intelligent opinion of the country has clearly expressed that there are no sane grounds for maintaining this old order of things and continuing the Indian Medical Service as a military service as well as that used for civil administration. The principle of Indian Medical Service recruitment is inherently unsound and vicious for more reasons than one. In the first place, by reason of the interests of the military being the first charge on the attention of the Indian Medical Service the interests of the civil population, who number 33 crores, in matters of medical relief, sanitation, medical education and research do not receive the attention they require. The second drawback is this. Although medical and public health are provincial and transferred subjects, yet Local Governments have to accept any officer belonging to the Indian Medical Service whom the Government of India send, part with their officers of tried ability and accept officers unknown to them. There is the further disability of having to act under the orders of the Secretary of State to appoint the stated number of Indian Medical Service officers as civil surgeons. The Local Governments cannot exercise over these Indian Medical Service officers that amount of control which they themselves, the Provincial Legislatures and the public desire. The Local Governments have no power to post them to any districts at their discretion. Particular Indian officers may be best suited but under orders of the superior authority certain districts are reserved for these Indian Medical Service officers. This system is highly objectionable and has rightly evoked public criticism for a very long time.

As long ago as the year 1893 a resolution was passed by the Indian National Congress advocating the establishment of a civil medical service which should be separate from and independent of the military medical organisation. This suggestion has had the unambiguous support of the medical profession and other sections of Indian public opinion. In the old Imperial Legislative Council Mr. (now the Right Honourable) Srinivasa Sastri moved a Resolution on the subject and in his speech said that the coming in of the Indian Medical Service in the civil employ shut out Indian talent, hindered the progress of the independent medical profession and made the civil population depend for their medical needs upon a service which was called upon to serve in the military both at the beginning and end of their career, and in war time would not be available at all. How much importance the Government attach to Indian opinion and wishes is evident to some extent from the fact that in October last Major Ranjit Singh of my province (who served as an Indian Medical Service officer during the Great War) in his address as President of the second United Provinces Medical Conference had still to complain that the request had not been complied with. He said that the civil medical service should be entirely independent of the military medical service and that

"..... it is a question of vested interests and there is nothing but pure *zid* on the part of the administration to continue the Indian Medical Service in its present shape".

Sir, two arguments are put forward by the advocates of the present system. One is, that it is necessary for the Indian Army to have a reserve of medical

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officers who can usefully be employed in the civil department; and the other is, that British officers employed in the public services and their families are entitled to British medical attention. Now, with regard to the first argument I would say that this argument could have had some weight in former times when there was no independent medical profession which could supply medical officers to the army in times of emergency. But now there is no dearth of qualified men in the medical profession. Between 30 and 40 qualified medical graduates are turned out every year from my province alone. Then, the plea of the State can be met during the time of war by making military service obligatory for all the civil medical officers who may be by turns trained in the military hospitals, and thus be available to the military side during the time of an emergency. The last war has proved it beyond all doubt that with all their claims the Government were unable to cope with the need of the military and had not only to fall back upon the civil medical service, but had also to throw open the doors of the Indian Medical Service by giving temporary commissions to our medical graduates. I believe that over one thousand civil practitioners joined the Indian Medical Service during the war as temporary commissioned officers, and these officers acquitted themselves very creditably. Many of them, as Major Ranjit Singh pointed out in his address, were decorated with the Military Cross and D. S. O., and were mentioned in dispatches. Apart from this, in Britain the Royal Army Medical Corps has no such reserve of officers who could usefully be employed in the civil department. There is no reason why this combination of civil and military duties under which system the medical needs of the civil population who number so many millions are subordinated to the supposed needs of the military, should be persisted in in the case of India. Coming to the second argument, *viz.*, that British officers employed in the public services and their families are entitled to British medical attention, I have only to point out the fact that according to Major Ranjit Singh there are several hundreds of Indian medical practitioners who have a large and lucrative practice in London and in other towns of the United Kingdom today, and a few of them have even entered the rank of specialists in Harley Street, whereas there are some among Indian medical men who have been preferred by high European officers such as Chief Justices, Commissioners of divisions and Governors of provinces who have freely availed themselves of the consultation and treatment by pure Indian medical officers on many occasions in preference to medical officers of their own nationality.

These facts are enough to show that the arguments advanced by the adherents of the present system do not hold much water.

Sir, in the United Provinces 15 districts are reserved for European Indian Medical Service officers. And almost every year the United Provinces Legislative Council records its protest against the present unjust arrangement. What the Council are really protesting against is not merely the reservation of certain districts for European Indian Medical Service officers, but the entire method of recruitment of the medical service. Debates on this subject are in fact a hardy annual. Only last month the Council passed a Motion to protest against the reservation of certain offices at certain places for European Indian Medical Service officers and the Government promised to forward the Council debate to the Government of India. The fact that a Provincial Legislature should year after year protest against the existing state of affairs shows the depth of feeling on the subject in Indian circles.

Is it too much to hope that the Government of India would gauge the strength of public opinion on the subject and take steps to establish a separate civil medical service independently of the Indian Medical Service? I trust

that the Government would take time by the forelock and make a move in the desired direction at a time when as a result of the new Constitution provincial autonomy is in sight and when the foisting of Indian Medical Service officers on provinces would more than ever be an eyesore to the autonomous Provincial Governments.

Sir, we have the Honourable Major-General Sprawson in our midst today and I hope he will have a sympathetic word to say in regard to this proposition.

Sir, I move.

*THE HONOURABLE SAIYED MOHAMMAD PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : I rise to support the Resolution which has been so ably moved by my Honourable friend Lala Jagdish Prasad. I think that this is a grievance which needs to be immediately redressed. As has been pointed out, the bringing in of Indian Medical Service people in the civil medical service in India places a great handicap on the most efficient of the medical men in the civil medical service. It has a double disadvantage. Firstly, the Indian Medical Service people have to be preferred to the indigenous medical talent in the country. Secondly, the Provincial Governments are almost powerless against the orders that come to them from the Secretary of State in regard to the appointments of these Indian Medical Service officers. The best districts are reserved for these people and the result is that the best of the indigenous medical talent has got to suffer on account of this influx of military medical men. As was stated by the Right Honourable Srinivasa Sastri when he moved a similar Resolution some years ago in the Imperial Council, this influx of Indian Medical Service people shuts out effectively Indian medical talent. I know that there is a lot of discontent on this account in the provinces. I know of one of the Ministers in my own province who protested against this, who tried his best to see that this system of foisting these Indian Medical Service people on the provinces was abandoned. But he was fighting against tremendous odds. It was a long-established practice and the people at home were unwilling to give it up. As has been pointed out by the Honourable Mover, the reasons which justified such a system no longer hold good. It is quite possible for medical men to be found for service in war when any such occasion arises; it is possible to find such men even from Indian people who practise the medical profession in the country. The Great War has clearly demonstrated the ability of the medical profession in India to rise equal to the occasion and render efficient service in time of war. I feel, Sir, that it is high time that this system is given up and the disadvantages to which the indigenous medical talent in the country is subjected is removed.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJICHOKSY (Bombay : Nominated Non-Official) : Sir, the subject of the separation of the civil medical service from the Indian Medical Service has been before the profession in India for a considerable time. The Honourable Mover has referred to the numerous memorials and representations of the Bombay Medical Union submitted from time to time to the Government of India and the Secretary of State for India. The question of the reorganisation of the Medical Services was eventually taken up by Lord Morley when he was Secretary of State for India. He made certain proposals, but before those could be given effect to he resigned after the outbreak of the Great War. Thereafter there was the Islington Commission before which the Bombay Medical Union submitted a very exhaustive and strong representation.

* Not corrected by the Honourable Member.

[Sir Nasarvanji Choksy.]

Thereafter the Lee Commission considered the subject. The Union's representatives also gave evidence before it. Finally the last Committee, appointed by the Government of India, was the Verney Lovett Committee. It prepared three schemes—A, B and C for the opinion of the medical profession in India. These were also considered by the Medical Union, and I was deputed to give evidence on the subject. After careful scrutiny of the schemes I prepared a fourth scheme which in effect did fair and equal justice to all interests, both European and Indian. When I appeared for evidence before the Committee, the President said that my scheme was so complete that he had no questions to ask me. In spite of that none of my recommendations were given effect to. Subsequently the Government of India had also appointed other departmental committees without any tangible results. Sir, great changes have however occurred since then, especially in the Bombay Presidency. I take Bombay City first. There was a large number of Indian Medical Service appointments; it staffed the Grant Medical College and the J. J. Hospital, and now, what is the present situation? Almost the entire staff consists of honorary medical officers, all Indian non-officials—possessing high qualifications. The work they are doing has met with the approbation of Government. Besides the above changes European Indian Medical Service posts have been considerably reduced as there exist only three other officers, viz., the Port Health Officer, the Chemical Analyser and the Certifying Surgeon for Bombay. There are two officers attached to the St. George's Hospital. As regards the Bombay districts, every district had an Indian Medical Service officer as Civil Surgeon. The number has been so much reduced today that barely six to seven are working in that capacity. Then the Sanitary Department is at present under an Indian I. M. S. officer; all other superior offices are also held by Indians. Thus, in so far as the Bombay Presidency is concerned, there has been a great change, almost a revolution in the Civil Medical Service. Formerly some Indian Medical Department officers were also appointed as civil surgeons, but that practice has been abandoned now. A very large number of civil hospitals are at present being manned by Indians belonging to the provincial medical service. They have been graded and attain the maximum salary of Rs. 800—1,000. Sir, the duties of civil surgeons have considerably expanded within the last few years. It was previously thought that all that they had to do was to look after their own hospitals and do inspection work of smaller dispensaries. They have now to take an important part in various philanthropic organisations for the welfare of the people. Besides that they have to exact discipline and to have considerable administrative experience. I believe, Sir, that the great majority of the men who are now in charge as civil surgeons in the Bombay Presidency do come up to a high standard of efficiency. Their outlook is necessarily broader and several acquire high qualifications. But the main question of a separate civil medical service hinges upon the ratio laid down by the Lee Commission that there should be in the Indian Medical Service two European to one Indian officers. Until that ratio is changed, I do not believe there can be any probability of such an independent service, as suggested by the Honourable Mover. For all practical purposes however such a service does exist in the Bombay Presidency though not so called. As regards Indians rising to the highest positions in the Indian Medical Service there have been numerous instances and at present there is the instance of the Surgeon-General of Bengal Major-General Goyle, the first Indian to attain to this permanent office. Everything therefore tends to show that Indians are progressing but not digressing, but until and unless the ratio is altered there can be no probability of a separate service. Then, Sir, may I suggest to my Honourable friend that in order to fit our

medical graduates for their responsibilities through acquiring knowledge of discipline and administration they should be encouraged to join the Army in India Reserve of Officers.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution of my friend the Honourable Rai Bahadur Lala Jagdish Prasad. Sometime back it was the practice to employ army officers in the civil department as far as the non-regulated provinces were concerned, but when public opinion grew strong they were withdrawn; and now in regulated provinces we do not find army officers holding charge or serving in any district. Sir, the time has now come when we should adopt the same procedure as far as the medical service is concerned, for the sake of economy without loss of efficiency. In the olden days it may be said that medical officers of a certain calibre were not to be found among Indians. But the other day I was told by a Member of the Public Service Commission in India that they now have on their list a number of highly qualified Indian medical men with the highest British qualifications. There are many with qualifications of M. R.C.P. and F.R.C.S., which in times past fell to the luck of the few. In case the proportion to which my Honourable friend Sir Nasarvanji Choksy has referred to is to be maintained—though I am of opinion that it must be changed—in the proposed new civil medical service there can be a number of Europeans employed. Now the question of the colour complex is disappearing. There was a time when Britishers did not like an Indian to give medical advice in their families or to introduce an Indian medical officer into their families. Now things have very much improved and the relations between Indians and Europeans are so cordial that that necessity does not at all arise. Therefore, Sir, I urge the Government to be good enough to accept this Resolution. Sir, in the Army Services as far as the subordinate service is concerned, military assistant surgeons are freely employed and as far as my information goes these apothecaries in England, unless they have certain special qualifications, are not allowed to have any medical practice. In India, Sir, unfortunately there are some members of the subordinate military service who are put in charge of districts in the provinces. I might, Sir, quote an instance of a certain district in the Punjab where there was such a civil surgeon. A certain person fell sick and being in the out-station he could not but go to that particular civil surgeon for medical advice. And for two months that person was suffering from his disease for want of a right diagnosis. To his good fortune, that civil surgeon was transferred and another capable person came in his place, and that man who was suffering for two months got all right in a week.

Sir, I would certainly add that if we employ incompetent people in the Medical Department, we have only ourselves to blame. We should employ the best men available and fortunately there is no dearth of them. Therefore, Sir, I strongly support this Resolution.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to put in a word in support of this Resolution. Sir, our point in asking that the Indian Medical Service should be separated from the Civil Department is that we do not like to be saddled with the responsibility of footing the bill for army expenditure in the military department. The Provincial Governments have to pay a higher scale of emoluments for a Service which is really maintained as a reserve for the Military Department

* Not corrected by the Honourable Member.

[Mr. Hossain Imam.]

and as such it is merely shifting the burden of central expenditure on to the shoulders of Provincial Governments. This is the first objection to the existing system. Then, Sir, as far as I have been able to study the question, the number of medical officers attached to British units in India is similar to the number attached to the British forces in England. If England can carry on the administration without keeping a reserve outside in civil employment why cannot we follow the same example? There, Sir, if there is any reserve, it is a reserve attached to the Military Department and if we want to have a reserve as we have an Indian Reserve of Officers we may have also a reserve of medical practitioners by taking in outside practitioners and allowing them certain emoluments and giving them certain training during the year. Now, as regards the Indian units of the British Army, you have the Indian Medical Department manned by Anglo-Indians, who although statutory Indians are also Britishers in another sense, and for that purpose, Sir, whether they are qualified or not is not a question for us, but if the Military Department regard them as fit enough to carry on the day-to-day duty in the army, I think, Sir, they can be relied upon to see them through in time of war. Besides, Sir, as the Honourable the Leader of the Opposition pointed out, there is no dearth of qualified men in the country and military duty in war time has been satisfactorily discharged by these untrained men and therefore it is not necessary that we should maintain our reserve of the Medical Department at a pitch at which they are maintaining it in fear of war, which has been all this long time in coming. We hope, Sir, that with the advent of the League of Nations, the danger of a really first-class war has receded into the background.

HONOURABLE MEMBERS: Question?

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

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

THE HONOURABLE THE PRESIDENT: The debate will now resume.

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON (Director General, Indian Medical Service): Sir, this House has in previous years considered various Resolutions on details of organisation in the Indian Medical Service and it is not surprising that it should be so, because details of organisation of a Service which has to fulfil duties both civil and military, and in peace and in war, are sometimes difficult to understand and it is only natural that one should explain to Honourable Members of this House why things are done as they are. The organisation of the Indian Medical Service is based fundamentally on the needs of this country in war. Members will easily understand that considerable expansion of all the Medical Services is necessary on the outbreak of war. I should not have thought it necessary even to mention that but for the fact that two Honourable Members, the Honourable Mover and the Honourable Mr. Hossain Imam, have made a statement that the medical forces of the British Army have no reserve. That of course is a mistake. It would be impossible for them to function properly if they had not. There are, as a matter of fact, three classes of Reserve of Royal Army Medical Corps officers. Members will understand that considerable expansion is necessary the moment war breaks out. But it may not

be so generally understood how rapid this expansion has to be. The most crucial time of a war is the first week or 10 days from the declaration of war. Things have to move very quickly in that period. Later on, after the first two months, we rely on the great bulk of the medical profession to be found in India and elsewhere. But, at first, we must have a number of officers and we must have them on the spot. We must get them quickly and they must be there.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What is the least number you want to have?

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON: I will come to numbers later. This expansion is required both on the Indian and on the British side. I will deal with these separately, because the method of getting our reserves is somewhat different in the two cases. I will deal with the Indian side first, because I think that is a little easier to understand. The Indian War Reserve is required for attendance naturally on Indian troops. One Honourable Member raised the question why we should have a reserve when we have got the bulk of the profession to fall upon. There, the time limit comes in. We have got to do it at once. The bulk of the profession are not trained for war duties. They take some time to get trained. We want our officers at once. We want a certain number of fully trained officers and we want a large number of partially trained officers, and for the rest, we can look to the bulk of the profession on a later day. To get our fully trained officers—(I am speaking still of Indian officers only)—we have the War Reserve of the Indian Medical Service. We have 66 Indian officers who are to return to army duties very quickly on the outbreak of war. For partially trained officers we have what another Honourable Member referred to this morning—the I.A.R.O.—wherefrom we hope to get over 200. We hope to get even more. There is room for 300: but we have only a little over 200 who have entered their names for this duty. If the independent medical profession were more ready to take up these duties at the time of war, we should have a larger number of names submitted to us showing their readiness to do so. However, we do have on our lists just over 200 names. Behind that, we have the bulk of the independent practitioners, many of whom, I am sure, as in the last war, would show their patriotism and their enterprise by coming forward to serve with the forces. So much for the Indian Reserve. When we come to deal with the British Reserve, we are up against the first difficulty that we have not got a large number of independent British medical officers in India as we have of Indian practitioners. At the same time, we want a good number for attendance on British personnel as well as on Indian troops. We require at once 134 British officers. Where are we going to get them from? I waited to hear what the Honourable Mover's proposal would be for getting them, but unless I am mistaken, I do not think he made any concrete proposals. I will put forward various proposals, and put them side by side with what is now being done. If, as the Honourable Mover has envisaged, the civil side of the profession were entirely separate from the military Indian Medical Service, and we have got to get these 134 British officers, what are we going to do with them in peace time? They must be there. Are we to pay them for doing nothing? Obviously, that would be most extravagant, and apart from its extravagance, Members have only to think what would be the result of unemployment. They would be sitting down for two years doing nothing. That is not the sort of doctor one would like to be attended by.

[Major-General C. A. Sprawson.]

In fact, the solution that we must pay for this War Reserve which we must have for doing nothing is so absurd that I only mention it to dismiss it. We will then require to command the services of 134 officers immediately. At the same time, the Local Governments as well as the Central Administration require a certain number of British medical officers for attendance upon the British officers and their families of the superior civil services. It happens that these two numbers nearly balance one another, the number that you require for your war reserve for troops and the number that the superior civil services, the British element, require for attendance. The war reserve number is a little bigger than the other, but they practically correspond and cancel one another. Obviously, as Indianisation of the army goes on and so far only a certain number of regiments are entirely Indianised—fewer British officers will be required for the war reserve, and as Indianisation of the superior civil services goes on, fewer British medical officers will be required for the civil services; so that these two numbers may be expected to balance one another in a steadily diminishing progression.

As I said, I did not understand the Honourable Mover to make any concrete proposal in opposition to what is done at present. I have already explained to the House what the present method is and I will go on to mention another method that has been proposed. I trust the House has followed me so far as to understand that these numbers of the British personnel, military and civil, steadily tend to diminish; but until the Indianisation of the army is much more advanced than it is, there will still have to be a fair proportion of British officers at hand when wanted. Now, one may ask, since you have an A.I.R.O. for Indian officers—(we have over 200)—why can you not have a similar body for British officers? We have tried that, but owing to the paucity of independent British doctors in India the response to that is very small and the number of British medical officers that we have on the A.I.R. O. could be numbered on the fingers of one hand. So obviously that does not take us very far. Now, an alternative proposal that I expect the Honourable Mover had in mind and one that was suggested to the Government of India by the Services Sub-Committee of the Round Table Conference was that Local Governments should engage independently such British medical officers as they wanted for attendance on their superior civil services, engaging them presumably upon short-term contracts, and that those doctors should be made to undergo certain military training and should be compelled to be available for the war reserve. Now, at first sight that might sound feasible but it is not. The reasons are more than one. Firstly, you could not get them. If the Indian Medical Service has not been obtaining its British element with entire facility during recent years, how much harder or perhaps impossible it would be for a Provincial Government to engage doctors on a short-term contract when all the standing of the Indian Medical Service would be removed from such service. Provinces would have great difficulty in getting them; in fact it would be impossible. Secondly, the military training of these officers would not be good enough to satisfy the army. They would never have had years of military training such as Indian Medical Service officers have had. They would apparently be given training for a short period or periods of months; but that could not replace the more permanent military instruction that they now get. Thirdly, and this is I think one of the most important things, the Local Governments themselves, when they were asked whether they could do this,—engage short-term British officers and bring them out and insist on their having a military training, and then release them in time of war to the army,—almost all of them, all but one I think,

expressed their inability or extreme difficulty in doing it. And here I would refer for a moment to something the Honourable Mover said about Local Governments. He referred to Local Governments being forced to accept any officer. Now that is not so. Wherever it is possible Local Governments are always given a choice of Indian Medical Service officers that it is proposed to transfer to the civil side. They are not bound to accept any one of them. Cases have occurred where, although they have received advice from the Director General of the Indian Medical Service as to whom he thinks is the best to select of the names submitted, where they have preferred some one else and have taken some one else. Then, not only the Honourable Mover, but another Honourable Member, used a word, *apropos* of what Local Governments have to do, to which I must take objection. They spoke of officers being foisted upon Local Governments. Now, Sir, I take exception to the word "foist". The very big dictionary I have in my office states that the word "foist" is connected either with dishonesty or something done surreptitiously. There is nothing dishonest or surreptitious about the transfer of an Indian Medical Service officer to a Local Government. It is all perfectly above board. Local Governments have the option of saying they do not want a man if they do not like him.

To revert to the Local Governments' reactions to this proposal that they should engage their own officers, I need not go into the reasons. Some say they could not enforce the military training; some say they could not recruit them provincially, and some say they could not get officers of the right stamp, and they all seem to agree that they prefer Indian Medical Service officers if they are available. In the face of that, we cannot say we are compelling Local Governments to take Indian Medical Service officers. At any rate they seemed to agree that it would be more expensive to have these British doctors on short-term contracts; and not only more expensive, but they agreed that it would be very difficult, if not impossible. As the Honourable Sir Nasarvanji Choksy said, not only is Indianisation going on all the time, but provincialisation is going on, and at the last reorganisation of the Indian Medical Service I find there were no less than 90 appointments, hitherto reserved for the Indian Medical Service, handed over to the provinces. Can Honourable Members expect any more rapid advance than that? I trust I have explained why the present method is from the point of view of the army the only satisfactory method of organisation and certainly from any point of view the most economical method. I must oppose the present Resolution, because I consider the alternative would be impossible, or, at any rate, if not impossible, very difficult and certainly more expensive. (Applause.)

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Mr. President, the Honourable Major-General Sprawson has told us why he cannot accept this Resolution. His argument is this. The Indian Medical Service is a military service; the details of the organisation of this Service are based fundamentally on the needs of war. In the army, as also in the Indian services, there is a large proportion of British officers. Therefore a certain number of British medical men have to be employed to supply the needs of these British officers in the army and the Service. Now, Sir, the suggestion which was put forward by the Honourable Lala Jagdish Prasad and which we on this side of the House favour is that you should have a civil medical service. In that civil medical service you can, on a short term basis, get European doctors of England, as was suggested by the Round Table Conference Sub-Committee, and subsidise them. Why cannot we have a civil reserve in this country? Why cannot we give military training to civil

[Mr. P. N. Sapru.]

doctors and have them as a reserve for emergency purposes in war? The experience of the last war is that you can easily train men for war service. A large number of British doctors went to the front and those British doctors had had no military training. Why cannot we rely therefore upon civilian doctors in this country, give them some military training and have them ready for emergency in war? That point has not been explained, at any rate to our satisfaction by Major-General Sprawson in the speech which he delivered this afternoon. If we are to wait for the Indianisation of the medical service until the army has been Indianised, then we shall have to wait until eternity, because there is no prospect of the army being Indianised within any reasonable period of time, within any period which we can humanly foresee. Therefore the position is this, that you cannot disturb the present ratio, you cannot change the present ratio, until there is acceleration of the pace of Indianisation; in other words, it means that Indian medical men must be denied opportunities of serving their country and the medical service, because the army cannot be Indianised, because the services cannot be Indianised rapidly. And they have to put up with this slow Indianisation, not because they are inefficient, not because they cannot do their work as medical men as efficiently as British medical men, but because there are certain services which, according to Major-General Sprawson, according to the Government, cannot be Indianised and the needs of these services must be kept paramount. In other words you do not take into calculation the 350 millions in this country; you take into consideration only the British Army and the British civil servants in determining what ought to be the constitution of the medical service. I suggest to the House that that is not a fair method of approach, that is not a proper method of looking at the question. In presidency towns we find that there are Indian doctors—and in other large towns also—who have European patients and European patients do not object to go to these Indian doctors. In England there are a number of Indian doctors, I believe there are as many as a thousand. These men are able to build up a moderately decent practice even in England where the competition is much severer than in India and where the Englishman has not the same advantages which he has in this country in certain professions. Therefore I do not think that there is really any racial prejudice among Europeans against Indian doctors and it strikes me that that argument which has been used will not, if analysed, hold water. It cannot be denied that there are very efficient Indian doctors in almost all large towns and the position is that the Indian medical men complain that they are not getting proper opportunities for acquiring that medical experience which hospital work alone can give to a medical man. If our recruitment was based on a different basis, then it would be possible to give encouragement to the independent medical profession in this country. Sir, is it a fact that Indian doctors are not acceptable to European troops? Is it a fact that Indian doctors are not acceptable to European civil servants? I should be sorry if that was so. We, Indians, do not hesitate to employ European doctors when we think that the case requires that an eminent physician should be employed. Sir, Major-General Sprawson will forgive me if I say that there has been a certain deterioration in the standards of the Indian Medical Service in recent years. I know that the Indian Medical Service in the past has produced some very eminent men. Major-General Sprawson himself was one of the most eminent physicians in our province and it was a great loss to our province when he was transferred to a higher sphere; it was a great loss to the Lucknow Medical College and to the medical world of the United Provinces when he was transferred to a higher sphere; but unfortunately our experience in the United Provinces is that the quality of the Indian Medical Service men is not today what it was before. Very junior men are sometimes sent to very important provincial centres and those

men are not able to compete with men of the independent medical profession because they have not the experience which the independent medical practitioners have and the quality of the work done by them in these big provincial centres is not really what it ought to be. There is the taxpayer's point of view. We pay these men very high salaries; we want better kind of men, men who have experience of medical work, not merely military work, work in military hospitals, but real medical work in big centres. Well, we are not really getting our money's worth under the present system. I have been told this by my Indian doctor friends. If we civilians want any superior medical advice we cannot go to the civil surgeon of districts because we have no confidence in the ability of these particular young military trained civil surgeons. There was a time when we had very able men in the Indian Medical Service but the quality of the Service has certainly gone down and it is therefore a very serious matter because the needs of the civil population, of a population of 350 millions in this country must be paramount. It really means this, that you are not getting the proper kind of material from England. Whatever the reasons for that may be I do not know. It may be that the British youth is not willing to come out to India. Or the reason may be something different. I do not know the reason. But I know a fact and that fact is based on one's actual experience of the men one comes across in the Indian Medical Service today. Therefore, Sir, it is not wrong to say that Local Governments and Provincial Ministers are not happy with the present position. Just imagine the difficulties a Provincial Minister has to face. He has to satisfy the Legislature to which he is responsible that the system is really good and he has very often to bear the brunt of attack in the Legislatures for something for which he is not really responsible. If he had his way he would not appoint particular men to particular districts. But now what can he do? His hands are tied. You have reserved 15 districts in the United Provinces, for example, for European medical men. So far as Indians are concerned, although there are a number of capable men amongst them, men who have got the M. R. C. P. and the F. R. C. S., you have never cared to protect their interests. British interests have been protected. So far as the Indian Medical Service men are concerned, Government has made no effort to protect their interests. Well, then, this is racial discrimination, I say, in the worst form. We are all opposed to racial discrimination when it comes to British commerce. Our commercial friends get annoyed when we ask for racial discrimination in the slightest form so far as commerce is concerned, but here in the same service, in the Medical Service, there is this racial discrimination because there are as many as 15 districts reserved in our province for European Indian Medical Service officers. If European Indian Medical Service officers were really more competent than Indian officers, I should have no objection but here the test is not the competence of a man, here the test is not the efficiency of a man, here the test is not the capacity of a man—

THE HONOURABLE THE PRESIDENT: Let me tell the Honourable Member that even in the medical profession safeguards have been provided against racial discrimination in the Government of India Act.

THE HONOURABLE MR. P. N. SAPRU: Sir, so far as the Government of India Act is concerned, it is full of safeguards and reservations and I am not an admirer of the Government of India Act. Therefore I never bother myself about the Government of India Act. (*An Honourable Member*: "All the better for the people of India".) Sir, I am glad that Sir Nasarvanji Choksy sometimes thinks of the people of India. We on this side of the

[Mr. P. N. Saprū.]

House have ceased to believe that the people of India enter into the calculations of our rulers when they are protecting the interests of the Services. It is the Services which dominate their policy, not the people of India, and this is the plain truth of the matter.

Well, Sir, I am sorry for this digression but really there has been no answer to the alternative suggestion of Lala Jagdish Prasad that, if you want to have a certain number of Europeans, you should get them on a short-term contract, subsidise them, keep them in big districts or attached to big hospitals.

THE HONOURABLE THE PRESIDENT: Will men in good practice take up temporary appointments?

THE HONOURABLE MR. P. N. SAPRU: Well, Sir, I do not know. The experiment has to be tried. There is a good deal of unemployment here and in England and I think that if an effort was made—and an effort has never been made, I think it would be possible to get good men on this basis. Do not think only of protecting the interests of the European medical service men. Think also of the Indian medical service men, who are as competent as the European medical service men and who are just as entitled to justice at your hands as the European medical service men.

Sir, this is all that I have to say on this Resolution.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, on a point of information. I find that a committee sat in England to revise the number of medical officers and its findings are given in Command Paper No. 4394 of 1935. Has the Army Department decided to reorganise their medical department on the same lines?

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON: I do not know what the date of any reorganisation is, but the Honourable Member is probably referring to my remark that the army has a reserve.

THE HONOURABLE MR. HOSSAIN IMAM: No, Sir, I was referring to the fact that the number of medical officers has been reduced from 539 to 470 (you will find it on page 272 of the army estimates for the British Army) and I wanted to know if a similar reduction was contemplated here?

THE HONOURABLE MAJOR-GENERAL C. A. SPRAWSON: I am afraid I have no information on the point.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, we have just heard the speech of my Honourable friend, Mr. Saprū, and in making his observations he said that, so far as the Government of India are concerned, they seem to be more dominated by a desire to protect the interests of the Services than by a desire to serve the interests of the people. I can assure him that his inferences or his fears are unfounded. I think the Government of India are very desirous and they regard it as one of their primary duties to do all that they can to advance the interests of the people of India. This problem of organising a civil medical service has engaged the attention of publicists and of Governments for a very very long time indeed. It is a very complex problem. I will, in order that the House may have a clear idea of the issues, first state the case as it appears to Members on the opposite side and to a certain number of Indian public men. They say

that the Indian Medical Service is essentially a military service, that it is constituted to meet the requirements of the army. Why should then a military doctor come and treat the civil population? Why should a certain number of posts be reserved for these military doctors and to that extent prevent Indians from occupying those places? Well, Sir, it is perfectly true that the Indian Medical Service is essentially a military service. It is recognised that in times of war the peace strength has to be augmented and that therefore it is essential to have war reserves. The real question is how we can get an effective war reserve and on the most economical terms. The problem is complicated in India by the fact which has been mentioned by a number of Honourable Members—and to it I shall refer in a little more detail later—that a proportion of this war reserve must be taken from British medical officers and therefore the real question which we have to answer is, is it really essential that there should be a war reserve of British medical officers. My Honourable friend Mr. Saprū and other Honourable Members—the Honourable Mover of the Resolution—have quoted the opinions of Indians that there are in England a number of Indian doctors practising, that many Indians have no hesitation in calling the services of European doctors and the question is asked, “Why is it essential to provide for European doctors for the Europeans in the superior civil services?” An authoritative pronouncement in regard to this matter was made by the Lee Commission. I should like to remind the House that there were four Indians on that Commission, one of whom was a distinguished predecessor of mine, Sir Muhammad Habibullah.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Was the Lee Commission accepted by anybody?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I am saying that on this particular point this is what they said:

“The almost universally expressed anxiety of British members of the Services in India to have access to British medical advice for themselves and their families is intelligible and, in our opinion, this provision is vital to their contentment.”

It is recognised—I do not say whether this prejudice is justified or not, but it is recognised—that if the Europeans whom it is proposed to recruit to certain Services are to come here, then they must have an assurance that their wives and children will be treated by doctors of their own race if they fall ill. This has been recognised by the Lee Commission and all the advice which we have received since is that unless this provision is made, the chances of getting Europeans into the Services will be very considerably reduced, and that they do expect when they are recruited that if they fall ill, they will be able to command the services of doctors of their own race. That being the position, there must be a certain number of European medical officers to treat the European officers both in the Indian Army and in the superior civil services. The problem thus resolves itself into this, “How best can we secure a competent service and on the most economical terms?” One of the proposals made to which the Honourable Mr. Saprū and the Honourable Rai Bahadur Lala Jagdish Prasad referred was, “Why can't you have Europeans on short-term contracts in the provinces? Where is the difficulty?” This problem was very carefully considered and it was found that if you try to engage men on short-term contracts, you may have to pay much more than what you are paying your English Indian Medical Service doctors who have got an assured future and who belong to a regular Service. Also, there can be no certainty whether you will really get a regular supply on these terms. This matter was very carefully considered and it was found that the best method of securing a supply of

[Sir Jagdish Prasad.]

competent British officers was to get them from the Indian Medical Service. It is considered that only in this way can we secure a constant supply of competent men, and that therefore it is not possible to take the risk of doing away with a recognised Service and try to secure adequate reserves by a method which is not regarded as likely to be successful. If you are then going to have a reserve of British officers from the Indian Medical Service, the most economical way of dealing with them is to draft them for treatment of the Europeans in the superior civil services during times of peace, so that they may not be wasted. As the Honourable Major-General Sprawson has said, it would be absurd to have a number of British officers in the Reserve with no duties to perform. I hope I have satisfied the House that if it is accepted that there should be British doctors to treat the families of European officers in the army, and in the superior civil services, then you must have a certain number of British medical officers and that the best and most economical method of getting them is from the Indian Medical Service. Now it is a perfectly legitimate question to ask, "Are the numbers that we propose to recruit just sufficient to meet these requirements or are we recruiting British officers in excess of these requirements?" As the Honourable Major-General Sprawson said, when the question of reorganisation was taken up in 1928, 90 posts which had till then been reserved for the Indian Medical Service were released and it was left open to the provinces to fill them in any way they liked. When we talk of a civil medical profession, I think it is just as well to know the real extent of the numbers involved. If my Honourable friend will refer to the communique which was issued by the Government of India in 1928 he will find that the total number of British officers to be employed in the provinces was only 112. It is only 112 officers throughout the whole of India. The total number involved in the provinces is 112. That was in 1928. For the rest, it is open to the provinces to employ any one they please. When the argument is raised about provincial autonomy and Ministers not having control over medical men, I can quite understand their difficulties. But the Indian Civil Service and the Indian Police Service are also going to be in being for a number of years. The same difficulty arises there also. I quite see the difficulty but I cannot say that the question of the Indian Medical Service raises a difficulty which is very much different from that of the Indian Civil Service and the Indian Police Service.

THE HONOURABLE MR. P. N. SAPRU: May I ask one question? There is no reservation, so far as the Indian Civil Service is concerned, of certain districts for European civil servants only. Similar is the case with the Indian Police Service. An Indian of the Indian Civil Service can be put in charge of Allahabad or Lucknow but an Indian of the Indian Medical Service cannot get Allahabad or Lucknow. Is that not discrimination?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: As I said before if you accept the principle that the Europeans in the Service are entitled to receive medical aid from men of their own race—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Why?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD—if that is so then the allocation of civil surgeoncies must have reference to the distribution of the European population. If a particular place has a large number of Europeans stationed there—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: May I point out that in the Jhelum district there are not more than two European officials?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I am not going into any particular detail. I am only speaking of the general principle. If particular places have been selected, it is with a view to providing facilities for the treatment of the European population there. There has been the main principle on which this allocation has been made. The position may change as Indianisation goes on. There may be a redistribution in the future. But where we really come to a fundamental difference is that, according to Honourable Members on the other side, we must tell the Europeans in the civil services that they will not be entitled to be treated by men of their own race. That is the real crux of the question. That is a position it is not possible for us to accept, because all our advisers have said, as I have stated before, that if you do not give an assurance to these people on that point, then your European recruitment will stop. That is to say, if you are going to have a certain number of Europeans, then they must have an assurance of this kind. I am not prepared to argue at this moment whether their fears are justified or not. We have as practical administrators to deal with this question—you may call it a prejudice or not—that it is represented to us that if these European recruits are not given the assurance of being able to have their children and wives treated by doctors of their own race, then they will not be willing to come out to India. That is the real fundamental question and I am afraid on that, I, speaking for the Government of India, and some of my Honourable friends cannot see eye to eye.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Then the Government of India wants to adopt the principle of racial discrimination themselves?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: It is not a question of racial discrimination. What they say is that the European is entitled to be treated by a European doctor and if an Indian wants to be treated by an Indian, he can do so. All that they say is that you must not force the European to be treated by an Indian. And that is what it comes to. You are going to say, "If you come out into the services, then if you fall ill you shall be treated by an Indian doctor, and we will not make any provision for a European doctor". You propose to lay down a racial handicap. You are telling them that you will not make any provision for them for European doctors. (*Several Honourable Members: "No, no."*) That is the argument of the other side. The fundamental point is that we find that in order to maintain a sufficient supply of European doctors for the civil services and also for the army, the best course is to maintain the Indian Medical Service as an all-India service. I am afraid I have not been able to convince some of my Honourable friends opposite. This is a question on which there has been a difference of opinion for years. People have not agreed, but I hope I have been able to state the problem and what the fundamental issues are. All that I can promise my Honourable friend is that I will be prepared to forward the proceedings of today's debate to the Secretary of State, with whom really lies the ultimate decision of this question.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir, the points raised by the Honourable Major-General Sprawson in reply to the debate have been effectively met by my Honourable friend Mr. Sapru and I have

[Rai Bahadur Lala Jagdish Prasad.]

very little to add to what Mr. Sapru has said. The Honourable Kunwar Sir Jagdish Prasad has only emphasised the arguments that were advanced by the Honourable Major-General in support of the present system. The Kunwar Sahib asked whether the number of Indian Medical Service officers was just sufficient for or in excess of the requirements of the army. I may tell him that, while in England for 7,284 King's commissioned officers only 470 medical officers are maintained, in India for 7,274 King's commissioned officers there are as many as 920 Indian Medical Service officers, and I am not sure if this number is inclusive of the officers serving in the provinces. I think, Sir, this shows that the number of Indian Medical Service officers maintained is certainly excessive.

