

PERSONNEL OF THE GOVERNMENT OF MADRAS.

GOVERNOR OF MADRAS.

HIS EXCELLENCY LORD ERSKINE, G.C.I.E. Took his seat on the 15th November 1934.

COUNCIL OF MINISTERS.

1. THE HON. SRI C. RAJAGOPALACHARIAR, Prime Minister. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

A. CHIEF SECRETARIAT (PUBLIC DEPARTMENT).

Provincial subjects—

Agency tracts.
Assumption of office by Governor.
Business and Secretariat Rules.
Business of Government—Distribution among Departments of the Secretariat.
Cabinet—Arrangements for meetings.
Civil Lists—Preparation.
Committees and conferences not pertaining to any other department of the Secretariat.
Correspondence—Objectionable—Censorship.
Criminal Investigation Department—Other than establishment.
Elections to the Provincial legislature including election offences and disputed elections.
Examinations—Government—Departmental—
Board of Examiners.
Foreign Governments and Indian States—Correspondence with.
General—Questions of a general nature which cannot be allotted to any particular department.
Government House—
(i) Establishments—
Band.
Bodyguard.
Governor's Secretary's office.
Medical.
Military Secretary's office.
(ii) Grants—
Contract.
Furniture.
Sumptuary.
Tour.

A. CHIEF SECRETARIAT (PUBLIC DEPARTMENT)—cont.

Provincial subjects—cont.

Government House—cont.

(iii) Personal staff of the Governor.

(iv) Works—

Construction.

Maintenance and furnishing.

Government Servants' Conduct Rules. N39.61081

Handbook of Procedure and Precedents.

High Court Judges—Leave.

Holidays.

Indian Civil Service including annuities and listed posts.

Internal Security.

Islands—Laccadives, Amindivi and Minicoy.

Judicial and Executive functions—Separation of.

Land returns—General questions.

Legislative bodies (other than Madras)—Proceedings—

Marking of subjects for the perusal of Members of Government.

Legislative Council and Legislative Assembly.

Madras Public Service Commission.

Magistrates (other than Honorary)—Suspension, removal, etc.

Ministers—Appointments and resignation.

Newspapers and Periodicals—Perusal of.

Office procedure.

Office—European Casualty report.

Ootacamund, St. George's Hill—Move to and from.

Petition Rules.

Political Handbook.

Political offences—Prosecutions.

Precedence—Warrant of.

Barbari Zaminda.

Prisoners, State.

Provincial works and buildings under the administrative control of the Chief Secretary.

Public Peace—Disturbance of.

Public Services—

Communal representation—General questions.

General questions and commissions of enquiry.

Notification (including exemptions).

Revised scales of pay.

Service associations.

Services under the control of the Local Government—

Statutory rules to regulate the method of recruitment, conditions of service, pay, allowances and pension—

General revision and amendments of existing rules.

Special tests—General questions and exemptions.

A. CHIEF SECRETARIAT (PUBLIC DEPARTMENT)—cont.

Provincial subjects—cont.

Public Services—cont.

Statutory Rules and Orders—

Civil Services (Classification, Control and Appeal) Rules.

Superior Civil Services Rules.

Subordinate Services—

Discipline and Appeal Rules.

Passage Rules.

Railway lands—Jurisdiction.

Religious or communal disputes.

Reports—

Fortnightly.

Matters of political and administrative importance.

Returns—Next of kin.

Secretariat—

Central Issue Branch.

Central Records Branch.

Establishment.

Library.

Manual.

Telegrams—Reuters and News Agency.

Visits—

Commander-in-Chief.

Distinguished foreigners.

Flag Officer, Commanding Royal Indian Navy.

Governors of other provinces.

Indian Chiefs.

Naval Commander-in-Chief.

Viceroy.

Warships, British and foreign.

Concurrent subjects—

Periodicals, Newspapers, Books and printing presses—Control of.

Federal subjects—

Conduct of elections to the Federal legislature including election offences and disputed elections.

Consuls—

British.

Foreign.

Council of State—Nomination of members.

Defence of India—

Army in India Reserve of Officers.

Auxiliary and Territorial forces.

Ex-army men.

Movement of troops.

Naval, military and air forces in India.

Ecclesiastical affairs.

A. CHIEF SECRETARIAT (PUBLIC DEPARTMENT)—cont.

Federal subjects—cont.

External affairs.
Federal Public Services.
Federal Public Service Commission.
French Settlements in India.
Indian Chiefs and States.
Naval, military and air force works.
Political charges.
Political detenus from Indian States.
Political Pensions.
Preventive detention for reasons of State connected with defence, external affairs or the discharge of the functions of the Crown.
Reforms.
Regulation of ceremonials, titles, orders, precedence and civil uniform.
Relations with States in India.
Territorial Changes.

B. HOME DEPARTMENT.

Provincial subjects—

Police including C.I.D. (Establishment), railway police and village police.
Provincial works and buildings under the administrative control of the Police Department.

Concurrent subjects—

Persons subject to preventive detention under Federal authority.

Federal subjects—

Central Intelligence Bureau.
Police—Extension of the powers and jurisdiction of members of a Police force belonging to any part of British India, to any area, in another Governor's province or Chief Commissioner's province, and the extension of the powers and jurisdiction of the members of a Police force belonging to any unit to railway areas outside that unit.

C. FINANCE DEPARTMENT.

Provincial subjects—

Accounts, Provincial (including classification and prescription of units).
Annual financial statement (Budget).
Appropriation Accounts and Auditor-General's report thereon.
Audit of receipts and accounts of stores and stock.
Commercial accounts.
Economies in expenditure.
Famine Relief Fund.
Financial Rules.

C. FINANCE DEPARTMENT—cont.

Provincial subjects—cont.

Fundamental Rules (including Revised Leave Rules).
Loans and Advances.
Local Fund Audit.
Provincial balances.
Public Debt of the Province including borrowings from the Government of India.
Reappropriations.
Re-employment of civil pensioners.
Secretariat—Cash Bureau.
Service Pensions including Provident Funds, but not including Indian Civil Service annuities.
Supplementary Statements of expenditure.
Taxation and allied measures—initiation of.
Travelling allowance rules.
Treasury Rules.
Ways and Means.

Federal subjects—

Corporation Tax.
Currency, coinage and legal tender.
Federal pensions, that is to say, pensions payable by the Federation or out of Federal revenues.
Federal taxes and duties in which the Provinces are interested, such as income-tax, Federal excises, etc.
Indian Audit and Accounts Service examination.
Post Office Savings Bank.
Public Debt of the Federation.

2. THE HON. SRI T. PRAKASAM, Minister for Revenue.
Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Betting Tax Act.
Board of Revenue (general).
City Tenants' Protection Act.
Constitution of districts, divisions and taluks.
Court of Wards and Zamindars—
Impartible Estates Act.
Deputy Collectors.
District Gazettes and Gazetteers.
Duties in respect of succession to agricultural land.
Estates Land Act.
Famine relief.
Floods.
Inams.
Irrigation (minor works)—
Minor irrigation establishments.
Minor irrigation works.
Navigation.
Water-rate.

Provincial subjects—cont.

Land Revenue administration as described under the following heads, namely:—

Alienation of land revenue.
Assessment and collection of land revenue.
Colonization and disposal of Crown lands.
Establishment.
Land improvement and agricultural loans.
Laws regarding land tenures—Easements—Relations of landlord and tenant—Collection of rents—Transfer and devolution of agricultural land.
Maintenance of land records—Survey for revenue purposes—Records of rights.
Management of Government estates.
Miscellaneous.
Revenue Recovery Act.

Lands—

Acquisition.
Alienation.
Assignment.
Encroachment.
Land records.
Military lands.
Railway lands.
Transfer of lands between Central and Provincial Governments.

Malabar Tenancy Act.

Pensions—Hereditary not being political.
Pounds and prevention of cattle trespass.
Procedure in rent and revenue courts.
Provincial works and buildings under the administrative control of the Land Revenue and Registration Departments.
Registration.
Sale of Cloth Act.
Season.
Settlement—Kistbandi.
Special funds.
Stamp duty on documents—Rates of.
Survey—Boundary disputes.
Taxes on agricultural income.
Transfer of villages.
Treasure trove.
Treasuries.
Village accounts.
Village establishments.
Water-supply.
Yeomials.

Concurrent subjects—

Recovery in a Governor's province or a Chief Commissioner's province of claims in respect of taxes and other public demands, including arrears of land revenue and sums recoverable as such, arising outside that province.

Concurrent subjects—cont.

Registration of deeds and documents.
Stamp duties other than duties or fees collected by means of judicial stamps, but not including rates of stamp duty.

Federal subjects—

Duties in respect of succession to property other than agricultural land.
Excise duties on tobacco and other goods manufactured or produced in India except those assigned to the province.
Lands vested in or in the possession of His Majesty for the purposes of Federation.
Opium so far as regards cultivation and manufacture or sale for export.
Salt.
Stamp duty—Rates of in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, proxies and receipts.
Survey of India.

3. THE HON. MR. YAKUB HASAN, Minister for Public Works. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Canals—Irrigational and navigable.
Drainage and embankments, water-storage and water-power.
Gas and gas works.
Hydro-electric schemes.
Inland waterways and traffic thereon.
Irrigation—Major works.
Isolated tombs of European Government servants and their families including isolated tombs of historical or archaeological interest and of British soldiers, non-commissioned officers and their families.
Minor ports.
Minor railways, light and feeder railways.
Provincial works and buildings under the administrative control of the Public Works and Electricity Departments.
Public works (roads, bridges, ferries, ropeways, etc.).
Railway—Accidents.
Rivers—Conservancy.
Taxes on boats.
Tramways—Extra municipal.

Concurrent subjects—

Boilers.
Electricity.
Shipping and navigation on inland waterways as regards mechanically propelled vessels, carriage of passengers and goods on inland waterways.

Federal subjects—

Air craft and air navigation; regulation and organization of air traffic and of aerodromes.
 Carriage of passengers and goods by sea, or by air.
 European cemeteries.
 Lighthouses, including light ships and beacons.
 Major ports—Constitution and powers of port authorities therein.
 Marine—Maritime shipping and navigation, including shipping and navigation on tidal waters; admiralty jurisdiction.
 Port quarantine and marine hospitals.
 Posts and telegraphs, including telephones, wireless, broadcasting, and other like forms of communication.
 Railways other than minor railways—Construction and regulation.
 Taxes on railway fares and freights.
 Terminal taxes on goods or passengers carried by railway, water or air.
 Works and buildings vested in or in the possession of His Majesty for the purposes of the Federation.

4. THE HON. DR. P. SUBBARAYAN, Minister in charge of Law. Took his seat on the 30th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Administration of justice, civil and criminal, including constitution, jurisdiction, powers, maintenance and organization of courts within the province—
 Additional and Assistant Sessions Judges.
 Bench Courts.
 Civil Courts including High Courts.
 Civil Rules of Practice.
 Criminal appeals.
 Criminal justice report.
 Criminal powers.
 Criminal Rules of Practice.
 Honorary Magistrates.
 Presidency Magistrates and Courts.
 Remission and commutation of sentences
 Betting and gambling—except State lotteries
 Breach of Contract Act.
 Carbide of Calcium.
 Child Marriage Restraint Act.
 Children Act.
 Cinematograph Act.
 Civil Law.
 Control of motor vehicles—
 Motor Vehicles Act.

Provincial subjects—cont.

Control of vehicles other than mechanically propelled vehicles.
 Coroners.
 Criminal lunatics.
 Discharged Prisoners' Aid Society.
 Escheats.
 Hackney Carriages Act.
 Immoral Traffic.
 Indian Bar Councils Act.
 Jails—
 Borstal institutions.
 Jails and sub-jails.
 Prisoners' homes.
 Reformatories.
 Justices of Peace.
 Kazis Act.
 Law officers.
 Madras Motor Vehicles Taxation Act.
 Malabar and Rampa Rebellion prisoners.
 Petitions for mercy from sentences of death.
 Petitions from convicts including Port Blair convicts.
 Preventive detention and persons subject to such detention.
 Prisoners.
 Prisons Act and rules thereunder.
 Provincial law reports.
 Provincial works and buildings under the administrative control of the Jail and Judicial departments.
 Stage Carriages Act.
 Theatres, Dramatic performances and cinematographs.
 Towns Nuisances Act.
 Village Courts Act.

Concurrent subjects—

Administrator-General and Official Trustee.
 Adoption.
 Arbitration.
 Bankruptcy and insolvency.
 Cinematograph films for exhibition.
 Civil Procedure including the law of Limitation and all matters included in the Code of Civil Procedure at the date of the passing of the Government of India Act, 1935.
 Criminal law including all matters included in the Indian Penal Code at the date of the passing of the Government of India Act, 1935.
 Criminal Procedure including all matters included in the Code of Criminal Procedure at the date of the passing of the Government of India Act, 1935.
 Criminal tribes.
 European Vagrancy Act.
 Evidence and oaths.

Concurrent subjects—cont.

Indian Christian Marriage Act.
 Indian Poisons Act.
 Infants and minors.
 Insolvency Act and Rules.
 Jurisdiction and powers of all courts except the Federal Court, with respect to any of the matters in the concurrent legislative list.
 Marriage and Divorce.
 Mechanically propelled vehicles.
 Poisons and dangerous drugs.
 Prevention of Cruelty to Animals Act.
 Prisoners and accused persons—Removal from one unit to another unit.
 Recognition of laws, Public Acts and records and judicial proceedings.
 Royal Humane Society.
 Transfer of property other than agricultural land.
 Trusts and Trustees.
 Wills, intestacy and succession save as regards agricultural land.

Federal subjects—

Admission into, and emigration and expulsion from, India, including in relation thereto the regulation of the movements in India of persons who are not British subjects domiciled in India, subjects of any Federated State, or British subjects domiciled in the United Kingdom excluding emigration and immigration in their relation to labour.
 Arms, firearms, ammunition and explosives.
 Extradition including the surrender of criminals and accused persons to parts of His Majesty's Dominions outside India.
 Foreign missions.
 Migration within India.
 Naturalization.
 Passports including certificates of identity and visas.
 Petroleum and other liquids and substances declared by Federal law to be dangerously inflammable so far as regards possession, storage and transport.
 Pilgrimages to places beyond India including Hedzas.
 Repatriation except in its relation to Labour.
 State lotteries.

LEGAL.

Acts.

Advising Government—

- (a) in matters of litigations, appeals, etc.;
- (b) on legal questions which are, not of sufficient importance to necessitate a reference to the Advocate-General.

LEGAL—cont.

Bills, non-official—Scrutiny of.
 Government Bills—Drafting and scrutiny.
 Law Officers—References to.
 Legal assistance to Government servants.
 Legal and legislative publications, such as Codes, Acts, Manuals, etc.
 Legislation—Secretariat work connected with.
 Legislature—Rules of procedure and standing orders of—Scrutiny.
 Notifications—Scrutiny of.
 Subsidiary legislation, viz., Statutory Rules and Orders (other than Service Rules) and generally assist other departments in all matters of a legal nature that may be referred to it.

5. THE HON. DR. T. S. S. RAJAN, Minister for Public Health. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Adulteration of foodstuffs and other articles.
 Appeals from medical and public health staff employed under local boards and municipal councils.
 Burials and burial grounds other than European cemeteries.
 Choultries.
 Fairs.
 Hospitals and dispensaries.
 Inns and inn-keepers.
 Langarkhanas including Triplicane Poor House.
 Medical Administration, including medical questions relating to the Corporation of Madras and local bodies.
 Pilgrimages within British India.
 Places of Public Resort Act.
 Provincial works and buildings under the administrative control of the Public Health Department.
 Public Health, including public health questions relating to the Corporation of Madras and local bodies.
 Registration of births, deaths and marriages.
 Religious and charitable endowments.
 Sanitation.
 Stores—Rules and general questions.
 Town-planning.
 Vital statistics.

Concurrent subjects—

Health insurance, including invalidity pensions; old age pensions.
 Lunacy and lunatic asylums.
 Prevention of the extension from one unit to another of infectious or contagious diseases affecting men.

6. THE HON. SRI V. I. MUNISWAMI PILLAI, Minister for Agriculture and Rural Development. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

A. DEVELOPMENT DEPARTMENT.

Provincial subjects—

Agriculture including agricultural education.
Agricultural statistics.
Cinchona.
Cottage industries.
Fisheries.
Forests, including ryots' and panchayat forests.
Marketing.
Money-lending and money-lenders.
Protection of wild animals and birds.
Provincial works and buildings under the administrative control of the Agriculture, Cinchona, Fisheries, Forest and Veterinary Departments.
Rural indebtedness.
Statistics for purposes of provincial matters.
Veterinary department including Veterinary Education.
Weights and measures.

Concurrent subjects—

Prevention of the extension from one unit to another of infectious or contagious diseases or pests affecting animals or plants.
Statistics for the purpose of any of the matters in the concurrent field.

Federal subjects—

Botanical survey.
Census.
Fishing and fisheries beyond territorial waters.
Meteorology—Federal organizations.
Standards of weight.
Statistics for the purpose of any of the Federal matters.
Zoological survey.

B. REVENUE DEPARTMENT.

Provincial subjects—

Excise duties on the following goods manufactured or produced in India—
(a) Alcoholic liquors for human consumption.
(b) Opium, Indian hemp and other narcotic drugs and narcotics; non-narcotic drugs.
(c) Medicinal and toilet preparations containing alcohol, opium, etc.
Production, manufacture, possession, transport, purchase and sale of intoxicating liquors, opium and other drugs and narcotics.
Provincial works and buildings under the administrative control of the Excise Department.

7. THE HON. SRI V. V. GIRI, Minister for Industries and Labour. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Co-operative Societies.
Depressed classes and labour.
Development of industries other than cottage industries.
Economic conditions including wages and prices (not famine relief).
Mines and oil-fields and development of mineral resources.
Provincial works and buildings under the administrative control of the Co-operative, Industries and Labour Departments.
Taxes on mineral rights.
Trade and commerce.
Unemployment; relief of the poor.
Unincorporated trading associations.

Concurrent subjects—

Contracts, including partnership, agency, contracts of carriage and other special forms of contract.
Factories.
Indian Partnership Act.
Industrial and Labour disputes.
Trade unions.
Unemployment insurance.
Welfare of labour—
Employer's liability and workmen's compensation.
Provident funds.

Federal subjects—

Banking—Conduct of banking business by corporations.
Cheques, bills of exchange, promissory notes and other like instruments.
Corporations—Incorporation, regulation and winding up of trading corporations, including banking, insurance and financial corporations but not including co-operative societies.
Customs duties including export duties.
Development of industries where development under Federal Control is declared by Federal Law to be expedient in the public interest.
Emigration and immigration in their relation to Labour.
Geological survey.
Import and export across customs frontiers.
Indian Companies Act.
Insurance—The Law of insurance and the conduct of insurance business.
Inventions, designs, trade marks and merchandise marks.

Federal subjects—cont.

Mines and oil-fields and mineral development—Regulation of (to the extent to which such regulation and development under Federal Control is declared by Federal Law to be expedient in the public interest) and regulation of labour and safety in mines and oil-fields.

Provident insurance societies.

Repatriation, in its relation to Labour.

Tariffs.

Taxes on the capital of individuals or of companies.

8. THE HON. SRI S. RAMANATHAN, Minister for Public Information. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Publicity—General.

Publicity—Free or concessional supply of Government publications.

Presidency Administration Reports.

EDUCATION DEPARTMENT.

Provincial subjects—

Books—

Copyright—

Registration of.

Books and periodicals—Questions relating to their purchase and supply to public offices.

Certificate of age and qualification.

Government Presses.

Liveries and clothing.

Madras Record Office.

Provincial gazetteers.

Stationery and printing.

Translators to Government.

Zoological gardens.

Concurrent subjects—

Legal, medical and other professions.

Federal subjects—

Ancient and historical monuments.

Archæology and Epigraphy.

Copyright.

Federal agencies and institutes for research, for professional or technical training, or for the promotion of special studies.

The Imperial Library, the Indian Museum and any other similar institution controlled or financed by the Federation.

9. THE HON. SRI B. GOPALA REDDI, Minister for Local Administration. Took his seat on the 14th July 1937 and is in charge of the following portfolios:—

Provincial subjects—

Appeals from employees of local boards and municipal councils other than educational, medical and public health staff.

Capitation taxes, taxes on professions, trades, callings and employments.

Cesses on the entry of goods into a local area.

Charities and charitable institutions.

Corporation of Madras.

Local boards—General administration and all matters relating to them not specifically assigned to other departments.

Local bodies—Audit reports of.

Local self-government including village administration and panchayats.

Markets.

Monigar Choultry.

Municipal councils—

General administration and all matters relating to them not specifically assigned to other departments.

Taxes on animals.

Taxes on land and buildings, hearths and windows.

Taxes on luxuries, including taxes on entertainments, amusements, betting and gambling.

Taxes on the sale of goods and on advertisements.

Tolls.

Tramways within municipalities.

10. THE HON. SRI C. J. VARKEY, Minister for Education. Took his seat on the 7th January 1939 and is in charge of the following portfolios:—

EDUCATION.

Provincial subjects—

Appeals from educational staff employed under local boards and municipal councils.

Civil Orphan Asylum.

Education including European and Anglo-Indian education and educational questions relating to the Corporation of Madras and local bodies.