The Director General of the Indian Medical Service took exception to the word "foisted" that I and the Honourable Mr. Padshah used in our speeches with reference to the Government of India sending Indian Medical Service officers to Provincial Governments. But may I ask the Major-General whether the Local Governments welcome these officers, whether the Ministers are satisfied with this arrangement, and, if so, why the Minister almost every year consents to forward the debate of the United Provinces Legislative Council on this subject to the Government of India? I could reply to the other points at length but I will only be taking up more time of the House, and we have got a heavy non-official agenda yet to go through. I am satisfied by the assurance given by the Honourable Member for Education, Health and Lands that he will forward the debate on this subject to the Secretary of State, and in view of this assurance, I beg leave of the House to withdraw the Resolution.

THE HONOURABLE THE PRESIDENT: Is it your pleasure that leave be given to the Honourable Member to withdraw his Resolution?

SEVERAL HONOURABLE MEMBERS: No.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council that a separate civil medical service should be established independently of the Indian Medical Service which is primarily a military service".

The Question is:

"That this Resolution be adopted".

The Council divided:

AYES—12.

Banerjee, The Honourable Mr. Jagdish Chandra.	Jagdish Prasad, The Honourable Rai Bahadur Lala.
Ghazanfar Ali Khan, The Honourable Raja.	Kalika, The Honourable Mr. V. V.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.	Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Gounder, The Honourable Mr. V. C. Vellingiri.	Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Halim, The Honourable Khan Bahadur Hafiz Muhammad.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Hossain Imam, the Honourable Mr.	Sapru, The Honourable Mr. P. N.

NOES—27.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.	Jalan, The Honourable Rai Bahadur Radha Krishna.
Akram Husain Bahadur, The Honourable Prince Aisar-ul-Mulk Mirza Muhammad.	Lal, the Honourable Mr. Shavax A.
Buta Singh, The Honourable Sardar.	Nenon, The Honourable Diwan Bahadur Sir Ramunni.
Charanjit Singh, The Honourable Raja.	Muhammad Husain, The Honourable Khan Bahadur Mian Ali Baksh.
Chetty, The Honourable Diwan Bahadur G. Narayanaswami.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Parker, The Honourable Mr. R. H.
Clow, The Honourable Mr. A. G.	Raisman, The Honourable Mr. A. J.
Devadoss, The Honourable Sir David.	Ray of Dinajpur, The Honourable Maharaja Jagdish Nath.
Ghosal, The Honourable Sir Josna.	Russell, The Honourable Sir Guthrie.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Sprawson, The Honourable Major-General C. A.
Hallett, The Honourable Mr. M. G.	Stewart, The Honourable Mr. T. A.
Ishrat Husain, The Honourable Saiyid.	Suhrawardy, The Honourable Mr. Mahmood.
Ismail Ali Khan, The Honourable Kunwar Haji.	Thomas, The Honourable Mr. E. F.
Jagdish Prasad, The Honourable Kunwar Sir.	

The Motion was negatived.

RESOLUTION RE CLASSIFICATION OF RECORD SORTERS AND DUFFRIES.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, I rise to move:

"That this Council recommends to the Governor General in Council that record sorters and duffries of the Imperial Secretariat be classed as 'superior servants'."

This Resolution does not concern any matter of high policy or involve any expenditure of a great deal of money, and the number of people affected by it is also small; about 200 people are affected by this Resolution. The reason why we have brought forward this Resolution is that we feel that the Government is not doing justice to a class of people who deserve better treatment from the hands of the Government. The question of classification of the record sorters and duffries of the Imperial Secretariat as superior servants is a long-standing one and I trust I shall not weary the House if I briefly trace its history. As far back as 1918 a number of memorials and representations were submitted to the Government and the Government appointed a Committee over which such an eminent personage as Sir Malcolm Hailey presided. The Report of the Committee did not see the light of day and we do not know exactly what were the recommendations of this Committee. Whatever may have been the Report, we are thankful to the Government for the small mercies they have shown; they have allowed a certain increase in the salaries of the record sorters and duffries, for which we are thankful. But that came at the time when it was the policy of the Government to increase the emoluments of all services under them. It did not come in any way specially to these poor people. These record sorters and duffries have submitted various memorials and representations to the Home Department, to the Governor General, but without any redress of their grievances. The disability that these people suffer from is this. They are literate to a certain extent even in English as will be seen from the nature of the work which they perform and which I will give later on. They have not yet been differentiated from the menials whose work and whose knowledge is quite different from those of these people—and that is the peons. The peons are on a smaller scale of pay. No doubt they

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have no literary qualifications. It is not unreasonable that these people having literary qualifications should be treated a little better than the peons. The amount of work which is involved requires a certain amount of knowledge and that will be apparent when I cite the duties which they perform. This is the work they do :

- (i) Stitching records, repairing damaged papers, packing parcels and the *dak* and sealing and affixing stamps on them.
- (ii) Taking out recorded collections from bundles, searching for missing papers and books of reference.
- (iii) Carrying out corrections in Codes, Regulations and Manuals and other departmental books and publications.
- (iv) Looking after the books, Codes, stationery, etc., in the officers' rooms and their residences.
- (v) Keeping registers of issue and returning collections to bundles in the Imperial Record Department, New Delhi.
- (vi) Restoring the collections to recorded bundles and replacing spare copies. Filing papers in file volumes, etc.
- (vii) Working at duplicating machines.
- (viii) Making lists of records on the occasion of the annual move to and from Simla.
- (ix) Making lists of records intended for destruction and retention.
- (x) Cutting and pasting newspaper extracts, Council questions, etc., on prescribed forms.

In the Assembly Department, they also assist in the sale of stationery and Legislative Assembly and Council of State Debates.

They count and keep stocks of these debates, and make sets of Council papers for the Members of the Legislative Assembly.

It will be apparent from this list that, in order to enable a person efficiently to perform these duties, he must not merely be sufficiently literate but must definitely have more than a mere smattering knowledge of the English language. The duties performed by these people can well stand comparison with those performed by Government servants such as postmen and postal overseers, book binders, compositors, distributors, Record Office munshis of District Courts, octroi munshis, railway ticket collectors, sorters of the Railway Mail Service and also the duftries of the Local Governments and record suppliers of the Office of the Military Accountant General. All these Government servants not only get better salaries but also have superior status.

THE HONOURABLE MR. M. G. HALLETT: Sir, might I suggest that I have the memorial from which the Honourable Member is reading before me and possibly may have read it ?

THE HONOURABLE MR. HOSSAIN IMAM: Therefore, Sir, it will save the time of the House if you will permit me to lay the memorial on the table.

THE HONOURABLE THE PRESIDENT: But I cannot allow it to form part of the proceedings of this Council.

THE HONOURABLE MR. HOSSAIN IMAM: Do I understand, Sir, that memorials are debarred from being placed on the table of the House ?

THE HONOURABLE THE PRESIDENT: You can place it on the table of the House but it will not be printed in the proceedings as part of your speech.

THE HONOURABLE MR. HOSSAIN IMAM: But, Sir, when we were discussing the White Paper, the Honourable Mr. Padshah laid on the table the Resolutions passed by the Moslem Conference and under your Presidency it was incorporated in the text.

THE HONOURABLE THE PRESIDENT: Not that I am aware of.

THE HONOURABLE MR. HOSSAIN IMAM: Well, Sir, I shall show it to you.

THE HONOURABLE THE PRESIDENT: Then there must have been some mistake.

THE HONOURABLE MR. HOSSAIN IMAM: Then, Sir, I have no option but to read it out.

It must be very disappointing to the duftries and record sorters of the Government of India to know that Government servants who are doing similar, or even less important duties, should be regarded as superior servants, while they should be classed with peons, sepoys and jemadars who are doing no more than can be expected of illiterate persons. I hope, therefore, that Government will not fail to realise and recognise the justice of their case.

I shall now show to the House how these duftries and record sorters are subject to several disadvantages, classed as they are with peons, jemadars, etc. With their better educational attainments and their higher class of duties, they certainly consider that their status ought to be higher than that of the other persons classed as inferior servants.

For instance, these men have for years been clamouring for family quarters at Simla, where none exist, and more quarters at New Delhi. The number of family quarters so far available in New Delhi for the whole staff of record sorters and duftries of the Imperial Secretariat and Attached Offices is about 120, excluding a few built in recent years in the Press area which are very inconvenient owing to the distance from the Secretariat buildings. The number is so inadequate that no single department can hope to secure more than three to four quarters for its staff. The remainder have either to be content with peons' quarters or to go without any accommodation whatever. These latter are granted by Government a house allowance at the rate of Rs. 1-8-0 per mensem. Honourable Members will appreciate that this allowance cannot possibly secure accommodation in New Delhi other than miserable godowns which are unsuitable and unhealthy.

In Simla, too, these record sorters and duftries have repeatedly asked that a reasonable number of family quarters be constructed, for those which have so far been built are only suitable for single men. In lieu of quarters an allowance of Re. 1 is given to every duftri who is not provided with quarters. This allowance is absolutely inadequate for the purpose and they are, in consequence, forced, either to leave their families with their relatives, if any, at

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their native places or to make the best of a very hard bargain by accommodating themselves and their families in single rooms if they get them. These men feel that so long as they are subjected to an "inferior status" there can be no remedy for this disability.

Another matter on which these people have been representing is with regard to the inadequacy of the travelling allowance admissible to them during the moves of the Government of India to and from Simla.

Sir, the object of these people in asking to be classified as superior servants is not to secure extra pay but in order that the allowance which they get and the other emoluments in the shape of pensions and provident fund provisions should be eased off. And unless they are classified as superior servants they realise that their requests cannot be granted since it must inevitably lead to similar requests being made by all the other members of the inferior service. Since other Government servants of equivalent status, *e.g.*, dufftries in Provincial Secretariats, have already been regarded as superior servants, there is no reason why the same privilege should not be extended to this class of deserving Government servants.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Saiyed Mohamed Padshah Sahib Bahadur.)

It would not be very difficult, Sir, for the Government to classify them as superior servants, and thereby I do not wish that all the amenities should be given to them at once but they will receive better treatment and the Government will not have the difficulty of discriminating between different sections of an inferior service. With these few words, Sir, I commend the Resolution to the House and the Honourable Member for favour of consideration now or at a future date.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern ; Non-Muhammadan) : Sir, I have got just this to say that I am in entire sympathy with this Resolution and strongly support it.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I rise to support the Resolution moved by my Honourable friend and I think he has left very little for me to say in support of it. One point that attracts my attention in regard to this Resolution is, as stated by the Honourable Mr. Hossain Imam, that if it is accepted by the Government no question of increase of pay will arise. If the information given by the Honourable Member is correct, then I submit, Sir, that the Government should find no difficulty in accepting this Resolution. If I have followed my Honourable friend aright, these poor dufftries want that their service should be classified as superior, with the result that they will get some more emoluments as allowances and they will get some more concessions and their period of service will be lessened. I further understand that in other Governments, these dufftries are not regarded as inferior service people but as superior service people. If that is so, I see no ground why this invidious distinction should be made so far as the Imperial Secretariat is concerned. If the information given by my Honourable friend is correct that in Provincial Governments these dufftries are classed under superior service, there is no reason why they should be regarded as inferior in the Imperial Secretariat. So, taking into consideration the practice existing in the provinces, I would request the Government to accept this Resolution and adopt a uniform policy so far as the class of service of these people is concerned. I therefore support the Resolution.

*THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Sir, I also give my wholehearted support to this Resolution which has been so ably moved by my Honourable friend on my right. With cogent reasons other Honourable Members of this House have lent their support and so I need not dilate on this subject over and over again. I would ask my Honourable friend the Home Secretary opposite to give us an assurance that he will also support us, or at least give us an assurance that Government will give due consideration to this Resolution and take action in the near future. On that assurance alone, Sir, I will ask my Honourable friend not to press for a division ; otherwise, I will vote for it.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, after the very convincing speech by the Deputy Leader of the Progressive Party I have very little to add to what has already been said by him. I therefore give my wholehearted support to the Resolution before the House

(At this stage the Honourable the President resumed the Chair.)

* THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, I wholeheartedly support the Resolution moved by my Honourable friend Mr. Hossain Imam. I think the nature of the duties which these dufftries perform requires a good deal of responsibility and intelligence and it is only fair that this long-standing grievance should be removed. I hope Government will very kindly see their way to consider this question favourably and accede to the wishes of quite a large number of Honourable Members who have spoken in favour of this Resolution.

* THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I should like to say a few words. I feel that the grievances of the record sorters and the dufftries are real and require to be redressed. Owing to the fact that these are classed as inferior servants they are put to great hardship and are denied several privileges which are available to the same class of men doing work in other departments. I understand there are people who do similar kind of work in Provincial Secretariats and in Post Offices and various other departments whose responsibilities are not in any way greater than the responsibility of these dufftries and record sorters, and whose work is certainly much less arduous in nature. These latter people are classed as superior service. So, I see no reason why this invidious distinction should be made in the case of these record sorters. As has been said by the Honourable Mover, the object which induces these people to claim to be classed as superior servants is not any desire to have any increase in pay but to have some of the disabilities removed in connection with their allowances and pensions. I am told that these disabilities are very serious in some respects. This distinction is made in respect not only of pay and allowances but also of allotment of quarters. I am told that these people are given very insufficient accommodation in Simla. These people who go to Simla with families are given only one room of about 10 or 12 square feet, a room in which they and their families have to be huddled together. I am told there is no privacy at all there and that the ladies have got to go to a common latrine, and if any attempt is made by any of these people to have a screen or *purdah* to enable their ladies to have privacy, they are prevented by the sanitary authorities from doing that. Again, in respect of pension, I am told that these people are labouring under a very great disability. It seems these people

* Not corrected by the Honourable Member.

[Saiyed Mohamed Padshah Sahib Bahadur.]

are not entitled to pension until they have completed 30 years of service. We can conceive of the hardship that is involved in this. It may happen that a man might fall ill just at the end of his service or he may meet with an accident, and on that account he may be disabled or incapacitated for further work. If he is disabled at the fag end of his service, after he has put in 29 years service, it is a very great disability, and it has got to be removed. They are also debarred, I am told, from subscribing to the provident fund. These two disabilities go to make the lot of these people very hard, especially those who on account of sudden illness, or having become victims to any disease or an accident are forced to give up their jobs. These people will find themselves entirely without any means of providing themselves or their families. I feel that this state of things requires very careful consideration, and I feel that Government would be doing an act of bare justice if they accede to the demand which has been made in this Resolution.

THE HONOURABLE THE PRESIDENT (to the Honourable Khan Bahadur Hafiz Muhammad Halim): You have given notice of a similar Resolution. Do you wish to speak on this Resolution?

THE HONOURABLE KHAN BAHADUR HAFIZ MUHAMMAD HALIM: No, Sir.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I have listened with interest to the very convincing speech of the Honourable Member or rather to the very convincing manner in which Mr. Hossain Imam read from a certain document which happened to be also in front of me. I have heard the other speeches and I am prepared to reply to them, although there are a large number of other miscellaneous questions coming on before the House rises on which also I shall have to speak. On a day like this, the Home Secretary is I am afraid a Jack of all trades but master of none, and if I fall short in this speech or in any of the speeches which I shall have to give in reply to the next two or three Motions, I trust the House will pardon me.

The question of the position and status of dufftries and record sorters is a matter which has frequently been considered by Government. This matter has been mooted in another place on many occasions though it has never actually come up for discussion, but on all these occasions, the matter was very carefully considered and the decision arrived at by Government more than once was that it is not necessary to raise the dufftries and record sorters to the status of superior servants. Briefly the reason underlying this decision is the nature of the duties which they have to perform. Mr. Hossain Imam read out a list of those duties. Many of those duties are really much more akin to menial duties than clerical duties, and that really is the main distinction between superior and inferior servants. They are duties which require a slight knowledge of English, but nothing much more. They do not require any particular educational qualification, and in fact for the appointment of dufftries and record keepers no educational qualification is laid down. They are recruited mainly from the ranks of chaprassis and peons, and the position a year or two ago—and it is probably much the same now—was that the record keepers, who get rather higher pay, are all promoted dufftries, while half the dufftries are promoted peons. That shows I think that it is a step upwards for a servant of Government capable of doing what I call menial work rather than the clerical duties which devolve on a clerk in the Secretariat.

THE HONOURABLE MR. HOSSAIN IMAM: May I draw the Honourable Home Secretary's attention to paragraph 7 of their memorial to the Earl of Reading. Only two out of 38 record sorters were recruited from peons.

THE HONOURABLE MR. M. G. HALLETT: That may be quite true. First of all a peon is promoted to be a dufftri and then a dufftri is promoted to be a record sorter. The position as I said was that half the dufftries are promoted peons and that the record keepers are all promoted dufftries. I suppose occasionally a peon is promoted direct to be a record keeper. There is no definite test applied. They are selected by an officer of the department and they carry on these duties which have been described by Mr. Hossain Imam, such as looking after the books and records and keeping records in order, duties which are more akin to the work of a servant than the work of a clerk and require only a very slight knowledge of English. We do not want people with very high qualifications, although possibly in these days of unemployment we may be getting people with better qualifications than we really require. That being so, as we are able to get these people, there is no real reason why we should give them more than their market price, and that is what they are getting. Not very long ago an improvement was made in their pay and pension conditions. It was suggested by one Honourable Member that by calling them superior instead of inferior it would merely raise their status and would not involve any increase in their emoluments. That is not the case. As I understand it, by calling them superior they would in the first place have rather better pension terms, although they would not be able to carry on as they do at present till 60 years of age. They would get rather more liberal leave terms, and that in itself would have the effect of an increase of pay; and what is still more important, they would get very substantially higher allowances for their journey to and for the time they spend in Simla. In Simla they would get house rent at the rate of Rs. 145 to Rs. 225 a season, and that would involve fairly considerable extra expenditure. I could not see my way to press my friend on my right to agree to that expenditure when it is not really necessary. It is therefore incorrect to say that this raising of status will not cost us anything more. It will cost us a substantial sum and I submit that that expenditure is unnecessary. I do not wish to be hard on these servants of Government. They are very useful servants in one's office, and if anything can be done I will look into it. For instance, one point raised is in regard to their quarters in Delhi and Simla. I do not really know much about that. But I am prepared to consider whether we can do anything to help them. But Honourable Members will recognise as well as I do that Simla is a very congested place and it is very difficult to arrange for any further building to take place there or to provide everybody from the highest to the lowest with houses. It is far too crowded to permit of even small houses being erected, but if anything can be done I will look into that point. But, as I say, the majority of the concessions they ask for do involve extra expenditure to Government, and Government, having considered the nature of the duties they perform and the qualifications which are required of them, do not consider that it is necessary to give out gratuitous charity. Government is not a charity organisation society. It pays its officers at the market rate and I think these people are being employed at the market rate. They are promoted from the lower rank of peons and they are probably satisfied with the wages which they get. If however there are any minor concessions which we might make to them, which will be revealed to me by a study of the Honourable Members' speeches, I am prepared to look into them, but I am not prepared to accept the general proposition that they should be put up from inferior to superior status because that has been considered many times before. We do not consider it necessary and we do not think that the expenditure,

[Mr. M. G. Hallett.]

even though slight, which would be involved is justified. I therefore oppose the Resolution, unless the Honourable Member is prepared to withdraw the Resolution and to accept my assurance that I will look into any minor concessions that can be made to them.

* THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, it would have given me the greatest pleasure to have heard from the Home Secretary a more favourable reply. I intend to say a few words about the financial aspect. The Honourable Home Secretary himself recognised that by making them superior servants the Government will gain something through the reduction of their period of service. At present they are entitled to serve up to the age of 60. If they are classified as "superior" they can only serve till 55. Therefore the extra expenditure involved in giving the concession can be balanced by the lessening of the period of service. Then, Sir, the Government regarded these people as superior servants when the question of the cut in pay was involved. Inferior servants were not subjected to the cut, but these duffries and sorters were regarded as superior servants for the purposes of the cut in pay and they are not regarded as superior servants when a question of increased emoluments is raised. That, as I said before, is having it both ways at which the Finance Member is getting an adept.

My point, Sir, in raising this question was not so much to confront the Government with a specific issue. We want that there should be some concession and we find it is impossible to give those concessions unless you change their status from inferior to superior; because if you treat them as inferior servants you have to deal with a huge lot of people, about 1,200 or 1,400, and you cannot give a concession of even one rupee a month to 1,400 people. But if these people were made into superior servants, only 200 would be involved, and you could give them the concession. Sir, I leave it to the Home Department to deal with them in the best way they can, in the hope that there is the desire on the part of the Home Department to do justice to these people.

Sir, with the permission of the House I would like to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

CONTROL OF COASTAL TRAFFIC OF INDIA BILL.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): Sir, I beg to move:

"For leave to introduce a Bill to control the Coastal Traffic of India."

The objects of the Bill are set out in the Statement of Objects and Reasons. I have stated what this Bill is intended for. This Bill is intended to remove a possible impediment in the development of the Indian Mercantile Marine. There is no question of any racial discrimination in this Bill. Experience shows that a well-established and powerful company engaged in the coastal traffic can easily put a new venture out of action by unfair competition and it is this unfair competition, this rate-cutting competition, that I wish to

*Not corrected by the Honourable Member.

prevent by this Bill. I am giving under this Bill a power to the Governor General in Council to intervene and regulate competition. That is really the essence of this Bill.

Sir, I move.

The Motion was adopted.

THE HONOURABLE MR. P. N. SAPRU: Sir, I introduce the Bill.

DURGAH KHWAJA SAHEB BILL.

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

"For leave to introduce a Bill to make better provision for the administration of the Durgah and the Endowment of the Durgah of Khwaja Moinud-Din Chisti, generally known as Durgah Khwaja Saheb, Ajmer."

I will not detain the House by making a long speech.

THE HONOURABLE THE PRESIDENT: Have you obtained the sanction of the Governor General?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Yes, Sir. As the House is already aware, this Bill was introduced in the last Simla session and then on a further occasion when an objection was raised that the Bill required the Governor General's sanction, I withdrew the Bill and then applied for sanction which has been obtained. I hope the House will give me permission to introduce the Bill.

THE HONOURABLE THE PRESIDENT: Have you sent the sanction to the Department?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: The Department has informed me that the Bill has received sanction.

THE HONOURABLE THE PRESIDENT: Motion made:

"That leave be given to introduce a Bill to make better provision for the administration of the Durgah and the Endowment of the Durgah of Khwaja Moinud-Din Chisti, generally known as Durgah Khwaja Saheb, Ajmer."

THE HONOURABLE SAIYED MOHAMMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan): Sir, I should like to oppose the introduction of the Bill.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): May I say that I understand it is the convention of this House that no Bills are opposed at the introduction stage and what I want to make clear to my Honourable friend is that if he opposes, Government, in order solely to maintain the convention, will support the introduction of the Bill—not on the merits, but to support a very important convention. It has been the convention hitherto that at the introduction stage there is no opposition and the merits of the case are not considered. I would merely appeal to my Honourable friend whether he wants to break this convention?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : May I explain my attitude ?

THE HONOURABLE THE PRESIDENT : Order, order. You will have another opportunity, when the Bill comes up for consideration, to oppose it. There is no necessity for you to break this convention. I entirely support the Leader of the House when he says that it has been the well-established practice of this House that even the most contentious Bills are allowed to be introduced.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : I wish to bring one fact to your notice and for the consideration of the Leader of the House. I understand that this Bill is going to be circulated.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : On a point of order, Sir—

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : I understand that this Bill is going to be circulated in the country for opinion. That there was opposition to the Bill should also be presented to the public.

THE HONOURABLE THE PRESIDENT : The Motion before the House is only leave to introduce the Bill. Let me draw your attention to Standing Order 36. If you oppose it I will have no option but to put it to the vote of the Council under that Standing Order and you will be breaking the convention which has been established all throughout. I have no option. If you oppose it I will have to take action under Standing Order 36 and even the Council may have to divide on that point.

Order, order. Motion made :

“That leave be given to introduce a Bill to make better provision for the administration of the Durgah and the Endowment of the Durgah of Khwaja Moinud-Din Chisti, generally known as Durgah Khwaja Saheb, Ajmer”.

The Motion was adopted.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Sir, I introduce the Bill.

THE HONOURABLE THE PRESIDENT (to the Honourable Rai Bahadu Lala Ram Saran Das) : You do not wish to move your Resolution ?*

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : No, Sir.

THE HONOURABLE THE PRESIDENT : Captain Maung Aye.†
(The Honourable Member was absent.)

* “This Council recommends to the Governor General in Council that when executing death sentences passed by Law Courts the electric chair be substituted for hanging as early as possible”.

† “To move for leave to introduce a Bill to make provision for the restoration of the Buddha Gaya Temple and its premises to Buddhists for the better management of the same”.

RESOLUTION RE AMENDMENT OF THE S. P. C. A. ACT.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Sir, I beg to move the following Resolution :

“This Council recommends to the Governor General in Council to take early steps to amend the S.P.C.A. Act suitably in order to meet present conditions and to provide better convenience for the animals and their owners”.

My object in bringing forward this Resolution is this. There are certain disabilities in the working of the Act. The owners of animals are put to great hardship and the treatment accorded to the animals which are charged for offences under that Act are unsatisfactory. I do not understand why this Act should be administered by a Society ? I am not one who is very closely connected with the work of the Society and its constitution, which is purely a non-official body. There is no provision made in the Act, so that the work allotted to the Society—

THE HONOURABLE MR. M. G. HALLETT : May I ask the Honourable Member what Act he is referring to ?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : The S. P. C. A. Act, Sir.

THE HONOURABLE MR. M. G. HALLETT : I never heard of such an Act, Sir.

There may possibly be one in the Madras Presidency which I am not aware of.

THE HONOURABLE THE PRESIDENT : What is the number of the Act ?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : Act XI of 1890—Act for the Prevention of Cruelty to Animals.

THE HONOURABLE MR. M. G. HALLETT : Act XI of 1890, Sir ?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : And further, Sir, I was told when I had a casual talk with the members of this Society that the Society generally gets funds from the public in the way of subscriptions and donations from people who are sympathetic towards its object. But as a matter of fact, I understand that most of the income comes from the fines levied under this Act. About the constitution of the Society, Sir, most of these members belong to the urban areas of the district, and the Society has its headquarters only in cities and towns. The persons who constitute the Society have no direct working knowledge and the effect of its administration. That is why there are these hardships which I want to bring to the notice of this Honourable House. This Society charges the owner of the animal with certain offences which come under this Act. These offences relate to observance of certain diseases, injuries and certain disabilities detected in the animal when they are worked and thus charged for cruelty to animals. And most of the animals belong to the agriculturists or persons who apply their bullock or animal to draw carts for hire purposes. And persons who are asked to deal with these cases are mostly men who have not got any direct knowledge of the conditions. No veterinary officer or person representing the interest affected by its operation

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form part of this Society. And so, Sir, any offences brought to notice is generally charged and the owners of animals are fined. And apart from the fining, there is the other great difficulty which the animal and the owners undergo. Let me just explain my observations. The people who are affected are persons who come mostly from outside municipal areas where the Society is located bringing their cart loads of produce, grain, cotton, etc., for selling in the market of the town or bringing some articles for hire charges. Those people come generally from very far off distances to the market and during the course of their travel an animal may get a little lameness or some nails in its shoe or a blister may form in its neck—and at once an S. P. C. A. inspector (there is a large number of them who always wait where traffic is heavy) catches hold of this bullock and it is taken to the police office or the municipal office and the owner's name is recorded and he is charged. And these people come on the day appointed for the inquiry and pay the fines. And generally they do not dare to argue or plead before the magistrate before whom they are hauled. They have only to come prepared with the fines and then pay down the fines. And then the matter does not stop there. At once the owner of the animal and the animal are ordered to be taken to the infirmary where it is detained until it is cured completely of its wound or its lameness.

THE HONOURABLE MR. M. G. HALLETT: Does the Honourable Member object to that?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: I do not want to say anything about the treatment that is necessary for the animal but what I am aiming at is that these persons come from 10 or 15 or 20 miles away and depend mostly on their living by hiring their bullock cart, and if they are detained and made to pay the cost of feeding the animal and feeding themselves—and the time taken is never less than a month and often extends to two months—imagine, Sir, what will be the condition of the man who simply depends as his only means of livelihood on a double bullock cart or an ekka or any conveyance like that, if his one bullock is detained and he has to feed himself as well as the animal. Apart from the payment of the fine, I have known cases where a man has had to sell the other bullock or the cart if he has not been able to get any charitable gentlemen to feed him in that place where he has to buy everything. His food costs him nearly a rupee a day. That means his earnings are gone and he has to find money to feed himself and the bullock for a month or two. His condition can be better imagined than described. I do not deny the laudable aims and objects of the Society, by way of giving treatment to the suffering animals, but what I say is as the income of the Society mostly comes from fines some benefit should be given out of this source to meet this expense. I know thousands of rupees are collected every year in this way and the amount is spent mostly within the town limits and on objects and ways which are not in conformity with the correct principles of the Act. In these days of keen competition and economic depression, these people are put to such difficulties. Even in many veterinary hospitals (infirmaries) there is not even sufficient protection or sheds in which to give proper treatment to the affected animals. The money of these societies is spent mostly in the city and town areas. To mention some of the important functions held, are some shows, some prize distribution, and arranging an exhibition and big amusement and entertainment to the public, bringing out a nice report with photos of people who are chiefly interested in the working of the Society. Is the object of the Society properly served if they only provide a certain number of water troughs, cart and animal sheds in prominent street

corners as demonstration to the public, even though their users are decreasing day by day due to the advent of motor vehicles. No doubt these yearly functions create some enthusiasm, and entertainment to the town people and the people who live within a radius of three or four miles around. But how can it be said that the object of the Society is really served by these acts and that the animal and its owner get any benefit? Are they not entitled to get at least certain facilities in the hospital for storage of good fodder, a *pucca* building in which to stall the animals? This matter being closely connected with the agriculturist, as Secretary of the District Agricultural Association I brought the matter once to the notice of the District Magistrate. He was the President of our Association and President of that Society also. My Honourable friend Mr. Thomas was then the District Magistrate in my district. I remember he expressed his inability to help in the matter. The Act clearly says that the animal shall be sent to the infirmary. So I would submit that a small provision should be made in section 6 (3) and 6 (4) of the Act. I am not competent to give any draft. I have not got legal talent. That is why I have put forward the Resolution in this form that the Act should be amended suitably. I would suggest that to section 6 (3) may be added:

“..... only in case, the infirmary lies within five miles of the place of the owner of the animal”.

My object is not to interfere with the humanitarian principle of the framers of the Act. Such owners as live within an area of five miles may be compulsorily made to attend that infirmary. The man can walk the five miles or bring fodder from his place. If the owner is poor and lives upon the hiring of the bullock, his animal may be treated free of charge. So, I would like to add to section 6 (4):

“If the owner of the animal has no other means or income the cost of the treatment, feeding and watering may be done free of cost, or the costs may be met from the funds of the Society and sufficient provision may be made for stabling the animals, keeping a stock of good animal food purchased in season and stored and made available to the animals in the infirmary”.

These two provisions will mitigate the hardship which persons coming under this Act are undergoing and I would request that in improving this Act, modifications may be made to meet these two points. My object in bringing forward this Resolution is not to decry the work of the S. P. C. A. but to bring to the notice of the Government and this Honourable House the need for further provision to serve the very high humanitarian object of the Society, and the need for modification in order to protect the dumb creature and its dumb owner so that they may get proper treatment.

THE HONOURABLE THE PRESIDENT: Your time is up. I will ask you to be brief.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: No doubt, the District Magistrate or the District Judge is the presiding officer of the Society. Nobody can expect them to have sufficient time to go into the working of the Society nor have they any opportunity to see how these animals are treated and the difficulties under which the owners are labouring. If they had such occasions, certainly suggestions would have come from them to remove these difficulties. Generally the work is left in the hands of the Honorary Secretary, who himself does not go directly into this question.

I hope that my Honourable friend Dewan Bahadur Narayanaswami Chetty with his intimate connection with such public institutions will be in a

[Mr. V. C. Vellingiri Gounder.]

better position to explain in more detail the difficulties of these poor dumb creatures. I think I have explained thoroughly why I have brought this Resolution before the House and I hope Government will be pleased to see my difficulties and will accept my Resolution, which is after all a small amendment to improve the Act.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, it would have been possible to get this Resolution disallowed by suggesting to His Excellency the Governor General that this was a subject which was not the primary concern of the Government of India, for in the present Devolution Rules framed under the Government of India Act the prevention of cruelty to animals is a provincial subject and is subject only to provincial legislation. We cannot legislate here to amend this Act to which the Honourable Member has referred. I did not however take that course because I think the prevention of cruelty to animals is a subject to which considerably more attention should be devoted in India than is at present devoted to it. We have some very energetic people who are doing much to improve conditions among the unfortunate animals of this country and I am glad to say that the Government of India in the course of this last year were able to give a small grant of Rs. 3,000 to the lady who is running the All-India Society for prevention of cruelty to animals and who hopes to expand the work of that society so as to make it really influential in all parts of India. I did not ask for this Resolution to be disallowed because I thought it would be a good thing to get this subject discussed and I hope we might have more support for strengthening the Act than for decreasing its provisions. The Honourable Mover has however referred more to cruelty to owners than to cruelty to animals. I admit he has put that into his Resolution but I am afraid I rather overlooked that portion of the draft Resolution. He wants to make the Act less drastic than it is at present. The result of his amendment, as I understand it, would be that a man would come in driving a pony or bullock from nine or ten miles out, and the pony might be dead lame or it might be suffering from a bad gall on the shoulder, the bullock might be in an equally bad condition, and yet the Society or the magistrate or the police could do nothing to secure any treatment for that animal. It could not, as I understand his amendment, be sent to a veterinary hospital for treatment because its owner lived more than five miles away from the centre to which he had driven it. That surely is entirely wrong, or would be regarded as entirely wrong by anybody who dislikes cruelty to animals. His further attack was I gather on the Society for Prevention of Cruelty to Animals. Those societies are all local societies, and it is entirely impossible for me to defend the particular society in the district of Madras from which he comes. If he has any grievance against the Society regarding the administration of the Act in that particular district it would be far better for him to get the question raised in the local Legislature, far better for him I should think to go to the District Magistrate to get matters improved. I quite admit that in some cases the subordinates of a society of this kind are not entirely above suspicion, but I do contend that there are some places in this country, far too few I admit but there are a few places where the Society for the Prevention of Cruelty to Animals is doing most excellent work, and it is most desirable that that work should be expanded and intensified. Take an example of what they did a few years ago in Calcutta. In Calcutta buffaloes are used, as many Honourable Members no doubt know, for drawing heavy loads on carts. They are used both in the hot weather and in the cold weather. In the hot weather it is real cruelty to a buffalo which is a water animal to use it in the streets of Calcutta during the hottest part of the day to draw a heavy load. They got that practically entirely

stopped, and now I think a buffalo is allowed from 11 A.M. to 2 P.M. a rest from work in the hot weather, and they also make special arrangements for giving them large supplies of water, so that the buffalo can return to his original habit of wallowing in the mire. This improvement was opposed by the buffalo owners in the first instance, but after it had been brought into operation I think they themselves realised that it was to their interest that their animals should be humanely treated. Sir, if the Honourable Member had taken the line, that this Act should be improved so as to do away with some of the many cases of cruelty to animals which still exist, I should have been ready to offer to forward whatever he had said to the Local Government concerned. I had before me various proposals that had been made for making the Act more effective in stopping cruelty. For instance, here is a Bill which was sent to me by a Judge of the Madras High Court who is President of the Society for Prevention of Cruelty to Animals there, which is designed to prevent the cruelty which occurs in the course of animal sacrifices. That has just been received by me, and although we cannot do anything at the Centre, it is quite likely we shall ask the Government of Madras to consider what they can do in this matter. I have received other proposals for the amendment of the Act from the Society which, as I say, functions very successfully in Delhi, and those a short time ago we commended to the notice of Local Governments in the hope that they would be able to take up the proposals to make the Act more effective in preventing gross cases of cruelty. But, Sir, as I say, the Honourable Members' speech seems to be an attack on the local Society for the Prevention of Cruelty to Animals, a matter which should not have been ventilated in this Council but raised locally, and it also included a suggestion that the Act should make it more difficult than it is at present to prevent serious cases of cruelty to unfortunate pack animals visiting a town from outlying villages. With that I have not the least sympathy, and that being so I must oppose this Resolution.

THE HONOURABLE DEWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I should like to say a word or two. My friend thought that it was very difficult to get matters of this sort ventilated in the local Legislative Council in view of the greater political importance attached to subjects other than this. His real complaint seems to me to be about the feeding charges. That, as the Honourable Mr. Hallett pointed out, is a provincial subject and it is for the Provincial Government to take up. My Honourable friend Mr. Gounder felt that an expression of opinion from a House like the Council of State and the Government of India communicating the debate to the Local Government would be of much help to the Provincial Minister in bringing forward an amendment in the local Legislature.

Regarding the question of feeding of animals concerned in cruelty cases the conditions obtaining in my province to which the Honourable the Mover also belongs, are different in the city and in the mofussil. In the mofussil, the local societies charge the cases under Act XI of 1890 which gives provision for animals to be remanded to the infirmary by a magistrate even before the disposal of the cases. But in Madras City, prosecutions are instituted under the Madras City Police Act which empowers a magistrate to remand an animal only upon conviction of an offence.

No doubt the feeding charges are very high, viz., 12 annas per day for a bullock or a pony and Re. 1 for a horse. Poor people cannot afford to pay such heavy charges. In practice it is found that invariably in all cases remanded to the infirmary the owners give their own food. If any owner fails to do so, by a special arrangement made by the Madras S. P. C. A. with the Pinjrapole, the animal is sent to the Pinjrapole where only half the Government rates are charged for the feeding of animals.

[Dewan Bahadur G. Narayansawami Chetty.]

The S. P. C. A. at Madras brought about the constitution of a Special Court for the trial of cases of cruelty to animals only with a view to getting animals treated in the hospital. But its purpose is defeated since the magistrates are reluctant to remand animals to the hospital because of the high rates of feeding charges prevailing at present and the difficulty of the owners having to bring their own feed to the hospital from distant places. The object of the S. P. C. A. is the prevention of cruelty to animals and not so much the prosecution of the offenders. If we succeed in getting the free feeding of animals sanctioned by Government, it will be a great step in our achieving the entire object of the S. P. C. A.

In the Annual Report of the Madras Society for the Prevention of Cruelty to Animals for the past year it is pointed out that out of 3,319 prosecutions by the Society's officers and the police during the year, animals were not produced for inspection in as many as 1,001 cases. The accused persons having come to know that after the deputation of a Veterinary Officer for the Special Court, more animals are being remanded to the infirmary, wilfully do not produce the animals for inspection by magistrates. Consequently in fit cases the animals do not get treatment in the hospital. There is thus every probability of these animals being used outside the presidency town in an unfit condition with impunity. Such cases are of course difficult of detection, for many of these animals come from the mofussil. There is no provision in the Act for the detection of animals on seizure, till and after they are inspected by the magistrates.

In short, if the feeding question is solved in the manner sought to be done by the Honourable Mr. Gounder, the real purpose of the S. P. C. A. and the constitution of the Special Court at Madras in particular, will be fully achieved.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. V. C. Vellingiri Gounder): Do you propose to withdraw the Resolution?

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: I want some information, Sir, before withdrawing. We are told that it is only a matter concerning Local Governments and to some extent District Magistrates can help in the matter. So far I have not been able to get a remedy. So long as the Act is not amended, it is very difficult to get any remedy.

THE HONOURABLE DEWAN BAHADUR G. NARAYANASWAMI CHETTY: The local Council has to amend the Act.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: With regard to the amendment as the Honourable Mr. Hallett pointed out, the Devolution Rules give power to Local Governments to make amendments. Am I right, Sir?

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

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: I do not know if the Local Governments can go beyond the main principles classified under the section?

THE HONOURABLE MR. M. G. HALLETT: They can do anything they like. They can amend it in any way they like.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: I was told when I consulted some friends that the Local Government may make some amendments, but when I was searching in the Library to find whether any amendments were made in the local Councils, I came across an amendment made in Bombay. When I referred to this amendment, I found that it has made the position much worse. I will just read the small amendment which the Bombay Government have made. I hear that the people of Bombay have got more sympathy towards animals and people who keep animals worship them. My object is to provide certain facilities for feeding the animal in case it comes from a distance of 15 or 20 miles from its place. This is the amendment made in Bombay:

"If the owner refuses or neglects to pay such cost and to remove the animal within such time as a Magistrate may prescribe, the Magistrate may direct that the animal be sold and that the proceeds of the sale be applied to the payment of such cost."

Another clause reads this:

"If the cost incurred * * * * shall exceed the proceeds of the sale, the excess to such extent as shall seem reasonable shall be recoverable from the owner as a fine on the order of the Magistrate, provided that no such order shall be made without the owner being given a reasonable opportunity of urging his objections, if any, before the Magistrate."

If the cost exceeds the proceeds of the sale, the balance is to be recovered as a magisterial fine. The point is whether the Devolution Rules will give a certain opportunity to relieve the difficulty that I have pointed out or will it make the position much worse as in the case of the Bombay amendment of the Act. I wish again to bring to the notice of the Honourable House the hardships. I hope all will agree that it is not reasonable that the poor people should be made to undergo these hardships under the Act. That is why I do not know whether, apart from the main sections of the Act, the Government can make amendments to make provision of the kind that I have mentioned, although it will be a little bit of modification of the main penal provisions of the Act, which is an all-India Act.

THE HONOURABLE MR. M. G. HALLETT: The Local Government can enact a new Act if they like—Bengal have done that—or they can amend the Act where necessary.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: As the Honourable Mr. Hallett says that the Local Government has power to provide a remedy for all the difficulties by amending the Act I have no objection to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

(Amendment of section 406.)

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): Sir, it is rather a late hour and I think I shall have to make rather a long speech over this Bill.* So I want to know from you, Sir, whether, if I do not make any Motion today, the Bill will lapse? If I do not make any Motion today, I will have the Bill discussed in the Simla session.

THE HONOURABLE THE PRESIDENT: You can ask for permission to make a Motion at the next session. If you do not make the Motion for two sessions successively, the Bill will lapse. The Bill lapses only in that case.

*"To move that the Bill further to amend the Code of Criminal Procedure, 1898, as passed by the Legislative Assembly, be taken into consideration."

THE HONOURABLE MR. V. V. KALIKAR : I shall move it at the Simla session, Sir.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadian) : Sir, I am not going to make the Motion* standing in my name.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : With your permission, Sir, I propose that the Council may sit on Monday, the 20th April, for the transaction of official business. Two Bills [the Italian Loans and Credits Prohibition Bill and the Salt Additional Import Duty (Extending) Bill] have already been laid on the table of the House and they will be considered here and if there are any other official Bills that come up from the other place they will also be taken up.

STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT : With reference to the announcements made by me on the 30th March, 1936 in regard to the election to the Standing Advisory Committee for the Indian Posts and Telegraphs Department, I have to inform the House that the election will take place on Monday, the 20th April, 1936.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT : I have also to announce that the following non-official Members have been nominated for election to the Central Advisory Council for Railways :

The Honourable Mr. Mahmood Suhrawardy.
The Honourable Khan Bahadur Syed Abdul Hafeez.
The Honourable Rai Bahadur Lala Ram Saran Das.
The Honourable Sardar Buta Singh.
The Honourable Mr. Satyendra Chandra Ghosh Maulik.
The Honourable Rai Bahadur Radha Krishna Jalan.
The Honourable Sir David Devadoss.
The Honourable Saiyed Mohamed Padshah Sahib Bahadur.
The Honourable Diwan Bahadur G. Narayanaswami Chetty.
The Honourable Mr. Hossain Imam and
The Honourable Mr. V. V. Kalikar.

There are 11 candidates for six seats and an election will be necessary. The election will be conducted by means of the single transferable vote and will take place on Monday, the 20th April, 1936.

The Council then adjourned till Eleven of the Clock on Monday, the 20th April, 1936.

* "To move that the Bill to control the Coastal Traffic of India be referred to a Select Committee consisting of (the names of the members to be mentioned at the time of making the Motion) and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be....."

COUNCIL OF STATE.

Monday, 20th April, 1936.

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

QUESTIONS AND ANSWERS.

EXTENSION OF THE MYSORE-CHAMRAJNAGAR RAILWAY TO SATYAMANGALAM.

182. THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : (a) Will Government be pleased to state, at what stage the proposal stands of extending the Mysore-Chamrajnagar Railway to Satyamangalam and of making thence a through connection to the southern districts of Madras ?

(b) Did the traffic and engineering surveys made several years back regarding this railway extension show a fair return of income ?

(c) Is this proposed extension of the railway the only possible short route from Poona to South India ?

(d) Has the Madras and Southern Mahratta Railway raised objections to this proposed railway extension ? If so, what conclusion have Government come to regarding the objections of the Madras and Southern Mahratta Railway ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) The Mysore Government have recommended this line being built. The investigations made some years ago are now out of date and further surveys will be necessary before the project can be considered in detail. The Mysore Government have been asked if they are willing to pay for these surveys, but have not yet replied.

(b) No. Allowing for losses to existing lines, the return on the line between Hardanahalli and Satyamangalam was estimated at 1.29 per cent., between Satyamangalam and Palni 2.76 per cent. by direct route, and 4.84 per cent. by Kangyam route, between Satyamangalam and Mettupalaiyam 1.93 per cent. Since these estimates were made there has been a considerable increase in motor traffic in the plains sections, which will certainly reduce the earnings and make the project still less remunerative. Government cannot therefore embark on the project without a guarantee against loss, nor settle the amount of the guarantee without a full investigation including both an engineering and traffic survey.

(c) In point of distance it is shorter than existing routes.

(d) When the project was considered in 1928 the Board of the Madras and Southern Mahratta Railway stated that if the Railway Board were satisfied that the construction was justified they would raise no objection to it.

REDRESS OF COMMUNAL INEQUALITIES ON THE NORTH WESTERN RAILWAY.

183. THE HONOURABLE MR. HOSSAIN IMAM : Will Government be pleased to state :

(a) Whether the Government of India resolution of July 1934, regarding the redress of communal inequalities, and their supplementary instructions

thereon, lay down definitely that promotions from the inferior services to superior services should be treated as distinctly *new appointments* to superior services? Will Government lay on the table all the supplementary instructions issued by the Home Department in respect of this Resolution?

(b) Whether the Divisional Superintendent of Delhi Division of the North Western Railway has withheld promotion of 40 cleaners to firemen?

(c) Whether the said Divisional Superintendent has put up suggestions against the orders of the Government of India, viz., the said resolution and paragraph 5 of the supplementary instructions thereon that promotions from inferior services to the superior services should not be treated as *new appointments*?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a) As regards the first part of the question, I would invite the Honourable Member's attention to paragraph 5(b) of the "Memorandum of Supplementary Instructions connected with the orders contained in the Government of India, Home Department, Resolution No. F. 14/17-B/33-Ests., dated the 4th July, 1934". As regards the latter part, a copy of the Supplementary Instructions issued by the Home Department was placed in the Library of the House with Railway Board's letter No. E-35-CH-120, dated the 9th August 1935.

(b) and (c) Government are informed that the Divisional Superintendent, Delhi, found certain administrative difficulties in applying the orders of the Railway Board and consequently referred the matter to the Agent by whom it is now being considered.

STATEMENT LAID ON THE TABLE.

COMMERCIAL TREATIES AND NOTES AFFECTING INDIA.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir I lay on the table a further list of Commercial Treaties and Notes affecting India.

COMMERCIAL TREATIES AND NOTES AFFECTING INDIA.

Part I.

The agreement mentioned in this part provides for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity.

The Notes exchanged between His Majesty's Government in the United Kingdom and the Egyptian Government provide for the prolongation until February 16, 1937, under the same conditions as previously obtaining, of the Provisional Commercial Agreement concluded between these Governments by the Notes dated the 5th and 7th June, 1930.

Country.	Nature of Agreement.	Description.	Date of Agreement.
Egypt . . .	Notes . . .	Commerce . . .	February 5/11, 1935.
Egypt . . .	Notes . . .	Commerce . . .	February 15, 1936.

STATEMENT LAID ON THE TABLE.

Part II.

This part refers to the agreement to which India is a party. The Anglo-Muscat Treaty of 1891 was extended up to February 10, 1936. The question of its further extension is under consideration.

Country.	Nature of Agreement.	Description.	Date of Agreement.
Muscat . . .	Note . . .	Treaty of Friendship, Commerce and Navigation, 1891.	February 11, 1935.

Part III.

This part refers to agreements which have been denounced, the date of denunciation being shown against each. India is a party to the agreements with Brazil and Iran while under the treaty between the United Kingdom and Guatemala products and manufactures of India are granted most-favoured-nation treatment, on terms of reciprocity, excluding special privileges granted by Guatemala solely to any other Central American country.

Country.	Nature and date of Agreement.	Description.	Date of expiry of agreement.
Brazil . . .	Notes (July 21, 1932)	Commerce . . .	July 31, 1936.
Guatemala . . .	Treaty and Notes (February 22, 1928).	Commerce . . .	August 30, 1936.
Iran (Persia) . . .	Treaty and Notes (May 10, 1928).	Tariff Autonomy . . .	May 10, 1936.

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, two messages have been received from the Secretary of the Legislative Assembly.

First message:

"I am directed to inform you that the Legislative Assembly has, at its meeting held on the 17th April, 1936, agreed without any amendment to the Bill to amend the law relating to marriage and divorce among Parsis which was passed by the Council of State at its meeting held on the 13th March, 1936".

Second message:

"In accordance with Rule 36 (1) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Council of State in the Bill to regulate the payment of wages to certain classes of persons employed in industry were taken into consideration by the Legislative Assembly at their meeting held on the 18th April, 1936, and that the Legislative Assembly have agreed to the amendments".

STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to elect two non-official Members to serve on the Standing Advisory Committee for the Indian Posts and Telegraphs Department. There are three candidates for two vacancies. Voting papers will be handed round and I ask Honourable Members to vote by striking out the name of the Member for whom they do not wish to vote.

(Honourable Members then recorded their votes.)

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to elect six non-official Members to serve on the Central Advisory Council for Railways. Voting papers will be handed round and I ask the Honourable Members to vote in accordance with the instructions noted thereon. I have just been informed that the Honourable Mr. Kalikar and the Honourable Mr. Suhrawardy have withdrawn their candidature.

(Honourable Members then recorded their votes.)

THE HONOURABLE THE PRESIDENT: The results of both these elections will be announced later.

ITALIAN LOANS AND CREDITS PROHIBITION BILL.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I move:

"That the Bill to prohibit the making of certain loans and credits, as passed by the Legislative Assembly, be taken into consideration".

I will not detain the House long with an explanation of this measure. Honourable Members are aware of the collective action which was decided on by the League of Nations in order to bring pressure to bear on Italy, which had been declared to be the aggressor in the Italo-Ethiopian dispute. Practically all the countries belonging to the League have adopted what is known as the financial sanction, and it is of course obligatory on India as a signatory to the Covenant of the League of Nations to fulfil its duties under article 16 of that Covenant, which enjoins the severance of financial relations with an aggressor country. As the Legislature was not in session at the time when the League of Nations took this decision, the enforcement of the financial sanctions in India was carried out by an Ordinance of the Governor General. That Ordinance took effect from the 18th November and in the ordinary course, in accordance with the provisions of the Government of India Act, would lapse in six months from that date. As it is unfortunately probable, or at any rate possible, that it will still be necessary to pursue action against Italy after that period, in order to provide for that contingency this Bill has been brought forward to replace the Ordinance. The scope of the Bill is indicated in clause 2. Briefly, it prohibits the granting of loans or credits to (1) the Italian Government, (2) any person resident in Italian territory and (3) any body corporate wherever resident which is incorporated under the law of Italy. I may perhaps add that it does not prohibit remittances to or other banking business with Italy or Italian territories or Italian bodies corporate, unless such remittances involve the grant of credit in any form.

The only other feature of the Bill to which I may perhaps draw attention is clause 6, under which the Governor General in Council may by notification declare that with effect from a certain date the Act will cease to be in operation, so that, if the necessity for this measure should cease during a time when the Legislature is not in session, the repeal of the Act could be carried out by notifications.

Sir, I commend this measure to the House.

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THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal: Non-Muhammadan): Sir, much as I would like not to inflict a long speech on the Members of this House in this trying heat of Delhi, I feel at the same time that before Honourable Members put their hallmark on this Bill, they should be acquainted with a few facts which have a great bearing on the Bill before us. This Bill reproduces, as has been pointed out by the Honourable Mr. Raisman, an Ordinance which was issued on the 18th of November, 1935, and would therefore expire on the 18th May, 1936. It has already received support in another place and it is now for us to put an stamp on it. But, Sir, in view of recent events, is not the Bill unnecessary and belated? The dilatory tactics of the League of Nations, preceded by the embargo on the exportation of arms into the belligerent countries, have helped Italy to rout the Abyssinian Army and to put His Majesty the Negus to flight. He is in the same plight today as Humayun but without a friendly King of Persia to fall back upon. His army is reduced to 5,000, if the Paris correspondent of *L'oeuvre* is to be believed. If not, what does it matter? It cannot be now more than 50,000. To understand how the embargo had hit Abyssinia more than it affected Italy, you should consider that out of the Abyssinian standing army of 100,000 men, only about 15,000 to 20,000 are fully organised. Of these again only the bodyguard of 2,500 to 7,000 men at Addis Ababa were fully equipped with modern weapons and trained by European instructors. The training is what is known as the "barrack square" type, not very effective against the mechanised systems of today. She had numerous artillery, but her guns were all out of date. Before 1935 for modern warfare she had a few hundred machine guns and about 4½ million rounds of small arm ammunition. In 1935 she received 16,000 Mauser rifles and 600 light machine guns and 5½ million cartridges. Owing to the embargo a consignment of 4,000 rifles and 17 million rounds of ammunition was stopped at Antwerp. Who knows how many consignments were stopped elsewhere?

The Abyssinian is a brave soldier but vainglorious and has not the patience the skill or the restraint of the Pathan. The Pathan draws the enemy into the wild among the mountains and the chasms and fights the latter on his own terms. His people scatter before bombs from aeroplanes and yet live. The Abyssinian rushes in where the Pathan would hide himself. Moreover the Italians were not likely to derive benefit from the French experience of July, 1933 during the operations on the Beddou mountain in the Atlas. Seven thousand Berbers were opposed to 35,000 French or French-trained troops who were fully equipped and were assisted by a large body of Moroccan mercenaries. Direct attacks with the powerful support of aeroplanes and artillery completely failed. A regular investment had to be undertaken during which one by one, the water springs were brought under fire, till eventually the tribesmen after months of resistance was forced by thirst to surrender. In Abyssinia likewise you heard day after day of the bombing of Ambulance bases and you thought the Swedes, the British and the Belgians tolerated Italian attacks on foreign ambulance brigades. No, Sir. These attacks were directed not against the ambulance camps but against the springs where potable water was available. Add to this Italy with impunity used mustard gas—a thing the use of which in warfare would pass the comprehension of the Abyssinian and fill the stoutest heart amongst them with unknown and uncanny fear. In these circumstances how long could he fight? Certainly not for a month longer—for thirst and privation will not have left sufficient courage or strength in him ever to carry on a guerilla warfare. Why then pass this mockery of a Bill?

[Mr. Satyendra Chandra Ghosh Maulik.]

Sir, the Bill is unnecessary not merely because of what I have stated above but because of the British attitude towards the Italo-Abyssinian question—I was going to say the hypocritical attitude of the British Tory Party—the Bill will never be put into operation if it harms or inconveniences Italy in its war with Abyssinia. I say this, Sir, with the full sense of my responsibility as a Member of this House and with your forbearance I hope to convince the House that the British Tory Party, except for a little bit of stage acting, has been helping Italy all along the line. Sir, so long ago as December, 1934, Abyssinia referred to the League of Nations a gross instance of the violation by Italy of her territorial sovereignty. The League played with the matter and ultimately tried to shelve it by calling for a report not on the incident out of which the reference arose but on the whole question of Italo-Abyssinian relation.

In January, 1935 Laval went to Rome and France and Italy agreed to withdraw their garrisons from the regions where their frontiers marched in the Alps. This would leave France to concentrate on the Rhineland border and Italy on the Abyssinian border. In February Laval went to London. It is difficult to believe that the Franco-Italian agreement of the previous month was not discussed. In March MacDonald, Laval and Mussolini met at Stresa and as the world knows came to an agreement on the Austrian question. Are we to believe, Sir, that no mention of Abyssinia was made at Stresa? That it did not ever crop up in course of conversation? Well, in April Italy began her military preparations and from April to mid-August Italian troopships passed by Malta and through the Suez. The Italian press carried on a vigorous campaign in favour of the war and in their enthusiasm even attacked Britain as perfidious. The world press began a campaign in favour of weak Abyssinia and went on asking what the League was for. So long Britain was supine, if not actively helpful. Now, all of a sudden there was a change of attitude—a change more apparent than real, for in a consideration of the British attitude one must not forget that outside Italy and Germany the only considerable body of admirers of Fascism is the British Tory Party whose only regret is that the Briton will not tolerate Fascism. In France the Trade Unions are powerful and Laval has to depend on them for the stability of his party's ministry. In England only the Labour Party receives its support from Trade Unions. Trade Unionism and Fascism are diametrically opposed to each other. While therefore the French ministry has to keep up a show of antifascism the Tory ministry in Britain is under no such limitation. But even the Tory ministry with a general election ahead has to placate the people and especially those who are likely to be voters. The eyes of the Tories opened to the feeling amongst the British masses in an unexpected way. In early summer the League of Nations Union organised a Peace Ballot. The promoters expected two or three millions would respond. As a matter of fact 11½ millions voted and they overwhelmingly voted for the League. Of these more than 6,700,000 voted for the employment of sanctions, not merely economical and financial but also military and naval to restrain a country guilty of wilful aggression. Now, Sir, on the eve of a general election could any ministry ignore the verdict of the country recorded in such authentic manner? Stanley Baldwin was caught, but was found equal to the situation. He sent Anthony Eden to Rome. He thought a whisper to Mussolini would make him retreat. But he had manoeuvred himself into such a position that the retreat was impossible because of the catastrophic consequences to himself and the Fascist Party. Sir, Anthony Eden returned unsuccessful. Sir Samuel Hoare was then sent to Geneva and for the first time

Britain invoked the League—not because Britain developed a love for the League.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, this is a very interesting discourse on party politics in England but I do not quite see how it is relevant to this particular Bill and how the Government of India can possibly reply or how we can carry on a serious debate on the politics of the British Government. If the policy of the Government of India was attacked, we could possibly defend it.

THE HONOURABLE THE PRESIDENT: You are perfectly right, but I was waiting to see where the Honourable Member was drifting.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, may I submit in this connection that in the Preamble of this Bill it is clearly stated that we are asked to pass this Bill under the instructions of and in accordance with the wishes of the League of Nations and as long as this is in the Preamble of the Bill it will be perfectly relevant to criticise the conduct of the League of Nations in relation to the Italo-Abyssinian War.

THE HONOURABLE THE PRESIDENT: I quite see that. You may refer to the action of the League of Nations but do not talk about the British Parliament.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: Sir, what I was going to submit was that the British policy has a good deal to do with the Bill before us and as such I think, Sir, we are entitled to discuss how it was brought about.

Only a few years ago Austen Chamberlain had boasted that if he were compelled to choose between the elder, smaller and the younger, bigger of the two League of Nations that there were in this world of ours, he would elect for the former,—the British Commonwealth of Nations. The League was invoked because its procedure was so cumbrous, so dilatory, that before it could move effectively Italy would succeed in removing Abyssinia from the League of Nations—the only black spot on the League landscape. To create an impression on the British electors the most formidable naval demonstration in post-war history was staged. Warships were ostentatiously stretched across the harbours of Malta and Gibraltar. The Italians have proved themselves skilful and daring aviators and are possessed of a well equipped air force. Why risk the life line of British imperial communications which runs by Gibraltar, Malta and Suez to India and Australia? Send the matter to the League and before the League can do anything effective there will be no Abyssinia to protect! And the only other Power which could really move the League to great activity was France. M. Talleyrand once remarked:

“England and France are as natural allies as the man and the horse, but I wonder why France should always be the horse”!

Sir, we have miserably failed Abyssinia. Let us not be hypocrites. Acknowledge that it has been so. Do not add insult to injury. Well might Abyssinia say what the mercantile deputation from Bordeaux, when asked by Louis XIV what should be done to advance their interests, said: “Sire, let us alone”!

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, I do not want to go into high politics. So far as this Bill is concerned, some apprehension was expressed in another place that it would prevent our premiums being paid to Italian insurance companies. But on a careful reading of this Bill I do not think that any person who insured his life with an Italian company would be held liable under the penal provisions of the Act for remitting his premiums. Even if the Governor General in Council does not declare certain corporations to be humanitarian or religious, if a contract had been entered into before the 18th day of November, 1935, I think one is bound to fulfil it. As regards the very interesting question raised by my Honourable friend, Mr. Ghosh Maulik, there is, as he said, no doubt that all reasonable persons think that the attack on Abyssinia was an unprovoked one and as a Christian I feel ashamed to think that a Christian nation should have done this thing. As regards the League of Nations, we regard that as dead.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Mr. President, the League of Nations was the one solid contribution of the Peace of Versailles. That peace was not the clean peace for which the Allies had fought and struggled and if we were to review the international situation we should probably come to the conclusion that all our troubles have been due to that peace, which was dominated not by the spirit of Wilson but by the spirit of Clemenceau. It was a peace which weakened the forces of liberal and social democracy in Germany, which is responsible for the rise of Nazism in Germany and which is responsible for the rise of Fascism and the present regime in Italy. Italian Imperialism is now finding expression in the Italo-Abyssinian dispute. In this struggle, Sir, the sympathies of the millions in India, people who are struggling for freedom in their own land, is wholly with the Abyssinians. It is to us a matter for deep sorrow that the Italians are getting the upper hand in Abyssinia today. We in this country know, Sir, what it is to lose one's independence, though, fortunately, we happen to be associated with the wisest of all the Imperial Powers. The British Commonwealth, however, is now thinking in new terms and moving—perhaps too slowly—to a new order based on equality and freedom for all the component parts of it, whether white, brown or black. Italian Fascism is, however, very different. Recent events have very much affected the prestige of the League. It was a quiet spectator of Japanese aggression in Manchuria. It allows Japan even today to have a free hand in Manchuria. And after its record in this Japanese-Chinese dispute it would have been fatal if it had allowed Abyssinia to be swallowed up without some concerted action. The whole system of collective security would have broken down if the League had not intervened. There were two alternatives before the League if the system of collective security was to be maintained. Either it could have applied economic and financial sanctions or it could have applied military sanctions. If it had applied military sanctions, then I think the League would have been false to the very ideals which it is its duty to uphold. The League is a league for the maintenance of peace in the world and it would not have been proper for the League to apply military sanctions. Let us examine what military sanctions would have meant. They would have meant a world war with all the consequences that a world war would have for the whole of our civilisation. Therefore, the League had no other alternative but to apply economic sanctions. It could have sat still but that would not have been proper. The only alternative before it was to apply economic sanctions and I am not prepared to criticise the League for the attitude that it has taken up in regard to the Italo-Abyssinian dispute. I deeply sympathise

with Abyssinia, but at the same time as one who thoroughly hates war, who would not fight even if he could fight, I do not see how we in this country can ask for military sanctions to be applied by the League. Unfortunately, the sanctions are proving ineffective. It looks as if Italy is going to have the better of Abyssinia and it is doubtful if the League of Nations will be able effectively to intervene, when the terms of peace are settled between Italy and Abyssinia. Anyway, if it does anything more, then it probably means war, and for war, I at any rate am not prepared. I do not therefore see that there is any other alternative before the League but to go on with the policy which it has been following so far. It might be possible, however, to strengthen these economic and financial sanctions, and if the oil sanction had been applied from the very beginning, possibly the position in regard to Abyssinia would have been better. There again, I do not think that on a fair view, the British statesmen can be blamed in this matter. It is really the vacillating policy of France which wants to maintain the Italian-Franco pact which is responsible for the fact that sanctions have not been as effective as they should have been or might have been. I feel that if Italy wins, Fascism triumphs, and that will be disastrous for the world. It will be disastrous not only for the European world; it will be disastrous not only for democracy and all that democracy has stood for during the last 120 years or so since the days of the French Revolution; it will be disastrous for India, it will be disastrous for other Asiatic countries also, countries which are struggling to be free, because it will show that force can triumph over right, that force can triumph over justice; it will show that an Imperial power, well organised and well disciplined, can ride ruthlessly over weak and ineffective peoples.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What practical remedy do you suggest?

THE HONOURABLE MR. P. N. SAPRU: I have no practical remedy to suggest except to apply these sanctions with greater vigour, to go forward with this policy of applying economic and financial sanctions. Any other policy would result in war, and for war, so far as at any rate I am concerned, I am not prepared, because, my pacifist creed would not allow me to go to war even if I could and even if I felt sure I would win. It is a deep conviction with me that force settles nothing, that force leaves as many problems unsettled as it seems to settle. Therefore, there is this basic difference between those who are in favour of military sanctions and those who are only in favour of economic sanctions. There was certainly one alternative open to us and that was to do nothing, to be quiet spectators of what was happening between Italy and Abyssinia. That would have been cowardly; that would have been wrong; that would have meant that there was no public opinion in the world. Therefore, all that we can do is to rely upon the force of public opinion. Public opinion may not triumph today; public opinion may not triumph tomorrow; but public opinion will triumph the day after tomorrow. Sanctions may not succeed today; they may not succeed tomorrow; but they will succeed the day after tomorrow, because I think that in the world, ultimately justice will triumph over injustice; righteousness will triumph over evil. Believing, as I do, that we are governed by a moral force, that we live in a moral world, I am not prepared to ridicule the policy of economic sanctions which has been applied by the League of Nations. If the League fails, then our civilisation fails. The future of our civilisation is bound up with the League. I do think there are many defects with the League of Nations' organisation. I am not satisfied with the League of Nations' organisation. That organisation cannot be perfect so long as we have subject countries which are trying to

[Mr. P. N. Saprú.]

achieve freedom; that organisation can never achieve what it is capable of so long as all the component parts of the organisation have not achieved the fullest measure of national freedom. But the organisation is there, and if the organisation disappears, the ideal will also recede into the background. We do not want this ideal of the League of Nations to recede into the background. We want the League of Nations to become an effective instrument for the maintenance of world peace. We want the League of Nations to grow in the fulness of time into a super-State, which will have definite sovereignty over all the States which are part of this League. It is towards this ideal that we must move, and though the League at present is incapable of carrying out this ideal, I am not prepared to say "Do away with the League of Nations", and that India should have nothing to do with the League. It was a wise thing for the late Mr. Montagu to find for India a place in the League of Nations. I have always valued India's membership of the League of Nations. I know that there is a school of thought in this country which does not believe in India's membership of the League. While I am in agreement with nine-tenths of the programme of this school of thought, I have not been able to agree with that school of thought on this particular point. I think it was a good thing that India became a member of the League of Nations, and I think we should do nothing at this present juncture to weaken the hands of the League. Therefore, after having given the Bill my most careful consideration, I feel it my duty to support it. I would have liked the sanctions to be stronger. I hope that it will still be possible for British statesmen to induce France and some other powers to take a more effective line in regard to Italy. There is just one word more which I should like to say before I conclude. When peace comes to be settled, if the League has any voice in the settlement of that I hope the spirit which will dominate the statesmen will be the spirit which dominated Sir Samuel Hoare first at Geneva, and not later when he was a party to the Hoare-Laval conversations. Sir Samuel Hoare had taken a very idealistic stand at Geneva. Later, for reasons which we have not been able to understand, he underwent a change, and the Laval-Hoare conversations were very disquieting. When the question comes to be settled, if the League has any voice in the settlement of the question, I hope the League will press for a settlement which will assure to Abyssinia complete independence, and which will not divide Abyssinia among the three contending Imperial powers, France, Britain and Italy. I hope, Sir, that British statesmen will be true to the idealistic note which they had been striking in recent months and that they will strive for a settlement which will assure to Abyssinia a position of independence, a position of honour among the comity of nations.

Sir, I support the Bill.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I had no mind to take part in this debate, but after listening to the speech of my Honourable friend Mr. Saprú I think I should speak out my mind on this subject. My friend Mr. Saprú seems to be idealistic in his views about the sanctions. I do not blame him for that, but I submit that the League of Nations have not done anything to protect Abyssinia from the aggressor, Italy. To some extent I agree with him that military sanctions should not be applied, but I submit that, if by applying economic sanctions they have not been successful, what then is the remedy for saving Abyssinia from Italy? We are daily reading in the press that this town and that has been taken by Italy; we are told that the Emperor of Abyssinia has been killed. Does Mr. Saprú suggest that we should go on applying these ineffective sanctions

while the whole of Abyssinia is wiped out by Italy? Sir, I for one do not agree with the views expressed by my friend Mr. Saprú on that point. Sir, if the League of Nations is really powerful enough to establish peace in the world, they ought to have long ago applied oil sanctions and that would have brought down Italy to her knees. They ought to have taken drastic steps to stop Italy from entering Abyssinia. I submit the League of Nations have failed in their duty to establish and to maintain peace in the world.

Then, Sir, I think this is an opportunity for me to speak of the position India enjoys in the League of Nations. I do not disagree with my friend Mr. Saprú and say that India should not have been a member of the League of Nations; but I submit that India must be an independent member of the League of Nations. India wants that she should come into the picture of the League of Nations as a real and independent member and not be guided by the dictates of the authorities in Whitehall. We on this side of the House, Sir, have tabled and discussed Resolutions on various occasions to the effect that our delegations should be headed by Indians and that we should have a voice in all matters decided. But we as a dependent country practically have no voice and have to act according to the dictates of the Secretary of State. I therefore take this opportunity of voicing my protest against this attitude of Whitehall as well as against our inability to speak our minds before the League of Nations as an independent nation.

Sir, I do not want to oppose this Bill. I wholeheartedly give my support to this Bill, but I want to submit that to my mind it appears that these things are too late. In fact the press tells us that Italy is going on with her aggressive methods in capturing Abyssinia, and I do not think any good will come out of it. But, Sir, if there are any other remedies for saving Abyssinia from Italian aggression, I would like to submit that, if possible, those remedies should be taken and Abyssinia should be saved from the grip of Italy.

With these words, Sir, I support the Bill.

* THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Bill before the House is a unique one in that it seeks to do a thing with which every section in India has sympathy. But we consider that it comes too late and that it is an ineffective method of checking Italy. I am sorry that I do not see eye to eye with my colleague Mr. Saprú. In this connection it is interesting to speculate on what might have been. The League of Nations as conceived by President Wilson was an ideal instrument for the settlement of world peace, but the reality which exists at the present moment in Geneva is nothing but a sham and an instrument for the furtherance of the cause of the imperialist powers in Europe. Throughout its career it has singularly failed to implement any of the grand and eloquent promises which were made at its inception. Let us consider what it has done. The Treaty of Lausanne was broken up and nothing was done. There was war in South America between two powers who were members of the League and the League of Nations could not do anything. Then we had the Manchurian adventure of Japan and the League of Nations sent along a delegation which reported, but nothing came of it. Even at the present moment Japan is having a free hand in China without a word of protest being raised by the League of Nations. And the crowning ineffectiveness of the League has been demonstrated by the way in which the Italo-Abyssinian War has been dealt with. Had the Abyssinians known from the

* Not corrected by the Honourable Member.

[Mr. Hossain Imam.]

beginning that they could count on no support from outside, I think that they would have compromised with Italy and obtained better terms than they can get now. It is well known that in the fateful days before the Great War, had the German Chancellery known that England would come in against her they would have thought twice before embarking on the war. In the same way, if the Negus had known that he would get no active support from the European powers of the League, he would not have held out as he has. The League of Nations has been the instrument which is sending Abyssinia to its doom. I am tempted to use the word "perfidy", but can two-facedness go further than this, that while on the one side we prohibited the importation of certain articles to Italy, we gave war materials to Italy, and while we allowed the importation of war materials into Abyssinia, the tragedy was that those materials could not reach the Abyssinians because of the French prohibition of their carriage along the Djibouti railway. At the present moment, Sir, Abyssinia is being sacrificed on the altar of the Franco-Italian pact. And, as if that position was not bad enough, the adventure of Herr Hitler in the Rhineland has further complicated matters and the European politicians have no time now to devote to Abyssinia. All their attention is concentrated on this question of the German occupation of the Rhineland. At the present moment, Sir, this Bill will serve no useful purpose. If I may say so, it is like bolting the doors of the stable after the horse has fled. The war is practically ended and ended with the success of Italy.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Raisman in his opening speech informed you that this Bill only follows the terms of the Ordinance which was issued on the subject and therefore your observations in connection with it are entirely irrelevant. Some action the Government of India had to take at once. They are only sanctifying by legislation what was done before.

THE HONOURABLE MR. HOSSAIN IMAM: An Ordinance has a life of six months and by the time the six months expire most probably the war will also be ended. We, Sir, have been asked to play a part in a mock affair of sanctions. The sanctions were never intended to be effective and there was no will to make it effective.

THE HONOURABLE THE PRESIDENT: Then you are in very good company—with the whole of Europe!