Examinations except Public Service Notification and Board of Examiners.

Libraries.

Literary, scientific, religious and other societies and associations.

Museums.

Preservation and translation of ancient manuscripts.

**PRINCIPAL OFFICERS OF THE MADRAS
LEGISLATIVE COUNCIL.**

President.

THE HON. DR. U. RAMA RAO.

Deputy President.

SRI K. VENKATASWAMI NAYUDU.

Panel of Chairmen.

- 1 KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR.
- 2 THE RT. HON. V. S. SRINIVASA SASTRI.
- 3 SRI T. A. RAMALINGAM CHETTIYAR.
- 4 „ V. V. JOGAYYA PANTULU.

Secretary to the Council.

SRI D. K. V. RAGHAVA VARMA, B.A., B.L.

ALPHABETICAL LIST OF MEMBERS OF THE MADRAS
LEGISLATIVE COUNCIL.

Name of member.	Name and class of constituency.
1 Abdul Wahab, Munshi ..	Madras North, Muhammadan.
2 Abdul Wahab Bukhari, Syed.	Madras North Central, Muham- madan.
3 Ahmed Meeran, S. K. ..	Madras South, Muhammadan.
4 Alagannan Chettiyar, Rao Sahib A. S.	Madura, General.
5 Bheema Rao, B.	Bellary, General.
6 Daivasigamani Mudaliyar, Diwan Bahadur K.	Chingleput, General.
7 Ganga Raju, V. alias Gan- gayya.	West Godavari, General.
8 Ghulam Jilani Quraishi, Khan Bahadur Moulavi.	Madras South Central, Muham- madan.
9 Gonsalves, S. J.	Indian Christian.
10 Hamid Sultan Marakkayar, Khan Bahadur.	Madras South Central, Muham- madan.
11 Hensman, Mrs. M.	NOMINATED.
12 Kumaraswami Mudaliyar, Medai Dalavoi.	Tinnevelly, General.
13 Madhava Menon, K. ..	Malabar, General.
14 Mallikarjunudu, K. P. ..	Kistna, General.
15 Mammu Keyi, C. P. ..	Madras West Coast, Muham- madan.
16 Manjaya Hegde, D.	South Kanara, General.
17 Moidu, Khan Bahadur T. M.	Madras West Coast, Muham- madan.
18 Narayana Menon, M. ..	Malabar, General.
19 Narayana Rao, M.	Anantapur, General.
20 Narayanaswami Nayudu, B.	Kistna, General.
21 Peddi Raju, P.	West Godavari, General.
22 Perumalswami Reddiyar, C.	North Arcot, General.
23 Rajan, The Hon. Dr. T. S. S. (Minister).	NOMINATED.
24 Ramakrishna Reddi, Rao Bahadur M.	Chittoor, General.
25 Ramalingam Chettiyar, T. A.	Coimbatore cum Nilgiris, General.
26 Ramalinga Reddi, Dr. C. ..	NOMINATED.
27 Raman, Rao Bahadur M. ..	NOMINATED.
28 Ramanathan Chettiyar, S. A. S. Rm.	Tanjore, General.
29 Rama Rao, The Hon. Dr. U. (President).	Madras City, General.
30 Rangaswami Ayyangar, A.	Ramnad, General.
31 Reid, D. M.	European.

Name of member.	Name and class of constituency.
32 Runganathan, Diwan Bahadur S. E.	Indian Christian.
33 Saldanha, J. A.	Indian Christian.
34 Samiappa Mudaliyar, Rao Bahadur N. R.	Tanjore, General.
35 Sankara Reddi, N.	Kurnool, General.
36 Satagopa Mudaliyar, S. K.	Salem, General.
37 Sivasubrahmanya Ayyar, K. S.	Tanjore, General.
38 Srinivasa Ayyangar, K. V.	Trichinopoly, General.
39 Srinivasa Ayyangar, R. . .	South Arcot, General.
40 Srinivasa Ayyangar, T. C. . .	Ramnad, General.
41 Srinivasan, Diwan Bahadur R.	NOMINATED.
42 Srinivasa Sastri, P.C., C.H., The Rt. Hon. V. S.	NOMINATED.
43 Sriramamurti, D.	East Godavari, General.
44 Subba Raju, Nadimpalli . .	East Godavari, General.
45 Subbarama Reddi, L. . . .	Nellore, General.
46 Subba Rao, L.	East Godavari, General.
47 Thomas, Dr. P. J.	NOMINATED.
48 Usman, K.C.I.E., Khan Bahadur Sir Mahomed.	NOMINATED.
49 Vasanta Rao	Cuddapah, General.
50 Veerabhadraswami, P. . . .	Vizagapatam, General.
51 Venkatachalamaji, N. . . .	Vizagapatam, General.
52 Venkata Jogayya Pantulu, V.	Vizagapatam, General.
53 Venkatapunnayya, V. . . .	Guntur, General.
54 Venkata Reddi Nayudu, K.C.I.E., Dr. Sir Kurma.	NOMINATED.
55 Venkataswami Nayudu, K. (Deputy President).	Madras City, General.

THE MADRAS LEGISLATIVE COUNCIL

THIRD SESSION OF THE FIRST LEGISLATIVE COUNCIL UNDER THE GOVERNMENT OF INDIA ACT, 1935.

Friday, the 27th January 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—CONDOLENCE RESOLUTION *RE* THE DEATH OF THE HON. SRI K. RAMAN MENON.

* THE HON. DR. T. S. S. RAJAN:—“ Sir, I have the painful duty of moving this resolution to be adopted by this House, viz.—

‘That an expression of the profound regret of this Council at the death of the late Hon. Sri K. Raman Menon, Minister in charge of Courts and Prisons, and of sympathy with his bereaved family be placed on record and conveyed to them.’

“ Sir, it is perhaps one of the most painful duties that I have to perform particularly when one remembers that he had been a colleague with us for months together working away for all he was worth, and discharging the duties which he was called upon to discharge by the electorate. The late Mr. Raman Menon was personally known to me and I have claimed him as one of my friends. I came into close contact with him in the Vellore jail during the Satyagraha campaign of 1930. A few days’ contact with him was enough to make me feel the pleasure of contact with a man of high ideals, a man of truth and a man to whom conviction was everything in life. He was a pleasant companion who faced the trials of jail life very cheerfully indeed. Neither of us knew that we would meet as colleagues in the discharge of our duties as Ministers. But separated as we were since we pursued different walks of life, it had been a peculiar pleasure to me and a great happiness which will not recur again to have had the privilege of working with him as Minister. Sir, he was as true as gold, straight in his dealings and courteous to friends and enemies alike. He was always ready to shoulder the burden that he was called upon to bear. He understood the implications of service. To lose him just at the outset of our career is indeed an

[Dr. T. S. S. Rajan] [27th January 1939]

irreparable loss. The loss is not only a loss to the Congress party and to the Government, but to the whole country. Few men could be compared to him in all that he represented as Minister and as a patriot who has suffered for the cause of the country. He was not a very rich man as rich people are understood to be now-a-days. He was born poor but the merit of his service was in the fact that he was true and faithful. He was a man of very large family, young in years with a bright future before him, but Providence willed otherwise and he has been snatched away from our midst. We cannot sufficiently express the feelings that surge in our minds at the irreparable loss we have suffered. May his soul rest in peace! We offer our sincere condolences to his family; and all those that are left behind him will, I am sure, remember the high example that he set in the discharge of the duties of his office. His memory will always remain fresh in our minds."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Mr. President, Sir, I second the resolution with grief. I have not had the privilege of personal acquaintance with the late Mr. Menon, as the Hon. the Leader of the House. I became acquainted with him only after becoming a member of this Council. Within a very short time I found him to be a very sympathetic man and a sincere and true gentleman. I do not want to say more on this occasion except to associate myself whole-heartedly with all the sentiments expressed by the Hon. the Leader of the House."

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—" Mr. President, I should like to associate myself with the sentiments which have been expressed by the Hon. the Leader of the House and the hon. the Leader of the Opposition at the passing away of the Hon. Mr. Raman Menon. He was a very popular Minister and his death is a great loss not only to the Government and this House but also to the whole country. If he had not died at the early age of 42 but lived longer, he would no doubt have served this country in various capacities and given a very good account of himself as a great nationalist. Mr. Raman Menon was one of those gentlemen who made no distinction between members of his own party and members of other parties. He was very popular not only with members of his own party but with members of other parties also. I can say without any hesitation and without any fear of contradiction that he was one of those few persons who had all friends and no enemies. Therefore his death is a great loss to this country. Let us take this opportunity of conveying our sincere condolences to his family and to those who are left behind him."

* MR. D. M. REID:—" Mr. President, I should like to associate myself very deeply with what has been said by the Hon. the Leader of the House and the other speakers regarding the sad demise of Mr. Raman Menon. We all feel very deeply

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the irreparable loss which not only the Congress party and this House but the whole Presidency has suffered in the parting of so young and so able an administrator, legislator and Minister as Mr. Raman Menon. In my association with him I found him a deep-seated social reformer with a wide vision and deep interest in everything that was best for his people, with a fiery resolve ever to progress forward and at the same time realizing the necessity of orderly obedience to his party. He was of an endearing nature, always ready to listen patiently and grasp everything that was said to him. I am sure he was looking forward to a future when there would be great happiness to his people, but that was most unfortunately cut short by his death. Sir, I wish to associate myself very deeply with this motion."

* KHAN BAHADUR T. M. MOIDU SAHIB BAHADUR:—" Mr. President, though I come from the West Coast, it is not that attachment which impels me to say a few words on this occasion about the lamentable death of Mr. Raman Menon. I knew him long before he became Minister and I know that he was a true son of the soil who was determined to devote his life to work for the salvation of the country. Though I belong to the Opposition, I have found him as a Minister to be very sincere and friendly in his dealings with everybody else in the House. Had it not been for the strict discipline that was imposed on him, he would have been very useful to the House in measures which the Congress Ministry has passed by giving his valuable support to some of the amendments which he thought to be necessary. But discipline made him silent. We all expected that he would live long to serve his country, but his sudden demise has cast not only the members of the Congress but everybody irrespective of caste and creed into mourning. When I read the news of his death in a local paper I was really shocked. I beg to associate myself with all the sentiments which have been expressed by the Hon. the Leader of the House and the other members who have spoken before me and request you, Sir, to convey our heartfelt sympathy to the bereaved family."

DR. SIR K. V. REDDI NAYUDU:—" Mr. President, I wish to associate myself with the sentiments which have been expressed by all the previous speakers. I did not of course know Mr. Raman Menon quite as well as some hon. Members who have spoken before me, but it was not necessary to have known him long to form an estimate of his character. During the year and a half during which he had been Minister he has given proof of sincerity, honesty and good-will. The impression that he created upon my mind was that he was a perfect gentleman. He had a noble heart that could appreciate what is being said on this side of the House. We never had occasion to complain about anything that he said,

[Sir K. V. Reddi Nayudu] [27th January 1939]

because everything he said was inspired by the best of spirits. His death is a great loss to the country. I believe that he had great schemes for making improvements in the jail administration and in the administration of civil justice. We had no clue as to what he was thinking of, but we were certain that he was thinking of making some very good improvements. But we are now deprived of that opportunity. In that sense also his death is a great loss to the country. Like other hon. Members I pray for the peace of his soul. Let his example be followed as far as possible in this House and in the country outside."

* DR. C. RAMALINGA REDDI:—"Mr. President, as one of the old members of this Council I should like to associate myself most heartily with the sentiments and the sorrow which the Hon. the Leader of the House has expressed on this occasion. The Hon. Dr. Rajan has on this occasion spoken for all sections of the House and I do not think it is necessary to say more than a few words of personal tribute. Sir, I have had the fortune of coming into contact with this young Minister on more than one occasion.

11-15
a.m.

"I was very much struck by his disinterested love of service to the country. I may add that, on a certain occasion when it happened that he had to reply to important points, he replied so ably to the points, and I rose and passed across the table and congratulated him on his ability in piloting an important measure. He is one only of a few men not only to be admired but also to be loved; he was a man of very nice temperament and of the right kind of heart to be loved. It is a great loss not merely to the party in which he moved in intimate terms but to the public life of our Presidency and the country in general and to all those who wish to see that our polity function on a high level, right temper and spirit of right judgment. I request you, Sir, to convey to the unfortunate widow of Mr. Raman Menon the sympathy of all sections of this Council on his death."

* SRI R. SRINIVASA AYYANGAR:—"Mr. President, Sir, the mere fact that six distinguished members of the Opposition have spoken on the demise of the late Mr. Raman Menon, testifies in a large measure to the popularity he enjoyed. The cruel hand of Death snatched him away from our midst though he was very young. We all feel that his loss is great, colossal, stupendous and irreparable. He was the very pink of courtesy. Though he was in office for less than a year and a half, he had shown remarkable powers. To the country his loss is great. So far as this House and the Presidency are concerned, it is equally a great loss; it is a great national loss and he has left a void which it will be difficult to fill up. Though not rich materially as we understand it, he was rich in the immensity of robust patriotism, love of the country and a yearning and desire to serve the country in all possible directions.

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He had a burning desire to serve the country; he was full of patriotism and he was prepared to go to any length for the purpose of serving the country as a whole. It was a great loss especially when he had a robust constitution; he was called away by the Maker sooner than was expected. As I began, I shall end by saying that it is a national loss to the Province generally and to the Congress party in particular, of which he was an ornament. We feel, Sir, his death very deeply. May his soul rest in peace!"

MR. PRESIDENT:—"I desire to associate myself with the sentiments expressed by the Hon. the Leader of the House and other hon. Members. The late Mr. Raman Menon was an amiable friend, a genuine patriot and a great national worker. In the death of Mr. Raman Menon, the country has lost an able administrator and society a perfect gentleman. I hope that the resolution will be adopted by the House, all members standing. The question is:

'That an expression of the profound regret of this Council at the death of the late Hon. Sri K. Raman Menon, Minister in charge of Courts and Prisons, and of sympathy with his bereaved family be placed on record and conveyed to them.'"

The resolution was passed, all the members standing.

II.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Import of rice, jaggery, etc., and its effect on local products.

* 133 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that there are heavy imports of rice, broken rice and of late jaggery also into this Presidency;

(b) whether it is a fact that the heavy increase in imports of paddy, rice and jaggery have affected the prices of local products and that the present low import duty on broken rice has had no deterrent effect; and

(c) whether the Government will place on the table a statement showing the quantity of rice and jaggery produced, exported and imported into this Presidency during the last five years?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—" (a) There were heavy imports of paddy and rice though the imports in 1937 were less by 27.8 per cent when compared with the imports of 1935. The imports of cane jaggery are not appreciable.

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"(b) The imports of paddy and rice have affected the prices of local paddy and rice but the imports of jaggery have not affected the prices of the local product. The imposition of duty on broken rice made no difference as broken rice continued to come from Burma instead of from foreign countries.

"(c) Three statements^a furnishing the information are laid on the table of the House."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"May I ask, Sir, whether the Government are aware of the fact that during the last two months, a large quantity of paddy and rice has been imported into the Madras Presidency with the result that there is a great fall in the prices of rice and paddy here?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"I think so, Sir."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"May I ask if the Government would levy an import duty on paddy and rice and jaggery?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"It being a Central subject, it is not possible for the Local Government to impose import duty."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I ask whether this Government have recommended the same to the Central Government?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"We have already done so. But according to the trade regulation existing between India and Burma, it is not possible to do anything immediately."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Will the Hon. Minister be pleased to state whether the Government have received any representations from non-officials and whether the Government have communicated them to the Government of India?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"So far, we have not received any representation."

Expenditure on Madras Medical College and its buildings and on Stanley Medical College and the expenditure on Vizagapatam Medical College and Hospital.

* 134 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Public Health be pleased to state—

(a) what is the amount spent for the Medical College buildings and for the Medical College at Madras from 1920 to 1938;

^a Printed as Appendix I on page 56 infra.

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(b) what is the amount spent for the Medical College and Hospital at Vizagapatam respectively year-wise since its starting;

(c) what is the amount required for the Vizagapatam Medical College and Vizagapatam Hospital respectively to make it fully equipped and to satisfy the requirements of the Medical Council for getting affiliation and recognition of the Andhra Medical degrees;

(d) what is the amount spent for the Stanley Medical College at Madras; and

(e) what was the necessity for having a second Medical College at Madras?

THE HON. DR. T. S. S. RAJAN:—" (a) & (b) A statement^a showing the required information is laid on the table of the House.

"(c) The attention of the hon. Member is invited to the answer to Legislative Council unstarred question No. 31.

"(d) No additional expenditure has so far been incurred.

"(e) Consequent on the abolition of the Stanley and Lady Willingdon Medical Schools, it was necessary to open a new Medical College as the two existing colleges could not admit more candidates for want of accommodation and as the Government did not want to reduce the facilities for the teaching of medical students."

Supersession of panchayat boards since July 1937.

* 135 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Local Administration be pleased to state the names of the several panchayat boards that were superseded since July 1937 up to date, the party that was in power when ordering supersession, the names of the persons appointed to act as Special Officers in respect of such supersession, the party to which such appointees belonged and their remuneration?

THE HON. SRI B. GOPALA REDDI:—"A statement^b showing the names of panchayats superseded after July 1937 and of the persons appointed as Special Officers with information as to their remuneration is placed on the table of the House. The Government have no information as to the party to which the Special Officers belonged or as to the party that was in power in the panchayats when supersession was ordered."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Will the Hon. Minister be pleased to call for further information?"

THE HON. SRI B. GOPALA REDDI:—"The information is not available."

^a Printed as Appendix II on page 57 infra.
^b Printed as Appendix III on page 58 infra.

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SRI B. NARAYANASWAMI NAYUDU:—" May I ask whether the Hon. Minister cannot give which party was in power, the Congress party or any other party? "

THE HON. SRI B. GOPALA REDDI:—" As far as I know, no organized party conducted the elections to the panchayat boards; it is not possible to say to which parties they belonged."

SRI B. NARAYANASWAMI NAYUDU:—" Were not the elections conducted on the colour-box system? "

THE HON. SRI B. GOPALA REDDI:—" When some of these panchayat members were elected, the colour-box system was not introduced."

SRI B. NARAYANASWAMI NAYUDU:—" May I ask whether the Hon. Minister cannot say which party was in power and which was not? "

THE HON. SRI B. GOPALA REDDI:—" The elections for most of these panchayat boards that were superseded, were held in the years 1936 and 1937; the colour-box system was introduced last year."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" With regard to the Special Officer appointed to Orattanad panchayat, viz., Sri P. A. Ramakrishna Reddy, B.A., may I know to which district he belongs? "

THE HON. SRI B. GOPALA REDDI:—" I should like to have notice."

SRI B. NARAYANASWAMI NAYUDU:—" Do not the Government know to which party the Special Officer, Sri A. Nageswara Rao, belongs? "

THE HON. SRI B. GOPALA REDDI:—" The hon. Member put a separate question on this point, and it was replied, though the hon. Member was absent on that occasion, that he did not belong to the Congress party."

SRI B. NARAYANASWAMI NAYUDU:—" May I know to which party Sri Duggirala Krishnamurti belongs? "

THE HON. SRI B. GOPALA REDDI:—" I know that he belongs to the Congress party."

SRI B. NARAYANASWAMI NAYUDU:—" Sri A. Ramayya? "

THE HON. SRI B. GOPALA REDDI:—" I do not know."

SRI B. NARAYANASWAMI NAYUDU:—" May I know if the Hon. Minister will place before the House a statement showing the parties to which these Special Officers belong? "

THE HON. SRI B. GOPALA REDDI:—" It is not necessary; they belong to the Government service now, after their appointment."

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Government Medical officers and private practice.

* 136 Q.—SRI RAO BAHADUR M. RAMAN: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether under the present proposal of the Government not to allow Medical officers in Government service to have private practice, the I.M.S. officers are granted any exemption and allowed to have private practice and if so, for what reason; and

(b) what proportion does the salary of the I.M.S. officers bear to that of the officers in the Provincial Medical Service?

THE HON. DR. T. S. S. RAJAN:—" (a) The question of restricting private practice to Government medical officers who are under the rule-making powers of this Government is under consideration and no final decision has been arrived at in the matter. Indian Medical Service officers are not under the rule-making powers of this Government and this Government have therefore no control over the private practice of these officers.

" (b) The proportion of the salary of the Indian Medical Service officers to that of officers of the Madras Medical Service is approximately 1: 5."

Treatment for tuberculosis patients in the hospitals in South Kanara.

* 137 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state—

(a) what the approximate number was of tuberculosis out-patients treated in Government hospitals in South Kanara outside Mangalore in the years 1936-37 and 1937-38;

(b) what measures have been adopted for the treatment of such cases in those hospitals;

(c) whether there are any special private hospitals and homes for treatment of tuberculosis in-patients in South Kanara; if so, which;

(d) whether Government are giving any aid to any of those institutions; and

(e) what the policy of Government is as to giving aid to such institutions?

THE HON. DR. T. S. S. RAJAN:—" (a) The total number of tuberculosis out-patients treated in the four Government hospitals in the South Kanara district (excluding Mangalore) in 1936-37 and 1937-38 was 238 and 221, respectively.

" (b) Usually, as soon as the disease is diagnosed, the patient is treated with cod liver oil, injections of sodium morrhuate and calcium. He is advised to take nourishing food and to have rest, plenty of air, etc. In the absence of separate staff,

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no other special treatment is possible. The patient is advised to seek further treatment at Madanapalle or in hospitals having special wards for tuberculosis, if he can afford it.

“(c) A mission hospital with about six beds has been recently opened near Moodibidri.

“(d) The answer is in the negative.

“(e) The Government generally give grants to private medical institutions, towards the cost of building, initial equipment and maintenance. Grants for these objects are being given to tuberculosis institutions also.”

MR. J. A. SALDANHA:—“ May I enquire how these patients are dealt with in the hospitals especially in Mangalore? What is the treatment that is given to them in the hospitals? ”

THE HON. DR. T. S. S. RAJAN:—“ Treatment within the hospital is left to the discretion of the District Medical Officer; the Government have nothing to do with it.”

MR. J. A. SALDANHA:—“ May I ask where these patients can go, especially as they are treated badly at home and they do not get admission anywhere in the hospitals? ”

THE HON. DR. T. S. S. RAJAN:—“ I am sorry that the Government cannot be held responsible for these poor patients; they can only do their duty to the extent that accommodation is available in the hospitals.”

MR. J. A. SALDANHA:—“ Is the accommodation quite adequate for the purpose? Apart from beds in the Mangalore hospital, are there any beds in the whole district for such patients? ”

THE HON. DR. T. S. S. RAJAN:—“ I have already informed the hon. Member the provision made in the district for patients. It may not be adequate, but it cannot be helped just now.”

MR. J. A. SALDANHA:—“ Will the Government be prepared to give aid to private institutions, if they are prepared to undertake this work? ”

THE HON. DR. T. S. S. RAJAN:—“ This is a hypothetical question which does not require an answer.”

UNSTARRED QUESTIONS.

Export value of tobacco trade in the Presidency.

36 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Industries and Labour be pleased to state what the total export value of the tobacco trade is for the Madras Presidency as a whole and for each district in particular; and what expenses the Government incur upon tobacco in the matter of production, sale and otherwise?

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A.—Tobacco exported by rail and sea to foreign countries as well as to other parts of India during 1937–38 has been valued as follows:—

	CRORES OF RS.	
Unmanufactured tobacco	...	2.38
Manufactured tobacco	...	0.53
Total	...	2.91

More than 70 per cent of the trade in unmanufactured tobacco is confined to the Guntur district, and the rest of the trade is accounted for mainly by the districts of East and West Godavari, Coimbatore, Trichinopoly, Madura, Salem and South Arcot. It is impossible to give even an approximate estimate of expenditure incurred on this specific commodity. The activities of the several departments of Government affect this commodity. Mention may however be made of a few specific items of expenditure such as the running by the Government of India of an agricultural sub-station for tobacco research at Guntur. The Provincial Agricultural Research Station at the same place is engaged on the work of evolving and distributing improved tobacco types: lastly, to help the development of the trade in cigarette tobacco, the marketing section of the Government of India has provided a subsidy of Rs. 1,500 in the first year for the Indian Tobacco Association, Guntur.

Certain improvements to Wenlock and Lady Goschen Hospitals at Mangalore and proposal, if any, for opening clinics for tuberculosis patients.

37 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state—

(a) what defects have been found in the buildings and water-supply in the Wenlock Hospital for Men and the Lady Goschen Hospital for Women at Mangalore;

(b) what measures are proposed and sanctioned for the necessary improvements therein and at what cost;

(c) what measures are contemplated and sanctioned as to clinics for out-patients and for accommodation and treatment of in-patients suffering from tuberculosis in the Lady Goschen Hospital for Women;

(d) how many women patients were admitted for treatment as in-patients for tuberculosis in the same hospital as well as in the Wenlock Hospital in 1937–38 respectively; and

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(e) how many out-patients suffering from tuberculosis were treated in both the hospitals in 1937-38?

A.—(a) The main defects that have been noticed in the buildings of the Wenlock Hospital for men at Mangalore are that the accommodation in the out-patient block is inadequate, that the kitchen and the latrines are of the old type and that the water-supply not only becomes scarce in summer but also its present distribution is not made through pipes. The defects that have been noticed in the buildings of the Lady Goschen Hospital are that the store room is not large enough to keep all the drugs, instruments, etc., that the latrines are of the old type and that the water-supply not only becomes insufficient but it is not also distributed through pipes.

(b) Plans and estimates for the urgent improvements necessary have been prepared; but the Surgeon-General has deferred their consideration on account of financial stringency.

(c) Proposals for the treatment of in-patients suffering from tuberculosis will be considered as part of a general scheme for the treatment of tuberculosis for the whole Presidency. As regards clinics for out-patients, the Surgeon-General has called for necessary plans and estimates.

(d) Eighty-six women were admitted during 1937-38 as in-patients for treatment of tuberculosis in the Lady Goschen Hospital. Female patients are not admitted in the Wenlock Hospital except mental cases sent for observation. No female in-patients were treated in this hospital for tuberculosis.

(e) Five hundred and sixty-four out-patients were treated for tuberculosis in both the hospitals.

Conferences for Collectors and grants made in respect of those conferences.

38 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) what the various objects are for which the periodical conferences of the Collectors and heads of departments of the districts in this Province are held;

(b) what the various funds are that are placed at the disposal of the conferences for the several schemes;

(c) what amounts were provided for the several schemes in each of the districts for the year 1938-39;

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(d) whether the Government have ascertained and found that the grants were adequate for the purposes in view;

(e) if comparatively, having regard to area and population of any of the districts, the grants were low—what the reasons were therefor; and

(f) whether the Government have received reports as to the progress and utility of the conferences and what reforms have been sought and contemplated?

A.—(a) The object of the periodical conferences is to advise the Collectors on all matters of general importance appertaining to the welfare and administration of the respective districts.

(b) to (e) No funds have been placed at the disposal of the conferences. But funds as specified in the appendix ^a have been placed at the disposal of District Collectors out of the Government of India Rural Reconstruction grant and it is open to them to consult these conferences in the matter of expending the grants. The grants must be spent out within a period of three to five years. The objects on which the funds have to be spent have been explained to the Collectors. The distribution of grants has been made on a rural population basis. Special grants are also given to finance any special schemes reported by the Collectors.

(f) Yes; the Government receive copies of proceedings of the conferences and a quarterly review of the work done by them. Suggestions and proposals made at these conferences are examined by the Collectors and appropriate action is taken.

Particulars as to quantity, purpose, etc., of several kinds of liquors exempted from the operation of the Madras Prohibition Act.

39 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to place before the House a statement showing the various liquors exempted, licensed and permitted under sections 18, 19 and 20 of the Madras Prohibition Act, the bodies or persons so privileged with the quantities of the liquors allowed and the purposes wherefor, in the Salem district for the six months ending 31st March 1938 and the six months ending 30th September 1938?

A.—The detailed information asked for is not collected in the usual course of administration and it would involve

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considerable time and labour to collect it. The Government do not consider that in the circumstances they would be justified in calling for the information and publishing names of permit-holders. The general position is as follows. Spirit in medicinal preparations, culinary, aerated water and other flavouring essences, extracts and colourings and perfumes and toilet preparations has been exempted from the provisions of the Madras Prohibition Act, subject to certain conditions. Licences for the possession, import, transport, sale and use of denatured spirit, methylated spirit and rectified spirit, licences for the sale, possession and use of brandy and medicated wines for medicinal purposes, licences for the manufacture, consumption and sale of sweet toddy and authorities for the possession and use of sacramental wine have been issued to various persons and institutions in accordance with the rules framed under the Act. Eighty-four individuals and two clubs have also been given permits and licences for the consumption and possession of bottled foreign liquor.

Subsidy to handloom industry.

40 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) what the amount placed by the Central Government at the disposal of the Provincial Government is for subsidy to the handloom industry of the Province since 1935 and for what period it has been assured;

(b) what the plan of Government is for spending it;

(c) what the provincial agency is through which the distribution is made and subject to what conditions;

(d) what the number of primary co-operative weavers societies is to which subsidies and loans are given under the scheme in each district;

(e) which such co-operative societies are in South Kanara which are selected for subsidies and loans, from which dates and to what extent;

(f) whether the South Kanara District Handloom Weavers District Co-operative Society, Limited, applied for cash credit and subsidy and if so, how far supported by the authorities of Co-operative and Industries department; and

(g) whether the applications have been complied with or refused and, if refused, on what grounds?

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4.—(a) The amounts placed at the disposal of this Government from 1934-35 to 1938-39 are as follows:—

	Rs.
1934-35	26,500
1935-36	59,500
1936-37	68,800
1937-38	68,800
1938-39	68,800

The grant was assured for a period of five years from 1st November 1934.

(b) & (c) The attention of the Hon'ble Member is invited to G.O. No. 368, Development, dated 8th March 1935, which has been placed at the disposal of the Press. The Government order has also been placed in the Library of the Legislature.

(d) A statement furnishing the information is appended.

(e) The following societies in the South Kanara district have been given subsidies and loans:—

Names of societies.	Date from which subsidy is given.	Amount of subsidy per annum.	Loans disbursed by Provincial Society till 30th June 1938.	
			Yarn loans.	Cash loans.
		RS.	RS.	RS.
1 Nilshwar weavers' society.	11th November 1936.	17	500	300
2 Ujre weavers' society.	2nd March 1938.	16	150	80
3 Kasaragod weavers' society.	After 30th June 1938.	16	200	75
4 Perla Satyanarayana.	Do.	16	100	100

(f) The answer is in the affirmative. Applications for loan or subsidy do not pass through the Registrar of Co-operative Societies or the Director of Industries and Commerce.

(g) Only primary weavers' societies are eligible for subsidies. The resources of the Provincial Society are not sufficiently large to meet even the demands for loans from the primary societies. As this society is a "central society," with a few primary societies affiliated to it, its application for loan had to be refused. It was, however, advised to apply for assistance to the South Kanara District Co-operative Bank, Limited.

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

III.—MOTION RE ORDER OF BUSINESS UNDER RULE 15 (3) OF THE MADRAS LEGISLATIVE COUNCIL RULES.

11-30
a.m.

* THE HON. DR. T. S. S. RAJAN :—“ Sir, I move—

‘ that the order of business of the Council as arranged in the list of business be revised slightly.’

“ I want the House to accept the motion. The debate on the Report of the Madras Estates Land Act Committee is still continuing in the other House. Since we have got a lot of other legislative business to be got through here, I thought I could suggest to this House that they may be pleased to take up all the subjects in the order mentioned in the Agenda except the discussion of the Madras Estates Land Act Committee Report. First of all, I would suggest that item (1) under ‘ III—Bills ’ be taken up, viz., the Madras Registration of Births and Deaths (Amendment) Bill, 1939.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—
“ May I know how long the sitting is likely to take place to-day? ”

MR. PRESIDENT :—“ As usual till 1 p.m. or at the most till 1-15 p.m.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ I have no objection, but with regard to the other business, viz., the Public Health Bill, I think it should not be taken up to-day.”

* THE HON. DR. T. S. S. RAJAN :—“ I do not see any reason why it should not be taken up to-day, Sir. We have circulated the Bill and we have given timely intimation of it to the members here. We shall get on with the other subjects as they are mentioned in the agenda, and as soon as item ‘ III—Bills ’ is over, we shall take up the discussion of the Madras Estates Land Act Committee Report.”

* KHAN BAHADUR T. M. MOIDU SAHIB BAHADUR :—“ I want to know how long the Council will continue to sit, because one of the most important festivals of the Muhammadans, the Bakird, is falling on the 31st January in the mufassal. So members may be anxious to go back to their homes.”

* THE HON. DR. T. S. S. RAJAN :—“ Sir, the duration of the sitting of the Council depends mostly upon the House, and I do not know how far we can give any assurance in regard to that, at any rate, on behalf of the Government; because we are in the hands of the House and the House must decide as to the procedure to be followed. And if hon. Members so desire, as the hon. Member has expressed just now, I suppose the House could accommodate him and try to get through the business as early as possible, but nobody can say anything definite on that point.”

The motion was then put and carried and item No. (1) under ‘ III—Bills ’ was taken up.

27th January 1939]

IV.—GOVERNMENT BILLS.

(1) THE MADRAS REGISTRATION OF BIRTHS AND DEATHS (AMENDMENT) BILL, 1939 (L.A. BILL NO. 1 OF 1939), AS PASSED BY THE ASSEMBLY.

THE HON. DR. T. S. S. RAJAN :—“ I beg to move—

*‘ that the Bill * to amend the Madras Registration of Births and Deaths Act, 1899 for a certain purpose (L.A. Bill No. 1 of 1939) as passed by the Legislative Assembly, be taken into consideration at once.’*

“ Sir, there is nothing very much to say in explanation of the amendment that is now tabled and which is in the hands of hon. Members here. The Registration of Births and Deaths Act of 1899 contains a provision that in cases of lapse or offence against that Act, the sanction to prosecute has got to be obtained from the Tahsildar of the revenue division. That is as it stands. But it so happens that in the Revenue department not only Tahsildars but also Deputy Tahsildars are in charge of revenue taluks, particularly in zamindari areas where there are fewer Tahsildars and more Deputy Tahsildars. Therefore, in order to facilitate easy transaction of legal work and procedure, it has been found necessary that the power which is now given to the Tahsildar should be extended also to the Deputy Tahsildars. It is only a very small amendment, not of much consequence; but still as legislative sanction to the change is necessary, it has been brought forward. It has been accepted and passed by the Lower House, and now I place it before this House for consideration.”

DR. SIR K. V. REDDI NAYUDU :—“ Mr. President, I have no objection to it at all; but I should like to know from the Hon. the Minister whether the jurisdiction of the Deputy Tahsildar will be confined to the area now under his jurisdiction, or whether he will be able to receive complaints and sanction prosecutions in regard to persons who commit offences in areas outside the taluk under his jurisdiction.”

THE HON. DR. T. S. S. RAJAN :—“ That will be only in the area under his jurisdiction, Sir.”

The motion that the Bill be taken into consideration was put and carried.

MR. PRESIDENT :—“ I shall now put the clauses of the Bill to the House.”

Clauses 2 and 1 and the preamble were then put and carried.

THE HON. DR. T. S. S. RAJAN :—“ Sir, I move—

‘ that the Bill be passed into law.’ ”

The motion was put and carried, and Bill was passed into law.

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(2) THE MADRAS REVENUE RECOVERY (AMENDMENT) BILL, 1939
(L.A. BILL NO. 2 OF 1939), AS PASSED BY THE ASSEMBLY

THE HON. SRI T. PRAKASAM:—"Sir, I move—

'that the Bill a further to amend the Madras Revenue Recovery Act, 1864, for a certain purpose (L.A. Bill No. 2 of 1939), as passed by the Legislative Assembly, be taken into consideration at once.'

"I may say, Sir, that under section 52 of the Madras Revenue Recovery Act, 1864, power has been given to the Government already to collect all advances made for cultivation or other purposes connected with the revenue, and 'all fees or other dues payable by any person to or on behalf of the village servants,' etc. Now, the Government have to recover some money as rents on leases given by the Government to parties, as in the case of lanka lands. And when there is default in payment, and when the property is brought to sale and the money has to be realized, it is not clear that the amount could be realized as arrears of land revenue. It is only with a view to make it clear in such cases that this amendment of the Act has been brought before the House."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, it is really difficult for me to understand the implications of this Bill, which has been brought forward. What is necessary to enable the Government to recover arrears of revenue is put down in section 52 of the Act. Arrears of revenue, as all members of the House know, have been fixed under the settlement proceedings; and each land or each patta has got a certain amount due; and therefore, there is no dispute at all as to the amount due. The only question then is: how to recover it? The Hon. the Revenue Minister wants to introduce a provision that all dues in consequence of breaches of contract also should be similarly collected. Is it the intention of the Legislature that wherever the Secretary of State is a party, whatever might be the amount due, the Government should recover the amount by bringing the property to sale, taking it out of the house and putting it in the street? I can understand such a course in the case of arrears of revenue, which is a particular demand, which is a definite sum at the rate of so much per year. Reference has been made to lanka lands; in such cases, what is the rent in arrears? The intention seems to be to include under section 52 all claims including compensation for damage to be assessed. Are the Government going to assess it according to their sweet will and pleasure; and is the amount to be recovered by summary proceedings under the Revenue Recovery Act? I do not know the real purpose of this amendment. Suppose, for instance, the Government let out on contract some work of electric installation on a building erected on Government land and there is a breach of contract; is the amount due to the Government

^a Printed as Appendix VII on page 61 infra.

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under such breach of contract to be brought under the Revenue Recovery Act, or should it go to the ordinary civil courts for purposes of recovery? Sir, the explanation of the Hon. the Revenue Minister as to the real scope of the Bill is not satisfactory, and it looks to me extraordinary that this amendment should be attempted at all."

* THE HON. SRI T. PRAKASAM:—"Sir, under section 52 power was taken by the Government to recover moneys advanced to the ryots for cultivation purposes or other purposes connected with the revenue, and also to recover 'all fees or other dues payable by any person to or on behalf of the village servants employed in revenue or police duties, and all cesses lawfully imposed upon land' as if they were arrears of land revenue, 'unless the recovery thereof shall have been or may hereafter be otherwise specially provided for.' That is what we find already in section 52 of the Act. The hon. Member, Mr. Narayanaswami Nayudu, asks whether if there is a contract and if there is a breach of that contract, the new provision will apply to such cases. Apparently, the hon. Member, when he was advancing that argument, was under a misapprehension that it was only the land revenue as such that the Government were recovering under the Revenue Recovery Act. Section 52 already provides for other cases also, which I have just now read out from the section. What is now sought to be done is to extend that to other cases where the relationship is directly between the Government and the persons concerned. The hon. Member was asking: 'Does it apply to cases in which the Secretary of State would be a party?' Perhaps the hon. Member is under a mistaken impression as regards the rights of the Secretary of State in the land under the new Constitution. Sir, 11-45 there was a time when the land was vested in the Secretary of State. Under the present Constitution, that has been divested and it is now vested in the Provincial Government. So, there is no question of any land continuing to vest in the Secretary of State and no difficulty will arise on that score. There is therefore nothing extraordinary in this provision. If there was a contract in a case in which money was advanced for cultivation or other such purposes, and if there has been a breach, this section will operate. It is a formal matter so far as the Government are concerned, and the Government are not asking for anything which will come into conflict with the powers of the Secretary of State."

DR. SIR K. V. REDDI NAYDUU:—"Sir, since the scope of the Bill is not stated clearly, I would like to have some more information from the Hon. the Revenue Minister. The language used in this clause is very general, for it refers to all sums due to the Provincial Government including compensation for any loss or breach sustained by them in consequence of a breach of contract. Supposing for instance, the Government enter into a contract with a contractor for digging a channel—the Public

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Works Department will of course enter into a contract—and the man fails to perform his part of the contract; are we to understand that any damages which the Government might have suffered on that account could be recovered as land revenue? If so, will not the ordinary civil rights of the citizen be taken away and an arbitrary power vested in the hands of the Government? And, who is to decide what the damage is? Very often we go to courts to let us know what the damage is, who the party is that should pay it and the amount of the damage, or even, in fact, the very question as to who is liable at all to pay the damage. When these questions are involved, am I to understand that this law will invest the Government with power to recover what they consider to be damages from the person who is breaking the contract? And, who will be the judge to the disputes between the Government and the party concerned? The Government will have to be the judge, they will decide that there was a breach, they will decide what the damages for the breach were and then decide to recover it in the manner in which they recover land revenue. If this is the meaning, Sir, certainly this provision is objectionable.”

* THE HON. SRI T. PRAKASAM:—“Sir, when the Government enter into an agreement with the ryot to whom the money is advanced for his agricultural purposes, there is a contract and it was to recover such moneys when there was a breach, that power had already been given. There can be no difference between a case in which the Government advanced moneys for cultivation expenses under a definite agreement and a case in which the Government leased certain lands, such as lanka lands, to ryots. The contract is there. Therefore, there is nothing very extraordinary in the claim made now that the Government should be given the power to realize the moneys that would be due from the lessees under the leases by the process that is prescribed for the recovery of land revenue. There has not been any general or special complaint hitherto that in such cases the Government are doing anything wrong to the detriment of the opposite party concerned in the matter. There is a limit to cases, but in all matters relating to land, whether they come under the strict definition of land revenue or not, the Government should certainly have the power to recover the moneys under the Revenue Recovery Act. The Government should not be driven to the civil court when there is a lease deed executed by a person agreeing to pay the amount prescribed therein within a particular time; and when there is a default, is it right that the Government should be asked to go to a civil court and establish their case, obtain a decree and then apply for execution for realizing the amount? Certainly not. It is a perfectly legitimate power which is sought to be included in the section. This Bill refers only to contracts that were entered into by the parties perfectly knowing the position and the terms. So, this is not a case which should be looked at in the manner in which the hon. Sir

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K. V. Reddi Nayudu is looking at it. It is not a case which should be called a contract where, if there is a breach, there would be a fight in a civil court with regard to compensation or damages. These are cases which are connected with the land revenue and so in such cases nobody should think that the Government have been exercising their powers in any unjust manner. So far as revenue is concerned, although it is not to be on the basis of contract, the relationship is defined, the amount is defined and time is given. In the same manner, in other cases in which it would not be strictly land revenue, but it would be rent, power should be given to Government. Nobody need fear that the Government would be a party in the first place and then the judge, then the executive authority or any such thing. There must be some special facility given to the Government in matters like that, especially when individuals seek to enter into special agreements with the Government to get special facilities and special amenities. So, there is nothing to which any objection may be taken.”