THE HONOURABLE MR. HOSSAIN IMAM: This Bill will, as I said before, serve no useful purpose inasmuch as it will be ineffective and therefore I do not wish to be a party to it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, I entirely agree with the Honourable Leader of the House when he pointed out that our opinions expressed in this House are not going to affect the situation in Abyssinia and if in spite of that consciousness —

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, I merely said when my Honourable friend was talking of British Ministers and French Ministers by name that it was impossible here for us to be able to defend

them. I did not say that our opinions would not count. My Honourable friend was talking of Laval, Baldwin and Eden. I said it was impossible to defend the actions of such responsible statesmen here and it was unnecessary to talk of them by name.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am very glad to have a sort of assurance from the Honourable Leader that the opinions which we will express about the situation in Abyssinia will carry a certain weight in certain quarters, and that makes it still more important that we should express our opinions with regard to current events. As a matter of fact, Sir, our feelings have been roused to such an extent that it would be impossible to let the opportunity pass without expressing our strongest indignation on this most aggressive war which Italy declared on Abyssinia and the most uncivilised method which it has applied in prosecuting the war. None of us would be so irresponsible as to say that the League of Nations should have declared war at once on Italy or that England should have at once declared war against Italy, but we do seriously believe that the League of Nations ought to have realised their weakness and their inefficiency before encouraging Abyssinia to believe that the League shall be able to influence Italy in bringing about an honourable settlement. It is in this respect that the League of Nations have hopelessly failed and they have reduced their position to such an extent that I think we, Indians, have now better claims to become members of the League of Nations than any other nation in the World, because the present policy of the League of Nations seems "non-violent non-cooperation" and I think there is no country in the world which can have a better claim to become very active members of such a useless organisation than we, Indians. I was surprised to hear some remarks made by my Honourable friend from Allahabad. I entirely agree with him that in these modern days of civilisation everybody hates war. But the question is, when one country purely out of lust for occupying territory makes an attack on a country which is unarmed, on a country whose policy throughout the last centuries has been one of non-aggression, and when world opinion has been expressed against this aggression, if this expression of world opinion is not going to have any effect on the aggressor, then what should be the next step? (*An Honourable Member*: "Peaceful resistance"). My Honourable friend suggests peaceful resistance. That is non-violent non-cooperation. Sir, this has failed in India and there is no chance of its success in Europe because those people have enough commonsense, are really practical men and they do not want to live in a world of dreams. What we do feel is, as my Honourable friend Mr. Hossain Imam has pointed out, that if Abyssinia from the very start knew that she would have had to fight all by herself, I am sure much against the wishes of the people of Abyssinia she might have yielded and probably would have escaped all this massacre and murder, this gaspoisoning and bombs on an unarmed civil population. Now, as we are aware, Italy's policy has throughout been of defiance. They have bombed Red Cross hospitals against all international rules and laws; they have used poison gas, an act which has been condemned by all the civilised countries. All these facts have been established and there is not the slightest doubt about these things having happened in Abyssinia. In spite of that it was the consciousness of Italy throughout that the League of Nations are not going to move a step further than to apply few economic sanctions that made Italy think that these economic sanctions would not materially affect Italy till after a year and a half; and Italy knew that the only way of getting out of this difficulty was to occupy Abyssinia and to conquer it within a period of one year. That is why Italy now is advancing at a very rapid rate. The question is whether the League

[Raja Ghazanfar Ali Khan.]

of Nations are really determined to save Abyssinia from the aggressor or not. I am sure that after Abyssinia has been fully conquered by Italy world opinion will at once turn round to the fact that the existence of the League of Nations is a source of possible injustice to the weaker countries rather than a source of strength, because, Sir, now Germany having entered the demilitarised zone, if there were no League of Nations in existence, probably France would have decided for herself what to do, but the existence of the League of Nations diverts the attention of the countries and instead of their counting upon their own strength and upon their own influence to face the enemy they depend upon an organisation which shelves questions, appoints committees, appoints sub-committees, adjourns them and does not play any active part in bringing about any change in the events.

Sir, with these few remarks I support the Bill, because the Government of India were very wise in promulgating an Ordinance. What little assistance in this helpless condition of ours we can render to Abyssinia we will be glad to render and I can assure the Government that whatever action the League of Nations or the representatives of Great Britain will take, whatever initiative they will take, with regard to bringing home to Italy that the aggressor will not have his way in these modern times, they will have the backing of the whole of the Indian people.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Bill which has been put forward by the Honourable the Finance Secretary. Most of the points which I intended to raise in this debate have already been dealt with by my Honourable friends here and very little is left for me to say. I have always been under the impression that the British policy has been "that right is might" and not "that might is right". On this very principle, Sir, the Great War was fought and when Germany invaded Belgium the British took the side of Belgium. Sir, the public are under the impression that the policy which Sir Samuel Hoare upheld in the League of Nations and which led to a great deal of controversy among British statesmen in Parliament and which made Sir Samuel Hoare resign the Foreign Ministership we find, Sir, that that very policy of which that resignation was the result seems indirectly being pursued. It is, Sir, a matter to deplore that the British Government did not allow an aggressed kingdom to be saved from the aggressor. That shows, Sir, that the inconsistent policy that Sir Samuel Hoare upheld, *i.e.*, that in order to avoid a conflict among European countries they ought not to join in a conflict with a coloured race in Asia, seems still being followed. That, Sir, is the impression that is gaining ground and so I think it my duty to lay that impression candidly before this House and before the Government. The fate of Abyssinia is doomed and in a few weeks, if not in a few days, Abyssinia will be thoroughly conquered by the aggressor. The Government and the League of Nations have been sitting idle as onlookers and have done practically nothing to safeguard the principles which they themselves laid down and which led the world to adopt a policy of disarmament. Half hearted measures seldom succeed. However, Sir, as something is better than nothing, I support this Bill.

THE HONOURABLE MR. A. J. RAISMAN (Government of India Nominated Official) : Sir, I will not attempt to enter into the controversial field of European policies but would only like to say a few words in regard to the attitude which my Honourable friend, Mr. Ghosh Maulik took up, namely,

that a measure of this kind will be unnecessary now and utterly useless. The strength of a chain is that of its weakest link. The effectiveness of collective action must be judged in relation to the completeness of such action. Therefore the application of financial sanctions by India must be judged in relation to a policy of financial sanctions by all the nations of the League.

In the second place, it is not merely financial sanctions. It has not been necessary to come before this House with legislation for the other economic sanctions which we have imposed because the ordinary Acts give us ample power to impose prohibitions on imports of goods from Italy. But I would suggest to Honourable Members that the value of this kind of action must be judged in relation to the whole scheme of financial and economic sanctions by all the countries of the League of Nations. Now several Honourable Members have been inclined to say in a mood of despair that it has all proved to be of no avail and that the sanctions have been useless. It is possible, well obviously the justification for such a view is before our eyes today, but I would only like to indicate the other side of the picture as it appears to me and for this purpose I would remind the Honourable Members of the protests and altercations and vigorous correspondence that goes on when one country directly imposes any obstacle or prohibition on a single commodity from another. I make bold to say that if the Government of India, instead of imposing a prohibition on all imports from Italy, had in normal times imposed a prohibition on an article which constituted 10 per cent. of Italy's trade with India, it would have been a matter of the utmost importance and that the Government of Italy would have taken the most serious notice of it and would have treated it as a seriously unfriendly act. Now, what is the actual position? We have completely prohibited the importation of all goods from Italy. That prohibition has been enforced now for several months. Not only that, but some 50 other countries have done the same. Now, it is all very well for official communiques from Rome to pretend that the financial and economic position of Italy is practically unaffected. But none of us who have observed the tenacity with which Governments have held on to the small advantages which they still have in the field of international trade can accept so complacent an estimate of the damage which has been inflicted on Italy by the concerted economic sanctions of other countries. (*An Honourable Member* : "And with what result?") The result, I suggest, Sir, may not appear now, may not appear to-morrow. It is quite possible that a tiger may jump on a defenceless man and maul him whilst three *shikaries* are pouring bullets into the tiger, and it is possible that the tiger may rush away and hide in the jungle and to all appearance be undamaged. But sooner or later the corpse is found. (*An Honourable Member* : "But Italy is not a tiger!") My simple point is that, whilst Italy has been concentrating all its strength on its military effort and obviously has the power or appears to have the power to bring this military enterprise to a successful conclusion, it is too early to estimate the economic damage which has been inflicted on the whole economic fabric of Italy by the action which has been taken during the last several months.

It is quite possible that we may see before a very long period the value of the sanctions which have been applied by these countries. It is too early to say that they have been of no avail. I would only remind the House of what happened to Germany after the War. During the period of military operations there was no economic debacle in Germany for the simple reason that everything was concentrated on the military effort; but the moment that effort ceased, the whole of the economic structure of Germany fell to pieces.

THE HONOURABLE RAJA GHAZANAFR ALI KHAN: That was because Germany was conquered.

THE HONOURABLE MR. A. J. RAISMAN: In the present instance, that makes no difference because it is impossible to say what economic advantage could be drawn from the mere conquest of a country like Abyssinia which could possibly compensate for the closing up of the channels of Italy's trade with so many countries of the world. That is all I have to say, Sir.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to prohibit the making of certain loans and credits, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clauses 2 to 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. J. RAISMAN: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I move:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration".

I will not take the House into the history of the additional import duty on salt. I would only remind them that when this matter was examined by the Tariff Board in 1930, the main basis on which the Tariff Board made its recommendations was that efforts should be made to enable India to become self-supporting in the matter of salt, and in particular, they had in mind that it should be immune from a cessation of essential supplies owing to attacks by sea. The Tariff Board therefore mainly had in mind that rail-borne salt should be established in the markets of Bengal. If that result could be achieved, then they thought that India would be not only self-supporting in the matter of salt but that she would not be dependent on supplies which were brought by sea and could therefore be interfered with in the event of war. It was in acceptance of this recommendation that Government brought forward the additional import duty proposal. It was realised that sources of supply other than Khewra, Sambhar, etc.,—that sources which supplied the Bengal market by sea, would also benefit from the duty. But I think I can say that that was almost an incidental or secondary effect of the policy. Since 1931 when the duty was first introduced, the position has radically changed. The price of salt in Calcutta has fallen to such levels that it is at the moment out of the question for rail-borne salt from upcountry sources to attempt to compete in the market. Such salt could only be placed in that market as the result of an elaborate and expensive scheme of bounties which

in the opinion of Government would be entirely unjustifiable. Therefore, in present circumstances, the duty stands to be justified merely on the basis of the claim of the indigenous sources to protection. That is a claim which by itself and apart from the background which I have just indicated has always been a matter of acute controversy. It has never been accepted in so many words either by the Government or by the Legislature. The position which resulted from the imposition of the original duty of $4\frac{1}{2}$ annas has been reviewed from time to time and the duty now stands at $2\frac{1}{2}$ annas. On the one hand we have the claims of the consuming provinces—Bengal and Bihar and Orissa—that this is an entirely unjustifiable burden on the consumer. On the other hand, the producers of Indian salt have been vocal in their demands for a regular measure of protection. The Government of India are now pursuing a course which can only be said to have the merit of being a middle course. On the one hand they are reducing the duty which is a burden of the consuming provinces; on the other hand they are not withdrawing too abruptly the protection which the Indian producer is enjoying. This Bill reduces the existing duty from $2\frac{1}{2}$ annas to $1\frac{1}{2}$ annas a maund. Further, whereas for the last four years the duty has only been imposed for a year at a time, so that the industry complained that it did not know where it stood and could make no long distance plans, the present Bill imposes the duty for a period of two years, so that for the next two years at any rate, the producer will know where he stands. Honourable Members will no doubt have heard protests on the part of the industry that the reduction of this duty will expose them to severe foreign competition and will prove ruinous to them. The Government of India do not accept this view. The figures of the imports of salt in Bengal in the last few years tell a very plain story. I have before me complete figures for 1933, 1934 and 1935. I will not trouble the House with the quantities so much as with the percentages of the total imports at Calcutta and Chittagong. In 1933 the total imports from foreign sources were 17·46 per cent. of the total imports, so that the imports from Indian sources, including Aden, were 82·54 per cent. I may say that Aden accounted for 56·11 per cent. In the following year, 1934, the foreign imports had dropped from 17·46 per cent. to 13·63 per cent., whereas the Indian imports had risen from 82·54 to 86·37 per cent. In the following year again, 1935, the imports of foreign salt had dropped from 13·63 to 8·45 per cent. Whereas the Indian imports had risen to 91·55 per cent. I may also mention that among these Indian imports the percentage of Aden imports had somewhat declined during that period, so that at the end of the period Aden's imports were 49·20 per cent. out of the total Indian imports of 91·55 per cent. The latest figures, which I think have been furnished to Honourable Members, make it clear that this process is being continued and I think it is fair to say that that shows definite progress towards the object of self-sufficiency in Indian salt. There is therefore, in the view of Government, insufficient ground for accepting the industry's complaint or its apprehension that the reduction of the duty will lead to the dumping of foreign salt and to the ruin of the industry.

I might also mention that at the present moment imports from Italy are of course entirely prohibited and in imports from Italy are also included imports from Italian Colonies, so that in that respect the industry is enjoying at the moment a kind and degree of protection which would never have been contemplated in the ordinary way. I would also draw attention in this connection to section 4 of the Act of 1931 by which this duty was first imposed, under which the Governor General, if he is satisfied after such inquiry as he thinks fit that salt not manufactured in India is being imported into British India at such a price as is likely to render insufficient the benefits intended

[Mr. A. J. Raisman.]

to be afforded to the Indian salt industry by the additional duty imposed by this Act, has power by notification in the Gazette of India to increase such duty to such extent not exceeding one anna per maund as he thinks fit. There is therefore that power which exists for what we consider to be the unlikely event of a very serious situation unexpectedly arising.

I have dealt, Sir, with the complaint of the industry. On the other side I expect Government will be attacked on behalf of the consumer, that they have continued this duty far longer than was necessary. Well, I have already indicated the answer to that. Government have been reluctant to take any action which might suddenly destroy or have a very deleterious effect on the interests which have grown up since this duty was first imposed, and they feel that the level of duty which is now proposed is a fair compromise between the conflicting interests.

Sir, I move.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Mohammadan): I have heard the speech of the Mover of this Bill with rapt attention and have also read the Statement of Objects and Reasons. I fail to understand what is the object of the Government, whether the Government wants to protect this industry or not? If they want to protect the industry according to the recommendation of the Tariff Board as my friend has just said, what was the necessity of further decreasing the duty from 2½ to 1½ annas? We are told that on account of this duty the Indian industry has developed and it is now meeting the foreign competition in Bengal and Bihar and Orissa. If that is so, it was but proper that the duty should have been maintained at 2½ annas till such time as the salt industry had been fully developed in India and India did not require foreign salt for consumption.

THE HONOURABLE THE PRESIDENT: I am afraid you did not at all follow the Honourable Member's speech.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I will just read two sentences from the Statement of Objects and Reasons. One sentence runs thus:

"It is considered that this step can be taken without detriment to the indigenous producers of salt, particularly in the absence, temporary though it may possibly be, of competition from Italian sources".

The next sentence is:

"The Indian salt industry has complained that it has been unduly handicapped by the uncertainty created by the practice, hitherto followed, of renewing the Act only on a year to year basis".

That shows that the Indian salt industry is in favour of this duty being kept for a long time.

Now, my friend has also raised the consumer's point of view. If my friend is so solicitous for the consumer, the Government ought to have accepted my amendment when I moved in connection with the Finance Bill for the reduction of the general salt duty from Rs. 1-4-0 to Re. 1. We on this side

of the House are of opinion that this duty of Rs. 1-4-0 ought to be removed as soon as possible. But we are not of opinion that protection should not be given to this industry. Then, Sir, when this duty was levied, we were told that the money would be spent in developing the industry. A pointed question was raised by my Honourable friend Mr. Ghosh Maulik last year and I also took part and repeated the question. In reply to that the Government stated:

"With regard to what was said by my Honourable friend from Bengal as regards the disposal by the Government of Bengal of its share of the additional import duty, I can only say that it was never stipulated that the Government of Bengal should so spend its money. * * * * The Local Governments concerned, namely, those of Bengal and Bihar and Orissa, have repeatedly told us that in their opinion the prospects of usefully spending this money for the purpose of developing the local sources of salt supply in those provinces were not so good as to make them feel justified at a time of financial stringency in devoting money for that purpose when the Local Governments were in sore need of money for more certain and assured benefits to the population of the provinces concerned. It is not the intention of the Government that this year any more than in previous years any definite and binding instructions should be given to the Government of Bengal in this respect".

So, Sir, we understand that the money realised out of this import duty has not usefully been spent in developing the salt industry. If it is the sincere wish and pleasure of the Government to carry out the instructions of the Tariff Board and develop the salt industry in the country to the extent that India may be self-sufficing for the consumption of salt by Indians, it is the primary duty of the Government to spend the money on developing the salt industry rather than in spending on law and order as was said by my friend Mr. Ghosh Maulik last year. I would therefore urge upon the Government that they must take into consideration the very view point of the Tariff Board to develop the industry in this country and spend this amount in its development so that no salt may be imported into India in future. That should be the one objective. As for consumers, as I have said, the Government should come down to reduce the duty from Rs. 1-4-0 to Re. 1 at least and that will solve the question of the reduction of the price of salt.

With these observations, Sir, I conclude my speech.

* THE HONOURABLE DEWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras: Non-Muhammadan): Sir, I rise to support the Motion to continue the salt additional duty for another two years. There is a strong feeling that two years are not quite adequate and at least three or four years may be fixed. I hope, Sir, when the time comes there will be further extension. I agree with my Honourable friend Mr. Mehrotra that the amount realised from this duty in Bengal ought to be set apart for improving the condition of the salt industry in Bengal—not only in Bengal but in various provinces. The Government are not doing as much as one could expect them to do in the matter of the salt industry. Having been connected with this business for long number of years, I say that India could be self-contained in the matter of the supply of salt. The only difficulty is that we are not given that facility which we expect from the Government. I do hope, Sir, that the time will very soon come when the Government of India will do their best to improve the condition of the salt industry, so that, within a very short time India may be self-contained without getting foreign salt. I have great pleasure in supporting the Motion.

THE HONOURABLE MR. A. J. RAISMAN: Sir, I will only say a few words on the subject which has just been touched on by my Honourable friend the Diwan Bahadur and which was also mentioned by Mr. Mehrotra. The Government of Bengal have been quite prepared to utilise this money on encouraging the production of salt in Bengal, but the fact remains that they have not yet discovered or been shown any scheme or plan whereby the money could profitably and usefully be invested in this way. It is no use merely throwing money away unless there is a prospect of building up an industry, a form of production which will hold its own and survive. I think it must be admitted that the Government of Bengal were justified in saying, "Well, this money has come from our people. Nobody has yet shown us how we can spend it satisfactorily in encouraging the local production of salt. We will therefore spend it on our people in other ways". It must also be remembered that the temporary character of this additional import duty has always been emphasised not merely by Government but by the Committee of the Assembly which used from time to time to review this. It has always been considered that a duty of this kind would at most be justified for a very limited period. Now the Government of Bengal could not spend the money on bolstering up a form of production which the moment the duty came off would simply wither in the face of competition. Nevertheless, I will not trouble the House with details, but the Government of Bengal have made efforts to encourage any schemes which were put before them and which seemed at all promising and I may say that even at the present moment they have put forward to us a scheme in relation to production by a trading union in Chittagong and we have agreed to assist in encouraging that form of production; but it is only a small matter and it has not yet been established, in fact it is very far from being established, that the production of salt in these provinces is ever likely to be a commercial proposition. Until that is established, I submit that it is useless to urge on the Governments which receive a share of this duty to expend the money in some way or other connected with salt, because it merely means throwing the money down the drain.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clause 3 was added to the Bill.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. J. RAISMAN: Sir, I move:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I suggest that the Council should meet to-morrow so that the Bills that may have been passed to-day in the other House may be laid on the table. And the same procedure may be followed the day after, on Wednesday. The Bills that will have been laid on the table to-morrow can be discussed on Friday and those that will have been laid on Wednesday can be discussed on Saturday. Whether we shall meet on Thursday or not, I shall be able to inform the House later on. I hope that this will not be inconvenient to Honourable Members.

THE HONOURABLE THE PRESIDENT: Do you not think it would be better to adjourn the House till to-morrow evening so that we may deal with all the Bills that are passed.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I have no objection, Sir.

THE HONOURABLE THE PRESIDENT: Has any Honourable Member any objection? It is only a matter of meeting for a few minutes.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY: Will it not be convenient to meet once for all on Wednesday?

THE HONOURABLE THE PRESIDENT: No, because I do not think that would give us enough time to take up the Bills on Friday.

The Council then adjourned till Half Past Six of the Clock on Tuesday, the 21st April, 1936.

COUNCIL OF STATE.

Tuesday, 21st April, 1936.

The Council met in the Council Chamber of the Council House at Half Past Six of the Clock, the Honourable the President in the Chair.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meetings held on the 20th and 21st April, 1936, namely :

- A Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India.
- A Bill further to amend the Indian Tariff Act, 1934, for certain purposes.
- A Bill to make special provision for the administration of the port of Cochin.
- A Bill further to amend the Factories Act, 1934, for a certain purpose.
- A Bill to amend the Indian Aircraft Act, 1934, for a certain purpose.
- A Bill further to amend the Indian Mines Act, 1923, for certain purposes.
- A Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House) : Sir, I suggest that we meet again tomorrow at 6 P.M. in order that any Bills that may have been passed by the other House may be laid on the table. I further request you, Sir, to give a direction that we meet again on Thursday to consider the following five Bills which possibly may not require as much close study and deliberation on the part of Honourable Members as the other two Bills which were laid on the table today :

- A Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India.
- A Bill to make special provision for the administration of the port of Cochin.
- A Bill to amend the Indian Aircraft Act, 1934, for a certain purpose.
- A Bill further to amend the Factories Act, 1934, for a certain purpose.
- A Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes.

I suggest that on Friday we may meet to discuss the following two Bills :

A Bill further to amend the Indian Tariff Act, 1934, for certain purposes.

A Bill further to amend the Indian Mines Act, 1923 ; for certain purposes.

After Friday, Sir, if necessary we may meet again on Saturday.

THE HONOURABLE THE PRESIDENT : I have just gone through the five Bills which you propose the Council may discuss on Thursday and I quite agree with you that they are non-contentious Bills and I do not think other Honourable Members will have any objection to their being taken up on Thursday. The other two important Bills may, as proposed by you, be taken up on Friday. I take it that Honourable Members have no objection.

(No Honourable Member objected.)

I am also agreeable to adjourn the Council till tomorrow evening at 6-30 P.M.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Will it be 6 or 6-30 P.M., Sir ?

THE HONOURABLE THE PRESIDENT : What do you suggest ? I think it will be cooler at 6-30 P.M.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : We can meet at 6-30 P.M., Sir.

THE HONOURABLE THE PRESIDENT : The Council will now adjourn till 6-30 P.M. tomorrow.

The Council then adjourned till Half Past Six of the Clock on Wednesday, the 22nd April, 1936.

COUNCIL OF STATE.

Wednesday, 22nd April, 1936.

The Council met in the Council Chamber of the Council House at Half Past Six of the Clock, the Honourable the President in the Chair.

THE HONOURABLE THE PRESIDENT : Secretary, have you any Bill to lay on the table ?

SECRETARY OF THE COUNCIL : No, Sir.

STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

THE HONOURABLE THE PRESIDENT : I have to inform the Council that as a result of the election held on the 20th April, 1936, the following two non-official Members have been elected to serve on the Standing Advisory Committee for the Indian Posts and Telegraphs Department :

The Honourable Mr. H. P. Barua and

The Honourable Sir David Devadoss.

CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT : I have also to inform the Council that as a result of the election held on the 20th April, 1936, the following six non-official Members have been elected to serve on the Central Advisory Council for Railways :

The Honourable Sardar Buta Singh.

The Honourable Rai Bahadur Lala Ram Saran Das.

The Honourable Khan Bahadur Syed Abdul Hafeez.

The Honourable Rai Bahadur Radha Krishna Jalan.

The Honourable Mr. Satyendra Chandra Ghosh Maulik and

The Honourable Dewan Bahadur G. Narayanaswami Chetty.

STATEMENT OF BUSINESS.

THE HONOURABLE THE PRESIDENT : Has the Honourable Leader of the House any statement to make ?

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THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I expect that the remaining Bill in the Assembly will probably be passed there tomorrow, and therefore the Statement of Business that I announced yesterday holds good, that is to say, we meet tomorrow for the discussion of five Bills and the day after for the discussion of two Bills, and I think it will probably be necessary to meet on Saturday for the discussion of the Bill which will be laid on the table on Friday morning.

The Council then adjourned till Eleven of the Clock on Thursday, the 23rd April, 1936.

COUNCIL OF STATE.

Thursday, 23rd April, 1936.

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

MEMBER SWORN:

The Honourable Sir Bryce Chudleigh Burt, Kt., C.I.E., M.B.E.
(Government of India: Nominated Official).

DECREES AND ORDERS VALIDATING BILL.

THE HONOURABLE MR. SHAVAX A. LAL (Government of India: Nominated Official): Sir, I beg to move:

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India, as passed by the Legislative Assembly, be taken into consideration".

Sir, Honourable Members, at any rate those who are lawyers, might be aware that there is a difference of opinion among the High Courts in India about the interpretation of clause 12 of the Letters Patent. That clause, Sir, confers jurisdiction on the High Courts at Bombay, Calcutta and Madras to try original suits. Rightly or wrongly the Bombay High Court has consistently for the last 60 years or more held the view that it has jurisdiction to try suits on mortgages executed within the limits of the ordinary original jurisdiction of that Court, although the properties affected by such mortgages might have been situated outside those limits. That question, Sir, was fully examined by seven Judges of that High Court as recently as 1926 and five of the Judges came to the conclusion that the view which had prevailed so long in that High Court was correct. Sir, whether it is correct or not, we are not concerned with that; but we are only concerned with the practical effect. So far, Sir, or at any rate till last year, no practical difficulty was experienced, because the orders and decrees passed by the Bombay High Court have been given effect to by all British Indian Courts without question. In last August however the Nagpur High Court, or rather the Court of the Judicial Commissioner at Nagpur as it was then known, refused to give effect to decrees of the Bombay High Court on the ground that that High Court had not correctly construed clause 12 of the Letters Patent and therefore the decrees were passed without jurisdiction. Sir, the practical effect of these Nagpur decisions was little short of disastrous. It cannot be denied that there is close business relations between Bombay and the Central Provinces and Berar and on the faith of several decisions passed by the Bombay High Court a large number of mortgage transactions have been entered into in Bombay in the honest belief that if any suits were to be instituted on those mortgages they could be instituted at Bombay. But, Sir, the Nagpur decision threatens to reduce to mere scraps of paper the various decrees that have been passed by the Bombay High Court and which relate to properties in the Central Provinces and Berar

[Mr. Shavax A. Lal.]

A very reliable estimate puts the total amount affected by such decrees at about Rs. 1 crore; one firm of solicitors in Bombay alone has obtained in favour of their clients decrees affecting such properties worth about Rs. 15 lakhs. These are the practical effects of the decision. We are not concerned, Sir, with the legal aspect of that decision and I therefore do not propose to embark on a disquisition about the legal technicalities involved in that decision. Either the Nagpur decision is right or it is wrong. If it is wrong, then obviously, Sir, there is every reason to undertake legislation to put matters right; if on the other hand it is assumed to be correct, even then, Sir, there is still greater reason why legislation should be forthwith undertaken to protect those innocent decreeholders who are threatened with serious loss for no fault of theirs. I know, Sir, we have enough legal talent in this House to keep the debate alive for a week if the legal issues are discussed, but, Sir, I do not propose to appeal to the legal talent of the House. I appeal to the common sense of the House. I am sure that if a common sense point of view is adopted, there can be no objection whatsoever to the provisions of this Bill. Of course, Sir, we do not sit in judgment on the decisions of the Bombay or Nagpur High Court. We do not condemn the one or commend the other. As legislators our responsibility is not so much to interpret the law as to make the law and to correct defects in the law. The Nagpur decision, Sir, may be correct. But if it is correct, the law must be at fault, and if the law is at fault, it is our duty to amend the law, and this is what the Bill now proposes to do. Are we, Sir, as practical men, as men of common sense, men with an inherent sense of justice and fairness, to sit quiet when innocent decree-holders are going to be deprived of the fruits of their decrees merely because learned and eminent judges of two High Courts differ as to the interpretation of a certain provision of law? Surely not, Sir. On the contrary it is our duty when Judges are at loggerheads to intervene and to offer a practical solution of the difficulties. As legislators, Sir, we must see that the laws are such that judges are able to dispense justice. I know sometimes on account of a defect or defects in law the hands of the Judges are forced and the decision is sometimes divorced from justice. But if so, Sir, it is our duty to intervene and correct the fault. Otherwise, Sir, it might be said, as a wag once said, that the court of justice is a place where justice is dispensed with. We certainly, Sir, do not want to give any excuse for such a charge and it is for that reason and to remove the hardship entailed by the Nagpur decision that this Bill has been placed before the House.

Even, Sir, from the strictly legal aspect, I might say that it is highly undesirable that the present anomalous position should continue a moment longer. Sir, except the courts in Nagpur and Berar, other courts in British India are even now giving effect to the decree of the Bombay High Court on mortgages relating to properties outside Bombay. Sir, is there any reason why this invidious distinction should exist between the courts in the Central Provinces and the courts in the rest of British India? I therefore say, Sir, that even from the legal aspect it is indispensable that the Bill should become law as soon as possible. With these words, Sir, permit me to commend the measure to the House. (Applause.)

THE HONOURABLE THE PRESIDENT: Motion made:

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India, as passed by the Legislative Assembly, be taken into consideration".

To this the Honourable Mr. Kalikar has submitted an amendment:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st August, 1936".

As regards this amendment, so far as time limit is concerned, I am bound to show the same consideration to the Honourable Mr. Kalikar in the matter of his amendment as I have shown to the Mover of the Bill in suspending the Standing Order relating to three days' clear notice. But I am afraid on other and more important grounds I cannot allow the Honourable Mr. Kalikar to move his amendment. It is opposed to my own ruling in this House given two years ago in 1934 and it is opposed to the rulings of my distinguished predecessors, Sir Henry Moncrieff Smith and Sir Montagu Butler. I would draw the Honourable Mr. Kalikar's attention to my ruling at page 754 of the proceedings of the 20th April, 1934, where I have dealt with this question at some length and have also reviewed the rulings of my predecessors in office. But as there are some new Members here, I may briefly explain the position as to why I propose to rule out this amendment. The Standing Orders and rules framed under the Government of India Act make a distinction as regards amendments to be proposed when the question for the consideration of the Bill comes up before this House. Under Standing Order 37, the Mover himself has a right when the Bill comes up to move for the consideration of the Bill at once or at some future time or to refer it to a Select Committee or to move that it may be circulated for the purpose of eliciting public opinion thereon. Under Standing Order 38 any other member has a similar privilege of moving an amendment. This is all right so far as the originating Chamber is concerned and no objection could be taken. But when the Bill comes up for consideration to the upper House or to the other Chamber, Standing Orders 37 and 38 do not apply, but the situation is covered by rules 26 to 29 framed under the Government of India Act. Rule 26 is about notice and rule 27 refers to the Motion to be made in the House. Rule 28 refers to the discussion that takes place in the House and then rule 29 says:

"Any Member may (if the Bill has not already been referred to a Select Committee of the originating Chamber or to a joint committee of both Chambers but not otherwise) move as an amendment that the Bill be referred to a Select Committee and if such Motion is carried the Bill shall be referred to a Select Committee, and the standing order regarding Select Committees on Bills originating in the Chamber shall then apply".

So that you see it is only permissible in such a case to refer the matter to a Select Committee. It rules out of order any amendment regarding the circulation of the Bill and the propriety and wisdom of such a rule is obvious to all because once a Bill has passed the originating Chamber it would be waste of public time to circulate that Bill again for eliciting public opinion.

I have just explained to Honourable Members briefly the position as regards this amendment and those who desire to go into the matter further may see my ruling to which I have referred above, in which I have gone into this question at some length.

Under the circumstances, I am afraid I cannot allow the Honourable Mr. Kalikar to move his amendment but he is at liberty to make a speech now with reference to the general aspect of the Bill and to say anything he wishes in connection with it.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces: General): Sir I congratulate my Honourable friend, Mr. Lal, on the way in which he has placed the case of the Government before us. Sir, in view of your ruling I have no other course but to oppose the Bill which has been placed before us. I will first very shortly give the history of the case and the way in which

[Mr. V. V. Kalikar.]

it cropped up in the Central Provinces. Sir, this question came up before the Judicial Commissioner's Court in two cases—the one being that of Tekchand V. Dharamsey and the other that of Murlidhar V. Gorakhram reported in 31 Nagpur Law Report and the point for decision in these two cases that came up before the High Court was the interpretation of clause 12 of the Letters Patent of the Bombay High Court. Sir, with your permission, I will read just a portion of clause 12 which is identical in terms with clause 12 of the Calcutta High Court and the Madras High Court and with clause 10 of the Letters Patent of the Rangoon High Court. Clause 12 says :

“ And we do further ordain that the said High Court of Judicature at Fort William in Bengal, in the exercise of its ordinary original civil jurisdiction shall be empowered to receive, try and determine suits of every description if in the case of suits for land or other immovable property such land or property shall be situate, or in all other cases if the cause of action shall have arisen either wholly or in case leave of the Court shall have been first obtained in part, within the local limits of the ordinary original jurisdiction ”.

So, this trouble arose over the interpretation of the expressions in clause 12 about mortgage suits relating to land. I shall presently show that the view taken by the Nagpur High Court was taken after reviewing all the cases that have been decided by the Calcutta, Bombay, Madras and Rangoon High Courts. I shall show that even in the Bombay High Court there is no consensus of opinion on this point. Though in various cases they have adopted the interpretation put upon it by the recent decision of the Bombay High Court, yet, in a previous case, that is, in 50 Bombay 1—a Full Bench decision it was decided that if the property was situate outside the original jurisdiction of the High Court, the High Court has no power to take cognizance of mortgage suits. That was decided in 50 Bombay 1, by a Full Bench of that Court. I quite agree with my Honourable friend Mr. Lal that in the next year, they decided a case in which they opposed the view held by the Nagpur High Court. I shall cite briefly the cases which support the view of the Nagpur High Court.

THE HONOURABLE THE PRESIDENT: You are going into the special merits of the case. The Honourable Mr. Lal made the position perfectly clear. He said this decision may be right or wrong. That is another matter. At present, Government saw the propriety of bringing forward this measure because a large number of litigants would suffer very heavily and are put to considerable loss. That is why this measure has been promptly brought forward till the clause 12 of the Bombay Letters Patent is revised.

THE HONOURABLE MR. V. V. KALIKAR: I am coming to that point, Sir. I am now stating very briefly that the view held by the Bombay High Court has not been followed by other High Courts. I am not going into the details.

THE HONOURABLE THE PRESIDENT: You know very well that High Courts have been differing from each other. We are not now concerned with the differences of opinion between the several High Courts. We are concerned with avoiding the injustice that may result from that.

THE HONOURABLE MR. V. V. KALIKAR: I am coming to that point, Sir, whether there is injustice to the Bombay bankers or injustice to the money-lending people of other places. I was merely showing that the view held by the Nagpur High Court was also held by other High Courts and I wanted to support that statement with a citation of cases. I am not going to name those

cases, but I am going to make a reference to them, because my speech will appear in the proceedings and I must lay my case properly before the House, so that the House may know where we are. So, with your permission, I will submit that consistently the Calcutta High Court in 19 Calcutta 361, the Bombay High Court in 50 Bombay 1, the Madras High Court in 27 Madras 157, and the Rangoon High Court in 12 Rangoon 370, all have decided that Courts have no jurisdiction to take cognizance of mortgage suits relating to property which lie beyond their jurisdiction. This is a Bill, Sir, which indirectly—I do not say directly—is going to support the view of the Bombay High Court. I must say that the view held by my High Court has been consistently supported by other High Courts. Then I come to the Privy Council case. In 41 Calcutta 1972, they took the view which supports the view taken by the Nagpur High Court. So, the question is whether this House should lend support to a Bill which wants to recognise the view that has been consistently held by other High Courts and the Privy Council to be a wrong view, and whether this House should make a law which has been held on the interpretation of clause 12 of the Letters Patent to be an incorrect view.

It is said that the decrees and orders of the Bombay High Court were being executed for the last 50 years in the Central Provinces and Berar. But I must submit that the question never came up in this form before our High Court. Even assuming for argument's sake that a wrong was being committed for the last 50 years, that is no ground for perpetuating that wrong. I agree that the position is anomalous. The Bombay High Court have decided that they can take cognizance of mortgage suits in relation to property situate outside their original civil jurisdiction. The Nagpur High Court say that they cannot take cognizance of such suits, and other High Courts, *e.g.*, Madras, Calcutta and Rangoon, also say that they cannot take cognizance of mortgage suits in relation to property outside their jurisdiction. The difficulty is there. What is the remedy? According to me, Sir, the remedy lies in the aggrieved party going in appeal to the highest tribunal of the land, namely, the Privy Council. As it is only a question of the interpretation of a particular clause, that would be the proper forum for the settlement of this question.

THE HONOURABLE THE PRESIDENT: How many courts of appeal would you like him to go to?

THE HONOURABLE MR. V. V. KALIKAR: Well, Sir, if the court of appeal is there and if the party feels really aggrieved he has to take that risk, and if that court is not to be used at all and no advantage is to be taken of that court, then it would be better to abolish that court. The highest tribunal has been created by the Constitution and if we are not going to take advantage of it and do not want to go to that court, what is the use of having the Privy Council there.

THE HONOURABLE THE PRESIDENT: You must have seen in the Statement of Objects and Reasons that this is merely a temporary legislation. The Government of India propose to bring in further legislation with a view to amending clause 12 of the Letters Patent.

THE HONOURABLE MR. V. V. KALIKAR: I know, Sir, that the Government of India cannot change the Letters Patent themselves.

THE HONOURABLE THE PRESIDENT: They will move to have it done.

THE HONOURABLE MR. V. V. KALIKAR : The Government of India have to move the proper authorities in England to change the Letters Patent. I was coming to this point, that there are two remedies open to an aggrieved party in this case, either to go to the Privy Council and get the decision of the Nagpur High Court reversed in their favour, or approach the proper authorities in London to get the Letters Patent amended.

THE HONOURABLE THE PRESIDENT : But in that case a lot of hardship will be done to these litigants ; they will lose a lot of money. It is therefore this temporary measure has been brought as a saving piece of legislation.

THE HONOURABLE SIR DAVID DEVADOSS : And changing the Letters Patent will not have retrospective effect so as to affect decrees already passed.

THE HONOURABLE MR. V. V. KALIKAR : My Honourable friend is referring to clause 3, I am speaking about clause 2. I will come to that.

THE HONOURABLE THE PRESIDENT : He is referring to the general situation, that it would probably take years before the Privy Council decision is given and when you have got that you could not undo the injustice already done.

THE HONOURABLE MR. V. V. KALIKAR : Well, Sir, if they think that by the decision of the Privy Council the hardship of the bankers will be increased, or if they think it will take a lot of time to get the Letters Patent amended, they should move the authorities who originated the Letters Patent to get them amended as soon as possible. But that is no reason why, if the law as interpreted by various Courts in India is correct, a different, and I may say a wrong, interpretation should be given to it. So my point was that the aggrieved parties in these cases have not taken advantage of their right to go to the Privy Council but instead have come to the Indian Legislature to have the law temporarily amended. I quite follow what you say, Sir, that in order to relieve the bankers of their hardships this measure has been brought here, but taking into consideration the position as it is, I submit that it is the duty of the Government of India to look to the interests of the judgment debtors, to look to the interests of other creditors in the Central Provinces as well in bringing this law before the House.