The motion that the Bill be taken into consideration was put and carried.

SRI B. NARAYANASWAMI NAYUDU:—“Sir, a straight question was put from this side and no straight answer was given to it. The question that was put was: ‘Suppose there was a contract with a contractor with regard to the excavation of a canal and he fails to execute the work. What are the Government going to do in such a case? Are they to sue him in a court of law?’ The second question that was put was, apart from all claims to damages for breach of contract, ‘supposing the contractor dug more than the required length of the canal, are you going to mulct the extra cost from the contractor and then recover it as land revenue?’ Of course, I am not confusing myself with regard to the Provincial Government or the Secretary of State, and everybody knows that the Secretary of State has disappeared from the scene and now the Provincial Government has got the power under Provincial Autonomy. I am perfectly aware of that and I am not disputing it for a moment. But the real question is—you want to be the judge in regard to everything and you are merely ignoring the fundamental question put forward—‘Are you claiming with regard to contracts, the same rights that you have been armed with with regard to the realization of dues?’ Of course, ‘dues’ is a definite thing. The only question is in regard to execution. The question has been straightly put and we want a straight answer.”

* SRI P. PEDDI RAJU:—“Mr. President, the Hon. the Revenue Minister referred to the experience of the Government regarding realization of rents on lanka lands. When he referred to lanka lands, he had probably in mind the case of the East Godavari district where arrears are due in respect of lanka lands, where lands given on leases to pattadars and other lands were sold in

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public auction and arrears recovered as arrears of land revenue. There was a case in which a land was previously mortgaged to some other creditor, the pattadar purposely evaded payment of the lease amount by colluding with the revenue officers and got the property sold to some other person and a suit was pending in respect of the matter. The Government have no power to attach or sell his other lands in respect of the breach; similar cases may also come. Of course, neither hon. Members of this House nor the Legislature will be willing to drive the Government to court. But the real question is whether some of the ryots will not collude with the revenue officers and get their property sold for a song in order to deprive creditors or other mortgagors for personal interest. So, if the provision which is sought to be introduced is in regard to damages for breach of contract, if it is in regard to an ascertained sum and if the amount is really due, I do not think there will be objection to it. But, as my hon. Friend, Mr. Narayaswami Nayudu, pointed out, the whole difficulty seems to be that the sum is not ascertained; because, when you say damages for breach of contract it is always an unascertained sum. Further, Sir, as the hon. Sir K. V. Reddi Nayudu pointed out, in respect of default a levy of Rs. 100 or Rs. 150 may be made, because the sum is not ascertained. There is of course some force in that contention. Otherwise, some difficulty will be caused. The House would therefore like to be enlightened whether provision for damages for breach of contract will cover ascertained or unascertained sum with reference to a particular property or some other property to be sold."

12 noon. DR. SIR K. V. REDDI NAYUDU:—"Perhaps, Mr. President, I was not very clear in my first speech when I raised this question. It seems to me that the words 'or sums due to the Provincial Government' are rather too wide. I am not aware of any provision in this Act which limits the words 'sums due to the Provincial Government.' If that is not so, the words are so wide that they might include not only sums due from land in whatever shape it might be, but they might also include everything for which the Government may lay claim. As I submitted, we shall take the case of a contractor who has agreed to dig a channel for a certain sum of money and has received a certain sum of money as an advance. The difficulty that comes in is this. It would be open to the Government to say, 'The clause includes sums due to the Government; therefore this is also a sum due to the Government.' That is my difficulty. If there is something in the Act elsewhere to limit the operation of it to sums due to the Government which can be said to be either land revenue completely, or any other in the nature of it, there will not be any difficulty. If the words in the section are so wide as they are proposed, the courts would have to act on the wording of the sections and much difficulty would be caused. This is the difficulty that I want to point out to the Hon. Minister."

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* MR. J. A. SALDANHA:—"Mr. President, in view of the rather slipshod explanation offered by the Hon. the Minister, we should not hesitate to oppose the Bill altogether. Though I had not studied the Bill, the difficulty pointed out by my hon. Friend Sir K. V. Reddi Nayudu makes me wonder how such a Bill as this has passed unscathed through the Lower House where members are expected to subject legislation to a close scrutiny. Be that as it may, it would be a serious encroachment on the liberty of the subjects. This Bill, if it becomes law, will be a very powerful weapon in the hands of the lower revenue officials for harassing the people. If there is a breach of contract they will immediately fly up and say, 'Here is a sum due to the Government and you will have to pay it.' They will move the Collector for the recovery of the money; and the Collector possessing the power to order the recovery as if it were one of arrears of revenue, the recovery will be effected and the poor man will be put to a lot of suffering. I am afraid that the way of dealing with such an important question by the Hon. the Revenue Minister is unsatisfactory and his explanation was not at all convincing. For these reasons I oppose the Bill. I would also suggest to the Government to so amend the provisions that it does not have the objectionable features. It is a very serious difficulty that has been pointed out by my hon. Friend, Sir K. V. Reddi Nayudu and I hope the Hon. the Revenue Minister will bring in the necessary amendments to make it acceptable."

* MR. S. J. GONSALVES:—"Mr. President, under this Bill it seems to me that the powers that the Government wish to take are rather wide. The House is aware that the Government have got a very easy and expeditious method of collecting revenue. But when there is an action as between the Government and a private party in a matter other than revenue, that action must be decided by a competent tribunal. Under this Bill with the expression 'all sums due to the Government,' all sums due to the Government, in whatever manner they become due, will be collectable by the Government as though they were arrears of revenue. So, hereafter if there is any dispute between the Government and private parties, it will not be necessary for the Government to go to the civil court and whatever is due to the Government will be recoverable without resort to a court. It is very wide. I submit that this is a very serious matter and will seriously curtail the rights of the subjects. I would suggest that the point raised by Dr. Reddi be seriously and carefully considered by the Government. I suggest that the expression used in the Bill be circumscribed and limited to matters concerning revenue only. Otherwise, this Bill will impose a very serious hardship upon a number of citizens."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. President, I am afraid that hon. Members have gone altogether on a

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scare. Hon. Members must remember that this is an amendment to section 52 of the Madras Revenue Recovery Act. The other sections are there. This is an amendment to a particular section. That section reads thus:—

‘All arrears of revenue other than land revenue due to Government, all advances made by Government for cultivation or other purposes connected with the revenue and all fees or other dues payable by any person to or on behalf of the village servants employed in revenue or police duties, and all cesses lawfully imposed upon land may be recovered in the same manner as arrears of land revenue under the provisions of this Act, unless the recovery thereof shall have been or may hereafter be otherwise specially provided for.’

This is the existing provision. There are also cases where it is not land revenue but land has been leased out. All these leases and contracts and documents of that kind are executed by persons who know the law as it now stands. Hitherto the practice has been to enter in the terms of the contract itself a provision that the rent due to the Government may be recovered as revenue due to Government. That is not proper. The mere contract cannot give a process in law. By adding the words ‘or anything that arises out of a contract also’ we are only providing for this kind of difficulty. Supposing according to the terms of a lease, the lease term is for two years and supposing the lessee stays beyond that period. In that case, it is not a rent but damage according to law and that is why the words ‘arising out of a contract’ are also included. It is not proposed to deal with anything in the nature of a tort. It arises out of a contract when a man enters into it knowing the law.

“Further there is another overriding provision in the same enactment. That is section 59, which says:—

‘Nothing contained in this Act shall be held to prevent parties deeming themselves aggrieved by any proceeding under this Act except as hereinbefore provided, for applying to the civil courts for redress; provided that civil courts shall not take cognizance of any suit instituted by such parties for any such cause of action, unless such suit shall be instituted within six months from the time at which the cause of action arose.’

Therefore no right, either private or public, has been removed. Only an easy process is provided for executing an engagement which is entered into between the Government and a third party. There is nothing horrible that is proposed by amending the section 52. Further, there is also section 59 which provides for redress to aggrieved parties by going to the civil court within the time prescribed. The only purpose for which this power has been taken is to deal with people who have been granted leases and who, knowing the law on the subject, keep on beyond the period of the lease, in which case the amounts due to Government will become a damage; and for the recovery of this he will have to be proceeded against in a civil court and such others.”

Dr. Sir K. V. REDDI NAYUDU:—“I should like just to say a word in explanation. There is no one I take it who would

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object to the Government having the right to recover their dues which can be said to be either land revenue or anything allied to it, or in the nature of it. The section quoted by the Hon. the Premier no doubt gives the right to the ryot or to the aggrieved person to go to court for redress. But I fear it would only be after his properties have been sold in auction for damages. I would therefore suggest that there should be something in the section which limits the operation of this section to what may be called *ejus dem generis*, or, in other words, such other dues which are of the same kind as, or in the nature of, land revenue. That is the difficulty with regard to this. The section as at present worded is very wide and even the ordinary contracts would be brought within its scope, not merely the contracts which the Hon. the Premier has instanced to the House. Let it be limited to the doctrine of *ejus dem generis* and let the words ‘or such other or similar dues’ be there.”

* THE HON. SRI T. PRAKASAM:—“Mr. President, an hon. Member stated that he did not go through the Bill and yet he was not satisfied with the explanation given by me in its support. It is the privilege of hon. Members to criticize the Government even if it be with scanty materials on hand. There is no quarrel about that.

“Let us now see whether there is any difficulty arising out of this as pointed out by my hon. Friend Dr. Reddi. His fear was that the section, if amended, might be extended to all cases that would not relate to anything like the Government lands. As has been explained by the Hon. the Premier, this is an amendment to Madras Revenue Recovery Act of 1864; and the section sought to be amended has also been read out by me more than once. We have to examine and see what the scope of the Act is, what the scope of the section is and what the scope of the amendment now before the House is, and find out whether by means of this Bill which is intended to be an amendment of the Revenue Recovery Act, anything else is contemplated which may come under the Contract Act or the Transfer of Property Act or some other Act. The attitude of hon. Members opposite is not the attitude which we have to adopt when we deal with legislation. The section proposed to be amended lays down that there are other dues to the Government which may be recoverable as land revenue, for instance, dues by the cultivators on account of refund of advances. They have executed bonds for those amounts and there are terms therein which are all that are sought to be enforced by means of this amending legislation. Government must not be going to the civil courts for the recovery of sums due according to the terms of the contract. Similar also the case with regard to lease granted to lanka lands. The question is whether, when the conditions specified and the amount specified have not been kept up, and when the Government want to recover the moneys due to

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12-15 p.m. them under that contract, the Government are not to be given the right to ask for a provision like this. It will not be proper for anybody to imagine that what is sought to be introduced as an amendment to section 52 of the Act, is intended to be applicable to some other Act or some other provision altogether which is not connected with this subject. So there is no fear that the words 'and all sums due to the Provincial Government including compensation for any loss or damage sustained by them in consequence of a breach of contract' will be misconstrued, and that they will be applied to cases which do not come under the Revenue Recovery Act."

DR. SIR K. V. REDDI NAYUDU:—"I never said that. I only said that it should be restricted to land revenue and allied things."

* MR. J. A. SALDANHA:—"On a point of personal explanation, Sir, it is true I used the word 'slipshod.' But I fail to see why the Government should be so obstinate in this matter; why not they use other words to make the meaning clear? Here are three persons experienced in law and myself a retired Judge (laughter) who are not satisfied with the wording of the clause."

Clause 2 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

* THE HON. SRI T. PRAKASAM:—"I beg to move, Sir—
'that the Bill be passed into law.'"

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, in spite of the explanations offered I do not feel satisfied and I want to protest against the interpretation put upon the clause in the Bill. The Government seem to forget that the interpretation of the Bill will come up not before them but before the courts. It is for the courts to interpret sections in the Act. However much Government may say about their intention with regard to the provision in the Bill, I challenge the Government to say whether their provision does not cover cases of building contracts, coal contracts, etc. The words 'all sums due' denote that whenever there is anything due to Government, whether it is disputed or undisputed, Government will have the power to take action direct without the intervention of the court to attach the property of the defaulter and put him in the street. The hon. the Premier says, 'You have section 59.' If you go to the civil court, it will say, 'All sums recoverable here will come under the Revenue Recovery Act, and so we have no jurisdiction.' The Bill is ill-advised and ill-conceived and if after all that has been said, you are going to pass it into law . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"You will see it is 'all sums due under a contract.'"

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SRI B. NARAYANASWAMI NAYUDU:—"There is nothing to that effect. The only thing approaching to that is 'all sums due to the Government arising out of a breach of contract.' It looks as if, simply because you have the numbers, you have got the power and you have the mind to do this, you are rushing with this Bill."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"Sir, it is really a pity that there should be a controversy over this legislation and that the Government do not find it necessary to make their meaning clear. Of course, hon. Members of the House may accept the explanation given as regards the scope and nature of the amendment. But it is a well-known principle that in interpreting statutes, speeches made on the floor of the Legislature or what is stated in the Statement of Objects and Reasons ought not to be stated as authority in a court of law. Courts are bound by the actual words of the statute, and they cannot look outside the four corners of the Act for the meaning of the sections. Whatever the Hon. the Revenue Minister intended to convey, or in what way he wanted to restrict the scope of Bill, cannot be taken note of by the court. So whenever an occasion arises with regard to the interpretation of the statute, they will go merely by the grammatical meaning of the expressions used in the sections. I hope the Hon. the Revenue Minister will agree with me when I say so. When we view the question from that point of view, what are the words that we find in the clause? They are 'all cesses lawfully imposed upon land and all sums due to the Provincial Government.' My submission is, however much the Hon. the Revenue Minister may say, the subsequent words 'including compensation for any loss or damage sustained by them in consequence of a breach of contract' make the case worse, whereas the other side contend that these words restrict the scope of the Bill. What is stated there is 'all sums due to the Provincial Government including compensation for any loss, etc.' The words beginning with 'including' etc., is only by way of an example. It only illustrates the foregoing words; therefore, there are certain things outside the scope of the provisions. It means there are many things outside it. And I daresay all courts will interpret only in this way. I do not know whether anybody will dispute that proposition as regards interpretation. So it is better the Government do not press the motion but put certain words more to make their meaning clear or restrict the scope of the provision."

* THE HON. SRI T. PRAKASAM:—"Sir, the words that are causing trouble to some of the hon. Members are these: 'all sums due to the Provincial Government, including compensation for any loss or damage sustained by them in consequence of a breach of contract.'"

[Sri T. Prakasam] [27th January 1939]

"Sir, I shall now cite to the hon. Members a case under section 52 as the law stands to-day. All arrears of revenue other than land revenue due to the Government, all advances made by the Government for cultivation or other purposes connected with revenue, etc., may be recovered in the same manner as arrears of land revenue. I will take the case of advances made for cultivation purposes. There is a bond taken for money given. A time is mentioned in the bond, that is, there is a clause in the bond that the amount should be returned to the Government within a particular time, and then there is a clause that, if this money is not returned by such and such a date, a certain amount will have to be paid by way of damage in case of default. It is provided already with regard to such cases. We are now extending the scope of it by using the words more expressly. The words that I have just now used to explain the contract with regard to cultivation expenses are already covered by the clause in section 52. What is stated now is only to make it clear that it applies to all sums due to the Provincial Government including compensation for any loss or damage sustained by them in consequence of a breach of contract. It should not be construed as if all such losses should be recovered only under the Rent Recovery Act and not under any other Act. What is done here is simply to express in so many words what we are entitled under section 52. It is not created there for the first time. Everything is there already; and what is contained is simply expressed in words. So I do not see any difficulty arising out of this. Mr. Narayanaswami Nayudu asked: 'Will it apply to contracts for digging?' Everything relating to a contract with Government comes under this. When the contractor binds himself to pay under this clause, why should the Government go to a civil court? If there is any irregularity, there is section 59. But Mr. Narayanaswami Nayudu says that that section will not give him relief. Then, I ask what will give him relief? It should not be construed as if the Government are attempting to make any profit out of these transactions. When they want power in such cases, it is only to facilitate cases in which they can enter into contract with private persons. It is quite open to private parties to withdraw from contracts. When under the contract the contractor binds himself to pay under section 52, why should the Government be compelled to go to court first to recover the money in cases of default?

12-30 p.m. "The Government are working after all in the interests of the people. There is nothing wrong if the Government bring some measure to change a certain procedure. Even when it is made, some time will be given for them to decide; otherwise, remedy can be secured by resort to courts. There is no difficulty. Everything is provided for. There is absolutely no reason for hon. Members to be afraid that these provisions are intended to harass people unnecessarily."

27th January 1939]

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, the Hon. Minister told us that we were exaggerating a small matter. Well, I can assure him, speaking not only for myself, but also for the others as I understood them, we are really giving expression to certain apprehensions we naturally and genuinely feel. It may be another matter if we are dunces and are not able to understand the view point suggested by the Hon. Minister. For that, we are not responsible. The Hon. Minister, at one stage, made us think—again it might be due to our duncery—that it is only applicable to cases of such contracts as in the lanka leases, where for failure of payment a certain amount of damage will have to be paid. But, in his answer to a question raised by my hon. Friend Mr. Narayanaswami Nayudu, the Hon. Minister has made it clear now that even in cases where a person has entered into a contract to dig a well, or it may be a tank, or it may be a canal or channel, the Government shall have this right of recovering the damages, because, the damages were not definitely ascertained and stated in the document or contract itself; therefore, the Government must be in a position to recover it without resort to courts. In fact, at a later stage, I may say at the end of the speech, he went to the extent of saying, 'Why should the Government go to a court in a matter like this?' Now, therefore, we are certain that our apprehensions are well-founded, and that is exactly where we objected. We do not want the Government to take any more rights into their own hands, if a Legislature is at their command, and thereby take away the civil liberties and rights of people, which they have been entrusted with. I have said already, in a case like this, the Government want to constitute themselves not merely as a party to a transaction between themselves and the people, but as judges, and the only method of relief allowed to the other party is by saying, 'You had better go to a court of law;' I want that this right of a citizen should be protected, before money is extracted. It may be by coercive processes, it may be by arresting the man; why should he surrender himself to these indignities of recovery of a sum which is capable of being easily repaid by him, the contractor? It practically comes to this. If a man enters into a contract with the Government and agrees to pay a certain sum, he cannot be protected against himself; whether on account of his foolishness or ignorance, or want of knowledge of law, if the person enters into a contract it may be injurious to him, and it could not protect him against himself. Why should this privilege be taken away from him? I clearly see now that our apprehensions are not exaggerated, for the Government are really making an attempt to secure more rights for themselves to the detriment of the rights of the people."

* SRI RAO BAHADUR M. RAMAN:—"Mr. President, after the eminent lawyers and judges have spoken, I am sorry I am not yet convinced. I do not see why the Hon. the Minister for Revenue

[Sri M. Raman] [27th January 1939]

has, as I expected, not made some correction in the provision here. I expected that he would make it to-day. From a layman's point of view, it is certainly a case requiring some more attention. The words used there are certainly capable of being misinterpreted by future judges, naturally of inferior order as their pay will be very little. As many lawyers here are just now disputing about the meaning of the words, I, a layman, do not know what to say of it. There are two sides here discussing the points and for my part, I am convinced that it is prestige that prevents the Government from putting in some word or other there and making it clear."

* THE HON. SRI T. PRAKASAM:—"The hon. Sir K. V. Reddi was telling us that their apprehensions were justified. So far as the Government are concerned, there is no desire to create any apprehensions in the minds of hon. Members, or to take up any unreasonable position and justify it. As I stated at the outset, this amendment relates to the Revenue Recovery Act and it relates to section 52 of the same Act. 'Contracts' have already been provided for in the section so far as they related to land. A provision has been made not merely to cases where the contract related to the land itself, but to cases where the contracts related even in a remote manner to advances to the cultivator to enable him to carry on his cultivation. Hon. Members may just pass awhile and see how that contract was not a contract relating to the land direct. It was indirectly connected with the land which would be cultivated by the cultivator and the money advanced to him. It could have been argued at that time, 'This should not be included in this section of the Revenue Recovery Act, because it has nothing to do with any contract on the part of the Government with the cultivator with reference to the Act. You are giving him as a loan some money to carry on his cultivation and you have made some provision to get back that money; then, why do you introduce it into section 52?' That is the argument that should have been advanced then, but even for such contracts, provision has been made there. All that is stated now is, that not only in matters relating to the contract with reference to a land—whether it is cultivable or not, it does not matter—but also in such cases as the rent due to Government under a lease of land executed by them it may be left to the Government to recover that money due to them as arrears of revenue. Of course I believe there are persons who justify a case, as if it is intended to apply to all other cases of a breach of contract between the Government and other parties; there is no such thing as that. This is a case which is more clear than the case of advancing money as a simple money transaction between the Government and the cultivator. The words referred to here . . ."

DR. SIR K. V. REDDI NAYUDU:—"With your permission, Sir, may I ask the Hon. Minister whether this is to apply

27th January 1939] [Sir K. V. Reddi Nayudu]

to a case of a contract for the building of a house with a Collector if in the contract a clause is provided for the recovery of money?"

* THE HON. SRI T. PRAKASAM:—"It will apply to all Government contracts, with reference to all Government business. When it is a Government land upon which the building is to be put up, the contract as entered into is there and the specific terms of the contract are there. What is the difficulty now? Of course, hon. Members think that some encroachment is being made upon the civil rights or some such thing. All that is provided for here is: If a person should take a very unreasonable attitude having entered into a contract with the Government, having stipulated a period to carry out the work, and if he did not carry out the work within the particular time, he should make good the loss to the Government to that extent. The only question for consideration is whether the Government should go first to a civil court to establish these things and have it hung up until the whole matter is settled, or whether the Government are competent to deal with the whole matter and do justice between the Government and the party and leave the party who may be dissatisfied with the result, finally to go to court and establish it. Which is the simpler course? That is the thing that is provided for here. I should like that this should extend to other contracts, contracts which have anything to do with the land belonging to Government. That is a different matter. We do not propose it. It does not come under the Revenue Recovery Act at all. I am requesting hon. Members to understand the explanation which I have placed before them. There is no object so far as the Government are concerned to encroach upon the rights of the people."

The motion that the Bill be passed into law was put and declared carried.

A poll was demanded and the House divided thus:—

[Ayes.

- | | |
|--------------------------------|------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 13 Sri T. A. Ramalingam Chettiyar. |
| 2 Sri B. Bheema Rao. | 14 " D. Sriramamurti. |
| 3 " K. Madhava Menon. | 15 " L. Subba Rao. |
| 4 " V. V. Jogayya Pantulu. | 16 " P. Veerabhadraswami. |
| 5 " R. Srinivasa Ayyangar. | 17 " K. P. Mallikarjunudu. |
| 6 " A. Rangaswami Ayyangar. | 18 " V. Venkatasunnayya. |
| 7 " N. Sankara Reddi. | 19 " C. Perumalswami Reddiyar. |
| 8 " S. A. S. Rm. Ramanatham | 20 " N. Subba Raju. |
| Chettiyar. | 21 " S. K. Satagopa Mudaliyar. |
| 9 " M. Narayana Rao. | 22 Sir Mahomed Usman Sahib |
| 10 " M. Narayana Menon. | Bahadur. |
| 11 " L. Subbarama Reddi. | 23 Sri D. Manjappa Hegde. |
| 12 " K. Venkataswami Nayudu. | |

52 THE MADRAS REVENUE RECOVERY (AMENDMENT) BILL,
1939 (L.A. BILL NO. 2 OF 1939), AS PASSED BY THE ASSEMBLY.

[27th January 1939]

Noes.

- | | |
|---|--|
| 1 Sri Rao Bahadur N. R. Samiappa Mudaliyar. | 9 Mrs. Hensman. |
| 2 „ Diwan Bahadur R. Srinivasan. | 10 Dr. P. J. Thomas. |
| 3 „ B. Narayanaswami Nayudu. | 11 Sri Diwan Bahadur K. Daivasigamani Mudaliyar. |
| 4 „ Rao Bahadur M. Ramakrishna Reddi. | 12 Mr. D. M. Reid. |
| 5 S. K. Ahmed Meeran Sahib Bahadur. | 13 Mr. S. J. Gonsalves. |
| 6 C. P. Mammur Keyi Sahib Bahadur. | 14 Sri M. D. T. Kumaraswami Mudaliyar. |
| 7 Syed Abdul Wahab Bhukhari Sahib Bahadur. | 15 Dr. Sir K. V. Reddi Nayudu. |
| 8 Sri Diwan Bahadur S. E. Rungathan. | 16 Sri Rao Bahadur M. Raman. |
| | 17 Mr. J. A. Saldanha. |

Ayes 23.

Noes 17.

12-45
p.m.

The motion was carried and the Bill was passed into law.

*MR. J. A. SALDANHA:—“On a point of order, Sir may I enquire if we will have an afternoon sitting?”

MR. PRESIDENT:—“According to the rules of the Council we will have to sit till one o'clock.”

*RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“I beg your pardon, Sir, there is no rule. It is only a convention.”

MR. PRESIDENT:—“Yes. We have been observing it.”

(3) THE MADRAS PREVENTION OF ADULTERATION (AMENDMENT) BILL, 1939 (L.A. BILL NO. 3 OF 1939), AS PASSED BY THE ASSEMBLY.

THE HON. DR. T. S. S. RAJAN:—“I beg to move—

‘that the Bill a further to amend the Madras Prevention of Adulteration Act, 1918, for a certain purpose (L.A. Bill No. 3 of 1939) as passed by the Legislative Assembly be taken into consideration at once.’

“I would like to draw the hon. Members' attention to the real point that is tried to be amended in this section. Prosecutions under the Prevention of Adulteration Act take a lot of time and have extended for three months. According to the present law, if a man offers defence of warranty with regard to prosecution, then the law lays down that action against a false warranty should be taken within three months. But what has happened? When the courts delay the conduct of the case beyond three months, the real offender who gives the false warranty to the dealer with regard to the stuff sold to him, escapes the law. So the present amendment is to allow the courts to operate against those warranties even after the lapse of three months. It is only to bring the accused to book once he has committed the offence. Three months have not been found to be sufficient. It is just to give that power that the Bill has been introduced.

* Printed as Appendix VIII on page 62 infra.

THE MADRAS PREVENTION OF ADULTERATION (AMENDMENT) BILL, 53
1939 (L.A. BILL NO. 3 OF 1939), AS PASSED BY THE ASSEMBLY

• 27th January 1939]

The motion that the Bill be taken into consideration was put and carried.

Clauses 2 and 1 and the preamble were put and carried.

DR. SIR K. V. REDDI NAYUDU:—“Mr. President, with reference to these Bills, I want to bring to your notice the fact that the Statement of Objects and Reasons is not given. They might as well have been printed here. I do not raise any other point.”

THE HON. DR. T. S. S. RAJAN:—“It is not generally done in this House. The Statement of Objects and Reasons is published in the Gazette copies of which are sent to hon. Members. If hon. Members are particular, I will circulate the Bill as introduced in the Assembly.

“I now move—

‘that the Bill be passed into law.’”

The motion was put and carried and the Bill was passed into law.

(4) THE MADRAS ELEMENTARY EDUCATION (AMENDMENT) BILL, 1939
(L.A. BILL NO. 4 OF 1939), AS PASSED BY THE ASSEMBLY.

The Hon. Sri C. J. Varkey rose to make the motion.

*SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“On a point of order, Sir, I think he is not entitled to move it now. The Bill was placed on the table of the House only just now. Rule 102 says: ‘As soon as possible after a Bill which has been passed by the Assembly is received in the Council copies of the Bill shall be laid on the table at a meeting of the Council.’ It was validly placed on the table of the House only just now. Rule 103 says: ‘At any time after copies have been laid on the table in the case of a Government Bill, any Member acting on behalf of Government and in any other case, any Member may give notice of his intention to move that the Bill be taken into consideration.’ The Hon. the Education Minister is entitled to give notice only after 11 o'clock to-day. Unless the President otherwise directs no such motion shall be set down in the list of business for any day which is less than three days from the receipt of notice. Sir, I do not raise this point of order as a matter of dilatory motion or obstructive tactics. This is an important measure and by a stroke of the pen, the Government are going to abolish the Educational Councils. Let them do it. But let them give sufficient time to this House and hear what all the House has to say on this subject. Nobody can stand in the way. People shudder to think of the way in which laws are being made in this country. They characterize the legislation as hasty,

54 THE MADRAS ELEMENTARY EDUCATION (AMENDMENT) BILL, 1939
(L.A. BILL NO. 4 OF 1939), AS PASSED BY THE ASSEMBLY

[Sri N. R. Samiappa Mudaliyar] [27th January 1939]

ill-considered and ill-worded and oftentimes without any principle. (A voice: Question.) I only quote the wording of an ex-High Court Judge who belongs to no party."

MR. PRESIDENT:—"Order, order. The hon. Member ought not to quote the opinion of somebody outside the House."

* SRI RAO BHADUR N. R. SAMIAPPA MUDALIYAR:—"I stated that because the people criticize the Legislative enactments as such and to impress on the Government that it should not give room to others to characterize the legislation passed by this House with comments such as I quoted. I do not quote it for any other purpose, Sir. You being the custodian of the privileges of the House, I request you not to allow the Education Minister to move this to-day but to allow full three days' time. Moreover, Sir, we came prepared only to discuss the Estates Land Act Committee Report; we did not know that the order will be changed to-day and we have not come prepared to discuss this subject; we have not sent any amendment to this. I therefore request you at least to give time till to-morrow regarding this Education Bill."

* MR. D. M. REID:—"On a further point of order, Sir. May I know if there is any further re-arrangement of business for to-morrow?"

THE HON. DR. T. S. S. RAJAN:—"As far as Government business is concerned the order as it was altered this morning stands."

1 p.m. MR. PRESIDENT:—"May I suggest that, in view of the fact that it is nearing 1 o'clock, the Hon. Minister may make his motion to-morrow?"

SRI B. NARAYANASWAMI NAYUDU:—"I should also like to know whether the rules quoted by the hon. the Leader of the Opposition are found in the book or not. If these Bills are going to be introduced like this without sufficient notice, and if the President is going to allow it, then the rules may as well be scrapped. Coming to the motion before the House that this Bill may be taken up to-morrow, I submit that this ought not to be a matter for begging. The rule is there and we are entitled to three days' notice, unless the President for special reasons waives such notice. The Bill under discussion relates to a very controversial matter and so I submit there is no special reason for the President to depart from the usual procedure."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Is it the idea of hon. Members who object that, when the House meets, a copy of the Bill should be placed on the table and they should go on without doing any business for two or three days. If that is so, it would be very difficult. If members are communicated

THE MADRAS ELEMENTARY EDUCATION (AMENDMENT) BILL, 1939 55
(L.A. BILL NO. 4 OF 1939), AS PASSED BY THE ASSEMBLY.

27th January 1939] [Sri C. Rajagopalachariar]

with and notices are sent to them three days prior to the date of the meeting, it is to be taken as good as the Bill being placed on the table of the House. I understand notice was sent to Members on the 22nd. I submit that it might be taken as equivalent to the Bill being placed on the table."

The Council then adjourned to meet again at 11 a.m. the next day.

V.—PAPERS LAID ON THE TABLE OF THE HOUSE.

1. G.O. No. 2944, Development, dated 26th November 1938, confirming an amendment to Rule XVII (f) of the rules issued under the Madras Co-operative Societies Act, 1932.

2. G.O. No. 3016, Development, dated 5th December 1938, confirming an amendment to Rule XXIV of the rules issued under the Madras Co-operative Societies Act, 1932.

[27th January 1939]

APPENDIX I.

[Vide answer to starred question No. 133 asked by Sri Rao Bahadur M. Ramakrishna Reddi at the meeting of the Legislative Council held on the 27th January 1939, page 26 supra.]

Statement I.

Statement showing the production of rice and jaggery.

Year.	Production of	
	Rice.	Jaggery.
	TONS.	TONS.
1934-35	4,981,000*	278,450*
1935-36	4,741,000	298,060
1936-37	4,794,000	259,560
1937-38	4,850,000	207,820

* The figures of production for 1934-35 are for the Province as it existed prior to the reconstitution of Ganjam and Vizagapatam districts which took effect on 1st April 1936.

Statement II.

Statement showing import and export of paddy, rice and jaggery during the last four years.

Commodity.	Imports by rail and sea.			
	1934.	1935.	1936.	1937.
	TONS.	TONS.	TONS.	TONS.
Paddy	108,604	175,689	104,424	64,709
Rice	577,638	653,039	474,936	512,274
Paddy and rice in terms of rice	650,403	770,050	544,900	555,629
Jaggery	3,651	3,676	9,097	6,830

Commodity.	Exports by rail and sea.			
	1934.	1935.	1936.	1937.
	TONS.	TONS.	TONS.	TONS.
Paddy	4,588	8,461	5,479	2,235
Rice	189,763	213,052	212,705	227,141
Paddy and rice in terms of rice	192,837	218,717	216,375	228,638
Jaggery	24,922	20,864	19,430	24,086

Statement III.

Statement showing imports of broken rice during 1936 and 1937.

	TONS.
1936	89,882
1937	93,432

27th January 1939]

APPENDIX II.

[Vide answer to starred question No. 134 asked by Sri D. Sriramamurti at the meeting of the Legislative Council held on the 27th January 1939, page 27 supra].

(a) Statement showing the expenditure for the Madras Medical College from the financial year 1920-21 to 1937-38.

Expenditure incurred on buildings.										Expenditure excluding buildings.	
Major works.				Minor works.				Repairs.			
RS.		A. P.		RS.		A. P.		RS.		A. P.	
1920-21	..	Figures for the period prior to 1925-26 are not available as the registers of works have been destroyed.								3,63,730	7 1
1921-22	..									4,70,728	12 6
1922-23	..									3,88,453	15 3
1923-24	..									4,09,046	7 10
1924-25	..									3,93,780	10 11
1925-26	..	Nil.		7,592	11 7	4,970	0 4	3,93,769	11 0		
1926-27	..	Nil.		2,277	11 0	3,797	13 0	4,47,695	10 3		
1927-28	..	Nil.		1,293	4 3	7,784	12 2	4,77,658	4 8		
1928-29	..	386	0 0	9,558	0 0	11,923	15 11	5,53,584	0 3		
1929-30	..	12,473	2 6	23,302	10 7	7,030	15 5	6,18,423	2 8		
1930-31	..	75,028	4 11	3,087	5 10	2,607	13 0	6,08,146	2 0		
1931-32	..	1,98,250	13 10	1,611	0 0	2,291	6 0	5,67,220	3 1		
1932-33	..	2,51,989	3 6	1,020	13 0	1,850	9 9	3,79,802	5 3		
1933-34	..	1,60,071	13 0	Nil.		2,986	13 0	4,16,812	2 3		
1934-35	..	1,30,061	9 10	69	8 0	2,956	15 9	5,38,048	10 9		
1935-36	..	29,751	0 6	Nil.		3,602	4 6	5,29,427	7 5		
1936-37	..	37,036	2 1	433	12 0	5,728	15 0	5,87,429	10 3		
1937-38	..	8,888	4 0	816	2 0	3,780	0 0	5,78,175	2 10		

(b) Statement showing the expenditure for the Medical College and Hospital at Vizagapatam from the financial year 1923-24 to 1937-38.

Year.	Medical College.						King George Hospital.		
	Expenditure incurred on buildings.			Expenditure excluding buildings.					
	Major works.	Minor works.	Repairs.						
	RS.	RS.	RS.	RS.	A.	P.	RS.	A.	P.
1923-24	45,771	Nil.	123	60,213	15	4	47,753	0	0
1924-25	82,708	Nil.	552	1,28,681	6	7	71,533	0	0
1925-26	2,07,335	Nil.	541	1,72,131	3	5	76,927	0	0
1926-27	1,28,765	Nil.	Nil.	2,35,059	11	1	74,936	0	0
1927-28	34,075	97	150	2,77,312	0	0	84,846	0	0
1928-29	26,326	959	841	2,83,386	9	10	1,35,880	0	0
1929-30	34,731	1,430	1,612	2,93,860	6	9	1,59,526	0	0
1930-31	84,864	9,576	1,246	2,87,550	11	6	1,70,112	0	0
1931-32	51,547	2,616	568	2,71,595	5	2	1,48,335	0	0
1932-33	7,586	38	1,874	2,27,361	14	4	1,43,915	0	0
1933-34	Nil.	324	3,219	2,49,809	13	4	1,66,527	9	0
1934-35	Nil.	1,611	728	2,48,322	8	6	1,63,112	0	0
1935-36	Nil.	1,214	2,662	2,61,734	6	10	1,74,806	0	0
1936-37	Nil.	1,693	3,930	2,81,324	15	6	2,22,771	0	0
1937-38	Nil.	2,324	3,834	2,88,218	0	0	2,41,269	0	0

[27th January 1939]

APPENDIX III.

[Vide answer to starred question No. 135 asked by Sri B. Narayanaswami Nayudu at the meeting of the Legislative Council held on the 27th January 1939, page 27 supra.]

District.	Name of panchayat board.	Name of Special Officer.	Salary.
(1)	(2)	(3)	(4)
			RS.
<i>Statement.</i>			
North Arcot ..	Chetpet ..	Sri T. A. Gurumurthi, B.A. (acting clerk, Cuddapah District Board).	40
	Sholinghur ..	" B. Suryanarayana Rao, M.A. (Agricultural Department).	60
South Arcot ..	Lalpet ..	" S. Rajasekaram Pillai, clerk, District Board Office.	45
	Vriddhachalam ..	" V. Balagangadhara Menon, B.A. (Hons.).	55
Salem ..	Karimangalam Idappadi ..	G. Selvaraj, B.A. ..	55
		Mr. H. Muhammad Ismail, B.A., clerk, District Board Office, South Arcot.	60
	Vadagarai Attur ..	Village headman (Vadagarai Attur village).	Honorary.
Kistna ..	Avanigedda ..	Sri A. Nageswara Rao, subsequently District Panchayat Officer.	15 (Honorary.)
	Dokiparru ..	" Duggirala Krishnamurti ..	40
	Kondapalli ..	" N. Sitaramayya (removed) ..	50
		" A. Sankarayya ..	50
	Angalur ..	" A. Ramayya ..	35
	Lingala ..	Assistant Panchayat Officer.	
	Kaza ..	Sri Ragavayya ..	40
	Kapileswarapuram ..	" Chettijallu Venkatachalapathi ..	25
Guntur ..	Allavaripalem ..	Assistant Panchayat Officer.	
	Erugupalem ..	District Panchayat Officer.	
	Chilakalurpet ..	Sri G. Krishnamurti ..	60
West Godavari ..	Rayakuduru ..	" G. Machayya (removed) ..	Honorary.
		" N. Sivayya, B.A. ..	30
	Pulla ..	" Gali Narayana Rao, B.A., B.E.D. ..	45
	Narasapur ..	" T. Gopalakrishna Rao ..	60
	(a) Korukollu ..	" Gadiraju Venkatarama Raja ..	Honorary.
	Gundukolanur ..	" V. Ramayya ..	45
Chittoor ..	Madanapalli ..	" Picht Reddi for some time; Sri Brahmayya Sastri.	80 plus 15
Vizagapatam ..	Salur ..	" M. A. Satyanandam Willam, M.Sc.	75
Kurnool ..	Betamcherla ..	" D. Ramachandra Rao, B.Sc. ..	35
Ramnad ..	Kilakarai ..	" A. Sundararaja Pillai, upper division clerk, South Ramnad District Board.	65
	Thruppattur ..	Mr. Money Joseph, B.Sc., District Panchayat Officer.	60
Tanjore ..	Sathanur ..	District Panchayat Officers.	
	Papanasam ..	Sri K. M. Devarajan ..	65
	Kodavasal ..	" C. R. Soundararajan ..	50
	Orathanad ..	" P. A. Ramakrishna Reddi, B.A.	40
Tinnevely ..	Pulliyangudi ..	" M. Viraraghava Rao, B.A.	60
East Godavari ..	Samalkot ..	" Tangirala Raghava Rao, B.A.	75
Cuddapah ..	Nandalur ..	" Sourl Reddi, B.A.	40
Coimbatore ..	Singanailur ..	" P. Krishnaswami, B.A.	65

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APPENDIX IV.

[Vide answer to unstarred question No. 38 asked by Mr. J. A. Sandanha at the meeting of the Legislative Council held on the 27th January 1939, page 33 supra.]

Statement showing the distribution of grants to Collectors from the Government of India Grant for Rural Reconstruction.

Name of district.	Amount of grant sanctioned.
	RS.
1 Anantapur ..	33,830
2 Arcot, North ..	71,170
3 Arcot, South ..	81,670
4 Bellary ..	29,170
5 Chingleput ..	51,330
6 Chittoor ..	50,170
7 Coimbatore ..	80,500
8 Cuddapah ..	31,500
9 Godavari, East ..	61,830
10 Godavari, West ..	39,660
11 Guntur ..	65,330
12 Kanara, South ..	46,670
13 Kistna ..	39,660
14 Kurnool ..	36,170
15 Madura ..	64,170 *
16 Malabar ..	1,20,170
17 Nellore ..	50,160
18 Nilgiris, The ..	4,670 †
19 Ramnad ..	53,670
20 Salem ..	82,830
21 Tanjore ..	73,500
22 Tinnevely ..	56,000
23 Trichinopoly ..	60,670
24 Vizagapatam ..	1,15,500
	<u>14,00,000</u>

* A special grant of Rs. 10,833 has been given for a special water-supply scheme.

† An additional grant of Rs. 14,900 has been given to this district with reference to the special circumstances of the district.

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APPENDIX V.

[Vide answer to unstarred question No. 40 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 27th January 1939, pages 35 supra.]