THE HONOURABLE THE PRESIDENT : Look after the interests of those who do not want to pay their just debts ?

THE HONOURABLE MR. V. V. KALIKAR : I certainly do not want to stand here to represent the cause of those judgment debtors who do not want to pay their debts. But you know that you can get certified copies of Government land records, and it is only necessary to deposit those certified copies of title deeds with a banker in Bombay and the mortgage is complete. Now one member of a joint family may do this and other members of the same family having in the same property may obtain advances or loans in cash from other people, and if the banker then brings a suit against the first member all the subsequent creditors will have to be impleaded as defendants.

THE HONOURABLE THE PRESIDENT : The question will arise, who is the manager of the joint family ?

THE HONOURABLE MR. V. V. KALIKAR : That question will arise, but according to Hindu Law the question will also have to be decided what interest each of the other members has in the property ? And in that case all these people will have to run from Nagpur or Berar to Bombay to get their claims and titles established, and those acquainted with proceedings in the Bombay High Court will know what a great cost one has to bear in defending a case there in comparison with a mofussil court. Therefore I moved my amendment with the intention of making it clear that in this case the Government of India have taken into consideration the hardships, or the alleged hardships, of Bombay bankers ; but they have ignored the views of various High Courts and have not taken into consideration the views of the people of Central Provinces and Berar. They have not invited the opinion of Local Governments ; they have not also consulted the Bar Associations of the Central Provinces and Berar. If I had been allowed to move my amendment and if Government had accepted it, then the Government would have had material before them to consider whether to proceed with this Bill in its present form or to get the Letters Patent amended without bringing this Bill before the Legislature. So, Sir, my first charge against Government is that in this matter they have sided with the bankers of Bombay ; they have not taken into consideration the hardships that are likely to be caused to the entire creditor class, the judgment debtor class, of Berar and the Central Provinces. Also they have not taken into consideration or invited the views of Local Governments and the Bar Associations. I therefore submit that this Bill,—without taking all the materials into consideration,—should not be passed in the form in which it is before the House. I submit, Sir, that this Bill does not affect adversely only the Central Provinces and Berar, but it might affect adversely Madras, Calcutta and Rangoon. The Calcutta High Court has decided consistently that courts outside whose jurisdiction properties are situated cannot take cognizance of suits in relation to that property. Now, Sir, here in clause 2 we find that the orders and decrees passed by the High Courts of Bombay, Calcutta and Madras should not be called in question by any other court. I have my own doubts—and my Honourable friend Mr. Lal will correct me in his reply—because if according to the Bombay High Court they give a decision that such and such property situated in the Madras Presidency should be attached and sold, the decrees go for execution to the Madras Court. The Madras Courts have consistently held, as my Honourable friend Sir David Devadoss, an ex-High Court Judge of Madras, may know perfectly well, that the view of the Bombay High Court is wrong. Now, the subordinate courts of Madras or Calcutta have to execute those decrees of the Bombay High Court. What will they do ? Under this Bill they will have to go against the decisions of their own High Courts to whom they are subordinate and they will have to execute the decrees of the Bombay High Court. So the anomaly is not removed ; the anomalous decision is there. I am afraid the subordinate courts of Madras and Calcutta will find it very difficult to go against the decisions of their High Courts, but on account of this Bill they will have to execute those decrees. So, Sir I have not been able to follow the implications of clause 2. Then, Sir, it has been stated by my Honourable friend that the common sense point of view is that the decrees and orders should be executed and the property should be sold. I have tried to explain the difficulties that are likely to follow if the decisions of the Bombay High Court are given effect to by this Bill and the hardships the *bona fide* creditors of the Central Provinces—not the fraudulent judgment-debtor—but the *bona fide* creditors of the Central Provinces will have to meet.

THE HONOURABLE MR. SHAVAX A. LAL : You mean debtors, not creditors ?

THE HONOURABLE MR. V. V. KALIKAR: I mean also creditors, not only the debtors but the other creditors.

Then, Sir, my Honourable friend Mr. Lal says that other High Courts are giving effect to the decrees and orders of the Bombay High Court. I have not been able to verify the correctness of this statement. My information is that the other High Courts go by their own decisions and the subordinate courts of those High Courts which hold the view as the view expounded by the Nagpur High Court do not carry out the decrees or orders of the Bombay High Court. My Honourable friend Sir David Devadoss may correct me if my information is wrong. What are the special circumstances? So far Bombay is only concerned. If according to my information the decrees of the Bombay High Court in regard to mortgage suits are not being given effect to in Madras, Calcutta and Rangoon, why should these decrees and orders be given effect to in the Central Provinces and Berar only? If there are any special circumstances, Sir, at least we have not been made aware as to why we should follow the view held by the Bombay High Court and not the view held by Calcutta, Madras and Rangoon.

So, Sir, to sum up the whole case, I submit that according to the general law of the land—I mean section 16 of the Civil Procedure Code and the interpretation put upon clause 12 of the Letters Patent—the view propounded by the Nagpur High Court and supported by the Privy Council and Calcutta, Rangoon and Madras High Courts should be supported by the Legislature and the Legislature should not support the view which is held only by one High Court in India. Then, Sir, if the view which is covered by this Bill is really in the interests of the bankers as well as in the interests of creditors and debtors of the Central Provinces and Berar, then, Sir, all the parties concerned in this affair should be consulted, their views should be asked and the Government then should have come to a proper decision on this point. I do not understand why there should be such breakneck hurry in rushing this Bill before the Legislature.

Sir, as you have ruled out my amendment and as I know that the Government would not accept my amendment, I have no other course but to oppose the Bill.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I welcome the introduction of the Bill validating the proceedings and specially the decrees of a High Court to be executed in British India. Sir, it seems simply a mockery when a creditor residing in Bombay or Calcutta gets a decree against his debtor residing in the North-West Frontier Province or Central Provinces but at the time of his loan he happens to be in Calcutta or Bombay and when the creditor after getting his decree in Bombay or Calcutta High Court by spending a good deal of money in incurring the expenses of these courts in order to get a decree against the debtor temporarily residing in these places, but when he wants to enforce his decree say in the North-West Frontier Province or in the Central Provinces then the Bench of the Judicial Commissioners or a Judicial Commissioner of the Central Provinces turns round and says that that decree is invalid because it was passed by a High Court of Bombay or Calcutta which has got no jurisdiction in the North-West Frontier Province or the Central Provinces. Sir, it stands to reason and according to strong common sense when a creditor gets his decree from a High Court that decree should be enforced anywhere in British India, because now-a-days men of the various provinces of India are engaged in the principal places of commerce such as Calcutta, Bombay or Karachi

and when a creditor gets a decree in these Courts against his debtor residing temporarily in the North-West Frontier Province or Central Provinces or say any other province of India, after all the creditor has spent a good deal of money in obtaining this decree from the highest Court of these places and it is a very strange phenomenon that when a creditor has spent so much money in getting his decrees he is faced with another enigma by being told by the Bench of the Judicial Commissioners or the Judicial Commissioner of a small and minor province that the jurisdiction of a certain High Court does not run within his territory. After all, Sir, we are all Indian British subjects of His Majesty and when an Indian High Court of His Majesty is made a playful institution by a Judicial Commissioner of a minor province I should say that it is nothing else but rank insubordination on the part of a Judicial Commissioner or the Bench of the Judicial Commissioners not to admit the regularly constituted decree or any other proceedings of the Judges of High Courts constituted by His Majesty and whose Judges are supposed to know more about the legal aspects and proceedings than the Judicial Commissioner of a minor province getting much smaller pay and possessing a smaller status than a Judge of a High Court. Well, Sir, I am not a lawyer and do not belong to the legal profession but as a soldier I am absolutely browbeaten when I hear that a General Officer Commanding a division gives a certain order to his Brigadier and the Brigadier begins to question the authority of his Divisional Commander, or the Brigadier of an Independent Brigade begins to question the authority of the Army Headquarters.

THE HONOURABLE MR. V. V. KALIKAR: May I bring to the notice of my Honourable friend that the Judicial Commissioner's Court is not subordinate to the Bombay High Court?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: But the Bombay High Court Judges know much more than your Judicial Commissioner.

THE HONOURABLE THE PRESIDENT: Order, order. The Honourable Member will continue.

THE HONOURABLE MR. V. V. KALIKAR: My Honourable friend does not realise, Sir, that he is indirectly abusing the Privy Council.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, I am coming to that. I am merely putting what seems to me a strong common sense point of view. And common sense dictates that, as the Judicial Commissioner gets less pay, his brain and his capabilities must be in accordance with his pay.

THE HONOURABLE THE PRESIDENT: Order, order. Perhaps you are not aware that these Judicial Commissioners' Courts have the status of a High Court?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, Sir, as I was saying when the Brigadier of an Independent Brigade begins to question the authority of the Army Headquarters, that Brigadier will not have to remain in service for long when he begins to question the authority of his superiors. In the same way, Sir, the Judicial Commissioner or a Bench of Judicial Commissioners must know their position properly and they should not be permitted to question the validity of a High Court's proceedings and decrees.

THE HONOURABLE THE PRESIDENT: Let me tell you that they have co-equal powers with the High Court.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, Sir, if they have the same powers, then the High Court being the senior court they must be guided by them.

THE HONOURABLE THE PRESIDENT: They are not subordinate to any High Court but to the Privy Council.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Well, Sir, the sooner the Government of India comes to the rescue of the creditor in enabling them to enforce a decree, the better it will be, Sir. If these kinds of objections are entertained by the Government of India, it means that a creditor must have his decree from every High Court or the Judicial Commissioner of that province in which the decree is going to be executed. Then a very long life and a very long purse is required to get decrees from all the High Courts or Judicial Commissioners of that province in which the debtor resides. The sooner, Sir, this malpractice is discontinued, the better the result will be for every Indian subject of His Majesty concerned. A decree or proceedings of any court must be binding on the other courts in India. Then only will the administration run smoothly and the supply and demand of the commercial world can be carried out satisfactorily, otherwise nobody would dare to lend if he cannot be sure of repayment of his debt with such frivolous pleas and excuse.

With these words, Sir, I strongly support this Bill.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, I wish to say only a few words. We are not sitting in judgment over the Bombay High Court or the Nagpur Court. What we are concerned with at present is the removal of the hardship caused by certain judgments. After all, Sir, man-made law is not perfect. Judges are entitled to take what they consider to be a just view in every case. The Bombay High Court has taken a certain view and has passed mortgage decrees against property outside its original jurisdiction. The Nagpur High Court seems to think that it had no power to do so. Whether Nagpur is right or wrong, as has been mentioned by Mr. Lal in his very able speech property to the tune of a crore is in jeopardy and I think, Sir, the Government is bound to come to the assistance of people who for no fault of their own are in danger of losing their property. Therefore, we are not concerned with the various interpretations of the law. We are only concerned in removing certain hardships. I quite sympathise with Mr. Kalikar in his anxiety to protect the legal creditors of the people in Nagpur. If I understood him aright, what he meant to say was that if a member of a joint family took the title deeds belonging to the family and pledged them in Bombay and raised a loan—the other members of the family evidently had mortgaged the property in the ordinary way—what is called the legal mortgage—in Nagpur. Then

12 NOON. the question would arise whether the person who had mortgaged the property in Bombay should be held to have priority over the other mortgages? It is a well known axiom of law that if you lose your title deeds—even if a mortgagee hands over the title deeds to somebody else—if the title deeds are validly pledged in Bombay or Madras or Calcutta within their original jurisdiction the legal mortgagee loses his priority. A man should not lose his title deeds. He must keep them. So, the legal

mortgagee must have his documents. The answer to that is there may be a number of title deeds. If the original title deeds are not forthcoming, the Honourable Mr. Kalikar says you can apply to the revenue authorities and get copies from the revenue registers. For that the remedy is not in the courts but in the Legislature. An Act must be passed preventing the issue of these certificates or making one particular certificate the title deed of the property. My Honourable friend Mr. Kalikar forgets the fact that the fault is the fault of the Hindu Law. One member is allowed to go and pledge the property of the family and raise a loan whereas the other members are not allowed to do so. So, they also do it in some other way. We are not concerned with all that here. All that is unnecessary for the present purpose. So far as I can understand this Bill, it is only to prevent the hardship that would be caused to the Bombay creditors by reason of the fact that their decrees could not be executed within the province of Nagpur on account of the decision of the Court of the Judicial Commissioner. Therefore, Government have come forward with this Bill. No doubt it might create some hardship to other creditors, but we are not concerned with that now. We are only concerned with the fact that when people, relying upon a Full Bench Judgment of the High Court, advanced money on property security, they should not be deprived of the value of that security. That being so, I think there can be no objection to the passing of this Bill. Any further amendment of the law may be fully considered by reference to all the High Courts and the public. So far as this Bill is concerned, I think it is a remedial measure and ought to be passed.

* THE HONOURABLE SAYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, I feel that I should raise my voice of protest against the passing of this measure. I admit that there is some injustice involved in the case of people of Bombay who have advanced large sums of money on the security of immovable property situate outside Bombay. That is a matter with which we all sympathise. I would have given my consent to this Bill if it had only been confined to decrees which had already been passed, and if it had not allowed the continuance of the passing of such decrees by the Bombay High Court. While giving some sort of relief to the money-lenders of Bombay by passing this Bill we would be causing great hardships to a lot of other people whose interests might be adversely affected. We have to realise that in laying down the law for the cognizance of suits by courts, the Legislature had some salutary principle in mind. It was with this object that limitations were placed upon the jurisdiction of all the courts—limitation in respect of the pecuniary value of the suit, limitations in respect of the locality in which the subject-matter of the suit is situate, etc. Sections 15 to 20 of the Civil Procedure Code enumerate the various kinds of jurisdictions. I am aware that High Courts are not bound by section 16 of the Civil Procedure Code which lays down the limits of territorial jurisdiction. But, all the same, section 16 does embody a principle which has been recognised to be a very salutary principle not only by the mufassil courts but also by the majority of the courts functioning in our country. The High Courts of Madras, Calcutta and Rangoon have recognised the wholesome principle which this section lays down and have in consequence refused to take cognizance of any suits which are based upon mortgages, whether equitable or legal, in which the property is situate outside the territorial jurisdiction of the Court. Besides various other reasons that might have induced the Legislature to enact section 16 and similar sections of the Code, I feel

* Not corrected by the Honourable Member.

[Saiyed Mohamed Padshah Sahib Bahadur.]

that one obvious reason which induced the Legislature to limit the jurisdiction of the Court to such properties only as are situate within the territorial jurisdiction of that Court should have been that the evidence with regard to title and other things pertaining to the property would be available only in the locality in which the property is situate.

THE HONOURABLE MR. SHAVAX A. LAL: I may tell the Honourable Member that it is a separate question. That depends upon the amendment of the Letters Patent which is already being considered. Whatever the Honourable Member has just said will be borne in mind when the Letters Patent are amended. It is an entirely separate question.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: Even in sanctioning a temporary measure, if the effect of that measure is not only to cure some evil which had already occurred but also to continue to give rise to such kind of evil, we have got to be guided by the principles which would go to justify that measure.

THE HONOURABLE THE PRESIDENT: You have been told that this is a purely temporary measure.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: That is why I submit that since the effect of this measure would be to allow the Bombay High Court to go on taking cognizance of such suits, I am opposed to it. If it had been confined only to the decrees which had already been passed, and if its effect had been to put a stop to the Bombay High Court continuing to take cognizance of such suits—

THE HONOURABLE THE PRESIDENT: Several suits must be pending in the High Court.

THE HONOURABLE SIR DAVID DEVADOSS: What about limitation?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: Has there been any assurance given by the authorities at home that the Letters Patent would be amended on the lines on which this Bill has been drafted? If there is no assurance that the amendment in the Letters Patent would be on these lines, then what is the good of holding out this false hope? If the amendment is going to make permanent the law which has been enunciated in the courts in my province and in Calcutta and Rangoon, then this relief which we are giving to the people of Bombay whose property to the extent of Rs. 50 lakhs is involved would place a number of other people under great disadvantage. As has been observed by my Honourable friend Mr. Kalikar, in deciding upon this measure, it is impossible for only one set of interests to be considered. There are a lot of other interests involved. Government should have taken care to consult the various other interests also. They should have consulted the Provincial Governments, and the Bar Associations not only of Presidency Courts but also of the mufassil courts, and they should have taken into account the difficulties which legislation of this kind places on the litigant public. As has been stated by him, the fact that equitable mortgages are allowed in towns by the depositing of title deeds places great difficulties in the way not only of the other people who may be interested in that property and who have not participated in the equitable mortgage, but also in the way of those people who may advance money on

the security of this very property in the province in which the property is situate. We know that there are cases where an equitable mortgage of property has been made in big towns within whose jurisdiction the property is not situated and subsequently, other people who are not interested in that mortgage have mortgaged the property to local people. We know that there are instances of the same property having been mortgaged to ten different people, and if this equitable mortgage had taken place in the first instance all the people concerned in the subsequent mortgages would have to be impleaded in any suit brought in the Bombay High Court on the basis of the first mortgage.

THE HONOURABLE THE PRESIDENT: Please do not repeat your arguments. We have four other Bills before us.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I do not want to repeat, Sir, I only say that the interests of these people have also to be taken into consideration. The Nagpur High Court in giving its decision in one of these cases, which has given rise to this legislation, also shows how even the Privy Council has supported a view contrary to the view held by the Bombay High Court. And so, considering the statement of the law, the weight of authority that lies on any particular interpretation of the law and also on the equities involved and the various interests affected, I feel that this measure is calculated to do more harm than good.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Lal): You need not refer to many of the arguments which are not at all relevant. You can speak on the merits of the Bill.

THE HONOURABLE MR. SHAVAX A. LAL: Sir, I am afraid the Honourable Members who have thought fit to oppose this measure are for the most part defending a position which does not arise on this Bill. The Honourable Mr. Kalikar has suggested that the proper remedy was for the aggrieved party to go in appeal to the Privy Council, but the Honourable Member overlooked the fact that this is not an isolated case. Hundreds of cases have been affected by this decision, and what we have to bear in mind is that the parties who have been affected relied on a particular view, which, but for a very brief space of about six months, has been consistently held by the Bombay High Court for 60 years, and the object of the Bill is to protect those people who have sunk their money in mortgages relying on that view. A remedy by way of appeal to the Privy Council, as one Honourable Member has pointed out, might take years to materialise, and meanwhile the deadlock would continue and all these various people affected and the whole mercantile community in Bombay will not know where they stand. The uncertainty enshrouding the law on account of the Nagpur decision is certainly undesirable from the legal point of view, and therefore the Government prepared this remedial measure as early as possible and have brought it forward now.

The second point made by the Honourable Mr. Kalikar was that the Government have not taken into consideration the interests of the judgment debtors. But, Sir, I may remind the Honourable Member that whenever there has been an adjudication, upon all the questions involved, by the Bombay High Court, the parties concerned were not unrepresented. It is only because of a technical defect or an alleged technical defect that the decrees of the Bombay High Court are being questioned. The parties were there and they could have contested the claim if they wanted to. But, Sir, it seems to me

[Mr. Shavax A. Lal.]

that after the defendant has been put out of court by the front door by the Bombay High Court, he is now trying to steal in by the back door to rob the plaintiff of the fruits of his decree. That is hardly fair and that, Sir, is what this Bill wants to prevent, and I cannot see that any hardship is involved in it. As a matter of fact these debtors find it convenient to come to Bombay to take advantage of the lower rate of interest prevailing there and borrow money there; they do not find any difficulty in going to Bombay for the purpose of borrowing, but when it comes to a suit on those debts they find it difficult to go to Bombay. That does not seem to be fair. In any case I do not see how the judgment debtor's interest suffers by this legislation. Even in the case of the creditor to whom the Honourable Member has referred I do not think he can be affected by this Bill. If the mortgage itself was invalid or was invalid on account of any legal defects, he could have questioned that in the court of law when the suit was being heard, and I am sure the Bombay High Court would have considered that defence and given a judgment accordingly. But that point does not survive when the judgment is there. It is only the execution of the judgment that is being questioned, and I can assure my Honourable friend opposite that the Nagpur High Court stands alone in refusing to give effect to the Bombay High Court judgment. As a matter of fact in Madras and Lahore the Courts have given effect to the Bombay judgment, although they have expressed the view that the construction put upon clause 12 of the Letters Patent was not according to them correct. But in spite of that fact they have given effect to the Bombay decree because of the comity of judicial tribunals and because the general principle of the law is that the execution of the decree, unless on its very face it is passed without jurisdiction, should not be questioned. That is an accepted principle of law. But I am not going to comment on the Nagpur decision: it would be presumptuous on my part to do so. I only refer to the practical difficulties involved in that question, and I am sure there are no two opinions about the practical difficulties. As I have already said, a crore of rupees are involved and a number of people are affected by the decision and there is absolutely no reason why those people should be penalised for no fault of their own. That is the whole issue before the House. As for the law as it ought to be, the question of amending the Letters Patent is now being considered and all the suggestions made will be borne in mind. Meanwhile, Sir, the present measure is before the House.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. SHAVAX A. LAL: Sir, I beg to move:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

COCHIN PORT BILL.

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

"That the Bill to make special provision for the administration of the port of Cochin, as passed by the Legislative Assembly, be taken into consideration".

Sir, the object of this Bill is to transfer to the Government of India the statutory powers of control over the port of Cochin which are now enjoyed by the Government of Madras. The reasons leading to this step are adequately set out in the Statement of Objects and Reasons and I do not propose, Sir, to repeat them now.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, I have a fundamental objection to the passage of this Bill. The port of Cochin, as is well known, is a unique one in that although it is situated in British territory, its development is dependent on the goodwill and co-operation of two Indian States. The matter has been for a very long time before the public as to what should be done with this port. It was a very minor port in 1865 when the first Inter-Portal Convention was entered into by the Government with these two States. After that a long history of it can be recounted, but in 1925 there was an agreement whereby the proceeds of these ports were divided in equal parts between the Durbars of Cochin and Travancore and British India. Later on when the port was being developed and sum of about Rs. 1½ crores was being spent on the development of this port, there was a great deal of discussion on the quantum and the distribution of the customs revenue. I am not aware of the exact nature of the agreements that have been entered into by the British Government and the two Durbars, but what I wish to say is that by this Bill we are changing the status of the port from a minor port to that of a major port. We had the recommendation of the Davidson Committee appointed by His Majesty's Government for adjudicating on the question of Indian States' financial rights. That Committee came to very definite conclusions on the subject of the administration of the Cochin harbour. I need not weary the House with minute details about the subject. Suffice it for me to read paragraph 378 of their recommendation. They say:

"We recommend therefore that negotiations with Cochin for the adjustment of the difficulties arising from the divided ownership of the port, and with Travancore and Cochin for the purchase of their existing rights in its customs revenue, should not be delayed."

That, Sir, was not the recommendation of an irresponsible body like the Opposition in India, but of His Majesty's own Committee appointed by an authority higher than the Viceroy and the Government of India. In the adjustment of the rights and interests of Indian States *vis-a-vis* the Indian people the Government of India has always been rendering us step-motherly treatment. The amount of concessions and privileges granted from time to time to Indian States, as I stated on the 31st March in connection with the postal enquiry, have been liberal, not only liberal but they have been I should say more than generous and I am almost tempted to say that there has not been even that amount of fairplay which we expect from the hands of the British. This port from being a minor port which had a very small income

[Mr. Hossain Imam.]

has developed, on account of certain changes in our revenue tariff, as well as due to the effect of increased railway facilities, a very considerable income. The income of the harbour was only Rs. 18 lakhs in 1926-27, whereas in 1930-31 it was Rs. 34 lakhs. If we come to an arrangement with these Indian States at the moment, we would have to pay a smaller compensation and the greater the delay the greater will be the income of the States and consequently there will be a greater amount of compensation to be paid. We have always been faced by the Government of India with the dictum that the agreements entered into by the Government of India and the Indian States are sacred and they cannot be set aside by unilateral action; but, Sir, the fundamental difference between us and the Government of India is that we do not regard these treaties as anything but commercial treaties, and commercial treaties can always be terminated by unilateral action as we have done in the case of Ottawa. We want to know what are the intentions of the Government about this port? Are they proposing to acquire undivided control, as has been recommended by the Davidson Committee Report or are they waiting for something to turn up and then to exercise the right? Then again we must not be blind to the fact that these treaties involve a very great hardship on British India. While I do not question the right of Indian States which do possess a port to impose customs duty for articles consumed and used within their territory, the difficulty arises when we allow Indian States to export goods imported from outside countries free of charge to British India. The Government also has been alive to this fact and we took certain steps in connection with the Kathiawar ports—they improved the Viramgam line—but in the case of Cochin I find that the Government have not taken any steps either to acquire the right, or to minimise the hardship of British Indians. According to the agreement we of British India only get a third part of the customs revenue, while the Indian States are getting two-thirds.

THE HONOURABLE THE PRESIDENT: You are discussing a much bigger question under the guise of this Bill, which has nothing whatever to do with it.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, in the Statement of Objects and Reasons Sir Muhammad Zafrullah Khan has said:

"The port of Cochin will be declared, under item 9 of Part I of Schedule I to the Devolution Rules, a major port on or about the 1st April".

and therefore the question of its administration comes in. We on our part are anxious that any injustice that has been done to British Indians by former Governments should be undone as quickly as possible and we do not think that the measures adopted by the Government up till now have been in this direction. As I was saying, Sir, the diversity in the rights enjoyed by Indian States is very great; but be that as it may, I am not concerned with that. My only point is that when you have developed this port and you are giving facilities for first class vessels to come into this port, we will be indirectly harming our own selves. Any increase in the income of the Cochin harbour will have the direct effect of reducing the customs income of Bombay and Madras because in the 800 miles of coastline, barring Goa—

THE HONOURABLE THE PRESIDENT: You will have to go in for a greater measure of toleration when Federation comes.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, may I quote a part of the Report of the Davidson Committee as far as Federation is concerned to show that it is not my opinion but the opinion of authorities even higher than myself?

"We recommend therefore that negotiations with Cochin for the adjustment of the difficulties arising from the divided ownership of the port, and with Travancore and Cochin for the purchase of their existing rights in its customs revenue, should not be delayed. . . . The rights of the States concerned came into existence as the consequence of a mutual exchange of valuable considerations. They are in effect commercial rights."

This, Sir, is the opinion of an authority even higher than that of the Government of India. And they have also recommended, Sir, that in considering the compensation requested for this transfer, the advantages accruing to the Indian States on the establishment of Federation due to their having a voice in controlling the quantum of the customs revenue should also be taken into consideration and should be regarded as a part payment of the compensation for the loss which the transfer may have entailed. These are their exact words:

"In our opinion, the port of Cochin—as the only port (excluding Portuguese Goa) between Bombay and Colombo which affords safe anchorage and real harbour facilities to large ships at all seasons of the year and which, when fully developed, will afford all the facilities of a modern port—is of great present value and must in the future be of even greater value to an Indian Federation, in whose undivided possession unhampered by any obligations to third parties, it clearly ought to be."

If the Government is not prepared to listen to the voice and the considered opinions of His Majesty's experts, we, Sir, on this side of the House, are unable to follow suit.

THE HONOURABLE THE PRESIDENT: Those opinions are not conclusive or binding on the Government of India.

THE HONOURABLE MR. HOSSAIN IMAM: This opinion, Sir, of the Davidson Committee had the indirect support of the Round Table Conference and implied acceptance of His Majesty's Government because they did not object to the views expressed in it. It also, Sir, in a certain manner brings out the decisions of the Butler Committee too. Therefore, the Government have no escape and they cannot plead that this is a mere expression of an opinion of an expert.

For these reasons, Sir, I am unable to support the Motion.

*THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, if I intervene in this discussion it is because the remarks made by the Honourable Mr. Hossain Imam concern much more directly the subject with which I am concerned than that of my Honourable friend who is in charge of the Bill. I should say that Mr. Hossain Imam's remarks all go to show the necessity for this measure. The position at Cochin is that you have a port there part of which is in British territory and part in the territory of the State of Cochin. Now this Bill deals, as it can only deal, solely with the British port of Cochin. Mr. Hossain Imam has pointed out that there are a number of problems, very delicate and difficult problems connected with the customs aspect of the port and also with the administration of the port. Now what this Bill seeks to do is to place the Government of India in direct relation with the State of Cochin in regard to this port. It is obvious

* Not corrected by the Honourable Member.

[Mr. A. J. Raisman.]

from the considerations which my Honourable friend brought forward that it would be entirely inappropriate, particularly in view of impending constitutional changes, for a provincial Government to be in charge of the administration of a port which raises so many problems of the highest importance for the Federation. I cannot now, it would not be proper for me to indicate here, the exact action which the Government of India has taken in regard to the recommendations of the Davidson Committee which my Honourable friend quoted. I can only assure him and assure the House that those recommendations received the most careful consideration. I would only remind him that, although those recommendations undoubtedly carry great weight and authority, they of themselves are not sufficient to induce other parties to give up valuable rights. In other words, it requires two sides to come to any bargain about the matters there discussed and, however much British India might be prepared to accept certain recommendations that in itself would not bring them into effect. What I am concerned to do is to assure the House that the Government of India have been pursuing with the utmost perseverance the solution of these very difficult and delicate problems and I would only say that, in the very important matter of customs, I am confident that the solution which we have reached will be admitted to be one far more favourable to British India than the state of affairs which existed before.

In conclusion, I would say again that all the arguments that my Honourable friend has brought forward support the necessity of this action, namely, of bringing the Government of India into direct relation with the other parties, which are concerned with this harbour.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of information, Sir. Will Government consult the House before they conclude any agreement on this question?

THE HONOURABLE MR. A. J. RAISMAN: I am afraid I cannot give an answer to that question.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member in charge of the Bill wish to say anything?

THE HONOURABLE MR. T. A. STEWART: No, Sir, I have nothing to add to what has been said by my Honourable friend Mr. Raisman.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to make special provision for the administration of the port of Cochin, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

The Schedule was added to the Bill.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN AIRCRAFT (AMENDMENT) BILL.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I move:

"That the Bill to amend the Indian Aircraft Act, 1934, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration".

It is unnecessary to make a long statement. The reason for this measure has already been stated very fully in the Statement of Objects and Reasons. We have hitherto vested the Local Governments under the control of the Government of India with power to make quarantine rules in regard to seaborne vessels but we have no such power at present in regard to aircraft. All that we propose to do is to take those rule-making powers. Such powers are necessary because aircraft is now coming from certain countries, e.g., Africa, and India may be affected with certain diseases from those countries if we do not have these regulations. We have already appointed a whole-time Health Officer at the Air Port of Karachi. Honourable Members probably know that yellow fever is prevalent in parts of Africa and we should take measures to protect India from this particular disease and to protect other countries from this disease being carried through India. The rules to which reference is made in the Bill are of a nature which are already in existence in regard to seaborne vessels, that is to say, rules to segregate patients, rules in regard to the precautions that should be taken, rules in regard to preventing aircraft which is infected from proceeding and so on. I think the House will agree that it is essential that we should have this rule-making power in order to protect ourselves and other countries.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I have great pleasure in supporting the Bill which has been introduced by the Honourable the Leader of the House. The question of the introduction of yellow fever and sleeping sickness was considered by the Bombay Government some years ago, when a special Committee was appointed to suggest measures to prevent the introduction of those diseases into India by vessels. The Committee, after considerable deliberation, suggested that a hulk should be provided and located in the extreme north of the Bombay harbour for the isolation of those suspected to be suffering from these diseases. This was, however, not considered to be a practicable proposition. It was thereafter determined that the Bombay Municipality should have two wards constructed at the Arthur Road Hospital then in my charge for the purpose. Accordingly, two special wards were constructed with wire gauze netting, double doors, etc. Only one suspicious case of sleeping sickness was however admitted, but on examination it proved to be negative. And now, Sir, the position has considerably changed on account of the frequent passage of aircraft. Yellow fever is a disease which has been endemic on the West Coast of Africa. It has penetrated into Central Africa and if it should extend to the East Coast, there would be great danger of the disease being conveyed to India.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): What is yellow fever?

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Yellow fever is a most deadly disease. It is highly infectious and much more

[Sir Nasarvanji Choksy.]

dangerous than even malignant plague or influenza. It is true that patients afflicted with it may not be conveyed by aircraft. The carrier of the germs of the disease, a mosquito known as the tiger mosquito, *Stegomyia*, is capable of introducing it. This mosquito is most extensively prevalent throughout India. It is to be found in open vessels containing drinking water in and around households: in open irrigation channels: in the bilge of the country crafts engaged in coastal trade at our ports on the west coast of India and elsewhere. One of its common hiding places is the water tap. When opened the water forces it out. Most stringent measures are thus required for the prevention of the introduction of such infected mosquitoes, such as thorough inspection, and fumigation etc., of the aircrafts arriving from infected localities. It is thus absolutely necessary that India should have some protection. This disease in its most virulent form has been studied most extensively through the help of the Rockefeller Foundation of the United States of America. Several British, American and Japanese investigators have sacrificed their lives in the cause of science and humanity during their investigations. Investigation and research are still in operation in Africa and in the cities and towns of South America, Brazil, etc. The capital of Brazil was so highly infected that the Rockefeller Foundation took the matter in hand and freed it from infection for a number of years. It is impossible to value the great humanitarian work the Foundation has done in this and other connections. Its annual reports teem with facts and figures and exhibit the grave danger that India has to face from the introduction of this mosquito. Science has lately discovered a vaccine to immunise workers in the laboratories and thus save valuable lives. Under these circumstances, Sir, it is incumbent upon us to pass this Bill in order to enable Government to frame the necessary rules.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, I am very glad that I have had the support of such a great medical authority as my Honourable friend Dr. Sir Nasarvanji Choksy.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill to amend the Indian Aircraft Act, 1934, for a certain purpose as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

FACTORIES (AMENDMENT) BILL.

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

"That the Bill further to amend the Factories Act, 1934, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration".

This Bill seeks to amend only one section of the Factories Act, and the amendments suggested do not affect the structure of that section. Honourable Members will find the actual section appended to the Statement of Objects and Reasons which is in their hands. They will observe that it is a section empowering the Local Governments to apply any or all of the provisions of the Factories Act to manufacturing establishments which do not come within the ordinary definition of "factory". The changes proposed are really two in number: they are the substitution of the word "place" for "premises" in that section and the omission of the reference to "precincts".

The object of the Bill is to ensure that those manufacturing establishments, which carry on their work entirely or partly in the open air, can be regulated when necessary. If Honourable Members will refer to the existing section, they will see that although it refers both to premises and precincts, the actual notification when issued applies only to the premises and does not extend to the precincts. Further, it is very doubtful, in the light of certain judicial decisions in England, whether places in the open air, which have no substantial buildings, can be regarded as premises, and there are some establishments of this character which stand urgently in need of regulation. As a matter of fact, the need for the Bill was brought to notice by the Bombay Government who are anxious to regulate conditions of work in certain *dhobi ghats* in Ahmedabad where there is reported to be "unmerciful exploitation of labour". The use of the word "places" instead of "premises" will render this possible, and with that substitution the reference to precincts becomes unnecessary.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I desire to express my appreciation of the Bill which has been introduced by the Honourable Mr. Clow. This Bill, as Mr. Clow has just explained, would give power to a Local Government to notify as factories not only the premises which have 10 or more persons working in them but their precincts also. That is, it would become possible under this Bill to apply the Factories Act to places in the open air. As Mr. Clow has said, the need for this Bill was pointed out by the Bombay Government where there are some *dhobi ghats* where this evil exists very much. The change is one which all those who are interested in the welfare of labour will welcome and I give my hearty support to this Bill.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Factories Act, 1934, for a certain purpose as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. G. CLOW: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

INDIAN LAC CESS (AMENDMENT) BILL.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I move:

"That the Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes, as passed by the Legislative Assembly, be taken into consideration".

Honourable Members will have noticed that to the Bill is attached a very full Statement of Objects and Reasons. In another place when the Bill was introduced it was passed without any amendment. No notice of amendment has been received in this House. As this is an important Bill, I should like very briefly to explain its main principles.

The object of the Bill is, firstly, to increase the resources of the Lac Cess Committee, and secondly, to reorganise the present Lac Cess Committee on the lines of the Imperial Council of Agricultural Research. As Honourable Members will have noticed, we propose that the cess should be raised on shellac from four to seven annas and on *kiri*, which is a bye-product of shellac, from two to five annas. The reason why more intense research is required is that there is very keen competition now from synthetic resin products. Therefore this industry has been constantly on the alert in order that it may not find itself supplanted by synthetic products. With this object in view we have research officers in England, three Indian research officers. We are also giving a subsidy to a research organisation in America, which is one of our best customers for shellac, and we have a research institute at Namkun, which is a few miles from Ranchi. This institute was established in 1925. It has been found that the present income, which is normally about a lakh and a half, is not sufficient to meet our requirements. We not only want to do research, we also wish to spread the results of research amongst the cultivators and a certain amount is required for the purpose of bringing home to cultivators the results of our research.

Then the second object, as I said, was to reconstitute the present Lac Cess Committee. The present Lac Cess Committee consists of 17 members the majority of whom are officials. Under our proposals the membership will be increased to 26 which will be divided between a Governing Body consisting of 15 members and an Advisory Board of 11 members. The Governing Body will be the body to lay down policy and will also control the funds, and the Advisory Committee will deal with technical questions. We have found that this bifurcation of functions has been very successful in the Agricultural Research Council. Honourable Members will also be glad to note that in the reconstituted Committee the non-officials will be in a majority in the Governing Body; in the present Lac Cess Committee the officials are in a majority. And we have so constituted the Advisory Board that the experts, who are mostly officials, will be largely represented there.