District.	Number of societies for which subsidy is given.	Number of societies for which loans have been given, either in part cash or part credit loans or both as on 30th June 1938.
Anantapur	2	2
Bellary	3	3
Chingleput	7	6
Chittoor	2	1
Coimbatore	4	3
Cuddapah	2	1
East Godavari	5	6
	(plus 1 sanctioned after 30th June 1938).	
West Godavari	1	1
	(plus 1 sanctioned after 30th June 1938).	
Guntur	9	9
	(plus 1 sanctioned after 30th June 1938).	
Kurnool	2	2
Kistna	1	1
	(plus 1 sanctioned after 30th June 1938).	
Madura	1	..
Malabar	4	6
	(plus 4 sanctioned after 30th June 1938).	
North Arcot	11	10
	(plus 1 sanctioned after 30th June 1938).	
Nellore	..	..
	(2 sanctioned after 30th June 1938).	
Ramnad	2	2
Salem	2	1
	(plus 1 sanctioned after 30th June 1938).	
South Arcot	1	1
South Kanara	2	2
	(plus 2 sanctioned after 30th June 1938).	
Tanjore	2	2
Tinnevely	2	3
	(plus 1 sanctioned after 30th June 1938).	
Trichinopoly	5	5
	(plus 1 sanctioned after 30th June 1938).	
Vizagapatam	2	2
	72 up to 30th June 1938 and 16 more after 30th June 1938.	89 societies.

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APPENDIX VI

[Vide item IV (1) at page 37 supra.];

L. A. BILL No. 1 OF 1939.

(As passed by the Assembly.)

A Bill to amend the Madras Registration of Births and Deaths Act, 1899, for a certain purpose.

WHEREAS it is expedient to amend the Madras Registration of Births and Deaths Act, 1899, for the purpose hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Madras Registration of Births and Deaths (Amendment) Act, 1939.

2. In sub-section (1) of section 19 of the Madras Registration of Births and Deaths Act, 1899, for the words "the Tahsildar" in the first place where they occur, the words "a Tahsildar or Deputy Tahsildar", and for the words "the Tahsildar" in the second place where they occur, the words "the Tahsildar or Deputy Tahsildar" shall be substituted.

APPENDIX VII

[Vide item IV (2) at page 38 supra.]

L.A. BILL No. 2 OF 1939.

(As passed by the Assembly.)

A Bill further to amend the Madras Revenue Recovery Act, 1864, for a certain purpose.

WHEREAS it is expedient further to amend the Madras Revenue Recovery Act, 1864, for the purpose hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Madras Revenue Recovery (Amendment) Act, 1939.

2. In section 52 of the Madras Revenue Recovery Act, 1864, after the words "and all cesses lawfully imposed upon land", the words "and all sums due to the Provincial Government, including compensation for any loss or damage sustained by them in consequence of a breach of contract" shall be inserted.

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APPENDIX VIII

[Vide item IV (3) at page 52 supra.]

L.A. BILL No. 3 OF 1939.

(As passed by the Assembly.)

A Bill further to amend the Madras Prevention of Adulteration Act, 1918, for a certain purpose.

WHEREAS it is expedient further to amend the Madras Prevention of Adulteration Act, 1918, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Madras Prevention of Adulteration (Amendment) Act, 1939.

Amendment
of section 19,
Madras Act
III of 1918.

2. For the proviso to section 19 of the Madras Prevention of Adulteration Act, 1918, the following proviso shall be substituted, namely:—

Madras
Act III
of 1918.

“ Provided that a prosecution in respect of an offence under section 6-A may be commenced at any time after the vendor gives notice of his intention to plead the warranty by way of defence under the first proviso to sub-section (2) of section 6 and before the expiry of three months from the date on which the prosecution against the vendor is finally disposed of.”

THE MADRAS LEGISLATIVE COUNCIL.

Saturday, the 23th January 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Restrictions imposed by South Kanara District Traffic Board on lorry traffic.

* 138 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to state—

(a) what restrictions have recently been imposed by the South Kanara District Traffic Board on the laden weight of lorries and their routes;

(b) how far the traffic in the district to and from Mysore has suffered and is likely to suffer as a result of the restrictions;

(c) whether the restrictions have been found necessary on account of the defects in the roads, bridges and culverts;

(d) if so, whether the District Board of South Kanara has formulated a scheme for the replacement of the bridges and culverts found defective and what will be the cost of the scheme;

(e) what grant the District Board has asked for in order to meet the required expenditure; and

(f) what amount Government are disposed to sanction?

THE HON. DR. P. SUBBARAYAN:—“(a) The South Kanara Road Traffic Board has restricted the laden weight of lorries to 80 cwt. and has restricted lorry traffic to ten roads in the South Kanara district.

“(b) The restriction as to the routes does not affect traffic to and from Mysore, as all the important routes to and from the Mysore State are included in the ten roads open to lorry traffic. The restriction on the laden weight may affect traffic and the matter is now under consideration.

“(c) The answer is in the affirmative.

“(d) & (e) The district board has applied for a grant of Rs. 55,250 towards a total sum of Rs. 94,250 to be spent on the reconstruction of six bridges and one culvert.

“(f) The application is under consideration in connexion with the Budget Estimate for 1939-40.”

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MR. J. A. SALDANHA:—" May I enquire, Sir, what is the amount that the district board wants for the development of the roads and bridges, for I did not hear the Hon. Minister properly."

THE HON. DR. P. SUBBARAYAN:—" The district board applied for a grant of Rs. 94,250 and they want a grant towards that of Rs. 55,250 from the Government."

MR. J. A. SALDANHA:—" May I know the amount that the Government are disposed to sanction? "

THE HON. DR. P. SUBBARAYAN:—" I have already stated that the matter is under consideration with regard to the preparation of the budget for 1939-40."

Education on modern art, industries, etc., by means of museums.

* 139 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Education be pleased to state what steps Government have taken and propose to take for imparting education to students and the public by means of museums, displaying exhibits covering as many departments of life as possible with special emphasis on modern art, sciences, important industries and discoveries, all duly arranged and classified?

THE HON. SRI C. J. VARKEY:—" The Government have established a museum in Madras City. Government departments co-operate, wherever possible, with non-official bodies in organizing industrial and other exhibitions both in the city and in the mufassal."

MR. J. A. SALDANHA:—" May I know, Sir, in what way museums will be utilized to help children and other people in regard to education? "

THE HON. SRI C. J. VARKEY:—" Exhibitions are intended for the education both of boys and girls and the public."

Excise administration in the Presidency and steps taken by Government to combat illicit distillation, if any.

* 140 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased—

(a) to place before the House a comparative statement showing the total Excise revenue and expenditure for each of the years 1936-37 and 1937-38 and the half-year ending 30th September 1938 as also the consumption of several kinds of liquors and the expenditure on the Excise administration during those periods;

(b) to explain the causes of the increase or decrease under the several heads; and to state

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(c) whether there has been an increase in the expenditure on account of the Prohibition in certain districts, and if so, what the increase was in each of the prohibited districts; and

(d) in which districts illicit distillation is still rampant and what steps Government have taken and propose to take to reduce the evil with due regard to the Excise Commissioner's observations on the subject in the Reports of the Administration of the Excise Revenue for 1936-37 and 1937-38?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (a) to (d)

A statement * is laid on the table of the House."

MR. J. A. SALDANHA:—" With reference to page 2 of the statement I want to know whether it is the policy of the Government to reduce the consumption of liquor gradually or is it their policy to encourage consumption. If it is their policy to discourage consumption, how is it that they decreased the selling price of arrack? Is it their policy to encourage more drinking by decreasing the price? "

THE HON. SRI V. I. MUNISWAMI PILLAI:—" I did not quite understand the hon. Member's question, Sir."

MR. PRESIDENT:—" Will the hon. Member put his question specifically? "

MR. J. A. SALDANHA:—" The statement shows that there is an increase of consumption of liquor all over the Presidency. I want to know, what the policy of the Government is in regard to this matter: is it to encourage drinking by reduction in the price of liquor or is it otherwise? "

THE HON. SRI V. I. MUNISWAMI PILLAI:—" It is stated in the statement that the increase in five districts is ascribed to the low rate of selling price of arrack."

MR. J. A. SALDANHA:—" I think the Government should increase the price of arrack if they want to discourage the drinking of liquor? "

THE HON. SRI V. I. MUNISWAMI PILLAI:—" It is also stated that the duty on country spirits was reduced from 1st April 1935 by about 25 per cent throughout the Presidency to reduce the margin of profit of the illicit distiller."

Scheme for training rural medical practitioners.

* 141 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased—

(a) to place before the House the Government scheme for training rural practitioners for equipping them to take up the task of preventive medicine, the objection raised to it, and to state—

(b) what their functions will be;

* Printed as Appendix I on pages 98-99 infra.

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(c) whether Government propose to take the sense of the Houses of the Legislature before passing final orders on the objections;

(d) if so, when; and

(e) if not, what action Government have taken thereon?

THE HON. DR. T. S. S. RAJAN:—“(a) A copy* of G.O. No. 2639, P.H., dated 21st July 1938, containing the scheme for the deputation of medical practitioners in charge of rural dispensaries of allopathic medicine subsidized by Government, for training in and performance of public health work, is placed on the table. The old Salem and North Nellore District Boards have expressed their inability to adopt the scheme as they cannot meet the travelling allowance, honorarium and remuneration payable to the rural medical practitioners under paragraph 2 of the Government Order referred to. The presidents of these district boards have been informed that the Government Order should be placed before the district boards which were then to be newly constituted. The Malabar District Board has requested that it may be permitted to delete the condition relating to the payment of a remuneration of Rs. 15 per mensem to the rural medical practitioners doing public health work and this is under consideration separately.

“(b) They will be required to perform duties connected with the public health matters in which they are given training. A syllabus of the course is appended to the Government Order.

“(c) & (d) Government do not consider it necessary to place the matter before the House.

“(e) The question does not arise.”

MR. J. A. SALDANHA:—“May I know, Sir, why this House was not consulted on a matter of public importance?”

THE HON. DR. T. S. S. RAJAN:—“I may tell the hon. Member that this is only an executive business and this House need not be consulted about the administrative work of the Government.”

MR. J. A. SALDANHA:—“May I enquire whether the sense of the House at least should not be taken in carrying out certain duties of the Government, whatever that may be and whether it is not advisable and necessary that this House should be consulted in a matter of such importance, in order that they might know what the sense of the House is?”

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THE HON. DR. T. S. S. RAJAN:—“This is entirely a technical matter which has got to be decided by the technical experts and advisers of the Government. As an executive body it has got to discharge certain administrative duties and it is not at all necessary to consult this House on those matters.”

Students selected for training in industries at the Village Industries Association Training School.

* 142 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to place before the House a statement showing the names, religion, race and caste of students sent to the Village Industries Association Training School by the Government from this Province for training in industries in the year 1937-38 and this year?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“During 1937-38 no candidate was deputed for training at the All-India Village Industries Association Training School, Wardha. A statement* showing particulars asked for in the case of candidates deputed for training during the current year is placed on the table of the House.”

UNSTARRED QUESTIONS

Supply of slasher sizing machines to handloom weavers' district co-operative societies.

41 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how many slasher sizing machines have been supplied by the Madras Handloom Weavers' Provincial Co-operative Society, Limited, to handloom weavers' district co-operative societies, and if so, to which and subject to what conditions;

(b) whether the South Kanara Handloom Weavers' District Co-operative Society, Limited, applied for one and if so, with what recommendations from any authorities of the Industries and Co-operative departments; and

(c) whether the application has been complied with or refused and, if refused, for what reasons?

A.—(a) None.

(b) & (c) The society applied to the Madras Handloom Weavers' Provincial Co-operative Society, Limited, for a supply of a machine free of charge and also requested it to bear the running expenses of the machine for six months. But the Provincial Weavers' Co-operative Society could not comply with the application for want of funds.

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Transfer of Andhra gazetted officers to South Kanara and Malabar and that of the latter districts to the former.

42 Q.—MR. J. A. SALDANHA: Will the Hon. the Prime Minister be pleased to place before the House a statement showing the names of gazetted officers in the Revenue, Judicial, Police and Medical departments born in the Telugu-speaking districts transferred to South Kanara and Malabar and of the same class of officers born in the last two districts transferred to the former districts during the last five years and the grounds on which they were justified in the interests of economy and efficiency?

A.—The collection of the information will involve an amount of labour which in the opinion of the Government will be quite disproportionate to any useful purpose which may be served thereby.

Deputation of delegates to the Second Triennial All-India Local Self-Government Conference at Calcutta, their travelling allowance, etc.

43 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Local Administration be pleased to state—

(a) which of the local bodies in the Province have decided to depute their delegates to the Second Triennial All-India Local Self-Government Conference to be held at Calcutta during the Christmas holidays in 1938 and what the status of each of the delegates deputed is;

(b) what the travelling and halting allowances out of the local funds sanctioned by Government to the delegates are; and

(c) whether representations have been submitted to the Government by any local body or any delegate in regard to the allowances sanctioned, and if so, what orders Government have passed thereon?

A.—(a) The local bodies which proposed to send delegates to the conference and the status of the delegates proposed are given below:—

Name of local body.	Status of delegate.
Nellore Municipal Council ..	.. Chairman.
Tuticorin Municipal Council ..	.. (Not specified.)
Bezwada Municipal Council ..	.. Councillor.
Calicut Municipal Council ..	.. Councillor.
Guntur Municipal Council ..	.. Councillor.
Trichinopoly District Board ..	.. Member.
West Tanjore District Board ..	.. President.
Rajahmundry District Board ..	.. Member.
South Kanara District Board ..	.. President.

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(b) A single intermediate class railway fare from their respective headquarters to Calcutta and back has been allowed to the delegates as travelling allowance. A single second-class fare may, however, be drawn on railway lines where there is no intermediate class accommodation. No daily allowance has been sanctioned.

(c) Answer is in the affirmative. Government have declined to modify their previous orders.

Public Health establishment of each of the local bodies in the Presidency, their conditions of service, pay, etc.

44 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Public Health be pleased to state—

(a) the Public Health establishment, if any, of each local authority including the Corporation of Madras in the Madras Presidency at the beginning of 1938-39;

(b) the conditions of service of the members of each such establishment;

(c) the pay of the persons composing each such establishment in each such local area in the Presidency; and

(d) the authority who makes appointments to the Public Health establishment in each local authority?

A.—(a), (b) & (c) Details regarding the Public Health establishments of all local authorities and the Corporation of Madras are not readily available.

(d) Attention is invited to section 73 of the Madras District Municipalities Act, 1920, section 70 of the Madras Local Boards Act, 1920, and sections 85, 86, 87, 89 and 90 of the Madras City Municipalities Act, 1919.

Bill to amend Indian Succession Act as to probates of wills to be taken by Indian Christians and duties payable thereon and succession certificates.

45 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to refer to the assurance given on 14th December last by the then Minister at the conclusion of the debate on my Bill to amend the Indian Succession Act—sections 213 and 370—as to probates of wills to be taken by Indian Christians and duties payable by them thereon and succession certificates to be applied for, and to state whether Government contemplate bringing in legislation for making the necessary alterations in the law, and if so, when?

A.—The matter is under the active consideration of the Government and the question of legislation will be decided as soon as possible.

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—STATEMENT *RE* THE BUSINESS OF THE HOUSE.

* THE HON. DR. T. S. S. RAJAN:—“ Sir, to-day according to the original undertaking given by me to the hon. Mr. Reid regarding the programme of work before the House, the Bill to be moved by the Minister for Education will now be moved. After the disposal of that business, the Public Health Bill will be moved for consideration and then we disperse at 1 o'clock. On Monday, whatever business that is left over from the agenda of to-day will be taken up and I suggest to the House that we sit both in the morning and evening on Monday and Tuesday so that the rest of the business may be carried out as early as possible, particularly in view of the request made by Mr. Moidoo Sahib yesterday with regard to our session not being prolonged beyond Wednesday.”

* MR. J. A. SALDANHA:—“ I want to know from the Hon. the Leader of the House what our hours of business are, especially in view of the coming Budget session and whether there would be any change in the rule with regard to the hours of business, particularly with regard to non-official business. I understand that there is a Joint Committee considering the question—I do not know by whom it was appointed—and that it has been pondering over this question for the last one year but it has not yet done anything. I therefore want to ask the Hon. the Leader of the House . . . ”

MR. PRESIDENT:—“ I have already told the House yesterday that in this House we have been sitting from 11 a.m. to 1 p.m.; such being the case, I do not think there is any necessity for any debate on this matter.”

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—“ I want to inform the Hon. the Leader of the House that there is an important function in Madras on Tuesday, viz., the unveiling of the statue of His late Majesty, King George V by His Excellency the Governor, and many members of the Opposition would like to attend that function . . . ”

* THE HON. DR. T. S. S. RAJAN:—“ Why only members of the Opposition? Members of the Government also would like to go.”

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—“ I am glad and I welcome the Members of the Government to attend it. But, what I would like to say is, that on that day the Council may adjourn at about 4 o'clock in order

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to allow members on both sides of the House to attend the function, if the Council should sit both in the morning and in the evening on that day also.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ May I know, Sir, whether on a non-official day, the Government will agree to give effect to the rule that seems to be in vogue, that is, to sit from 11 to 5? ”

* THE HON. DR. T. S. S. RAJAN:—“ Sir, the House usually sits from 11 to 1. That is the usual procedure that we have been adopting and there is nothing to prevent this House (Rao Bahadur N. R. Samiappa Mudaliyar:—‘ Not by the rules.’)—I am not talking about the rules—from sitting further if the House so desires and if there is enough legislative business to do. Of course that will entirely depend upon the willingness of hon. Members to continue discussion in the afternoons also. But, as far as Government business goes, we are now demanding an extension of the sitting of the House by sitting in the afternoons also for the conduct of Government business. But during the sitting of the Council when non-official business is taken, it is entirely open to hon. Members to sit in the afternoon or not.”

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—“ We have no objection to sit in the afternoons also, but I hope the Hon. the Leader of the House will agree that we might adjourn at 4 o'clock on Tuesday if we should sit in the afternoon also on that day, to enable us to attend the function.”

* THE HON. DR. T. S. S. RAJAN:—“ All those who are anxious to attend it and those who are in duty bound to attend shall be relieved in time.”

III.—THE MADRAS ELEMENTARY EDUCATION (AMENDMENT) BILL 1939 (L.A. BILL No. 4 OF 1939), AS PASSED BY THE ASSEMBLY. 11-15 a.m.

* THE HON. SRI C. J. VARKEY:—“ Mr. President, I move—
‘ That the Bill ^a further to amend the Madras Elementary Education Act, 1920, the Madras Local Boards and Elementary Education (Amendment) Act, 1934, and the Madras Elementary Education (Amendment) Act, 1935, for certain purposes (L.A. Bill No. 4 of 1939), as passed by the Legislative Assembly be taken into consideration at once.’ ”

The District Educational Councils came into existence in accordance with the Madras Elementary Education Act of 1920. It is an admitted fact—though not admitted by the Presidents of the Councils—that these Councils have not worked satisfactorily, and that, therefore, there appears to be no sufficient justification

* Printed as Appendix IV on pages 104-107 infra.

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for their continuance. So, the Government propose that the fundamental principle underlying the Bill, namely, the abolition of the District Educational Councils, be supported by the House. The object of the Government in introducing the Council was that they might help to co-ordinate and direct the activities of the various agencies working in the field of elementary education. That the Councils have not been helpful in this important work has been sufficiently admitted by even the members of the District Educational Councils and by some Presidents also. Further, it has been found that the Council, having to perform its duties throughout the whole district, was not just the machinery required for the purpose in view. Therefore, the Government have under consideration the creation of smaller bodies for smaller areas for carrying on effective work in this important duty of spreading mass education. I request the hon. House to support the motion."

* MR. S. J. GONSALVES:—"Mr. President, the object of the Bill, as the Hon. the Minister for Education has stated, is the abolition of the District Educational Councils. These Councils were created eighteen years ago and they have been functioning till now. On these Councils were representatives of municipalities, district boards, private agencies, both missionary and non-missionary, which were working in the field of education. There was also some nominated element in these Councils and there were the education and other officers of the Government. These Councils were entrusted with large powers in the field of education. They were to recognize schools and were to give financial assistance to those schools from the funds placed at their disposal by the Provincial Government; they were also to distribute the funds equitably amongst the various schools that were working in the district and they possessed many other allied powers. They were an independent *ad hoc* body. The powers that were entrusted to the Councils are now sought to be taken away and given to the subordinate officials of the Education department. It looks as though the Government want to take away the popular control that was given to the people in the field of education and centralize it in the hands of the subordinate officials of the Education department. It looks as if the Government are preferring the individual judgment of their subordinate officials to the collective wisdom of the representatives of the people on that body, an independent and popular body. This, I submit, is the time when greater control should be given to the people, especially in the field of elementary education when the question of expansion of education is before the people. Instead of giving more powers to the popular body, it appears now that they are trying to curtail the control that was given to them

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nearly twenty years ago. I find it difficult to support the curtailment of popular control. On the other hand, I think that the Government should try and extend popular control.

"The Hon. Minister has not told us what will be the composition of the body that will take the place of this Council. He has only stated that the District Educational Councils have not been functioning properly for the last eighteen years. One would like to know in what directions they have not been satisfactorily functioning. The House would like to have some details. The statement has not been supported by facts and is far from convincing. He has not also told us what the substitute for these Councils is to be. If the idea of the Government is that there should be a better machinery for the purposes for which these councils were intended, this House will certainly not have any objection. But the House has not been informed sufficiently about the substitute that the Government intend to bring in. I would plead that in the formation of the substitute body, the Government will keep in mind the idea of popular control—not only that, I will request them to extend the principle of popular control."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, I honestly believe that the present legislation is uncalled for and unnecessary in the present stage. If you look at the present state of education of the people in this Province, one cannot but be convinced of the need for entrusting the District Educational Councils with more powers. Instead of giving more powers to the Council it is certainly unpleasant to see the Government coming forward with the proposal to kill the institutions altogether although they have been functioning well all these years and though a provision exists in the Act itself for reforming them. You know, Sir, we have got on the Council responsible officials and non-officials. There are in the Council the District Collector, the District Educational Officer, the President of the district board—these are ex-officio members of the Council—and in addition to that, the Government have got powers to nominate persons to the extent of one-fourth of the total number excluding the ex-officio members. Having such responsible officers on the Council and also representatives of the district board and of the managing associations of the aided schools, there is no meaning in abolishing the Councils at the present stage. Above all, the Government have enormous powers under sections 22 and 23 to set aside any resolution of the Council. I only draw the attention of the Hon. the Minister for Education to section 21 of the Act:

"The Local Government may by order in writing, suspend the execution of any resolution of any District Educational Council or of any order issued by any District Educational Council or President, or cancel such

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resolution or order and may prohibit the doing of any act which is about to be done or is being done in pursuance of or under colour of this Act, if in their opinion, such resolution has not been legally carried or such resolution or order or act is in excess of the powers conferred by law.

The Government under such circumstances are at perfect liberty to set aside the resolutions of the Council if they are convinced that they are injurious or detrimental to the interests of the public at large. Again if the Government think that the Council or its President is circumventing the rules or not observing them properly in the spirit in which they ought to be observed, they have also power under section 23 to dissolve the Council and throw open the elected seats for election and re-appoint members to the extent to which nomination is allowed. The section reads:

"If, at any time, it appears to the Local Government that a District Educational Council is not properly performing its duties under this Act, they may direct that all elected and appointed members of such district educational council shall vacate their seats and that the vacancies shall be filled by election in respect of elected members and by appointment in respect of appointed members, or that all the vacancies shall be filled by appointment."

If the Government are convinced that the Council is not discharging its functions in the best interests of the public at large, they are at liberty, as I just now said, to abolish the Councils altogether and order re-election and the Government can, in respect of the seats to be filled up by appointment, appoint such people who have the requisite knowledge in educational matters. In spite of such sensible provisions in the Act, I cannot really understand why the Hon. Minister is coming forward before the House with this proposal. Have they had occasion in the past to use these powers and have they found that even after such powers had been used, matters had not improved? In the absence of such a thing, I should be compelled to observe, Sir, that the proposal before the House is uncalled for, unnecessary and unjust.

"I happened to be a member of the District Educational Council for a number of years as an elected representative of the Chittoor District Board. As a matter of fact all the deliberations of the Council were conducted in the immediate presence and guidance of the District Educational Officer. He is, as the House is aware, a subordinate of the Director of Public Instruction and the Government. He is there to guide the deliberations of the Council and to see that they do not go out of the way and only pass resolutions which are in accordance with the law. Even assuming that unacceptable resolutions are passed, the Government have powers under the sections I have already quoted to set them aside and even to dissolve the Councils altogether and order fresh elections. But, Sir, such a necessity has not till now arisen. The District Educational Officer is there. He goes from place to place, inspects the institutions and points out to the committee the drawbacks of the institutions he has inspected and he is bound to place

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all these before the Councils also. It is inconceivable to think that in spite of all this the Councils have been persistently lacking. Therefore, I think, Sir, that there is no meaning in asking for the abolition of the Councils.

"Sir, the Hon. Minister is not pleased to take this House into confidence and tell us what is the nature of the body that he proposes to create in its place. He contemplates, I think, the constitution of smaller bodies functioning in smaller areas. Are these to be for each taluk, or are they to be for each subdivision or for each firka? Who are to be the members of the Committee? He has not been pleased to tell us anything about these points. What is the proper substitute? I would like to hear something about this from the Hon. the Minister. I would like to ask him once again, Sir, what is the alternative proposal? Is it to be a nominated body or is there to be election? I think the House is entitled to hear about this from the Minister before we pass the legislation."

* Mr. J. A. SALDANHA:—"Mr. President, personally I have not always been appreciative of the work of the District Educational Councils. So far as the South Kanara District Educational Council is concerned, it would be seen from the number of questions I have put, that there has been a number of irregularities committed by that body. There was a Bill brought in the old Legislative Council for the purpose of amending the Elementary Education Act and especially this clause as to Educational Councils. The object was not to do away with the Council but to re-constitute it. That is what is required. But now we are asked to abolish the Councils altogether on some vague charges of inefficiency. There was no specific complaint against the Council in the speech of the Hon. the Minister. Neither in his speech in the Statement of Objects and Reasons, is there any indication as to where and how they have been inefficient; his speech has not enlightened us in any way. I think there was an idea of constituting an advisory committee with the Collector as the President. But we have heard nothing about it in the speech of the Hon. Minister. I know that the District Educational Councils have committed certain irregularities; but I would ask which municipality, which district board is free from such defects and irregularities. Now it is a very bad and very unwise step that the Government propose to take in abolishing the District Educational Councils altogether. I remember once urging the defective and irregular work done by these Councils. It was pointed out to me; I made inquiries; and I found though there are some irregularities here and there, they have been doing substantially good work for the last fifteen years. For example, take the case of the Catholic schools in the South Kanara district. If you examine the figures you will see that a large percentage of the

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grants have been taken by the Catholic schools. This shows the fairly good work done by the District Educational Council. There has been conflict between the local board schools and private schools on one side and the Catholic schools on the other, in which the Educational Council has not been always fair. But this does not preclude one from recognizing the merits of the case. The defects in the working of the Educational Council only shows the defective composition of the Educational Council. What we ought to do is to effect improvement in the composition of the Councils and not abolish the whole thing outright.

“ Now what are we to have in their stead? We have to depend on the District Educational Officer for the whole thing. We know that some District Educational Officers are autocratic. They are considered in the mufassal as very powerful officers; and there is great dread of some of them. All of us know when the Inspector of Schools is to inspect a school on a particular day, what elaborate arrangements are made to receive him, and entertain him. Even in our experience of the control of the District Educational Council we know how autocratic they are, and we have made several complaints to the Government of their vagaries and of their erratic methods. But that should not be a reason to abolish the whole institution altogether. Now the question is, are we to hand over to one District Educational Officer in each district and the subordinates of the Director of Public Instruction all the functions till now performed by the District Educational Council. In such Councils the merits and demerits of each scheme were discussed; the claims of different communities were discussed; the presidents of different institutions and bodies met together and talked on several subjects; they exchanged notes; they discussed how educational institutions were getting on in other places; in fact, it was a body which served some good purpose. Now, what is complained of them, who complained and where—all these things are not stated in the Statement of Objects and Reasons appended to this Bill; nor did the Hon. Minister explain them in his speech. I think, the House not being apprised of these things, is bound to oppose the motion. Sir, for these reasons and also on the grounds raised by the previous speakers, I entirely object to this Bill as it stands.

“ Another thing, Sir. We have not been told till now about the nature of the body which is to take the place of the District Educational Council hereafter. If it is the District Educational Officer himself, we may have occasion to object to the arbitrary exercise of his powers. Unless there is some authority to whom we can appeal against his orders, I fear we shall be put to great trouble. The appellate authority may consist of three or four persons, say, the President of the District Board and the Chairman of the Municipal Council; or it might be even the Collector alone.

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I would personally have the Collector as the appellate authority. He knows what the requirements of the district are; he is readily available in the district, so that whenever an arbitrary order is passed by the District Educational Officer, we can readily appeal to the Collector, represent to him the facts of the situation and get our grievance redressed. If the appellate authority is situated outside the district, there will be great delay and things cannot be rectified then and there.”

* SRI R. SRINIVASA AYYANGAR:—“ Mr. President, at this initial stage the question we have to consider is whether this amending Bill should be considered or not. Mr. Saldanha would like to have the consideration of this Bill rejected *in limine*. What we have to discuss now is whether the District Educational Council should be ended or mended. Mr. Saldanha is for mending; and I am for ending it altogether. I have known for some years the working of this Council; and after receiving a copy of this Bill I had very many discussions with the members of the District Educational Council in my district and they expressed their willingness and co-operation in getting rid of these Councils once for all. In other words they were prepared to sign their death warrant. As it is, in the constitution of the Council we find a large—I will say, a preponderating—element of elected members of the District Board, all scattered throughout the district. They do not co-operate with one another; they do not work together. I suppose I am not letting out a secret, when I say, I had the benefit of the opinion of the President of the South Arcot District Board. He said there were 1,170 schools in the district, and it would be too difficult for one person to get himself acquainted with the working of at least 10 per cent of that number. So, he said, work gets stagnated; oftentimes things get out of hand, and irregularities, when they take place, are not brought in time to the notice of the presiding officer. In that state of things, the best thing to do will be to end the institution altogether; amending it seems to me to be out of the question. You can mend a thing if it is capable of being mended; to-day if it is mended it cannot stand at all.

“ Mr. Saldanha said, ‘ Unless you have a substitute for this Educational Council, why do you want to abolish it? ’ He also asked, ‘ Are you going to entrust the work of the District Educational Council into the hands of the District Educational Officer? ’ He characterized them as passing arbitrary orders, prone to do things in a high-handed manner. But you have to remember that they are men appointed in the district to do work, that they are subject to the control and supervision of the department, and that if anything went wrong, the Government would undoubtedly come down upon them and pull them up. The same thing cannot be said of the presidents of district boards. He also said that they were erratic. I think it is a sweeping remark he has made behind the back of these Educational Officers, who are not in a position to

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defend themselves. The best thing will be to do away with the Educational Council altogether, and in its stead to constitute Taluk Committees consisting of gentlemen who will take care of things and not go wrong. I see, whenever there is an attempt to do away with a particular state of things which has been in existence for some years, there is always opposition and revulsion of feeling, and people are led to allow existing things to go on. I think this should not be the case; the more I think of it, the more I am convinced that this thing must go. It may be that in one or two districts it is working well or properly; but will that be a reason to retain these good-for-nothing bodies? Therefore the best thing will be to end them altogether."

SRI B. NARAYANASWAMI NAYUDU:—"Sir, the question before the Council is to scrap the Educational Councils altogether; and we have not been told what is to take their place. Until that is made known our attitude will be one of opposition to this Bill. The Hon. Minister says it is not possible to prune or weed out the bad things from the institution, and so the best thing will be to abolish the institution. That apart, Mr. Srinivasa Ayyangar said that instead of Educational Councils, we shall have Taluk Committees. What will happen is that you will have packed committees of nominated persons, instead of the present Educational Councils with elected members. Is that a change for the good? We want to know what the composition of the Taluk Committee will be. I am sure the Congress Government will not entrust the distribution of 16 lakhs of rupees to such a body; nor will they entrust the distribution of that large sum to a single officer like the District Educational Officer. Not a word has been said about the working of the District Educational Council in the latest report of the Director of Public Instruction.

11-45 a.m. "We talk of the inefficiency of the schools. We want to know how that inefficiency is sought to be remedied by the abolition of these Educational Councils. Four Divisional Inspectors were appointed and the report says that it has achieved some purpose. It is said that one-teacher schools are disappearing and that the other schools are on their way to recovery. What is this measure of abolishing the District Educational Councils for? Is it going at once to bring a complete change? What is the substitute that they are going to bring in? First of all when the Prohibition Bill was brought in, we in the Opposition asked, 'By what are you going to substitute drink?' We never had a reply. This House is entitled to know before they judge whether the abolition of the District Educational Councils is right or wrong, what the bodies are that you are going to substitute in their place. It is fair and it is the duty of the Government when they want to break one part and substitute another part to say by what they are going to substitute, whether it is going to be a body of the Legislature or merely a party body. In the absence of an answer

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to these questions, I humbly submit, Sir, that it is absolutely unwarranted for the Hon. the Minister for Education to introduce this Bill and keep on to it."

* THE HON. SRI C. J. VARKEY:—"Mr. President, indeed at the time of moving for the consideration of the Bill, I thought the hon. Members had not as much time as I might have had, at their disposal, and that is why I did not make a speech at great length. It appears that Members are anxious to hear something more about it. I am prepared to take a few more minutes of the House. Now, there is section 21, which was introduced with foresight, by which we can either suspend or cancel any resolution of the Educational Councils. And, also there is the District Educational Officer who is empowered to interfere with any decisions of the District Educational Councils. In fact, that has been our trouble: already there has been too much of interference. The Government felt a constant need for interference with the decisions of the District Educational Councils. That itself goes to show quite clearly that the Councils were not working satisfactorily. If the Councils were working satisfactorily, it would not have been necessary for the Government or the District Educational Officer to interfere with the decisions of the Councils under section 21.

"It is this constant trouble that these Councils have given the Government that prompted this idea, even in the previous administration, to kill these institutions. In fact two years, only two years, after the introduction of the District Educational Councils, there was a move to abolish them. But, the previous Government had no courage, and therefore, the Bill which was drafted for abolishing these Councils was shelved. The present Government have taken courage in both hands, and are prepared to kill the wild animals. These Councils are like tigers; they had been devouring cows and goats in the villages and we want to put a stop to it.

"It has been said that these Councils should be given more powers, rather than be slaughtered. In fact, they have already been given vast powers, and that is the whole trouble. When the Bill was introduced, or rather framed, in 1917 originally, and became the later Bill of 1920, the framers did not consider whether the Councils as then constituted were fit to discharge those vast powers. We discovered that these Councils were defective and decided to put an end to what was to be ended.

"My hon. Friend, Mr. Saldanha, asks 'Why this question of ending and not mending?' In fact, we are ending it so that we may mend it. Perhaps, that is an art in which he is not a past master. In fact, we take one branch of a tree and plant it at the same place, and a new tree will come up. That is what this Government are going to do. There is nothing to fear that we are going to substitute an autocrat where there is a democrat to-day. It will be a disgrace for this House or for this Government which

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represents popular opinion, if we try to abolish popular institutions. If we kill one popular institution, it is to introduce a better and stronger popular institution. Perhaps hon. Members are anxious, because they do not know what that popular institution is to be. On that institution which we want to create, I have not yet got my mind to work. First, we want that these institutions should be abolished. We have not had much time to think over this matter, and the present Education Minister has not thought over the subject within the short time that he has been in office.

"You may rest assured that when such an institution comes into being it will not have a vast area like a district, for its jurisdiction. Some members of the Educational Councils who are also Members of this House are present here to-day. Can anyone say that they have visited every institution in their own districts? We want an institution where every member of it will be in a position to visit every school within his area. Whether it will be a village or a taluk, we have not decided. We think that will be more popular. To-day we have something like 20 or 30 or 50 members in each district, whether nominated or elected without looking into the merits of the members. Members were elected originally by the taluk boards and later on by the district boards. They have only helped in starting elementary schools here and there as mushrooms. Not that we are complaining against a particular Council or any particular President of the Council. What we are complaining against is the very system of educational administration by such Councils, which are representative of the educational interests of particular localities.

"Then, Mr. Saldanha pointed out the need of one missionary educationist representative in his district. Is he himself able to go and visit all these schools within that district? Is it possible for any single agency to visit all these schools? Therefore, we have taken all these facts into consideration and we have decided to end it in order to mend it. We may mend it by introducing a more popular institution, more representative, whether it be of 30, 40, 100 or 150 members. Members of the Legislature of that area, i.e., within the jurisdiction of the Committee will be ex-officio members of the Committees, whether they are members of this House or of the other House.

"It was feared by some hon. Members who usually have such fears, which are unfounded fears, that this popular Government are going to establish 'packed' committees. I may assure hon. Members that we want no packed committees as has been hitherto the rule in our Province. We want committees for definite purposes, filled with men who would know the field, who would possess knowledge, personal knowledge, of the locality, and who are interested in education, but not in this particular school or that

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particular management. We want those who are interested in the field of education in our Province, who will know the needs of the locality and who will be willing to do much more than simply spending money without increasing the percentage of literacy in our Province.

"You may take it. Hon. Members may rest assured that we are not going to kill the animal for the sake of killing the animal without having a substitute, to end the Council without a better substitute for it; we are going to do constructive work. Suppose this building is declared by the engineers to-day as dangerous or unfit, we have to pull it down, not with the object of simply ending it, but with the object of constructing a better building more suitable to our conditions of life. With these few observations, Sir, I commend the Bill to the support of the House."

The motion that the Bill be taken into consideration at once was put and carried.

MR. PRESIDENT:—"As I have received no amendment so far, I put all the clauses, clause by clause and there will be an opportunity for members who are anxious to speak on any particular clause."

Clauses 2 to 18 were put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. SRI C. J. VARKEY:—"I move, Sir—

'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

IV.—THE MADRAS PUBLIC HEALTH BILL, 1938 (L.A. BILL
No. 17 OF 1938), AS PASSED BY THE ASSEMBLY.

* THE HON. DR. T. S. S. RAJAN:—"Sir, I beg to move—

'that the Bill to make provision for advancing the public health of the Province of Madras (L.A. Bill No. 17 of 1938) as passed by the Legislative Assembly, be taken into consideration at once.'*

"In moving this Bill for the consideration of this House, Sir, I want to say a few facts. A good deal of public criticism, discussion and debate in the other House have been made. So far as the fundamental principle of this Bill is concerned there has been a fairly unanimous opinion that the Bill is necessary. The medical profession, as you know, and members of local self-governing bodies have agreed that this Bill is necessary. Public bodies generally, and medical associations in particular, have unanimously stated that it is a necessary measure. Health associations and various voluntary bodies that have been doing public work in this

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12 noon. Province have for some time past felt the need for this Bill. Besides, even ordinary lay opinion has been clearly expressed; as far as the general principles of the Bill are concerned, there is absolutely no difference of opinion. As regards the general welcome accorded to the principle, there is one exception and that exception comes from the Secretary of the All-India Varnashrama Sangh. It has declared that this Bill is opposed to Varnashrama Swarajya Dharma; and that is the solitary exception, so far as I have been able to gather, taken to the Bill. We may give that opinion the value that it deserves. But in the face of this enormous public opinion in favour of the Bill, I do not think it is necessary to consider this solitary protest. The need for the Bill is clear.

“ So far, there has been no Health Act as at present anywhere in this country. All those laws which are now used for the prevention of sanitary abuses and offences against public health have been placed in a number of statutes, as many as 14 in number, such as the Criminal Law Amendment Act, the Local Boards Act, the District Municipalities Act, the City Municipal Act and a number of other Acts. It has been found that the provisions relating to such a vitally important matter as public health should not be scattered over a number of Acts; this makes it almost impossible both for the public as well as the sanitary staff to understand and enforce them. That an Act of this nature has become necessary has been made clear by the progressive countries of the West, where an Act dealing exclusively with public health has been put into force years ago. But in making this first attempt, we are not doing anything new. We have gathered all those provisions that were found in the existing Acts that I have mentioned and we have also incorporated into those Acts measures which were found through experience to be necessary in this country. For instance, we have added separate chapters on overcrowding in houses, proper regulation of fairs and festivals, special protection for epidemic diseases, special measures for protection of people against infection, measures for protection of drinking water and specific measures for disposal of sewage. In fact all such measures as are necessary for the general well-being of the people have been incorporated. But it is in no sense a complete Act, for, even sanitary science, as many other sciences, is a progressive one. As experience grows and as science advances, it may be, in the light of the experience gained in the working of this Act, we may have to amplify it from time to time. This first Act could and should necessarily be amplified as far as it may be necessary. But in formulating this Bill, we have found these clauses necessary after much discussion and consideration. The chapters have been found to be absolutely necessary, and they have been found so necessary that unless we have those provisions, it will be very difficult for the Government to administer the public health of this Province.

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“ Times were in this country when the sanitary conscience of our people was very active and acute. Religion was associated with public health and offences against public health were considered offences against religion. To such high extent was civilization prevalent in those days that no man would defile a public place or pollute the purity of drinking water without fear of punishment from Heaven for those most unholy acts. But times have changed, the country has changed and administrations have changed. Unfortunately for us, we have forgotten all those sanitary laws and if we remember, we remember more the abuses than the uses of it. Religious sanction having been removed, society has become disrupted and family ties have broken. It has become almost impossible now to remind our countrymen of those sanitary measures which once formed part and parcel of our society. In tune with modern advancement, we have found it necessary that new health laws and revelations of science have got to be made popular and public health enforced on those lines, for the general well-being. Therefore this law that we are now considering to place on the statute-book is one such measure by which we expect to advance the health of our people.