These are the two main objects of the Bill, to get more funds and to reconstitute the Committee. We expect that under our proposals we shall get a normal increase of income of over a lakh a year, so when the Bill is passed we shall be getting about two and a half lakhs a year. This is one of the industries in which the cultivator is very much interested, especially in the province of Bihar, and I hope that the House will support this Bill.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, before I make observations if any I should like to know from the Honourable Education Member whether the proposed raising

(740)

of the cess will affect the production and the sale and export of lac? As for as my information goes, in 1933 the price of "T. N" shellac fell to Rs. 12 per maund. In 1934 London speculators raised this price to Rs. 45 a maund, but in 1935 the price fell to Rs. 25 per maund, which more or less now prevails. From the annual exports of lac we find that the exports notwithstanding Governments' efforts have not materially increased. They have been varying from 442,021 cwt. in 1925 to 672,752 cwt. in 1934. In 1935, if my figures are

correct, the exports were 473,000 cwt. Sir, synthetic

substitutes will soon be competing with lac, as I understand that their price at present is higher than the real lac. But there is a danger that synthetic lac will very soon be competing with the real lac. Therefore, Sir, it is essential to know whether this practical doubling of the cess will not give a setback to the production of lac which is solely the monopoly of Indian cultivators. Although Bihar produced about 50 per cent. of the total quantity, other provinces also take a share in the production: and as this question mainly affects the zamindars and cultivators, I am rather afraid that the practical doubling of the cess instead of encouraging the export and the sale and the production of lac may not give a setback. This is one of the functions I should say of the Agricultural Research Institute, although you might class it as a different branch of another scientific investigation. I wish it be included in the Agricultural Research Department and be maintained by it. In case I am assured that the prospect of the cultivators suffering is far distant, I will be prepared to support the Bill.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Sir, I simply want some information and will be grateful if the Honourable the Leader of the House will supply it. In the first place in section 3 item (4) (v) the Government of Bihar and Orissa has been treated as a unit. Perhaps the Bill was drafted long ago and it was not then thought that Bihar and Orissa will be two separate Governments. I therefore wonder what happens to the nomination of two members by the Government of Bihar and Orissa? There is no such Government at the present moment in existence. That is only my technical point.

Now, in the Governing Body that is being appointed, the proportion of nominated members is twice that of elected members. Only five members are to be elected by different associations and 10 members are to be nominated by the Governor General in Council. When a thing has been done in the interests of the trade alone, as is the claim of the Government of India, the majority of the Governing Body should have been elected members. True, the Honourable Member cited to us the examples of the Agricultural Research Institute, but there is representation of the Central Legislature on that body, whereas in this Lac Cess Committee, Legislatures have been boycotted, and Government have taken a leaf out of the Congress programme and non-co-operated with us. They are learning things by association with the Opposition in the Assembly. Our information is that the Lac Cess Committee formerly was a very conservative body which did not give much employment to Indians in its staff. Its staff consisted of a great deal of highly paid European officers. This was the direct result of the method adopted in the constitution of that body. If you have a non-official elected majority in a body you will be always sure to have a good representation of Indians in the services and salaries will be accordingly reduced and expenditure will be on a lower scale than if you have a committee consisting of nominated members whose constituency we know is the Treasury benches.

[Mr. Hossain Imam.]

There is another point on which I want some light to be thrown, and that is about the Chairman who is to be appointed by the Governor General. Is he to be a paid officer or is he an honorary officer? What will be the scale of pay of the Chairman and whether at the present moment there is a Chairman and, if so, what are his emoluments? Then, Sir, at the present moment we do wish to be given more self-government than exists at the present moment. It is the spirit of the times, that the association of elected members with extensive rights should be increased instead of decreased. I should like the Honourable Member to point out how the constitution differs from the present constitution, whether the element of election has been increased or decreased in this Committee which is to be restricted?

With these words, Sir, I resume my seat.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, my Honourable friend, the Leader of the Progressive Party, Rai Bahadur Lala Ram Saran Das, has put a very pertinent question. He wants to know whether the proposed increase in the duty is likely to affect production. This matter was very carefully considered and we found that this small increase which we propose is not likely to affect prejudicially the grower of lac. My Honourable friend can rest assured that if there had been any such danger we would not have come up before this House with this proposition; nor is it likely that the other House would have passed that particular item without modification. So he can rest assured on that score. Then, my Honourable friend Mr. Hossain Imam has asked me a certain number of questions. About Bihar and Orissa, we know that these will be separate provinces and that may be taken to mean that the representatives will be selected in consultation with the Governors of those two provinces. Then, as regards the question of election *versus* nomination, in the present Lac Cess Committee there is no elected representative at all. The progress which we have made is that, though the system of election has not been introduced, we have given in the Governing Body, as I stated, the non-officials a majority, and if my Honourable friend will look at the Bill, he will find that there are to be six representatives of the growers. These are —

THE HONOURABLE MR. HOSSAIN IMAM: But all nominated, Sir.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Yes, but that is the difficulty. This point was raised in the Lower House also. We found that it would really be complicating matters if we were to ask each province to elect one representative of the tenants to this Committee. I think probably the whole of the income from the cess will be absorbed in the election expenses of these representatives. Looking at the constitution, I think it is just as well to move cautiously. We have made one advance, we have given the non-officials a majority. I agree that there are nominated non-officials, but I am not prepared to say that they will not discharge their duties as efficiently as the nominated non-officials do here in this House. I therefore hope the House will now without further ado pass this Bill.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern Non-Muhammadan): Will the proceeds of this cess be devoted exclusively to research?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: There is expenditure on administration, research and propaganda.

THE HONOURABLE MR. P. N. SAPRU: But the bulk of it on research?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Yes, the bulk of it is on research: the Lac Research Institute costs at present over a lakh and a half.

THE HONOURABLE MR. HOSSAIN IMAM: The Honourable Member did not enlighten us about the Chairman.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I am sorry, Sir. The present intention is that the Chairman will be the Vice-Chairman of the Imperial Council of Agricultural Research but in any case he will not be paid from the funds of the lac cess.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The Motion was adopted.

Clauses 2, 3, 4, 5, 6 and 7 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Friday, the 24th April, 1936.

COUNCIL OF STATE.

Friday, 24th April, 1936.

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

MEMBER SWORN :

The Honourable Mr. Siddheswari Prasad Varma, C.I.E. (Government of India : Nominated Official).

STATEMENT LAID ON THE TABLE.

MAHENDRA PRATAP SINGH.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, I lay on the table the information promised in reply to question No. 135 asked by the Honourable Rai Bahadur Lala Jagdish Prasad on the 25th March, 1936.

(a) and (b). The Act in question came into force on the 19th July, 1923, and the property confiscated under it was made over to Prem Pratap Singh by a Sanad, dated the 7th September, 1924, a copy of which is laid on the table. The conditions laid down therein have been duly observed as far as I am aware.

(c) and (d). Their ages are 23 and 25, respectively. Bakhti Bai is granted an allowance of Rs. 583 per mensem *plus* certain extras. This is the same as was allowed her when the estate was under the Court of Wards. She is not yet married and no special provision has yet been made in anticipation of her marriage. Government are not aware of any special circumstances as to why she has not yet married : but the estate will meet the expenses when the marriage does take place.

(e) and (g). Prem Pratap Singh has not been forbidden to correspond with his father who writes to him from time to time. Mahendra Pratap Singh's letters, as opposed to his publications, are not prohibited entry into India under the Sea Customs Act. I am not therefore in a position to furnish the Honourable Member with the required information in respect of them. His activities since 1922 have been consistently anti-British and revolutionary in character, and Government are not prepared to grant him facilities to return to India.

SANAD.

To

PREM PRATAP SINGH.

WHEREAS Mahendra Pratap Singh, formerly a resident of Hathras in the District of Aligarh in the United Provinces of Agra and Oudh, son of the late Raja Ghansham Singh Bahadur and adopted son of the late Raja Har Narayan Singh, did treasonably ally himself with and assist His Majesty's enemies in the late great war and is now a fugitive from justice.

AND WHEREAS the estates of the said Mahendra Pratap Singh have been and are now attached under the provisions of the Bengal State Prisoners Regulation (III of 1818).

AND WHEREAS by an Act called the Mahendra Pratap Singh Estates Act, 1923 (Act No. XXIV of 1923), the Government of India did forfeit unto His Majesty all the

estate, right, title, interest, claim and demand whatsoever of the said Mahendra Pratap Singh in to or upon the property specified in the schedule thereto annexed and in to or upon any other immoveable or moveable property of whatever description in British India and in to or upon all liberties, privileges, benefits, easements and appurtenances whatsoever belonging or in anywise appertaining thereto or usually held or enjoyed therewith (all which estate, right, title, interest, claim and demand is hereinafter referred to as the property) and did vest the property in His Majesty.

AND WHEREAS since the passing of the said Act certain of the property specified in the said schedule has been realised and the proceeds invested in other properties and certain other properties not specified in the said schedule have been ascertained and the property so specified with such alterations and additions as aforesaid is specified in the Schedules A, B and C hereto annexed which Schedules also specify so far as is possible which of the said property is ancestral and which is self-acquired.

AND WHEREAS it was further enacted by the said Act that the property should be granted by the Governor General in Council unto Prem Pratap Singh, son of the said Mahendra Pratap Singh, subject to such provisions, restrictions, conditions and limitations over as he the said Governor General in Council might think fit.

NOW therefore in order to carry out the intention of the said Act the Governor General in Council doth by this Sanad grant unto the said Prem Pratap Singh absolutely all the estate, right, title, interest, claim and demand that the said Mahendra Pratap Singh held and enjoyed in the property set forth in the Schedules A, B and C hereto annexed and in to or upon any other immoveable or moveable property of whatever description in British India and in to or upon all liberties, privileges, benefits, easements and appurtenances whatsoever belonging or in anywise appertaining thereto or usually held or enjoyed therewith (all which estate, right, title, interest, claim and demand are hereinafter referred to as the said properties) To Hold the same unto and to the use of the said Prem Pratap Singh and his heirs upon the same terms as the said Mahendra Pratap Singh held the same.

SUBJECT TO THE FOLLOWING CONDITIONS AND PROVISIONS :—

1. That the said Prem Pratap Singh and his heirs will be faithful and bear true allegiance to His Majesty King George the Fifth, his heirs and successors according to law.

2. That he or his heir shall maintain Rani Sarup Kuar the surviving widow of Raja Har Narayan Singh his grandfather in the manner in which the said Rani Sarup Kuar has been maintained heretofore.

3. That he or his heirs shall maintain and provide for the expenses of the marriage of his sister Bakhti Bai in a manner befitting her position.

4. That neither he nor his heirs shall during the lifetime of Mahendra Pratap Singh alienate any of the said properties that is to say, either the estate, right, title, interest claim and demand hereby granted to him and his heirs or any property that may have accrued to him and his heirs as a member of a Joint Hindu family without the sanction in writing of the Government of the United Provinces of Agra and Oudh.

5. That neither he nor his heirs shall render assistance or support to the said Mahendra Pratap Singh either pecuniarily or otherwise in any manner whatsoever.

6. That neither the said Prem Pratap Singh nor his heirs nor any one claiming through or in trust for him shall bring any action, suit, claim or demand against the Government of India, the Government of the United Provinces of Agra and Oudh, the Board of Revenue for the United Provinces of Agra and Oudh or any official acting on behalf of the said Governments or the said Board of Revenue with regard to any action taken or anything done by the aforesaid Governments, Board of Revenue or their officials touching any matter in any way relating to the hereinbefore mentioned attachment or forfeiture.

AND IT IS HEREBY declared that if the said Prem Pratap Singh or any of his heirs is proved to the satisfaction of the Governor General in Council to have broken or to have failed to observe any of the conditions hereinbefore contained on his or their part to be observed and performed, then and in any such case it shall be lawful for the Governor General in Council to forfeit all the said properties hereby granted unto the said Prem Pratap Singh and his heirs or the share of the person who has broken or failed to observe any of the conditions aforesaid and upon such forfeiture the said properties or the said share as the case may be shall become vested in His Majesty, his heirs and successors.

(Sd.) READING,

Viceroy and Governor General of India,

Dated this 7th day of September, 1924.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table a copy of a Bill further to amend the Indian Tariff Act, 1934, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 23rd April, 1936.

INDIAN TARIFF (AMENDMENT) BILL.

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

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration".

This Bill, Sir, seeks to continue for a further period of a year the import duties on wheat and broken rice, in the case of wheat at a somewhat lower rate than was in operation last year. Let me first consider the case of wheat. In our previous considerations of the necessity for the wheat duty and of the level at which it is to be pitched, we have always taken into account in the first place the volume of floating world stocks, and secondly, the relative levels of Indian and world prices of wheat. These are not of course individual and separate items but are naturally inter-related. In 1926-27, a period before the troubles of the Indian wheat-grower had become acute world stocks amounted to 191 million bushels. From that period onwards, the stock position gradually deteriorated until in 1930-31, when the wheat duty was first imposed, the figure of world stocks stood at the very considerable total of 499 million bushels. The stock position continued to deteriorate and in 1932-33 reached the peak figure of 624 million bushels. From then onwards some improvement in the stock position became apparent. In 1934-35, the figure receded to 579; in the following year, that is to say, last year, to 371. The most recent estimates for the present year are at the level of 220 million bushels. That is to say, so far as stocks are concerned, we are within a very close approximation to the figures of 1926-27, when admittedly there was no danger to the Indian position. Let us turn to the other connected factor, namely, the relative levels of Indian and world prices of wheat. For the purpose of comparison, I take the price of Lyallpur wheat landed in Calcutta and with that I compare the London quotation for Australian wheat. This is generally regarded as a very close approximation to the price at which Australian wheat could be landed in Calcutta without payment of duty. A comparison of those two indices reveal the following facts. In 1932, the average excess of the Indian price over the Australian price was Re. 0-9-11. In 1933, that excess had grown to Re. 0-13-10. 1934 showed an improvement; the average difference was Re. 0-5-4. For the whole year 1935, the average excess has been Re. 0-4-2. There was a change in the situation towards the end of 1935. For the period September-December, the average excess was Re. 0-1-2 only. In the month of January, that excess was turned into a deficit. Indian wheat was actually cheaper than Australian to the extent of Re. 0-0-8. In February, 1936, Indian wheat was still cheaper, the average difference being Re. 0-1-1. As a check on this method, I use another one which I do not believe to be more accurate but the results obtained by it confirm those which I have just stated. The alternative method is to compare the price of

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Lyallpur wheat landed in Calcutta with an artificially constructed price, that is to say, the price of wheat in Australia *plus* an amount estimated for freight and landing charges. According to this method the average differences were as follows. In September, 1935, Indian prices were 2 annas 3 pies per maund above the Australian prices; in October, 4 annas 5 pies; November, 5 annas 7 pies; December, 3 annas 9 pies; January, 1936, 1 anna 6 pies; February, 8 pies only. I would have you remember that these differences are monthly averages and on quite a number of occasions since September Indian prices have been below world parity and there have from time to time been exports of Indian wheat from Karachi though on a very moderate scale.

To sum up, it would appear that at the present time the world stock position is better than it has been for many years and it is in fact approximate to that in times of normality; and secondly, that Indian prices are now in very close relationship to world parity. It will be remembered that last year, because of the improving situation, the Government of India decided to lower the wheat import duty from Rs. 2 per cwt. to Rs. 1-8-0 per cwt. They are of opinion that the continued improvement justifies still further reduction, and for this reason they have come forward with the proposition that the duty should be continued at the level of Re. 1 per cwt. In view of the fact that the stock position is so very much better and that the price position is for the time being equally satisfactory, they are of opinion that this one rupee duty provides a very ample insurance against the invasion of Indian markets by wheat from outside.

Let me turn now to rice. When a year ago Government proposed a duty of 12 annas per maund on broken rice, I explained to this Honourable House the circumstances in which that decision had been taken. The volume of imports of rice and rice products from foreign countries had reached a very high level and threatened a dislocation of price levels, which in the opinion of the officer who was deputed by the Government of Madras to study this problem was attributable

“.....to the increasing uncontrolled import of cheap inferior rice from overseas, in particular the recent rapid increase in the imports almost entirely of broken rice from Siam”.

It is unnecessary for me to undertake a rejustification for the duty on broken rice, though I may be reasonably expected to explain the reasons which have led to its continuance for another year. In order to do so it will be necessary for me to quote a certain number of statistics, but I shall confine them to only the most important figures. In the case of broken rice for the 11 months April, 1934 to February, 1935 the imports of broken rice into India amounted to 203,880 tons. In the corresponding period ending with February of the present year these imports have shrunk to 58,266 tons, a reduction of no less than 145,000 tons, or roughly 71 per cent. In the case of rice on which there was no duty the corresponding figures were 44,773 tons for the preceding year and 24,482 tons for this year, a reduction of 45 per cent. In the case of paddy, there has been a fall from 111,628 tons to 98,796 tons, or 11 per cent. From these statistics I think it may be reasonably concluded that the duty which we imposed last year has been effective in cutting down the admittedly high imports of broken rice. The present level of imports, that is to say, 58,000 tons, is still a very considerable amount and the Government of India are of opinion that the present duty has been effective but not excessive. They believe that its removal might easily result in a renewal of imports on their previous threatening scale, and for this reason the same duty is proposed for a further year.

There has been a considerable volume of opinion in favour of the extension of this duty to cover the whole rice and paddy. In view of the very significant decreases in the imports of these commodities the Government of India are of opinion that such an extension is not to be justified. It must be remembered that the Madras Presidency and, in the present year, Bengal and Bihar and Orissa are likely to be very considerable importers and it would be an unconscionable burden on the consumer of these commodities were the duty to be extended. It may be said that a mere reduction in volume of imports is not in itself an index of the success of the duty. I can reinforce the case by quoting a very few price statistics. The first is from the Madras City markets. A Calcutta variety which was sold at 3-39 rupees per maund in 1934 is quoted at 3-89 in 1936. In Cochin, Burma boiled which was on sale for 2-32 rupees per maund in 1934 is quoted at 3-01 rupees per maund. Burma raw, in Cochin again, has risen from 2-26 to 3-01. In Calicut, Cocanada rice which was quoted at 2-85 in 1934 is now quoted at 3-34. The combined evidence of the statistics, Sir, and these price quotations are I think sufficient justification of the effectiveness of the rice duty.

With these words, Sir, I move. (Applause.)

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON (Punjab: Nominated Non-Official): Sir, I rise to protest against the proposed reduction in the import duty on wheat. The wonderful statistics of the Government might have convinced them of the necessity for a change in the duty, but we, the farmers, as laymen look upon this proposal in a simple manner, *i.e.*, that the proposal must affect wheat prices prevalent in the Punjab either favourably or unfavourably and I am sure that even the Government would not have the courage to say that this reduction in the wheat duty would raise the price of wheat in India or in the Punjab. The fact is that in the Punjab villages even now the price of wheat is very very low and the low prices of agricultural produce during the last few years have put the farmers in a bad plight. They incurred heavy debts; they have parted with their jewellery, whatever little they had and it was by these means that they have been able to pay the demand of Government, that is, land revenue, water rate, and so on. As Honourable Members are aware, Sir, only recently the Punjab Council unanimously passed a Resolution against any reduction of the import duty on wheat and as far as I know, Sir, even the Punjab Government did not oppose it. It is evident that the Government of India have not considered it fit to take any notice of that Resolution.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: The Governor of the Punjab strongly recommended it.

THE HONOURABLE NAWAB MALIK SIR MOHAMMAD HAYAT KHAN NOON: However, if the present conditions continue and the Government of India do not take notice of the plight of the farmers in the Punjab, then I beg to warn the Government of India that if it leads to any agrarian trouble the Government will not have the justification to blame anybody else. However, Sir, today we are in a very peculiar and curious position. We might protest against this reduction of the duty and yet we dare not vote against it, because if we vote against it that will mean no duty at all.

With these remarks, Sir, I protest against the reduction, but I shall have to vote for it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): Sir, I beg to enter my strongest protest against the method

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in which the Government have brought in this Bill before the House. I may mention here for the information of Honourable Members that as required by the rules I submitted an application to the Governor General to give me sanction to move an amendment that the duty on wheat may be raised from Re. 1 to Rs. 1-8-0. That sanction, Sir, I regret has been refused. This was not unexpected, because when a Member of the other House applied for increasing the duty from Re. 1 to Rs. 1-8-0 only a week ago it was refused by the Governor General. Obviously His Excellency the Viceroy thought it fit to agree with the decision of his predecessor. If this sanction had been given it would have surely provided an opportunity for Honourable Members here to express their opinion whether they were in favour of the duty being retained at Rs. 1-8-0—

THE HONOURABLE THE PRESIDENT: Nothing prevents you even today from expressing your opinion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am sure if the mere expression of opinion is going—

THE HONOURABLE MR. T. A. STEWART: On a point of order, Sir. Is the Honourable Member criticising the action of the Governor General?

THE HONOURABLE THE PRESIDENT: Order, order. No, I would not allow him to introduce any amendment and speak with reference to any particular amendment unless he satisfies me that he has obtained the sanction of the Governor General under clause 67 (2) (a) of the Government of India Act, but there is nothing to prevent him from expressing his opinion generally that it may be better in the interests of the agriculturists if the duty had been increased.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Sir, I am surprised—

THE HONOURABLE MR. T. A. STEWART: I thought he was criticising the decision that had been given by the Governor General.

THE HONOURABLE THE PRESIDENT: I will not allow him to do so.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am really surprised that the Honourable Commerce Secretary should be anxious to get up every moment without hearing me. He must have received notice of my amendment if I had any intention of moving an amendment. Due to the mere fact that the Governor General has refused permission for me to move the amendment I have not given notice of that amendment. I am not going to move it either. Therefore he should not have been anxious to say that I was going to move an amendment.

THE HONOURABLE THE PRESIDENT: The Governor General's decision is final. You need not refer to it, but you may express your opinion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am not questioning the decision of the Governor General. I am accepting it. That is why I did not even try to ask your permission or put the amendment on the

paper. As far as criticising the action of the Governor General is concerned, I have no intention to criticise. He has powers under the statutory rules to give a decision and his decision is final. Therefore I have no intention of contesting his decision. But at the same time I hope the Commerce Secretary will realise that I am at perfect liberty to express what I believe to be the opinion of those agriculturists whom I have the honour to represent in this House in this particular matter and I can assure you that if there is one matter upon which there is perfect unanimity, without a single dissentient note, it is on this question that the Government have done a great injustice to the agriculturists particularly wheat-growers, by reducing this duty from Rs. 1-8-0 to Re. 1, and, Sir, they have further played a trick on the House by bringing in this Bill at a time—

THE HONOURABLE THE PRESIDENT: Order, order. Who has played the trick? It is an unparliamentary expression?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am sorry, Sir.

THE HONOURABLE THE PRESIDENT: Please withdraw.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: My vocabulary of the English language being limited, I do not know a better term. If it is unparliamentary, then I would submit that the Government, having better knowledge of the delicacies of the Constitution, have thought it fit to bring this Bill in a form in which the Members will have no option to interfere with the Government suggestion. If they had brought this Bill before the original had expired, naturally they had to move an amendment.

THE HONOURABLE THE PRESIDENT: Are they bound in any way to do so? Why should they not bring in a Bill after the expiry of the previous one?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I am saying that they had that course also open to them and what I am trying to make out is that instead of adopting this course it would have been more reasonable for the Government to move an amendment that the duty on wheat should be reduced from Rs. 1-8-0 to Re. 1, in which case the House would have been in a position to reject that amendment. They have brought in this Bill in a form and at a stage when, as my Honourable friend Nawab Sir Mohammad Hayat Khan Noon just now pointed out, that we cannot, however much we may dislike this Bill, vote against it, because voting against it would mean that the duty of Re. 1 will also go. That was my point, Sir. I have listened with great attention to the figures quoted by the Honourable Commerce Secretary. I wish instead of giving us all these figures concerning the world stock how it varied from 1926-27 to 1935-36, or the relation of prices between Australian wheat at Calcutta and Punjab wheat at Calcutta, he would have simply told us what is the present price of wheat.

THE HONOURABLE THE PRESIDENT: I think you ought to be grateful to him for giving you all the information and placing it at your disposal to enable you to arrive at the right conclusion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: There are different things for which different people feel grateful. I would have felt grateful for his telling us which he has not told us and that was a very simple thing, that

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is, what is the price of wheat now in the market, what was the price two years ago and how will this duty affect the price? If this reduction of duty does not affect the price of wheat at all, I would ask him to convince us of the necessity of bringing this Bill. I personally think, Sir, if you were to ask him his frank opinion, he would say that even if you were to remove the duty entirely, still the price in India would not be affected. We, on the other hand, know that the prices have fallen to such a low level that it has become almost impossible for the agriculturist to exist. They are paying land revenue, they are paying water rates, simply because a zamindar by his nature, by his environment, is always anxious to pay the Government dues. If the Government get their full revenue it does not mean that the people earn enough from the land to pay revenue. They have to sell away all their assets, and I hope the Honourable Members will believe me when I tell them from personal knowledge that there are hardly 5 per cent. agriculturists in this country who have not sold away their ornaments, their surplus cattle, even some of their bare necessities of life to pay the Government revenue. If this be true, then, Sir, I would earnestly appeal to the Government to seriously consider whether they are prepared to take any steps which would improve the condition of the agriculturist.

Now, Sir, it has become almost the fashion to talk about rural uplift and to make the conditions of the agriculturist better. It is not only the Government who are showing a keen interest for the welfare of the agriculturist but the Congress and the Socialists and even the Unionist Party in the Punjab and the Liberals and the Justice Party and every Party that counts for anything in India is now talking of helping the agriculturist. I would ask the Government to seriously consider whether all these numerous suggestions which they make to the zamindars for making their conditions better, whether it is not necessary that the zamindar should have money to adopt all these suggestions. You want the zamindars to keep good bullocks. Now do the Government realise that the zamindars have not the money to pay for good bullocks. You ask them to keep cows. But those people who are keeping cattle, Sir, what they do is that they sell *ghee* just to pay the revenue, and their children are starving. Then, Sir, the zamindars are asked to have ventilators in their houses, to buy mosquito nets and adopt other sanitary things. Now, Sir, as any Honourable Member here who has any personal contact, I will not say with the zamindars but with the agriculturists, the tillers of the soil, knows, how many of them are in a position to pay for any of these things? If, Sir, they are not in a position to pay for any of these things, then instead of giving them lectures it is better that Government should seriously consider how they can make their position better. Sir, if Government were just to work in the old red tape fashion, I can assure them that no good results would come out of their efforts. If some high Government officials, and I mean particularly the present Viceroy who has a great reputation for being a true well-wisher of the zamindars, and I may mention here, Sir, that during the five or six days that His Excellency has been in India he has already created a very good impression upon the agriculturists, and if His Excellency earnestly feels that the paramount duty of Government is to help the agriculturists, he should at once throw aside all these red tape methods and should seriously consider what radical changes can be made to make the condition of the zamindars better. Sir, this reduction of import duty will adversely affect the prices and that will mean the ruin of the agriculturists. Instead of reducing this import duty I think the Government, just to give proof to the zamindars that they are anxious to have

them, should have increased the import duty to Rs. 2, which I hope you remember, Sir, was the opinion of almost every Member of this House who spoke last year when the Government wanted to reduce the duty from Rs. 2 to Rs. 1-8-0. On the other hand, it was a great surprise to the Honourable Members to find that last year before the Government brought in this Motion to reduce the duty from Rs. 2 to Rs. 1-8-0 only a few weeks before the Resolution moved by the Honourable Sir Yamin Khan, the Honourable the Leader of the House advised the Government to accept the first part of his Resolution and on his advice all the Government Members voted for the first part of the Resolution, which was that the duty on wheat should be extended. The duty on wheat being Rs. 2 naturally the Government in accepting this Resolution as a matter of fact expressed their opinion that they would extend it on the level as it then existed. They changed their opinion later on. Now, as far as the zamindars are concerned, Sir, at least 50 per cent. of the rural population are wheat-growers and their plight is miserable. I would not like to draw here a dark picture of their plight because Honourable Members who represent them already know it. Even my friend the Honourable Nawab Sir Mohammad Hayat Khan Noon who has got experience of being a Commissioner in the Punjab, who himself is a very big zamindar, and above all who as a nominated Member is always very cautious and careful in condemning Government, when a nominated Member like him also stands up and says that he strongly protests against the action of the Government, the Government should realise they are not the only monopolists of what is the opinion of the people. After all, they have invited us—*(An Honourable Member: "I think the Nawab Sahib is representing the Punjab Government's view.")* When they have invited us here, when they are spending money on the haulage of our cars and paying us Rs. 20 a day, they should attach some importance to the opinions we are expressing in this House. It should not be that we talk and they do what they please. This has been precisely their policy in regard to this matter. The Government, Sir, have taken no practical step to see that the poor agriculturist always sells his commodity at the cheapest possible price and the moment the commodity passes out of the hands of the poor agriculturist the price goes up. The middleman makes the profit. Have the Government taken any step so far to help the agriculturists in this matter? They can do so and it is their duty to do so. But only if they seriously consider they take pains and work here in right earnest to devise ways and means of taking over the commodities of zamindars.

THE HONOURABLE THE PRESIDENT: Have you zamindars taken any action to protect your tenants?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Well, Sir, I must confess to my great shame that the zamindars have taken very little interest. I have no sympathy for them, as I have no sympathy for the Government. And that is why, Sir, this theory of Socialism even in a country like India if it is gaining ground it is doing so because zamindars fail to realise their own responsibilities and duties. But, if the zamindars fail to realise their own duties, that is no reason why Government should fail to realise their own duties. As a matter of fact, the whole structure of our revenue system requires thorough overhauling. The burden which the Government have put on the zamindars is, I personally consider, excessive. On the other hand, the proportion which the tenant pays to the zamindar is also excessive. So, unless the Government make a radical change, giving a small relief to the zamindar, and the zamindar in return giving a big relief to the tenants—

THE HONOURABLE MR. T. A. STEWART: May I ask, Sir, which Government?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: By the Government, I mean the Government of India. As far as I know, the Government of India cannot separate themselves from the Provincial Governments. Under the present Government of India Act, the Government of India have got all powers of control over the Provincial Governments and they are responsible for directing their policy. There is no such thing as provincial autonomy as far as the present constitution is concerned. Therefore, it is no use the Government of India always throwing the blame upon the provinces. What is the conception in the mind of the ordinary agriculturist in India about the Government? Does he realise this subtle difference between the Provincial Government and the Government of India? He thinks Government means the British Government.

THE HONOURABLE THE PRESIDENT: You are drifting away from the main issue. Will you please confine yourself to the issue in question?

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I therefore submit that whether it is the Government of India or the Provincial Government, it is the duty of the Government to take early steps to help the agriculturist in (1) in preventing wheat from being imported from any outside country; (2) by helping the agriculturist in exporting surplus wheat so that he might get a higher price; (3) by devising such machinery by which the agriculturist will get a real and true value for his commodity instead of the middlemen making all the profits; (4) by advancing loans on the security of commodities. The Government certainly can buy over or take over all the wheat from the wheat-growers, pay their revenues, advance them loans on the security of the wheat, and sell that commodity when the Government know that they can get the best price. I know that some of the changes which I have advised are of a radical nature, but the depression which now exists in the country is also of an absolutely unique nature. We have never experienced such a depression before. As the Honourable Nawab Sir Mohammad Hayat Khan Noon has pointed out, unless the Government take immediate steps they will find that the agriculturists get dissatisfied and once the agrarian trouble starts in a country like India, where means of communication are so very limited, then I can assure the Government that it will become a very difficult problem, and they will have to suppress it by spending an enormous amount of money, and now by spending one-fourth of that amount in a proper way, they can avert those disastrous consequences. Therefore, Sir, I support this Bill under that protest.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, I do not know who have petitioned to the Government of India to reduce the import duty on wheat. I do not think that an Indian subject of His Majesty has asked for a reduction in this duty and if a few mill-owners who compare to the 80 per cent. agricultural population of India as a drop in the ocean, are paraded before us by the Government with this request, my reply to them is that they should kindly be asked to remove their mills from Indian soil and take them somewhere else, in which place there is no bungling of the drawback duty, etc. If the whole of India is to be governed by the imposition of the import duty on wheat, would it not be better to ask these mill-owners to get the Indian wheat and have no truck with the foreign product. It is

a matter of common knowledge that if our exports of wheat are stopped it will never fetch more than Rs. 1-8-0 or Rs. 2 a maund. See the prices quoted by various Englishmen in the time of Aurangzeb and other Moghul Emperors when the price of wheat was a rupee, and even less, for a maund. And why was it so? Because there was no export of it in those times to foreign countries.

Sir, we the wheat-growing people of Northern India always used to send our wheat to Bombay or Karachi for shipment to foreign countries and thereby make our money. After the war all the big firms dealing in wheat, such as Ralli Brothers and Clement Robson Company, Sandepatrik and Company, E. D. Sassoon and Company, Bombay, Louis Dreyfus, etc., etc., do not exist now and no exertion is made by any Government servant to find a suitable market of export for our wheat. If the Argentine Government can find a market for their 200 million tons extra grown wheat and the same amount of wheat can be disposed off by Australia and Canada, why can not we find a market for our one-third of a million ton of extra wheat? When we are told that 8 million tons is our yearly production and the same quantity is our yearly consumption, I am sorry to say that I cannot be persuaded to believe these statistics because when we were feeding half of Europe before the Great War, our produce of wheat could not have been estimated at these figures. I do not admit these figures at all. What a shallow argument it is that if the wheat duty is kept varying, no *mahajan* who hoards up a big stock of wheat will be able to send it out of India thinking that he might command a better price for his stock in India itself. This argument was used by the Honourable the Commerce Member in the other place. Well, Sir, the *mahajan* will be mad to stock it in the hope that he could send it out of India. When the import of foreign wheat is already taxed in India, I do not think any sane person would send his stock for the open market in Europe where the prices are already much cheaper than in India. Indeed, it is a very curious argument and is not going to convince anybody. The cure lies in finding a suitable market like other countries to sell their products.

Again, Sir, the land revenue system of the Government of India prevailing in various provinces is intended to bring half the price of the product to the Government Treasury, whilst the system sanctioned by the Moghuls and their preceding Governments did not claim more than one-tenth of the product. Well, Sir, if the duty is kept at Rs. 2 or Rs. 1-8-0 or even Re. 1, the fact remains all the same that we in India grow more wheat than is necessary for our consumption. The production of wheat per *bigha* is estimated at three maunds or six maunds per acre. That is my estimate, Sir. I do not think the Government experts can say that land in the Punjab or the North-West Frontier Province can yield more than six maunds per acre. At the current rate of Rs. 2-8-0 for a maund the yield of an acre cannot fetch more than Rs. 15. Quite simple—a matter of arithmetic! Now, let us compare his cost on it. In the first instance he has to pay Rs. 3-8-0 as land revenue and Rs. 4-8-0 as water rate. Local rate and *sewai* are paid by him at the rate of two annas a rupee which calculates to Rs. 1-14-0 on the price of his product of six maunds. Besides these he has to give something to the canal *patwari* and *panjsali patwari* and *wasil baqinawis* of the tehsil and village *chowkidar* in order to please every one of them and their pleasure costs him about Rs. 1-2-0 per acre of his cultivated lands. He has also to give a proportionate share of his products in kind to the labourers connected with his work such as carpenter, blacksmith, barber, shoemaker, potter and *mirasi* and this distribution of his product costs him about Rs. 2 per acre. Last but not least is the *sakukar* whose price money and interest for the supply of seeds and feeding and clothing of the farmer is Rs. 2 as his share of the product per acre. All these liabilities

[Sir Mahomed Akbar Khan.]

aggregate to Rs. 15 in all which is quite an equivalent sum of his price money of Rs. 15 for his product of six maunds in an acre of land. After paying all his liabilities the farmer has got nothing left for himself or his family. His exact condition can be better described in the language of Mr. Darling who says that when every thing is taken from a zamindar, nothing is left to him for the forthcoming crop but his trust in God which Mr. Darling interprets as *Guru samput rakhai*. Well, Sir, that is the real condition of an Indian farmer, on whom both the police and the revenue authorities hover like the locusts.

Now, Sir, when the Indian Mill-owners of Calcutta, Bombay and Karachi import foreign wheat into India and after grinding it send it for exportation to Egypt and Europe and get their drawback, that is the point to which I object most. Why should these mill-owners be so unpatriotic as to prefer foreign wheat to that of Indian wheat. It is simply because the foreign wheat is cheaper as compared with that of India and thus they can make a better business out of it. The reason for the cheap price of foreign wheat can be found in the fact that in Argentine, Canada, Australia, and Russia the land revenue is not so high as in India and also because the people of those countries work with tractors on new scientific lines. It is regretted these methods of cultivation are not adopted in India chiefly because the system of land revenue in this country does not leave any margin of profit to the farmers, and secondly, because the price of petrol in this country is very much higher as compared with any other country of the world. That is why we cannot work with the scientific implements of agriculture because their use is very much more expensive in this country as compared with other countries of the world. The result is that we are compelled to cultivate our lands in the same old style as was done in the middle ages in Europe. This is the chief cause of our failure in not producing wheat at cheaper rates to compete with those countries of the world which are equipped with the modern machinery of agriculture and not so heavily taxed as we people are in India. Sir, whatever argument the Honourable the Commerce Member or the Honourable Commerce Secretary may advance, we zamindars have a strong conviction that the lowering of the import duty on wheat is detrimental to our interest and that we are being sacrificed at the altar of a few mill-owners of Calcutta, Bombay and Karachi. As I have stated in the beginning I do not think any application has been made by the people to lower this import duty and when the Government takes the initiative to lower it, it is but natural for the zamindars to opine that it is being lowered in the interest of the mill-owners, because Government would not lower this duty unless there is some strong reason behind it. And who could be a party to this action of the Government but the mill-owners of Calcutta, Bombay and Karachi.

To say that the mill-owners do not spoil the prices of wheat at Lyallpur, Amritsar, Lahore or Lucknow and Allahabad is a fine myth for the babies to be sung to them as their lullaby sleep! Now, Sir, if these mill-owners were patriotic enough to buy Indian wheat for the purpose of exporting its flour instead of foreign wheat, the Indian wheat would have undoubtedly been sold at a higher price. Well, Sir, when the mill-owners compel the Government to reduce the protective duty on wheat, will it not be fair on their part to ask the Government to set a principle of lowering the land revenue in the various provinces corresponding to the extent of reduction in the import duty. It might be said that this question concerns the Provincial Governments, but may I point out that the general policy in the matter of taxation is always dictated by the Central Government and not by the provinces?

Sir, the whole of the Indian Army is recruited from this poverty-stricken and indigent class of agriculturists. Every one of them as a class was entertaining high hopes of amelioration of their condition in the appointment of an Indian Service General like His Excellency General Sir Robert Cassels, the Victor of Mosul as the Commander-in-Chief in India, who is better conversant with the condition of the farmers than the farmers themselves. They were also expecting a good deal of sympathy to relieve them from their present-day miserable condition from the Honourable Kunwar Sir Jagdish Prasad, the Leader of this Honourable House and the Honourable Chaudri Sir Muhammad Zafrullah Khan, Commerce Member to the Government of India, both of whom belong to the agricultural class. Their epithets of Kunwar and Chaudri denote that both of them come of the land-owning aristocracy and as such they ought to sympathise with their brethren in their misery and distress, but it is an irony of fate that they have been belied in their expectations. The Honourable the Commerce Member is forging and sharpening his knife to cut the throat of zamindars in a less reluctant manner.—

THE HONOURABLE THE PRESIDENT: Order, order. That is not the language to use in regard to a Member of the Executive Council.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Very well, Sir, I will take it back. The Honourable Member is trying to aggravate the distress of the zamindars and the Kunwar Sahib is quite willing to help him in all his methods to achieve this end. I have therefore no alternative but to appeal to the Victor of Mosul to use all his influence in order to save the dumb-driven zamindars from their being rushed into increasing poverty like his predecessor Lord Kitchener who during the Viceroyalty of Lord Minto prevailed upon the Executive Council not to take the rectangular areas from the military people in the newly made colonies. I want to put this matter for the consideration of His Excellency the Commander-in-Chief through you, Sir, as the President of this House because His Excellency is not present at this time, with the submission that to better the condition of the Indian peasants is the urgent need of the moment. As the Indian Army is wholly recruited from this class of people, their trouble and misery is sure to effect the morals of the army. They are also looking forward to the kind help of His Excellency the Viceroy who takes a very keen interest in the welfare of the zamindars. Lastly, my appeal must go to every Englishman with the submission that by keeping the zamindar loyal in India they can effectively rule this sub-continent till eternity. The mere wild talk of a few individuals is not of much consequence but I am sorry to say that nothing has so far been effectively done for the betterment of this class and it is a matter of heartrending to all the loyal subjects of His Majesty as to how long these poverty-stricken people can be kept loyal to the Crown.

Before resuming my seat I must say that the question of the import duty

12 Noon. on wheat has placed me on the horns of a dilemma or, as the saying is, between the hawk and the buzzard as to what attitude should be adopted towards this measure. If we say that there should be no duty on wheat, it is feared that it will aggravate the misery and bad luck of the poor zamindars. On the other hand, if we suggest the maintenance of the previous rates of Rs. 2-4-0 or Rs. 1-8-0 a cwt., the Government will not permit any amendment to their proposed rate as was decided yesterday by a ruling from you, Sir, that no amendment can be made in a Bill got through from the original Chamber, and—

THE HONOURABLE THE PRESIDENT: You entirely misunderstood my yesterday's ruling.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN— and secondly, it is a Bill of taxation for which this Chamber is not empowered to make any suggestion for increase in its rates. Thirdly, what chances are there in this Chamber to pass a measure against the wishes of Government. Our position can better be described by a Persian proverb which runs as *ماندن نه جائی رفتن نه جائی* meaning the lack of sound legs to run away and the sparsity of place to stay in. Under the circumstances the best attitude is to remain silent and leave it to the all-powerful authorities to make a solution of the case with the submission that something at least should be done to ameliorate the sorry and deplorable plight of the poor agriculturist.

THE HONOURABLE THE PRESIDENT: At least you have not been silent for the last half an hour!

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: We are all concerned, Sir, the whole of the north of India. It is not my question alone. Eighty per cent. of the population is concerned and I have to show my face in my province and tell them what I have done. They are Afghans and they will be demanding what I have done, and with a little warning also that if any serious trouble takes place on this account its entire responsibility will lie on the shoulders of the Honourable Kunwar Sir Jagdish Prasad, the Leader of this House and the Honourable Chaudri Sir Zafrullah Khan for their advice to the Government for the adoption of this detestable measure of lowering this import duty.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, after the strong speeches of my Honourable friends Nawab Sir Mohammad Hayat Khan Noon, the Honourable Raja Ghazanfar Ali Khan and the Honourable and Gallant Colonel of Hoti, very little is left for me to say. Sir, I quite agree with most of the points raised by these three Honourable Members.

THE HONOURABLE THE PRESIDENT: I hope you will not traverse over the same ground.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am not going to cover the same ground. I am trying to make out new points. The Honourable Mr. Stewart seems to me to be aiming at fixing the present rate permanently. Anyhow, he does not want the present rate of wheat to rise, because he is taking the present rate to be the standard one. I think he is mistaken there. We all want the commodity prices to rise and so far the Government has been assuring us that they have been trying all along to do so. Now they have shown their inconsistency in bringing about this measure, which means that they do not want the price of wheat and rice to rise. Sir, all the settlements in the Punjab and the United Provinces have, if I mistake not, been assessed on a certain price of wheat as the basis and that price has not yet been reached. I know as a zamindar myself that with the present rate of wheat it is very difficult for the zamindar and the agriculturist to pull on. He cannot make two ends meet.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: What about Bengal?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Bengal does not grow wheat and so, speaking on wheat, I am taking the principal wheat-producing provinces into consideration.

Sir, all the three speakers who have preceded me have warned you of the agrarian trouble and possibility of military trouble. After those warnings it is not incumbent on me to say more, but I must say that Government must indicate its policy as regards prices. Sir, in the Punjab the present economic condition of the agriculturist is very miserable. He has got nothing practically left to him and even the gold or silver which he had as a reserve is practically gone. Therefore, Sir, I urge upon the Government to keep the present rate of duty of Rs. 1-8-0 as protection against the inroads of wheat from foreign countries. Sir, in case you do adopt the present rate of import duty, you will practically help the country to raise its prices. When you talk of the masses in India, 85 per cent. are those who are benefitted by the high price of agricultural produce. It is therefore paramount for the Government to avoid discontent and to avoid the economical destruction of its subjects who keep the Government going.

Sir, the Honourable Nawab Sir Mahomed Akbar Khan referred to the milling industry. As far as the milling industry of the ports is concerned, it was supplying wheat flour to Persian Gulf ports and to the Red Sea ports, and to South Africa, when, Australian wheat began to compete with India, that Indian trade was completely lost. Sir, I do not know how our strong protest in this House can be met by Government? In case we reject the Bill the present duty vanishes and the result will be that the price of wheat will go down, and we cannot raise the duty because, under the Constitution, we are not allowed even to move such a Motion. Therefore, Sir, we have simply to record our strong protest against the imprudent action which the Government has taken for the masses of the public for whom they have been declaring that they are their best friends. Therefore, Sir, I once more appeal to the Government to reconsider their decision and not to make this blunder which is neither in their interests nor in the interests of their subjects.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, coming from Madras as I do I must say we feel thankful for small mercies. The duty on broken rice has been retained but our complaint is that the importation of whole rice affects the price prejudicially. Madras is suffering very much on account of this foreign importation of rice because on account of the reduction in price the ryots are not able to pay even the Government revenue. Sir, it is well known that Madras has got what is known as the *ryotwari* system. That is, the ryot or the farmer pays direct to Government whatever tax the Government imposes and once in 30 years the Government has what is called a fresh settlement. That means always an increase of 30 per cent. This has been going on for some time and the result is that we are very heavily taxed. Unless the price of our produce is such as to enable the farmer to farm in such a way as to be able to pay the Government revenue and also to support his family, I fear, Sir, we shall be in very serious trouble and probably famine will prevail. I am told that in Berhampore and other places there is already a famine. The failure of even one monsoon is sufficient to cause famine. That shows the people have no sustaining power. They have to pay for raising the crop, they have to pay the Government revenue and they have to live so that the failure of even one south-west monsoon means famine in so many districts. Last year the districts of Bellary and Anantapur were very much affected, and we had famine there. What I submit therefore, Sir, is that Government would be well advised to

[Sir David Devadoss.]

impose a small duty of at least a rupee on whole rice and to increase if possible at the earliest opportunity the duty on broken rice to at least a rupee.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, the serious fall in the price of agricultural produce since 1930 has been the cause of the greatest anxiety to the Government and the peasantry in India. The duty on the import of wheat had a good effect in checking the import of wheat. The reduction in the duty is to be deplored, but if it keeps the import at the same rate, it is better to retain the duty at the reduced rate instead of removing it altogether. Sir, with the present price of wheat it is most difficult for the zamindars to pay the land revenue which is generally based on a price of more than Rs. 3-8-0 per maund. It is for the Government to devise means to give relief to zamindars, otherwise the situation will gradually become very acute.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, it is no conventional introductory phrase when I say that I had no intention of taking part in this debate today. Why I intervene is that I feel it necessary to rebut, what I may be allowed to call, the unjustifiable aspersions that my Honourable friend the Nawab Saheb of Hoti has cast on the Commerce Member, who is not here, and also on myself. I will take his speech first. If I may summarise it, it comes to this that the Government acting under the pressure of the millers of Bombay and Calcutta have reduced this duty ; that they have paid no attention to the millions of cultivators from whom the army is drawn and on whose industry depends the well-being of the whole of India ; that the Government has shown a callous indifference to the agricultural population ; that they have made a hypocritical announcement of sympathy while in fact their policy has been dictated by the few millers of the ports. May I inform my Honourable friend that his premises are wrong and his deductions are entirely fallacious ? If the Government of India were convinced that by the reduction of this duty there would be a fall in the price of wheat — (*An Honourable Member* : "How can you guarantee that ?") If my Honourable friend will allow me to continue—if they were satisfied that by the reduction of this duty the interests of agriculturists would be adversely affected I may tell my Honourable friends that they would never have proposed the present measure. We quite recognise, and I as an agriculturist can claim to feel as much on this point as my Honourable friends opposite, we quite recognise that the fall in the price of agricultural produce since 1930 has been calamitous, that it has led to great suffering on the part of the cultivators and the landlords who depend on the cultivators for their rents. In my own province I can inform Honourable Members that the Government reduced the rent by over Rs. 4½ crores out of a rental of over Rs. 16 crores ; nearly 25 per cent. of the rents was reduced,—that the Government revenue was reduced by more than a crore, that steps were taken recently in the province to scale down the debts of agriculturists : landlords and tenants. The Government went to the extent of taking upon themselves the responsibility of collecting the scaled debts under certain conditions. I am sure Honourable Members will agree that the Governments in India have not been callous to the needs of the agricultural population, that it has been their constant anxiety to do what they could to help the agriculturist who is suffering from causes over which the Government of India itself has no absolute control.

THE HONOURABLE RAI BAHADUR LALA RAM SARANDAS : But you have control over tariffs.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : But a very pertinent question is : "Did the reduction of duty last year from Rs. 2 to Rs. 1-8-0 adversely affect the prices of wheat in India ?" We went into that question very carefully. We looked into the prices, we collected all the information it was possible for us to get, and we came to the conclusion that the reduction last year from Rs. 2 to Rs. 1-8-0 in no way adversely affected the internal prices of wheat. Then, when the question came up again, all our experts' advice was that considering the world stocks, the price of Australian wheat in London and the price of wheat in India, if a reduction of another Re. 0-8-0 in the duty is made, it will not in any way adversely affect the price of wheat. Up to the present moment, there is nothing to indicate that the advice which has been given to us is wrong. I can assure Honourable Members—I think my Honourable friend the Commerce Member assured the Members in the other place—that if we find that our calculations are wrong, that by the reduction of this duty the interests of the agriculturists are being adversely affected, Government have power under the Act to raise the duty, and I think it was stated by my Honourable friend the Commerce Member in the other place that if he found that the information which he has received so far and the advice which has been given by the experts that this reduction in duty will not in any way affect the situation is wrong, then under the Act he has power to redress any injustice that may arise.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : But that means that Government will fail to raise the price.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Whether it is Re. 1 or Rs. 1-8-0, it will not raise the price. All we have got to do is to see that there is no import of foreign wheat into India. Our experts tell us that even at the present moment, a tariff of Re. 1 is sufficient to keep out imports and that Rs. 1-8-0 is unnecessarily high. That is the conclusion to which our experts and we in the Government of India have come.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : May I ask the Honourable the Leader of the House whether 7,000 tons of Australian wheat has come in and been ground by the mill-owners ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : It is such a small amount, and they are prepared to pay a little higher price, and then all this wheat that comes in is exported as flour. They get a rebate on that. The import of a few thousand tons only with reference to the flour which is milled there and which is exported does not affect the supply in India and the price in the Indian market. It was for Honourable Members to establish that the reduction to Rs. 1-8-0 last year had an adverse effect. So far as I know, no Honourable Member has been able to establish that the reduction in the rate from Rs. 2 to Rs. 1-8-0 last year affected adversely in any way the grower of wheat in the Punjab or anywhere else.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I ask then, why did the Government impose that duty originally ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : The imposition of the duty originally was to shut out foreign imports. At that time, considering the stocks, it was considered necessary to shut out imports. It was to maintain the Indian market for the Indian producer. That was the fundamental object of the Government—to maintain the Indian market for the Indian producer. At that time—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: We are surprised!

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: If my Honourable friend will allow me to continue—that policy still continues. Conditions at the time were such that it was necessary to impose a tariff barrier of Rs. 2. Conditions may vary and last year Rs. 1-8-0 was equally effective for that object. The point that I wish to emphasise is that there is no change in that policy. The policy remains that the Indian market is to be preserved for the Indian producer. When the duty was reduced to Rs. 1-8-0 last year it did not in any way alter the policy. We are advised this year that if the duty is reduced from Rs. 1-8-0 to Re. 1, the market will still be preserved for the Indian producer. Then, my Honourable friends may ask me, "If this is so, why trouble to reduce it by eight annas? Why not keep it at the old rate?" A very legitimate question, to which the answer is that we find that Re. 1 is effective and that therefore it is unnecessary to maintain a higher duty. That is the only reason. We find that Re. 1 is as effective now as Rs. 1-8-0 was last year or Rs. 2 was effective before. Can you convince us at this stage that Re. 1 is not effective? That is the real issue before the House. In the present circumstances, is Re. 1 as effective as Rs. 2 when the duty was originally imposed or as Rs. 1-8-0 last year? That is the main question. My answer is that according to the information which we have at present and the advice we have received, Re. 1 is as effective as Rs. 2 when the duty was originally imposed.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Advice by whom?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: What about the vast population of agriculturists? They do not believe in this reduction of duty.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I am not concerned here with what they believe or do not believe. I am telling my Honourable friend the reason which led the Government to reduce the duty from Rs. 1-8-0 to Re. 1. The reason is very obvious—that Re. 1 in present circumstances is quite an effective duty, and that it is a sufficiently high barrier to prevent the import of wheat from outside. With this Re. 1, the Indian cultivator's market is still preserved for him in India.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Who advised?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: This reduction in duty will not let the price of wheat go up. It may be that it will stop the import of Australian wheat, but it will not solve the question of rise in commodity prices.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: If you exclude imports from outside, the price of wheat in India will depend on the supply and demand in India. Once you exclude the external market, the price in India will depend on the question of the amount that is produced in India and the demand. The whole object of this duty was to prevent Indian prices being affected by imports from outside. We had at that time a large surplus—

(The Honourable Rai Bahadur Lala Ram Saran Das rose to interrupt.)

I will not give way. At this rate it is impossible to continue to argue. At that time there was a large surplus of wheat in India and the world price had so gone down that unless this tariff wall was put up, there would have been a large import of wheat from outside, which would have lowered the price further. The duty was not put in in order to raise the internal prices. The object was to prevent the import of Australian wheat and thereby affect the prices here. That policy still continues. We find that at this stage, instead of having a duty of Rs. 2 or Rs. 1-8-0, a duty of Re. 1 is quite effective.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: How are you going to better the condition of the agriculturist?

THE HONOURABLE THE PRESIDENT: Order, order. The Honourable Member is not giving way.

THE HONOURABLE SIR JAGDISH PRASAD: Now the other question that was raised by my Honourable friend Raja Ghazanfar Ali Khan was in regard to the revenue policy. He said the Government of India cannot dissociate themselves from their responsibilities in regard to revenue policy in the provinces. Well, Sir, it is rather late in the day to raise that. At present land revenue is a reserved provincial subject but within a few months it will undoubtedly be a transferred subject. There can be no question of that and that has to be accepted. Apart from that, the Imperial Council of Agricultural Research has been doing a good deal, as I hope Honourable Members will agree, for the benefit of the agriculturists. As regards the question that the producer does not get the price which he should and that his profits are swallowed up by the middlemen, we have at present a marketing survey going on and this question is being gone into. There is no reason to treat that with laughter. It is a fact that we are trying to find out what the present method of marketing is and how it is possible to ensure to him the profits which now go into the pockets of the middleman. These questions are very difficult. My Honourable friend himself admitted when you asked him, Sir, what the landholders had done that they had done very little.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: But you must force the landholders.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: How? Will my Honourable friend suggest to me how I can force the big landholders?

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: By giving them big loans! (Laughter.)

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I say it is recognised that there is a problem. There is no doubt that the cultivator does not get all the profits that he ought to. But that is a problem that is being examined, and that does not mean that we intend to shelve it or do not intend to do anything. I hope I have been able to convince Honourable Members that it is very unfair to suggest that the Government of India or that particular Members of it who happen to be agriculturists have not done their duty, that they have been induced or compelled to take a particular action which they know is likely to affect the cultivators adversely and that they have done this under coercion or threats or cajolery.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: I did not blame any individual Member.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: You did not, but my Honourable friend the Nawab of Hoti stated very expressly that on my unfortunate head would lie all the responsibility. He further used in regard to my Honourable colleague the Commerce Member an expression which you asked him, Sir, to withdraw, and he modified it by saying that he had taken action which was likely adversely to affect the position of cultivators. I repudiate all these suggestions. I do not say that this is a question on which no two opinions can be held. Undoubtedly there can be differences of opinion, but when we approached this matter, as a result of discussion, examination and study it was found that if the duty were reduced from Rs. 1-8-0 to Re. 1 no adverse effects would ensue. And further, if such a thing were to happen, then the Government have got the power to raise the duty again, and I am sure the Government, if such a situation were to arise, would not be slow in taking the necessary action. I hope Honourable Members when discussing these problems will not drag in the personal responsibility or the personal inclinations of members who form a joint body, the Government of India. I think it is extremely difficult to defend personal action and I think it is not quite fair to attack individuals by name. I hope, if I have not been able to convince Honourable Members opposite, that I have been able to satisfy them that this action was taken with great deliberation after a great deal of discussion.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What about the Punjab Government's opinion?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The opinions of the Punjab Government and of the United Provinces Government were fully considered, and after full deliberation we came to this conclusion, and our hope is that the action which we have taken will not affect adversely the cultivator, and I hope that my Honourable friend's fears will be belied and that the agriculturist will be no worse off by the reduction of this duty than he was before.

(Some Honourable Members rose.)

THE HONOURABLE THE PRESIDENT: I think this Motion has been thoroughly debated and from every point of view. I do not think any further speeches are necessary. I therefore call upon the Honourable Mr. Stewart to reply.

THE HONOURABLE MR. T. A. STEWART: I wish to add only one thing to what has been said by the Honourable the Leader of the House and this is by way of explanation. An accusation has been made that Government in bringing in this Bill after the 31st of March have been guilty of something in the nature of trickery. I am very authoritatively advised, Sir,—on this occasion it is not necessary to ask you for a ruling,—I am advised that it would have made not the slightest difference to the case whether this Bill had been introduced on the 31st of March or on the 1st of April.

With that explanation, Sir, I sit down.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is:

"That clause 2 stand part of the Bill".

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, the statement of the Honourable Leader of the House that the intention of Government in introducing this measure was to prevent the dumping of foreign wheat and not to increase the internal prices has clarified the situation a great deal. People may have been under the misapprehension that the Government's intention in bringing forward this measure was to increase the price levels of these primary products; but the Government have now repudiated this suggestion. We were expecting things from the Government which the Government now assure us that they never intended to do. The reason why there has been such unanimity in India in opposing the reduction of the wheat duty is that, although we admit that it has no direct effect of increasing the price level of the internal commodity, indirect effects are sometimes obtained. For instance, from a perusal of the prices prevailing in India I find that for the first four months of the year 1935, the average was 25s. 4d. per 480 lbs. of Karachi wheat, whereas the price in September, 1935, was 24s. 8½d. This, Sir, is the direct result of the reduction of eight annas in the import duty, because in the same period the price of Manitoba wheat has increased appreciably. This shows that the world movement of prices has been to a higher level while in India it has gone down to a lower level. Further, Sir, this fear of ours that prices are coming down is strengthened by the fact that in October, 1932, the price of Karachi wheat was 32s. 9d. while in September last it came down to 24s. 8½d. and in the same period the price of Manitoba No. 2 increased from 27s. 1½d. to 31s. 8½d. That shows directly that the factors outside India are facilitating the increase in price. But in India which has the misfortune of the Government never caring for the prosperity or the well-being of the majority of its population, no such thing happens. It seems to me a tragedy that the Government should have synchronised the introduction of a measure regarded by all India as adversely affecting the interests of agriculturists with the inauguration of the term of the new Viceroy, whose solicitude for the agriculturist is not confined to lip sympathy, who has given us a voluminous report for the betterment of our lot and who has started his career with well-conceived plans as regards agricultural improvement. Then, Sir, we do not understand why the Government is so anxious to confine the Bill to one year only. If, as the Honourable the Leader of the House says, the intention is only to keep out the external importation of wheat, it would not matter even if the duty were raised to Rs. 10. Why then reduce it to the minimum figure of Re. 1; and why not have it higher for five years instead of one year? It would have been far better if a certain higher rate had been imposed and a period fixed, so that the agriculturist would have at least this assurance that during the continuance of this period they would be assured of so much protection. For the protection of other industries it is thought advisable to fix a period, but for the protection of the staple industries of India there is no period required and no assurance is given to them. In the other place, the Honourable the Commerce Member stated that during the few days that there was no import duty there had been very little imports in India. But are we sure that clearances from bonded warehouses has been also negligible, because if clearances are taken at the period when there is no duty, they will be saved the payment of taxation.

Now, I come to a subject on which other Members of the House have not thrown much light, that is the question of rice. The rice producers, the

[Mr. Hossain Imam.]

unfortunate inhabitants of the Eastern Provinces, have always received step motherly treatment. The Legislative Assembly which was at the end of March converted into a sovereign Legislature with powers to shape its own tariff policy in the case of Ottawa was reduced to a nonentity when it came to the question of rice. The Resolution of the Assembly passed by an overwhelming majority asking for the imposition of a duty on whole rice has been disregarded by the Government. We, Sir, do not understand what is the exact implication of the tariff autonomy convention, how far the powers of the Legislature in India are like those of a sovereign Legislature and where do they become subservient to the will of a foreign bureaucracy. The plight of the rice-growers can very well be understood by a perusal of the price of Burma rice. Burma rice has come down from January, 1932, when it was at 8s. 7½d. to 7s. 9d. in September last. This is the latest figure that I have with me. I could not get any recent figure. We do not think that the Government is taking the right action in disregarding the verdict of the Assembly and excluding whole rice from the purview of this Bill. The rice-grower has an additional disadvantage which does not fall on the shoulders of the wheat-growers—we have to pay an export duty on the rice exported out of India. I am not aware of any other commodity of a like nature which is subjected to such a heavy duty except jute; but in jute we have a monopoly product, and it helps the export of jute manufactures as they are free. In rice we have a great deal of competition from outside countries. Prices have fallen; yet the Government does not think it wise to remove that export duty which is materially affecting the quantum of trade which Indians are able to obtain in foreign countries, due to competitive prices. Other countries of the British Empire have, because they have a sovereign Legislature, taken recourse to currency manipulations. The price of Australian wheat, as given by me, does not reflect the internal prices which Australians are getting, because these prices have been converted into sterling. If we look at the internal prices, we will find that there has been increase of much more than 25 per cent. in the price which they are getting now on what they were getting four years back. Compare that to our condition here. Our prices are not at all higher but lower than what they were in 1932 the average for the first four months of 1932 being 9s. 1d., but in September, 1935, it was only 7s. 9d. Yet the Government say that this measure has not been brought with the intention of raising the price level. Then, if so, what other measures do you propose to take for the purpose or are you going to sit idle and wait for something to turn up to do the work for yourselves? If we ask for currency manipulation, we are considered visionaries; we are told that it has become a King Charles' head with us. If we ask what practical measures are contemplated, we are told that the Government has no plan, Government do not intend to do anything in this matter. Then what is to happen? Is this policy of drift the right policy to adopt? Is this the attitude in which a civilised Government claiming to be democratic, always shouting from house-tops that it is being run for the interests of the masses, is this the attitude which the Government should adopt? Is it not but right and fit that the Government should take early opportunity of so regulating its policy—whatever it might be—to bring about the desired effect of raising the price level? I am not asking Government to do anything which they themselves have not admitted to be their intention. You will remember, Sir, that at Ottawa Sir George Schuster was very vehement in stressing on the fact that the first and foremost necessity of India was an increase in the price level of the prime products. Rice is an element which has a very high position in our export trade. The value during the last completed year, 1934-35, was Rs. 10 crores, and I am sure, Sir, that in foodstuffs there is no other item which can compete

with rice. Yet Rs. 10 crores worth of rice was exported, on which a tax of two annas a maund was imposed by Government. When someone asked, Sir, in the other place why does not the Government do something more for rice, as they are doing for sugar and for cotton the reply by one responsible Member of Government was: "Is the rice trade prepared to pay an excise"? As if the imposition of this export tax was not sufficient in itself to justify a demand for something better. We, Sir, on this side of the House have been placed in a very uncomfortable position. As the Honourable Raja Ghazanfar Ali Khan pointed out, we are actually between the devil and the deep sea. We can neither oppose this measure (since this would be committing suicide) nor can we support it since this would mean that we are a party to a manifestly bad Bill. But, Sir, I would like the Honourable the Commerce Secretary to point out to me the exact section of the Government of India Act which debar us from increasing the taxation.

THE HONOURABLE THE PRESIDENT: Order, order. It is too late to raise that point at this stage. If the Honourable Member had anything to say he ought to have got up after the Honourable Mr. Stewart had made his speech. I rule that it is not in order.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I did stand up but failed to catch your eye. I should just like to read the relevant portion of the Government of India Act.

THE HONOURABLE THE PRESIDENT: Everybody knows it.

THE HONOURABLE MR. HOSSAIN IMAM: But, Sir, the position is not clear. Section 67 (2) (a) says that it shall not be lawful—

THE HONOURABLE THE PRESIDENT: Let me tell the Honourable Member once again that the decision of the Governor General is final and I am not going to allow any further discussion.

THE HONOURABLE MR. HOSSAIN IMAM: I do not question the decision of the Governor General, Sir. My question is, what specific rule debar us from bringing a matter for increasing the taxation—because the language of the Government of India Act, 1919, is only that it shall not be lawful to introduce any measure which affects the public revenues of India.

THE HONOURABLE THE PRESIDENT: The Honourable Member has not read that section properly. If he reads clause 2 properly he will find that the reference is to any revenue or any tax.

THE HONOURABLE MR. HOSSAIN IMAM: Any charge, Sir, means expenditure. We are not allowed to impose upon the Government—

THE HONOURABLE THE PRESIDENT: I have already informed the Honourable Member that he is too late in raising this question at this stage and I will not allow it.

THE HONOURABLE MR. HOSSAIN IMAM: I was under the impression, Mr. President, that on a point of information (it is not a criticism) that questions could be asked during any stage of the discussion of a Bill, as long as I am not criticising the decision or asking for it to be changed? I am only asking for information from the Honourable the Leader of the House or the Mover as to

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where it is laid down, that any measure for increasing the tax should have the previous sanction of the Governor General. The relevant section of the Government of India Act refers only to any measure affecting the public revenues of India. If it is carried to its limit it will mean that we cannot bring any measure for either reduction or increase of taxation, whereas the practice of the House has been that reductions have been allowed without sanction but it is only when we ask for an increase of taxation that we are told that we cannot do so without the previous sanction of the Governor General. Mr. President, as I have said we have been placed in a predicament. We can neither oppose the measure nor be a party to its passage. Therefore, Sir, I cannot support it.

THE HONOURABLE THE PRESIDENT: Order, order. As the Honourable Member has raised the question at this stage, though too late, and has endeavoured to put an interpretation on section 67 (2) (a) which is not borne out either by the language of the section or the practice which has prevailed in the past, I should like to explain the position. The Honourable Member knows that this Bill was an altogether *de novo* Bill. It was introduced after the expiration of the previous Bill. The Government came out with a suggestion that in the Bill should be inserted a certain fixed duty. If any Honourable Member wanted to move an amendment he must obtain the sanction of the Governor General and this is also borne out by the previous practice. The wording of clause (2) (a) to my mind though not very happily worded is sufficiently elastic to cover any new or increased taxation which Honourable Members may desire. It is the province of the Government of India only to ask for an increase in taxation. No Member can ask that any particular tax may be increased to any extent which is not suggested by the Government of India. The very wording—"public debt or public revenues of India or imposing any charge on the revenues of India"—covers a case of this kind in which an increase from Re. 1 to Rs. 1-8-0 is sought.

THE HONOURABLE MR. T. A. STEWART: Sir, so far as the general questions are concerned which have been raised in the speech of my friend, Mr. Hossain Imam, I think those have been sufficiently covered in advance by the speech of the Honourable the Leader of the House. There are only a few points more relevant to this clause to which I would refer. The Honourable Mr. Hossain Imam quoted a certain number of price statistics which demonstrated that Indian prices were going down while outside prices were going up. I am quite prepared to accept his statistics but what they appear to me to demonstrate, in the present circumstances is the complete inability of the import duty to raise Indian prices. As a matter of fact, in 1934, when the import duty was at the rate of Rs. 2 per cwt. the average price of Lyallpur wheat in Calcutta was Rs. 2-15-7 per maund. Last year, when according to so many of our Honourable friends the Government committed the atrocity of reducing that duty by eight annas, the result was that the price of Indian wheat in Calcutta kept fairly steady between Rs. 3-4-0 and Rs. 3-8-0 per maund.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: What was the Lyallpur price then?

THE HONOURABLE MR. T. A. STEWART: You get the price at Lyallpur by subtracting from the Calcutta figure a fixed allowance for railway freight and handling charges, I have not got the figure. It may be something like 10 or 12 annas.

THE HONOURABLE MR. HOSSAIN IMAM: Will Mr. Stewart say what was its parity with world prices?

THE HONOURABLE THE PRESIDENT: I would request Honourable Members to allow the Government Member to give his reply. You have all had your say sufficiently.

THE HONOURABLE MR. T. A. STEWART: Mr. Hossain Imam also wondered what had happened in the interregnum when there was no duty. He wondered whether there had been clearances of Australian wheat from bond. I think I can assure him that his apprehensions are groundless. It is not the practice to bond Australian wheat. Finally, I refer to rice. If I understood him aright, he complained that nothing was being done for the rice producer. I may inform my Honourable friend that I understand from Sir Bryce Burt

1 P.M. that there are from 20 to 30 research stations working now on problems of the rice-grower, striving to produce better strains, to command better prices. If the Honourable Member is prepared to discount those efforts, then I am afraid I have no argument which could possibly appeal to him.

THE HONOURABLE MR. HOSSAIN IMAM: I referred to the Assembly's vote on the imposition of the duty on whole rice. The Honourable Member has not replied to that.

THE HONOURABLE THE PRESIDENT: Order, order. We have nothing to do with the Assembly in this House.

The Question is:

"That clause 2 stand part of the Bill".

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

(The Honourable Raja Ghazanfar Ali Khan rose.)

THE HONOURABLE THE PRESIDENT: Have you got anything new to say?

*THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Yes, Sir. I would not have taken part a second time in this debate, but there are two points which were raised by the Honourable the Leader of the House and I would like to have further information on them. The first was this. The Honourable the Leader said that a Marketing Officer has been appointed by the Government of India who is making inquiries as to what arrangements should be made to see that the agriculturist gets a proper price instead of the middleman making the profit. I would like to know when this officer was appointed? Is it not a fact that this acute depression in agricultural prices started in 1930? After six years, Government have appointed that officer, and how long will it take him to submit his report? The other point is this. The

* Not corrected by the Honourable Member.

[Raja Ghazanfar Ali Khan.]

Honourable Leader repeated three or four times in his speech that they were advised by their experts. As a matter of fact, I was trying to ask him the question as to who those experts were to whom he was referring. Because I consider that on the question of wheat, they should be guided by the opinion of the Governments of those provinces who grow wheat. The Punjab Government were definitely opposed to the reduction of this duty. I also understand that the United Provinces Government were definitely opposed to the reduction of this duty. We would therefore like to know who were the experts who have advised the Government of India against the advice of the Punjab Government. The third point is this. It was raised by my Honourable friend Mr. Hossain Imam. I am myself doubtful whether it is not merely a myth that the Governor General's sanction is required to raise the duty.

THE HONOURABLE THE PRESIDENT : Order, order. That point has been ruled by me, and you cannot say anything further on it. My decision is final.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : I will not say anything about it, but I would like the Honourable the Commerce Secretary to throw some light on these two points as to when the expert is going to submit his report, and secondly, who the expert was who advised Government ?

THE HONOURABLE KUNWAR SIE JAGDISH PRASAD : I had better get on to the experts. I think that there is some misunderstanding on the part of the House that the Government of India wish to shirk their responsibility and wish to throw the onus on their experts. I should like to disabuse the House of that impression. We fully take responsibility for the proposals. I do not think it is necessary for me to say whom we consulted, but the decision was ours and the responsibility is ours. Therefore, the question as to how and what opinions were given, what were the discussions inside the Executive Council does not arise. The decision is there, and we take full responsibility for the decision.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : You said "experts" four times.

THE HONOURABLE MR. T. A. STEWART : May I, Sir, answer the second question that was asked by the Honourable Raja Ghazanfar Ali Khan. The Marketing Officer was appointed in March last year and his report is expected in July.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central: Non-Muhammadan) : Sir, I cannot congratulate the Government on getting this Bill passed either in the lower House or in this House in the teeth of opposition. They have shut out all the ways possible for both the Houses to get the duty raised to Rs. 1-8-0. Notwithstanding the Resolution moved last year by the Honourable Mr. Yamin Khan and accepted by the Government, that the duty on wheat should be raised, Government thought it proper to lower it last year and they are going to lower it still further this year. In spite of the fact that in the other House a Resolution was passed on the protection of rice the Government have not paid heed to the decision of that House also. What does this show ? It shows that Government has its own imperialistic ways. They do not stand for the interests of the country which they govern but for the interests of the countries with which they have got better connections and they want to please them. If it is a fact, as the Honourable the Leader has

said, that last year's reduction has not produced any effect, what was the necessity of further reduction ? The whole object was to shut out wheat from Australia and other countries, and if a duty of Rs. 1-8-0 was sufficient, where was the necessity for Government to go against the wishes of the elected Members who represent the agriculturists of the country and to reduce it further ? There is some ulterior object surely, and that is, to help other countries. Sir, the Leader of the House took part in the discussion and so did the Commerce Secretary, but nobody has placed the import figures before the House. They have placed the figures of stocks in the markets of the world. They have talked about world prices as well as prices in India. But they have not placed the import figures which are very pertinent in deciding this question, and the policy of the Government to shut out foreign wheat. The Honourable the Leader also said that they had taken advice from experts and that even with a duty of Rs. 1, foreign wheat would not be imported into India. May I ask who was their expert ? I understand that the Governments of the Punjab and the United Provinces, which are mostly concerned—

THE HONOURABLE THE PRESIDENT : Order, order. You have heard from the Honourable the Leader of the House that the Government of India take full responsibility in the matter. They have done this after taking advice and consideration. It is unnecessary for you to dilate upon that point about Provincial Governments.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN : He has taken the responsibility on his shoulder, or has the Commerce Member too taken the responsibility ?

THE HONOURABLE THE PRESIDENT : He has said that the Government of India takes full responsibility.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : He said "experts".

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : But he was also talking about experts and we are quite in our competence if we want to know who were their experts. We the representatives of the agriculturists also know a little, even if we cannot claim to be experts, and if our advice in matters in which the Government's financial position is not touched is not to be considered I do not know what these Legislatures are meant for ? We come here only to give our advice and to let the Government know the position in the respective parts of the country from which we come. We are told that experts have been consulted, but even the names of those experts are not divulged. If that is not to be the function of the Legislatures I do not know what purpose they can serve ? Sir, we are in a very difficult position in opposing this measure. Government has also played a trick in this matter.

THE HONOURABLE THE PRESIDENT : Order, order. I will not allow you to use offensive language. You have systematically on this and other occasions resorted to such practice, and I draw your attention once and for all to Standing Order 28 which says that a Member when making a speech shall not make a personal charge against a Member or make use of offensive expressions regarding the conduct of the Indian or any local Legislature.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I have not made any comment on any person. I am always talking about the Government of India.

THE HONOURABLE THE PRESIDENT: You made use of the word "trick" which I object to. It is an offensive word; it is unparliamentary language.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Well, Sir, if it is so I am prepared to withdraw it. But they have manoeuvred in such a way that this Bill should be brought before the House when the other Bill has expired so that the Members may be required to obtain previous sanction before moving any amendment. In that object they have been successful and we have been defeated. Now, it is very difficult for us to oppose the Bill at this stage, because if we do so the little gain that will be derived from the duty of Re. 1 per cwt. will also be lost. Therefore ours is a very difficult position, and the most unsuitable time has been selected for bringing this important Bill before this House, and I do not support it.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: I would like now to know the sense of the Council as to whether they would like to sit till 2 o'clock to finish the Mines Bill or would like me to adjourn the Council.

THE HONOURABLE LIEUTENANT-COLONEL NAWAB SIR MAHOMED AKBAR KHAN: Sit tomorrow.

THE HONOURABLE THE PRESIDENT: I am not going to postpone that measure till tomorrow. We have a very important Bill tomorrow.

THE HONOURABLE MR. P. N. SAPRU: I think, Sir, it would be better if we sit till 2 o'clock and finish today.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I am quite prepared to sit till 2 o'clock or sit after lunch, as suits the convenience of Honourable Members.

THE HONOURABLE THE PRESIDENT: I understand that the general consensus of opinion is that we should proceed with the Bill.

INDIAN MINES (AMENDMENT) BILL.

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

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

As Honourable Members will see from the Statement of Objects and Reasons this is a Bill designed to secure greater safety in mines, and to secure safety more particularly from the dangers that arise from fire. I shall try

to explain as briefly as possible how the present situation arises. In the principal coalfields in India the seams are of considerable and sometimes of great thickness. For the most part they are of a thickness of 15 to 40 feet, and even exceed 40 feet in some cases. Moreover they lie in some places, and more particularly in the Jharia field, over each other, separated from one another often by comparatively thin strata of incombustible material. Consequently one of the big problems that faces those engaged in extracting coal is that of supporting the roof when the coal is extracted. Now the method of mining most usually employed is a system of extraction in two stages. You first drive galleries in two directions at right angles to each other. Those Members who have not been down a mine or seen the plan of a coal mine will grasp it most easily if they think of a wooden trellis with bars running in two directions, where the bars of wood represent the galleries from which the coal is first extracted and the square or oblong spaces represent coal which is left for the second extraction, that coal being known by the not very appropriate term of "pillars." In other words, you extract the coal first from galleries and you leave the pillars for the second extraction. Now one of the most important factors is the amount of coal that is left for the second extraction. To put the matter rather crudely, good mining consists in extracting a comparatively small percentage first and leaving a larger percentage standing in pillars. The extraction of a very large percentage in the first stage, leaving the pillars small, is ordinarily bad mining and leads to difficulties later when you have to start the process of depillaring, this naturally starts, if I may put it that way, from the back forward, rather in the order in which the galleries were extracted. If the pillars are of adequate size depillaring, though always a somewhat delicate operation, can be conducted without serious fear of untoward consequences. In other words, you can control the collapse of the roof. You can extract the pillars and let the roof gradually fall as and where you wish it to fall. But if your pillars are inadequate, not only is there always present the danger of the roof falling where you do not expect it, but that danger is naturally increased when you start depillaring operations. Now that gives rise to danger. It obviously gives rise to danger at the time, although falls of roof are fortunately frequently able to be foreseen. But the crushing of the coal consequent on premature collapse sets up a process of oxidation, and that in turn leads to fires. As illustrating the seriousness of the situation I may mention that in the Jharia field, where the risk is most serious, there are at the present moment 47 fires in progress affecting 29 collieries. Some of these have been in progress for a considerable time and are likely to go on, I am afraid, for a considerable time longer. There are also fires in other coalfields.

Now this problem of colliery fires was viewed until recently mainly from the point of view of conserving the coal. We did not have accidents directly due to fire, but within the last 12 months. In June last—an accident occurred at a colliery known as Bagdigi, which was directly due to fire. It was an accident of a serious and unprecedented kind. There was no fire in the seam which was being worked, but there was a fire in the seam above that, the noxious fumes from which were being drawn upwards through the broken strata above. Owing to an exceptional inrush of water the air current was reversed, with the result that the noxious fumes went down into the seam below and there was an explosion and fire. Actually nearly all the workers were got safely out of the mine and if they had only sat down a little further from the opening there would have been very few casualties. Nineteen were killed and seven injured; all but five of these persons were sitting outside the mine and they were injured by flames which came from inside. Only five persons were killed inside the mine and one of these was a man who had gone

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in to rescue the others. This accident arose, so to speak, from fire and water and although it might appear strange to the layman—and it did so appear to me until I learnt the facts—actually the most dangerous period is the monsoon is respect of danger from fires. And that explains why this measure is a matter of urgency, because there are certain steps and certain changes that we are anxious to introduce before the next monsoon comes upon us. The Bagdigi accident and the Report of the Court of Enquiry which followed it has shown that our Regulations are in certain respects inadequate for the purpose of safety from fire.

The Bill and the Regulations which we hope to bring into force if this measure is passed into law have been framed with the assistance of an informal Conference which met in Delhi about two months ago and which included representatives of the Local Government of Bihar and Orissa and of the principal Mining Associations, the Mine Managers' Associations and the Labour Associations. I would like to acknowledge the co-operation that we have received both from them and from the interests we subsequently consulted.

With that explanation, I do not think I need dwell on the actual clauses of the Bill at any length. As Honourable Members will see, the Bill consists of six clauses. Of these the first is introductory and the fourth is merely consequential on the fifth which is a clause, somewhat apart from the main structure of the Bill, giving powers to set up rescue stations and rescue brigades. It will, I hope, be a very valuable measure for reducing casualties in the coalfields. Such stations have been set up in Great Britain and I believe there is one in India in the Kolar Gold field, but as yet there is none in our coalfields.

That leaves three clauses and the most important clauses are perhaps 3 and 6, which relate to the framing of Regulations. We have at present very nearly adequate powers to frame Regulations and the additions to that power which are contained in clause 3 are, as Honourable Members will see, of a comparatively minor character. But the main difficulty is that under the Mines Act as it stands today Regulations cannot be framed speedily. The Act provides that before we frame any Regulations we must send a draft to the Mining Boards and allow them time for consideration, and then we have to consider their criticisms and in some cases of course revise the draft. Thereafter the draft has again to be referred, this time to the public and to the interests concerned, by being published for criticism, and they have to be allowed a period of at least three months. So that however expeditiously the matter is carried on it takes at least nine months to make a change in any Regulations, and if they are complicated it often takes longer than that. The object of clause 6 therefore is to give the Government of India the power to frame Regulations promptly and to bring them into force at once.* As Honourable Members will see, it contemplates only temporary Regulations. The intention is that after, or about the time these temporary Regulations are promulgated, a reference should be made to Mining Boards and thereafter to the public with a view to having them replaced by permanent Regulations made in the regular manner after the ordinary process of consultation.

The remaining clause of the Bill, clause 2, enlarges somewhat powers which are already vested in the inspectorate to make orders relating to individual mines and I hope that in view of the explanation I gave about fires its terms will be sufficiently clear. It is directly entirely to preventing premature collapse and the danger of consequent fire. But this clause, as Honourable Members will see, is intended to be temporary in its operation. It is proposed

that it should last only for two years. That is not because we have any hope that these fires will be extinguished within that period or that the danger will cease to exist. The position is that Government contemplate the appointment of a Committee to go into this question of danger from fires and some allied questions. I cannot conceal my opinion that the steps we are taking are not likely to prove entirely adequate and do not constitute a permanent solution of what is a very difficult problem. I might add that one of the questions which the Committee will probably be asked to look into, which is closely allied to this one, is that of the conservation of coal. In appears to be the case, and it is certainly fortunate, that those methods which are calculated to secure the best use of the national coal assets of the country are also likely to be the methods best calculated to secure the safety of those who work in mines. (Applause.)

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I desire to give my whole-hearted support to the Bill. The clauses of the Bill have been explained very lucidly by the Honourable Mr. Clow. They are designed to secure greater security for those who have to work in mines. Mining, as we know, is a very dangerous occupation, and anything that will secure some protection for those who have to work in mines is to be welcomed. The Honourable Mr. Clow has told us that Government have in contemplation the appointment of a Committee which would go into the question of dangers arising from fires in mines and other allied matters. Sir, the appointment of such a Committee is to be welcomed, but there are just one or two suggestions that I should like to make in connection with the work of this Committee. I hope, Sir, that on this Committee Labour will be adequately represented. It should not be merely an expert Committee. There should be some representation of Labour also on the Committee. After all it is the labour men who know best about the conditions in the mines and they know by actual experience what measures are necessary to protect them. Therefore I hope, Sir, that on this Committee Labour will be adequately represented. Then the second thing I should like to ask is that the terms of reference of this Committee should be as wide as possible. It should not be limited only to considering the question of danger from fire in mines but I hope, Sir, the term "allied subjects" will be interpreted in a wide sense. I should like the Committee, if that were possible, to investigate the question of wages and hours of work, particularly the question of hours of work. Long and excessive hours of work lead to inefficiency and therefore to neglect of mining regulations. Then, Sir, so far as clause 5 is concerned, that clause, Sir, provides powers to the Governor General in Council to set up rescue stations. I hope, Sir, that these rescue stations will be controlled not by employers but by the Government itself. This is all that I have got to say in regard to this Bill and finally I give it my hearty support.

THE HONOURABLE MR. A. G. CLOW: Sir, I should like to thank my Honourable friend, Mr. Sapru, for the support he has given to this Bill. With regard to the suggestions he has made, they will, of course, receive consideration. Government have not yet reached conclusions regarding either the terms of reference or the composition of the committee that may be set up and the one question is to some extent dependent on the other. They have not decided, for example, whether the committee shall be an expert one or a representative, I fully recognise that there is nobody more concerned than the miners themselves. But that does not necessarily mean, of course, that they are always the best advisers on the safety measures to be adopted.

* Not corrected by the Honourable Member.

[Mr. A. G. Clow.]

I am afraid I cannot hold out much prospect of the Committee going into the question of hours or wages. The question of hours was considered very exhaustively in recent years on various occasions,—for example, by the Whitley Commission. Then we had a subsequent inquiry at the instance of the Legislature with a view to the framing of the previous Bill amending the Mines Act. And when the effects of the present hours have, I think, been clearly demonstrated, there will probably be another inquiry on hours three years hence.

As regards rescue stations, my Honourable friend, I think, said that the section gave power to the Governor General in Council to set up rescue stations. If he will refer again to clause 5, I think he will find that that is not exactly the proposal. The proposal is that the Governor General in Council should be in a position to require groups of specified mines to set up the stations and the Government of India will not themselves have the power to establish the stations directly. If the stations are to be set up by the mines and paid for by the mines, I think the Honourable Member will recognise that the mines have at least the claim to be entrusted with the control of those stations.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. G. CLOW: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, as passed by the Legislative Assembly, was laid on the table of the House this morning. I would request you, Sir, to give a direction that this Bill be taken into consideration and discussed tomorrow. I very much regret that I should have to make this request but the circumstances are peculiar. The Bill was only passed by the Legislative Assembly yesterday afternoon while we were in session and I think it is the general desire of Honourable Members on all sides of the House that after their protracted stay in New Delhi they would like to go back and take a well-deserved rest and holiday. So, Sir, as I think there is a general consensus of opinion on this occasion, you may be pleased to suspend the Standing Order.

THE HONOURABLE THE PRESIDENT (to the Leader of the Opposition): Have you anything to say?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No, Sir.

THE HONOURABLE THE PRESIDENT: Then I will suspend the Standing Order and allow the Bill to be taken up tomorrow.

The Council then adjourned till Eleven of the Clock on Saturday, the 25th April, 1936.

COUNCIL OF STATE.

Saturday, 25th April, 1936.

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

MEMBER SWORN:

The Honourable Mr. Eric Conran Smith, C.I.E. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

NUMBER OF BROADCASTING STATIONS IN INDIA.

184. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN: (a) Will Government kindly state (i) the number of broadcasting stations in India, the places where they are situated and the power and time of transmission in respect of each of the stations? and (ii) the amount of annual grant they get from Government?

(b) Will Government kindly state the number in each province of listeners-in and the amount which Government received through the licences of wireless receiving sets and the amount of customs duty received in respect of the radio goods imported into India?

THE HONOURABLE MR. A. G. CLOW: (a) (i) A statement giving the information available is placed on the table of the House.

(a) (ii) The Government of India are financing the central stations at Calcutta, Bombay and Delhi. The budget grant for these stations for 1936-37 is Rs. 8,38,000 approximately.

(b) A statement showing the number of licenses issued during the period 1st March, 1935 to the 29th February, 1936, and the amount received on account of license fees, is laid on the table of the House. I cannot say how many persons actually "listen in". The yield from customs duty on wireless reception instruments and apparatus during 1935-36 was about Rs. 10,80,000.

Statement showing the particulars of broadcasting stations in India.

Station.	Power.	Time of transmission.
Calcutta . . .	2 K. W. . .	Week days, from 1 P.M. to 3-30 P.M. and 6 P.M. to 10-45 P.M. (Calcutta time). Sundays, from 9 A.M. to 1-30 P.M. and from 6-30 P.M. to 10 P.M. (Calcutta time).

Station.	Power.	Time of transmission.
Bombay	2 K. W. . . .	Week days, from 12 NOON to 2 or 2-30 P.M. Sundays, from 10-30 A.M. to 1 P.M.
Delhi	20 K. W.	Daily, from 5-30 P.M. to 11 P.M. From 1 P.M. to 2-30 P.M. and from 5-30 P.M. to 11 P.M. daily.
Lahore	100 Watts	From 6-30 P.M. to 8-30 P.M. daily.
Madras	200 Watts	From 5-30 P.M. to 7-30 P.M. daily, in addition school programmes from 4 P.M. to 4-30 P.M. on certain days in the week, also from 10 A.M. to 11 A.M. on Sundays.
Peshawar	250 Watts	From 7-30 P.M. to 10-25 P.M. daily.
Allahabad	150 Watts	Not working at present.
Dehra Dun	100 Watts	Daily, from 6 P.M. to 8 P.M. (approximately).
Hyderabad (Deccan)	Less than one K. W.	Broadcasts for about three hours every evening.

Statement showing the number of broadcast receiver licenses issued and the amount of license fees realised from March, 1935 to February, 1936.

Province.	Number of licenses issued.	Fees.
Bombay	10,553	Rs. 1,05,530
Bengal	8,038	80,380
Madras	1,957	19,570
Punjab	1,563	15,630
United Provinces	1,202	12,020
Burma	695	6,950
Sind and Baluchistan	660	6,600
Bihar and Orissa	577	5,770
Central Provinces	546	5,460
Delhi	521	5,210
Assam	397	3,970
North-West Frontier Province	333	3,330
	27,042	2,70,420

THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN: How many licenses have been issued?

THE HONOURABLE MR. A. G. CLOW: I have given the information province by province in the statement laid on the table. The total is 27,042.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Government considering the desirability of opening some more broadcasting stations in India? If so, have they decided to open them in big cities or some in rural areas too?

THE HONOURABLE MR. A. G. CLOW: The question of opening stations in rural areas is, I think, primarily a matter for the provinces—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Government making enquiries as to the desirability of opening some more broadcasting stations in India?

THE HONOURABLE MR. A. G. CLOW: Government are considering the development of broadcasting. I cannot at present give information as to possible further stations.

DEHRA DUN BROADCASTING STATION.

185. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN: (a) Is the Dehra Dun Broadcasting Station rendering very useful services in connection with village uplift?

(b) If the answer to the above is in the affirmative, do Government propose to allot a grant to the Dehra Dun Radio Station?

THE HONOURABLE MR. A. G. CLOW: (a) The Dehra Dun Broadcasting Station began transmissions early this month, and I am not in a position to express an opinion regarding the value of its service.

(b) This does not strictly arise. But I may explain that the station was established by an Association specially formed for the purpose, and that when the Government of India granted a license to the Association they made it quite clear that they were not prepared to contribute to recurrent expenses.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Government paying any grant-in-aid to the broadcasting station at Lahore?

THE HONOURABLE MR. A. G. CLOW: No, Sir, I do not think so.

ROAD CONNECTING CIRCULAR ROAD WITH TURKMAN GATE.

186. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN: (a) Is the condition of the road which connects the Circular Road with the Turkman Gate (Old Delhi side) very bad? Is there a sharp turn over the bridge of a *nala* (open drain) without any fencing?

(b) If the answer to the above is in the affirmative, do Government propose to improve the condition immediately?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The Government are aware of the condition of the road referred to by the Honourable Member and measures are in train to ensure its early repairs.

SHORT NOTICE QUESTION AND ANSWER.

THE HONOURABLE THE PRESIDENT: The Honourable Rai Bahadu Lala Mathura Prasad Mehrotra has given notice of a short notice question

187. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: My question runs as follows, Sir:

Will Government be pleased to make a full statement on the Hindu-Muhammadan riots at Poona and give all possible information about it?

THE HONOURABLE THE PRESIDENT: Has the Government Member in charge any objection?

THE HONOURABLE MR. M. G. HALLETT: No, Sir.

THE HONOURABLE THE PRESIDENT: You can reply.

THE HONOURABLE MR. M. G. HALLETT: I regret I am not in a position to make a full statement, but I can only read out a telegram which I received late last night from the Government of Bombay. It is to the following effect:

"District Magistrate, Poona, wires that in consequence of permission granted to celebrate last day Hanuman Jayanti at Sonya Maruthi temple in Poona City, communal rioting broke out at 9-30 A.M. today. Situation being kept in hand by police. Military called in to aid civil power. Troops standing in in Shinwarwada".

I am asking the Government of Bombay to publish as soon as possible a detailed communiqué regarding the whole of this regrettable incident.

INDIAN TARIFF (SECOND AMENDMENT) BILL.

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

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, (Second Amendment) as passed by the Legislative Assembly, be taken into consideration".

Sir, this Bill comes to this Honourable House after a certain number of vicissitudes, and comes in a somewhat attenuated form. But at this stage of the session, and in this temperature, even the original author of the Bill might be excused if he quoted the proverb that "It is an ill wind that brings nobody good". The Bill, Sir, does not purport to extend protection to any industry to which protection has not already been granted. It consists of three proposals which are intended to stop up loopholes in the protective scheme which was given to the sericultural and textile industries by the Textile Protection Bill of 1934. If I may, I shall endeavour as briefly as I can to explain the nature of these proposals. The first proposal is contained in clause 2, sub-head (a) of the Bill. When protection was given to the Indian sericulturist in 1934, it was considered sufficient to impose protective duties on imports of raw silk and of imports of silk yarn proper. It was not thought necessary to impose a protective duty on yarn made from waste silk. It was believed that waste silk yarn was not in effective competition with any Indian silk product. While, therefore, the duties on raw silk and silk yarn proper were raised from 25 per cent. to 25 per cent. *plus* 14 annas a lb., the duty on raw silk yarn was left at 25 per cent. *ad valorem* only. Experience has belied our expectation. There has been a very phenomenal increase in the imports of silk yarn since 1933-34. The total imports of silk yarn have increased from 1,800,000 lbs. to 3,270,000 lbs. This increase in silk yarn is more than accounted for by the imports from Japan which consist almost entirely of waste silk yarn. The Japanese figures are these:

	Lbs.
In 1933-34	697,000
In 1935-36	2,100,000

The imports have more than trebled in that period. This, Sir, reveals a very obvious defect in our protective scheme, and it will, I think, be admitted that it is of no benefit to the sericulturist if we exclude certain types of silk and permit another type to come in in replacement of the excluded imports. It is for this reason, Sir, that the Government of India propose to put raw silk yarn back on the same level with raw silk and proper silk yarn, the position it occupied prior to the imposition of the protective scheme two years ago.

Sub-head (b) of the clause calls for no remark. It is merely a consequential drafting change. Sub-head (c) refers to fents and, though it apparently deals with three items, the only entry in which a change is made is the middle item—item (b). There is no proposal for a change in duty. The only proposal is that the permissible length which qualifies for treatment as fents has been reduced from four yards to two and a half yards. The reason for this proposal is as follows. When the Government of India two years ago were considering the duties to be applied to cotton, artificial silk and silk textiles, it was represented that it would be an unfair burden on the poor purchaser who is the main customer for genuine fents, if fents were asked to bear the full burden of the textile duties. It was represented that the poor purchaser was interested in securing at low prices short odd lengths of cloth, and in the interests of that poor purchaser the Government of India decided that instead of imposing the same high rates of duty as were applicable to genuine piecegoods they would give a concessional rate of 35 per cent. standard and 25 per cent. preferential to fents. The result, Sir, has been unfortunate. The rate of duty on fents is 35 per cent only. On piecegoods of artificial silk the *ad valorem* rate is 50 per cent., but, more important, it is combined with a minimum specific duty of four annas per square yard, which in the case of the cheaper artificial silk fabrics represents a very considerable *ad valorem* incidence. This duty has called into being an entirely spurious trade in fents. What has been happening is that genuine piecegoods have been cut up into lengths of just under four yards and these have come in and have been assessed at 35 per cent. only. They are extremely saleable, a four-yard length being suitable for very many types of garments. There has in fact been a serious evasion of our protective system and a very severe blow at our revenues. We believe therefore that if we reduce the permissible length from four to two and a half yards we shall cut out most of that spurious trade and at the same time the poor man who buys short lengths, one and a half to two yards, will not be in the slightest way affected. The figures are illuminating. Prior to 1933-34 imports of artificial silk fents from Japan were negligible in quality. They have steadily grown until in the present year for 11 months I give the figures—they have reached the astonishing total of 16 million yards. In these circumstances, Sir, we feel that some action, and drastic action, has to be taken.

The third part of the item sub-head (d) refers to hosiery. By the protection Bill of 1934 protection was given to the Indian cotton hosiery industry. At that time the Indian cotton hosiery industry was, I believe to as much as 90 per cent. of its production, concerned with the manufacture of cotton undervests and socks and stockings. Since the imposition of the protective duties there have been two developments. The first development was a deliberate series of attempts at evading the protective duties by disguising cotton undervests as sports shirts and cardigans by the addition of collars and patch pockets. That, Sir, did not last very long, but a much more important development was this, that both in India and outside there were striking developments in the manufacture of cotton hosiery. Fashion was responsible for the advent of the sports shirt, which has to a very great extent replaced the undervest—which really was no undervest because in many cases it was the

[Mr. T. A. Stewart.]

only garment worn on the upper part of the body. There has also been an enormous development in the market for fancy pullovers, cardigans, etc.—the names are innumerable. It is felt therefore that the protection which was originally confined to cotton undervests and to socks and stockings ought in the interests of the Indian industry,—in order to afford it effective protection,—to be extended to cover all those other articles which now so greatly concern the industry. It has been objected, however, that the specific duty of 12 annas per lb., which was appropriate in the case of cotton undervests, would react too heavily on other types of manufacture which are in their nature heavier than undervests. The natural result of the imposition of a minimum specific duty based on weight would be that the *ad valorem* incidence on the heavier articles would be higher in their case. For this reason the item has been split up into two and we propose to apply a lower rate of minimum specific duty to the heavier articles.

I think, Sir, I have demonstrated the existence of three loopholes in our protective scheme and I trust that this Honourable House will co-operate in stopping them up.

* THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-madan) : Mr. President, this Bill represents a great measure of compromise between the varied interests of the importers, the consumers and the manufacturers. The Bill as originally drafted was amended to such an extent by these compromises which were accepted in the other House that there is not much room for improvement left in the measure. We agree, Sir, that on the question which the Honourable Mr. Stewart dealt with first of all about silk yarns there was a very strong case for the protection to be made effective, but we do not agree that in the other case the question was as serious as has been pointed out. Fents, it is well known, is a trade name for articles which are either badly made or in some other way damaged. No doubt there were certain black sheep among the importers who started importing what the Honourable Mr. Stewart pointed out were real piecegoods cut up into small pieces in order to evade the incidence of duty. But we should not lose sight of the fact that this article is subjected to a duty which comes to something like 200 per cent. on the actual cost to the manufacturers in Japan. The specific duty of four annas per square yard is very hard. Knowing also that our own purchasing power has been reduced enormously, the consumer too has a claim to the consideration of the Government and of public men. We have been pursuing a policy of what is termed as discriminating protection, but which has been reduced to indiscriminating protection. I have often stated in this House that protection must be given with a definite view of making it possible for the protected goods to be sold in the country at the competitive price which prevails in the outside world. Neither the Government nor the Tariff Board have so far envisaged—

THE HONOURABLE THE PRESIDENT : The Fiscal Commission did not lay down that proposition.

THE HONOURABLE MR. HOSSAIN IMAM : Perhaps, Mr. President, you are aware that the Fiscal Commission has been the butt of the Annual Meeting of the Federation when they have called for revision ? It has not retained that sacred character which it had some time before. It has been repudiated to a certain extent by the Government as well as by the industry

* Not corrected by the Honourable Member.

too. Although the Fiscal Commission did not ask for a definite number of years to be fixed for this, yet it had made a point that it should be possible for the protected article before protection is granted to give us a promise that it would be able to stand on its own legs.

Now, let us consider whether there is any possibility of establishing this industry in India on a competitive basis. If we consider the price factor of Japanese goods, it will be found that at that price it will not be possible for Indian manufacturers even to have the raw materials gathered together at the factory, leaving aside the manufacturing cost. If it is found that it will not be possible to have that industry established on a competitive basis, I for one would ask the Government to change the name from protective duty to that of revenue duty, where they will not be bound to substantiate that this article fulfils the conditions laid down by the Fiscal Commission. As a revenue measure, they will be perfectly justified in imposing any duty which they think they can impose without being faced with the problem of diminishing returns. I agree that so far the efforts of the Government have been crowned with success. There has been no doubt a decrease in the amount of artificial silk goods imported, but the duty which they have derived has increased because of the increased incidence of the taxation. Then, Sir, the decrease in the length has been effected only in one item referred to in clause 2 part (c). That reduction, I am afraid, will not check the quantity of fents that will be imported because now the difference will be that instead of being in four-yard lengths they will be in two and a half yard-lengths and if they have the same kind of things they will have in numbers, the only result will be that the consumers will have to buy two pieces instead of one and they will be called upon to spend a little more money. At the time of reduced purchasing power it is a bit hard.

Now, on a point of information, Sir, I should like to know what will be the procedure adopted in case of goods which were ordered at a time when the trade was not aware that the taxes are to be increased. I have a hazy idea—I am not sure of my facts, but I hope that the Honourable Mr. Stewart will enlighten me—that when we were imposing the wheat duty we did give a concession to the trade that those who have ordered their goods before the thing was mooted would get a concession for that amount of things which were ordered beforehand. I am not aware whether this question will arise in the present case. If it does arise, Government ought to maintain their former price and give the same concession to these people which they allowed to the wheat importers.

Now, Sir, we come to the question of knitted apparel. There is one fact which has been lost sight of by the Government and by many public men too. It is that when a certain article becomes cheaper, the class of people who use it also changes. If you have a thing which is priced at Rs. 2 you have a certain class of people who are using it, but if the price comes down to Re. 1 the class of consumer changes and men of lower strata, of smaller income, become potential buyers and users of the article. If we look at that item from that point of view, we will find that a lot of articles which did not percolate to the lower strata of the Indian population, because of the fact that Japan is able now to sell its goods at a cheaper price, are being used by those people. The question to be examined is whether the increase of duty will not have the effect of making these people give up the use of these goods and confining it to a smaller circle of users, because if it does affect the number and the class of buyers it will have a direct effect of restricting trade. Now, the question is whether the imposition of this higher duty and increasing the price level will make those people use Indian goods or not ? If Indian goods are priced at

[Mr. Hossain Imam.]

a higher level, you have a certain class of people only who can use it. But people of lower means will always remain outside the circle of the buyers. We, Sir, have been carrying on this propaganda for the protection of goods and increasing the price level of manufactured articles to extreme limits, but when it comes to the primary products, the Government takes up a different attitude towards the matter. If we look at two comparable items, that is, the number of people dependent on the two industries, the manufacturing industry and the agricultural industry, the claim of the agriculturist will be much higher and much greater than that of the industrialist.

THE HONOURABLE THE PRESIDENT: You are now speaking on the general policy of protection.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I am speaking of the fact that the increase of price level of manufactured goods which is the underlying principle of this Bill is a one-sided effort and an effort which will have a bad repercussion, because if we do not simultaneously increase the purchasing power with the increase in prices, we will be faced with a sort of *impasse*. The small concession which the Government has allowed in item 51 (2) (b) that when the weight exceeds four lbs. per dozen, the duty will be reduced to 10 annas per lb. is not a very great concession. I am told, Sir, that it reduces the incidence of taxation by merely 10 per cent.—two annas represents 10 per cent. of the incidence of duty.

Now, as I was saying, Sir, the whole people of the country here who up to a few years back were unable to purchase will again come into the market and the amount of imports will fall without affecting the output of Indian goods. We could have the same result without increasing the price by fixing a quota as we have done in the case of Japanese piece goods. There, Sir, the provision of a quota has the indirect effect of checking undue importation and dumping. It has also a very slight effect in raising prices but if we have a higher rate of duty it has two bad effects. It increases the price level inordinately high and beyond the means of the purchaser whereas it does not in any way increase the consumption of home goods. If we had adopted a quota system and restricted imports from Japan to a certain figure we would have been sure, Sir, without increasing the taxation, that the remainder of the requirements of India will be supplied by Indian manufacturers, and Indian manufacturers would have the incentive to bring down the prices because the market will have been there and a very safe market. I suggest this as an alternative method when the Indo-Japanese agreement is being revised. As, Sir, this Bill is the result of a compromise I do not feel called upon to oppose the measure.

THE HONOURABLE THE PRESIDENT: Mr. Stewart, will you please tell the Council what was the loss in revenue for 11 months on fents?

THE HONOURABLE MR. T. A. STEWART: I am afraid, Sir, that I could not do so off-hand, but making a very rough calculation, I would suggest that it might be something in the neighbourhood of two annas per yard on a large proportion of the 16 million yards, which is probably a very considerable sum.

THE HONOURABLE THE PRESIDENT: Then why did the Government not take action under the powers vested in them under the Taxes Act?

THE HONOURABLE MR. T. A. STEWART: Well, Sir, if I may explain to you what did happen? When it was discovered that this practice was in operation, the customs officers exercised most strict control. They insisted on the opening of every bale of these artificial silk fents. As Honourable Members may know, these do not come in cases but they are packed in bales in miscellaneous lots. The result was that in one customs house at any rate absolute chaos arose. There were so many bales opened out that neither the fents merchants nor the customs officers could get on with their work, and apart from any other reason, I do put it forward in support of this measure that it makes customs house procedure a practical proposition. The customs house officers did their best but nevertheless we had here in Delhi a deputation from the fents merchants asking for some sort of relief. And we did come to a compromise. We did realise their difficulty and we allowed them to clear a very considerable number of their fents as artificial silk piecegoods applying only the *ad valorem* duty. In justice to them and to ourselves we made that compromise.

THE HONOURABLE THE PRESIDENT: Thank you.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support this measure. But I should like an assurance from the Honourable Mr. Stewart that as soon as this staple fibre industry is undertaken in India the protection which India has hitherto enjoyed, that is, a 25 per cent. *ad valorem* duty, will be revived, because, Sir, for all infant industries protection is essential.

THE HONOURABLE SAYIED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, the Bill before the House represents a measure which on the whole attempts to make an adjustment of the various and conflicting interests involved and, as has been stated by my Honourable friend, the Deputy Leader of the Progressive Party, it concerns the interests not only of the manufacturer but also of the consumer and the importer. My Honourable friend, the Deputy Leader of the Progressive Party, made an observation regarding the effect of enhancing the price of articles which had hitherto been cheap in the market. My Honourable friend seemed to argue that when an article which ordinarily is of a higher value is lowered in value, the use of that article permeates and percolates to the lower strata of society also which formerly did not use that article. And he is of opinion that if there is any attempt to raise the value of that article the poorer section of society which had got accustomed to using this article would be deprived of its use. I am afraid, Sir, that he is labouring under a wrong impression. My own feeling is that when an article becomes inordinately cheap, whatever might be the subsidy or help that that industry might get from Government or elsewhere, the article is bound to be reduced in quality. It is bound to become very inferior in quality and as such not quite so durable and lasting as the original article. The result is that even though it might appear to be a cheaper stuff, and it might have the appearance of being the sort of stuff which was originally available at the higher value, the user of that article in the long run is not at all benefitted, for the article not being quite durable and lasting only for a very brief period, the user of the article is bound to go on purchasing the article more frequently than before and paying much more value for repeated purchase than would have been the case if he purchased the better sort of article.

THE HONOURABLE THE PRESIDENT: That is an argument in favour of the Bill!

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : He can buy more, Sir.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Half a dozen might not last for the period for which one pair of the old article lasted.

THE HONOURABLE SIR DAVID DEVADOSS : One pair might get dirty !

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : You can get it washed !

As regards the duties on silk yarn, I should like to state that Government should see that in imposing this duty, they do not unduly tax very inferior qualities of cheap yarn which might go to place under a disadvantage the handloom industry in this country. I feel, Sir, that Government were perfectly justified in imposing a duty upon yarns, because the yarns that come to this country are not only pure silk waste yarn but also artificial silk yarn and I feel that the duty should be imposed on both these classes of yarn.

Sir, as has been observed by the Honourable the Commerce Secretary, this is a measure which does not propose to give any new protection to any new industry, but it has been necessitated by some developments in the foreign trade. The imports of foreign articles have in recent times developed some features which have tended to deprive the Indian industry of much of the protection that was given to it. The hosiery industry in Japan, with the help of Government subsidy, has been sending increasingly large quantities of goods to India and unless this dumping is stopped, the Indian industry is bound to suffer. It has therefore become necessary, Sir, that some such step should be taken to counteract the various devices which have been resorted to by foreign trading interests.

As regards fents, I am not quite sure whether the reduction in lengths will bring about any substantial result. But whatever it might be, the experiment might be watched and if it does not prove to be quite as effective as it is expected, some other method might be adopted to give protection in this respect.

Sir, I support the Motion.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of personal explanation, Sir. The Honourable Member thought that things, by replacement, will become inferior. What about reorganisation, decreased price and other factors ?

THE HONOURABLE THE PRESIDENT : Order, order. I see that the practice is growing for a Member after making one speech, and after another Member makes a speech, to make some sort of speech again by way of seeking information, and I think that this practice is reprehensible.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I do not want to oppose the measure before the House as I am of opinion that it is very necessary for the development of Indian industries to get protection. But I fail to understand one thing, and it is this. It was only a couple of weeks back that the Assembly denounced the Ottawa Pact. The articles contained in this Bill are also contained in the Ottawa Agreement and I understand that a notice for the termination of the Ottawa Agreement—

THE HONOURABLE THE PRESIDENT : You are not going to discuss the Ottawa Agreement ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I am not discussing. I am only enquiring what will be the fate of this Bill. The notice is shortly to be given for the making of a fresh agreement. When a fresh agreement is made, what will be the fate of this Bill ?

THE HONOURABLE THE PRESIDENT : Notice is to be given to terminate the agreement. Notice has not been given for a fresh agreement at the present moment.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : When notice is given to terminate the agreement, it is very likely that there will be a fresh agreement on fresh principles, and when a fresh agreement is made, will the articles contained in this Bill—

THE HONOURABLE THE PRESIDENT : Order, order. We are not concerned at present with hypothetical questions. Will you please say what you have got to say on the Bill itself ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I have nothing more to say, Sir.

THE HONOURABLE MR. T. A. STEWART : Sir, there are only a very few points on which I think some explanation is called for. In the first place, I should like to correct the misapprehension under which it appears the Honourable Mr. Hossain Imam labours in respect of the protective duties on artificial silk. These were not imposed, Sir, in order to protect the Indian artificial silk industry. No such industry exists, nor do I think that it is likely in the present circumstances of the industry, that it will. The protective duties on artificial silk are supplementary to those on cotton textiles, and not of a different nature. The Honourable Mr. Hossain Imam has expressed the view that mere reduction of length will not solve our problem. I confess that I myself personally have my doubts but if this measure is not sufficient, the hands of Government will be strengthened for coming forward with, and asking the approval of the Legislature to, something more effective. He has also enquired as to what will happen in the case of goods that have been ordered in advance. As I said in answer to your question, Sir, the Members of the Central Board of Revenue and myself met a deputation of the fent importers some two or three months ago and I can assure you that we left them under no misapprehension as to how we propose in future to treat these spurious fents. We did not tell them what were our legislative proposals but we gave them very fully to understand that we intended to stop the malpractice and if they imported in future, it would be at their own risk. It has also been argued that the concession to hosiery importers that is involved in the lower minimum specific duty on the heavier materials is unsubstantial. The justification for the concession which I put forward here is that it is one which was accepted by the importers themselves. As regards the imposition of a quota on such commodities as hosiery, I can assure the Honourable Member that the possibilities of utilising this device will not be lost sight of. Finally, the Honourable Leader of the Progressive Party mentioned the staple fibre. I do not know that it is now entirely relevant to this Bill, but I am sure that if he looked at the Bill in its original form he would feel certain that Government is not unsympathetic with the view which he himself holds.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, (Second Amendment) as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed".

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I wish to ask for information from the—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan): On a point of order, Sir. You have not put the Motion. The Honourable Mr. Hossain Imam has started speaking before you have put the Motion.

THE HONOURABLE THE PRESIDENT: The Motion is:

"That the Bill, as passed by the Legislative Assembly, be passed".

THE HONOURABLE MR. HOSSAIN IMAM: Our colleague the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra raised a very pertinent question, i.e., "What would be the effect of the decision of the Assembly to terminate the Ottawa Pact on this Bill?" The Honourable Member did not enlighten us on that.

THE HONOURABLE MR. T. A. STEWART: Sir, I deliberately refrained from doing so in view of your remarks, but I am perfectly willing to give the Honourable Member such answer as I can.

THE HONOURABLE MR. HOSSAIN IMAM: Our point was that it involves preference which has been repudiated by the Assembly and accepted by the Government. Therefore what would be the effect when that notice of termination goes in?

THE HONOURABLE THE PRESIDENT: Unless you feel yourself fully competent to express an opinion I would advise you not to reply.

THE HONOURABLE MR. T. A. STEWART: I think I can give the Honourable Member the answer he requires. In the first place, Sir, we have not altered in any way any of the duties. In the second place, I would say that these, being Ottawa preferences, will be treated like any others of the Ottawa preferences in the tariff. As regards what may happen thereafter by way of negotiation or otherwise, I am afraid I am not a prophet and am not able to inform the Honourable Member.

THE HONOURABLE THE PRESIDENT: The Question is:

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

The Council then adjourned *sine die*.

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