“ But I will also admit that any amount of health laws as such will not ensure the health to our people. Health laws could be made and enforced. But it is the people that are finally concerned with them. Inauguration of health law necessarily means inauguration also of health education that is necessary. For instance, we, in the medical colleges—the doctors—or perhaps most of them are to-day ignorant of the health provisions in the various Acts. But if a Health Act as such is put on the statute-book, instruction could be given to them, to such medical students, Sanitary Inspectors and all those who have got something to do with public health, just as medical jurisprudence forms part of the education of every medical man. This Act also will become part of the education of the medical student, the Sanitary Inspector, the Health Officer and all those who have anything to do with the health administration of the Province. It is one great outstanding advantage which I would like you to remember more than anything else. Then you will also realize that once the rule is made, it will be possible to help those who are doing enormous propaganda, partly as Health Inspectors in season and out of season and partly as voluntary associations like the National Health Propaganda Board and like the Health Committee of the South Indian Health Propaganda Committee or the various other district committees. They will all have an education with which they will be able to call the attention of the people to the particular features of the Act, which are meant not to prosecute people as much as to make them understand that they have got to value certain laws of health, first for their own health and more so for

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the health of the general community at large. Therefore, the whole principle of this Bill is to give a sort of comprehensive text on health matters, necessarily embodying certain penal clauses, because no legislation of this sort will be complete without the penal provisions attached. But the penal provisions are not the end and aim of the Act. The aim of the Act is to make people conscientiously understand matters with regard to health and not to go and commit offences with impunity, without even the fear of any law. Therefore in framing this Act, we have taken into consideration the general level of our society as it stands to-day and as we wish it should be in future, and at the same time, we have also taken note of all those facilities that are now available for promulgating this Act and educating the general public opinion.

“ With regard to the features of this Bill, I have nothing very much to say. There are four fundamental points which I would like to place before the House. The first is the constitution of a Public Health Board. There has been some discussion with regard to the constitution of this Board. But I consider that to be a matter of detail and not a fundamental thing. The Health Board is constituted as a statutory body assisting the Ministry of Health with expert opinion wherever it is necessary, and whenever the Government are in difficulties a reference may be made to the Health Board. In fact the Health Board will be a statutory body responsible to and concerned with the general administration of the whole Province. This is one of the first features of the Bill.

“ The second is that we have now made in the various clauses contained in this Bill a necessary provision for expenditure on health measures both by the municipal Councils as well as other local bodies. We have made a compulsory provision asking those bodies to spend a certain percentage of their income on public health. I may tell you incidentally that a good many of our municipal councils are indeed spending much more than the 30 per cent of the money mentioned in the Bill. There are very many other local bodies that do not spend even as much as 4 or 5 per cent. To them it will be a strain. But considering their poor finances and their inability to understand the importance of spending some money on public health measures we have put down the level to 12½ per cent in case of local bodies other than municipal councils. This, you will admit, will be a necessary measure. No local body can escape the obligation for the provision of public health of the area of which it is in charge.

“ Then the next principle contained in this Bill is the power given to the Health Department headed by the Director of Public Health. If health measures are to be properly enforced and

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observed, a certain amount of power is absolutely necessary for the discharge of the duties of the Health Officer and of the Director of Public Health. The Director of Public Health, as the controlling authority of the Health Department of the Province, has got to co-ordinate the activities of the Health Officers in all the districts, so that a uniform health policy can be evolved and particularly in times of epidemic or when an epidemic is anticipated, when preventive measures will have to be taken. A central authority in the person of the Director of Public Health is therefore absolutely necessary. With regard to the Health Officers, enough power has been given to them to do their work untrammelled by petty animosity, party jealousy or cliques that unfortunately seem to be a feature in some of our local bodies. The Health Officer is very often distracted from his duties. The health staff is made to do other duties. In fact, I know certain municipalities where Health Inspectors have been deputed to do tax collection work to the utter neglect of the health work concerned. Therefore to avoid this unnecessary duplication of work and to conserve the health staff for the most important duties, namely, health duty, in these municipalities, we have reserved to them certain powers. But while we have done so, we have taken care that they shall not usurp the authority or the power of the executive authority concerned. We have specifically stated that in all those acts of the internal management of the particular department concerned, the Health Officer shall be supreme. But where measures have to be promulgated, the executive authority shall be taken as supreme. Therefore in all these matters we have given the Health Officer greater powers than what he has to-day.

“ Then we have also taken powers to bring pressure upon local authorities to provide wholesome water-supply, to compel them to do so during epidemics. Whether they are willing to carry it out or not, we have made it obligatory on them. With regard to fairs and festivals which are practically a common feature of the national life in our country, it has been felt that some drastic powers to safeguard the health of the people are necessary. Therefore a fairly detailed examination has been made of that question and sufficient power has been taken to protect the health of the people and to create a suitable provision with regard to fairs and festivals in this country. 12-15

“ And finally, we have also taken power to deal with the question of those people who refuse, on account of their conscientious objection, to obey certain regulations contained in the Act. I am certainly not very willing to accommodate conscientious objectors; and knowing the science to which I owe allegiance, it is impossible for me to believe that the method which I adopt will not do good to the people who come under our care.

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A question was asked, 'Do you say that your method is infallible? If you are not able to give us the assurance that your method is infallible, are you justified in enacting such a law as this and making it obligatory on the part of people who do not believe in it to resort to inoculation or vaccination? We are absolutely free from illness; we have adopted a certain mode of life and if we are let off without these express injunctions and directions to follow certain methods and allowed to lead our life in our own natural way, it is the best protection against disease.' I certainly could not agree to that proposal. My answer to that is this: 'It does not matter if you do not protect yourself, but if you do not follow what we say, you will become a danger to those who are not protected, particularly in times of epidemic. In so far as medical science has been able to provide, we give the utmost relief that we can; but if you could suggest any other remedy over and above this, then we may accept that your position is correct. But in the meantime we can only follow our method; our business is to see that you are not made a public danger in having your conscientious objection.' In view of the long discussion over this matter, we thought it necessary to include a conscience clause; on account of which it was also subsequently commented upon in the papers that we yielded to the demands of the conscientious objectors. It is not because that we found our system of vaccination defective that we yielded to the pressure of the conscientious objectors, but because we were able to evolve a method by which we are able to meet the objections of the conscientious objectors, at the same time making them quite innocuous to society by isolating them. It was under those conditions that we agreed to introduce such a conscience clause. Rules in connexion with the procedure to be adopted in putting that provision into practice will be framed. Under these rules it is proposed to make it the duty of the medical officer to go and enquire individual cases of conscientious objectors and with the help of the Health Department to impose certain restrictions on their movements and methods of living, so that they may not become a danger to the society. If a provision like that is made in the rules, it will not be possible for people to disobey or evade the health laws and make them ineffective or unworkable, because I am sure that people, generally, would consider it unworthy for them to undergo all the laborious processes and conditions which will be prescribed under the rules merely for the sake of getting themselves exempted from vaccination. At the same time, I would point out that the existence of such a provision will, I am sure, give the conscientious objector such liberty of action as he would like to take on account of his objection. It must be remembered that we are going to insist upon seeing that as many people as possible are made free from infection; and to achieve that end, we have adopted certain compulsory measures. But as against them

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we have also provided in the Act certain severe provisions which, unless a man is so conscientious, he would not think it worth while to submit to simply to evade the provision relating to inoculation and vaccination.

"Now the other explanation I have got to offer as to why we agreed to introduce a conscience clause is this: Unfortunately there are instances in western countries where this conscience clause has been admitted into their legislation. I had necessarily to confess that such a clause had found a place in their statute-book there. But the difference is this: our country has not developed such a healthy and active conscience with regard to health matters as the western countries. So I am justified in making a clause with regard to isolation, but I could not possibly deny the individual freedom conveyed in the conscience clause. We were faced with this problem. It should not be assumed that we accepted this proposition quite unreservedly. In fact it became necessary. We have not introduced any other clause which is so controversial as this, except one, viz., the clause relating to the powers vested in the Health Board and the health staff. Some people say that we have given extraordinary powers to them. To this my only reply is that we have at the same time introduced provisions in the Bill giving exemplary punishments to officers if they abuse the powers vested in them. We have stipulated three months' imprisonment and a fine of Rs. 1,000 in case the Health Officer or the health staff misuse the provisions contained in the Act. There are sanitary officers, who are good, bad and indifferent. If in the legislation a certain exemplary provision has been introduced to prevent unscrupulous officers acting in a manner which is not prescribed by the Act, it is a sufficient protection. But if we are providing such powers in the statute, it is not because that we want to impose such a Health law as this on the public, but because we want to see that a large number of people of our Province are protected from disease. It is solely in the interests of the public health of the Province that we have introduced such sections in the Act.

"Sir, it is needless for me to go into the various sections of the Bill, because they are all fairly self-explanatory. But what I feel and would like to say is that as far as the various sections of the other House were concerned, there was absolute unanimity of opinion with regard to the various provisions of the Bill. The Bill was thoroughly discussed in the Select Committee for days together, sitting from 11 to 5 and also late in the evening. Over and above this, all the sections were carefully considered in the Select Committee and the various suggestions that were made in the Select Committee have been incorporated in the Bill. Having been able to get a more or less unanimous report in the Select Committee, I may be allowed to say that I have had a perfect and

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willing co-operation from all sides of that House, and every member who took part in the debate gave his best thought to the subject. There were as many as 285 amendments suggested to the Bill, but I am glad to say that they were almost either withdrawn or were so insignificant that we chose to accept them. There have been verbal amendments here and there which we did not hesitate to accept. But in the case of fundamental amendments which went against the principles of the Bill, we could not accept them. In so far as the Bill has successfully emerged from the other House, in spite of some carping criticism, I believe I am placing before this House a fairly composite Bill for their consideration."

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"Mr. President, I am very glad that this motion ultimately to pass the Public Health Bill into an Act has been moved by the Hon. the Leader of the House to-day. We all know the high death-rate that exists both in this Province and in the City of Madras. It is a matter for congratulation that ever since the Hon. Minister for Public Health took charge of his portfolio, he has given his best attention to the principles contained in this Bill. After a great deal of work he has been able to produce a measure of this sort. So I should like to take this opportunity to offer my warmest congratulations to him.

"Sir, this, I think, is the first time when a measure of this sort has been introduced in India and I am sure that as a result of this Bill there will be tremendous improvement in the health of this Province. As has been said by the Hon. the Leader of the House, there have been three or four important points which have been brought before the House for its consideration, and those form the essential features of this Bill. The first and foremost is the Public Health Board. I am glad that this Public Health Board has been brought into existence with the Director of Public Health as its Secretary and though the functions of this Board have been prescribed in the Bill and it has been termed as an Advisory Body, I am sure that their decisions will have a tremendous effect in shaping the policy of public health in this Province. As regards the constitution of the Public Health Board, it would have been better if the Bill had been left as it was introduced by the Hon. Minister. It would have been better if the three Members of the Legislature were elected. Anyhow it is not a very important matter. All the same I feel that the Board will work well because it is a small body and there are officers in it who have an expert knowledge on the subject and I am sure that this Board will do a great deal of good work in this Province. I am glad that Madras City is included in the scope of this Bill. The late Dr. Nair used to say that Madras City was a death trap. I think therefore that Madras City was rightly included in this Bill.

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"As regards the conscientious objectors to inoculation and vaccination, I should have been personally glad if the Hon. Minister had stuck to his guns and not yielded to what the conscientious objectors stated. No doubt he has offered an explanation, the reason why he accepted their objection. But I think we ought to see whether clause 76 is going to work properly or not. The Government should see that the death-rate either in any district or districts or throughout the whole Presidency does not go higher on account of exemption given to conscientious objectors in future. If the Government find that the arrangement that has been come to does not work properly, I think it will be the duty of the Hon. Minister for Public Health to come forward once again to amend the Act in order that the provisions contained in the Act with regard to inoculation may be made compulsory. In this connexion I may add that I shall be very glad that a compulsory provision has been made in the Bill for expenditure in connexion with the Health Board. I am very glad that great powers have been given to the Director of Public Health and the Health Officers. What is wanted is a thorough co-operation between the Health Officers and the Director of Public Health. Three or four months ago the City of Madras was suffering from meningitis and the co-operation between the Health staff and the Director of Public Health at that time was of great benefit to the City; the whole City of Madras stood to gain on account of such co-operation. I am sure, if there is such co-operation between the Health Officers and the Director of Public Health with regard to the working of this measure, it would produce very good results in improving the public health of the Province. As has been rightly pointed out by the Hon. Minister in introducing the Bill, this Bill makes it compulsory on the local authorities to discharge certain duties towards those who are placed under their care as regards water-supply and fairs and festivals. On the whole I should like to say that this measure is a very progressive one for which the Hon. Minister for Public Health deserves our warmest congratulations."

* MR. D. M. REID:—"Mr. President, I am sure that all shades of opinion in this House much appreciate the clear, comprehensive and sincere manner in which the Hon. the Leader of the House has introduced this Bill. It is not necessary for me to refer to this in any way other than very briefly. We all appreciate the way in which the Government have met the wishes of different shades of opinion and made use of ideas on health of everyone concerned so that, though the credit for the Bill must remain with the Government and with the Hon. the Leader of the House particularly, I think all shades of opinion may also take credit for the part they have taken in bringing this to a successful conclusion. Sir, I have in my name two amendments; I think there are three

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amendments altogether. I should like to suggest to this House that they may be withdrawn because the Government have fairly met the wishes of those concerned by the assurances they have given. I think this Bill is shortly becoming an Act. This is only the beginning of a very long and difficult time for Government when all its clauses are to be brought into operation, and when the Hon. the Minister for Health will be extremely fully occupied in working out how best he can give effect to this Bill. We had an example just now with regard to the Educational Councils where it was thought necessary to abolish them. There will, no doubt, be a necessity in future for amending Bills. There may be great differences in administration which will have to be considered by this and the other House in due course. I am sure we all wish the Government and the Hon. Minister well in his future labours in this connexion and congratulate him on this Bill."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, on a previous occasion the Hon. the Prime Minister remarked with reference to one of my speeches that I have lost my commonsense. To-day I do not want to pitch my speech on a high level. I shall proceed in a light vein to-day so that I may have that commonsense which was considered to be lacking in me on another occasion. I hope to elicit also an equal amount of commonsense from the other side.

"Before I deal with the Bill proper I want to bring to the notice of the House two matters. One is, as soon as the Bill was published in the Gazette I wrote a letter requesting the Hon. the Leader of the House to send me a copy of the draft Bill. I expected a reply to it, but curiously enough I got a letter from the Secretary stating something or other; the result was nothing. I thought, Sir, that in a popular Government, at any rate, the Leader of the House would have obliged me with these things. Anyhow, he has not obliged me.

"I shall now proceed with my next point. I put down a question to the Hon. the Leader of the House specifically asking what is the amount of expenditure on Public Health establishment incurred by the several municipalities and local boards. This Bill provides that 12½ per cent of the income of local boards and 30 per cent of the income of municipalities shall be earmarked for expenditure on public health. I suppose, Sir, that the Hon. the Leader of the House should have made enquiries long before and found out whether the expenditure incurred by these local bodies on public health fell far below that standard, and therefore, had to be raised to 12½ per cent and 30 per cent respectively. For, if as a matter of fact, the local bodies are spending really as much as 12½ per cent and 30 per cent to-day, the statutory limit

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requires to be raised above that. Therefore, I thought in a matter like this, some information would be placed before the House; or, at any rate, I expected that the Minister for Health would have got those figures and given us the information when we asked for them.

"With these remarks, Sir, I wish to associate myself with the previous speakers in congratulating the Hon. the Leader of the House on introducing this Bill and bringing it to an issue before this House. But, we of the Opposition always look only for odd corners. The best things, we leave aside, though not without approbation. Therefore, if I offer a few remarks with regard to this Bill and select only some things for criticism I hope it will not be misconstrued or misconceived altogether.

"As I said, this is an excellent Bill containing a number of gems. I have picked out certain gems and I shall say a word or two about them. The first thing is clause (c) of section 4 (1):

'Three Members of the Madras Legislature nominated by the Government.'

This gem was unvarnished before, but it became varnished in the Select Committee. Instead of being 'elected members' they became nominated. I do not know, Sir, how the Select Committee has got a knack of varnishing gems. In the Minor Ports Fund Bill at first four lakhs of rupees were placed in the reserve fund, but the Select Committee converted it into 15 lakhs; but there was to be nothing for the year after next. I do not know why this Select Committee wanted these members to be nominated. Probably they did not want that the Legislature should take the responsibility of administering the measure, seeing that the Board was more or less a packed committee. Even on a packed committee, Sir, members of the Legislature can have the responsibility of seeing that things are properly done. It is now provided that three members of the Madras Legislature are to be nominated by the Government. This House may have some of its members nominated or it may have none according to the sweet will and pleasure of the Hon. the Leader of the House. I suppose, Sir, he will not be bothered about it just as the Justice party Government was bothered with regard to nomination.

"Then, we have got another gem. These gems are real gems. But the question is, whether they are malignant or beneficent gems. Section 9 (2) deals with the appointment of Health Officers. It says that the Government shall appoint Health Officers of all local authorities. Section 14 (1) says that the Health Officer in charge of any local area shall exercise supervision and control over the Public Health establishment. I wanted to find out whether in the Public Health Act and Local Government Acts in England, the parent institutions, from which these local institutions have

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sprung up, the Government were armed with these powers. The Local Government Act of 1933 says that every County Council shall appoint a fit person as a surveyor, a medical officer of health or a sanitary inspector. These appointments have always been by the local County Council. I do not know what the practice is in the Western hemisphere. The Hon. the Prime Minister has referred to the Western hemisphere while speaking on the Estates Land Act Committee report; probably he may be able to enlighten us. I would like to ask the Hon. the Minister for Public Information what the practice is in Continental countries and whether the local bodies are not given this power of appointing Health Officers and whether the power is taken by the Government. The difficulty is this, Sir. Only the other day the Hon. Mr. Gopala Reddi said that the local boards should not have the power of appointing Assistant Engineers and that the Government should have the power. The Hon. the Minister for Public Health now says that the local boards should not have the power of appointing Health Officers and that he should have that power. The Hon. the Minister for Education has said that the Educational Councils were of no use and that he should have control over teachers. With the power of appointing Assistant Engineers, Health Officers and teachers taken away from the local bodies, the local bodies will become mere skeletons in the country. The Hon. the Prime Minister said that the zamindars were skeletons in the country. He will also have the local boards as skeletons in the country. After some time, the Hon. Mr. Gopala Reddi will say: 'Here is a wild animal or a lean animal and let us get rid of it.' To my mind, Sir, the whole thing seems to be a 'Thol Bommalu Natakam.' The natakam is in the hands of the district boards and it must now be taken away and vested in the Government. During the Non-Co-operation movement the Sub-Magistrates were all under the control of the District Magistrates and the Sessions Judges were all under the control of the Chief Secretariat. In my school days I used to wonder for what the District Magistrates existed, because they did not try any cases. I did not then know that they had really the strings with which they pulled all the other Magistrates. Now in this case, the Health Officer in the district will act according to the pleasure of the Health Minister, the Assistant Engineer will act according to the pleasure of the Minister for Local Administration. It may all be really good, Sir. But to my mind, whatever it may be, it seems that the local institutions ought not to be deprived of all their powers in this manner. I do not mind the local authorities being deprived of these powers; but the pity of it is that you go and ask them to levy taxation. They must levy the taxes, satisfy the people as to the necessity for the taxes and then give the proceeds of the taxes to pay the Health Officer, the Assistant Engineer and the teachers who are not under their

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control. If, as Mr. Varkey said, these local institutions are mere wild animals and deserve to be killed, I would ask the Government themselves to levy the taxes, instead of the local bodies and take the blame for them. That is the really fundamental issue. I have put it in a light vein, but we have to consider whether this 'Thol Bommalu Natakam' should be concentrated in the Secretariat or distributed in the various districts. As I have said, Sir, this provision is no doubt a gem, but it may act malignantly or beneficently.

"We have got another gem and that is contained in section 18. This gem has a characteristic spot in it. Whether there is a spot or not will be seriously debated and hon. Members like Mr. Reid may be able to speak authoritatively on the point. The clause says that a local authority may declare any lake, stream, spring, well, etc., or other source of water-supply from which water is or may be made available for the use of the public for domestic purposes to be a source of public water-supply. If in any bungalow there is good water in a well and people have been using it for drinking purposes with the sufferance of the owner of the bungalow, the local authority might say that it must become a source of public water-supply. I do not know whether it is the intention of the Government that all sources of water-supply should become sources of public water-supply, from which water may be made available for the public.

"And, then, we have got a survival of the old bureaucratic Government. The Collector is given wide powers. He has to enquire whether the provision of any additional source of water-supply is necessary for a local area; and if he finds that an additional source is necessary, then he may direct that any source of water-supply be cleaned, improved, repaired or otherwise protected from contamination. In ordinary villages there are certain wells from which water is baled out. People use that water for domestic purposes. In the summer the well dries up. According to this section, the Collector or the local authority may ask the owner of the well to dig it deeper and furnish the public water-supply. I do not think, Sir, that such is the intention of the Government but the language is capable of that construction. I have given notice of an amendment and I hope it will be considered.

"There is one other point with regard to the principles of the Bill. Never mind the gems, which I have pointed out. But from which mine do they come? The mine is in section 25. It says that any local authority may levy any tax which may be necessary for providing water-supply. As I have already said the main question is the question of taxation by local authorities. But even that taxation is not sufficient. The Government must have this mine and have the power of imposing water-rates to

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recoup themselves. Nothing is said here with regard to capital expenditure. Even in England, though the Public Health Act was passed early, inaction prevailed for a long time; no definite attempts could be made to improve public health. Even under this Bill, has any money been provided for digging and maintaining wells in our Presidency? Therefore, in this country also inaction will continue for a long time. Even in England, in the year 1934 Parliament voted a grant of one million pounds for aid for rural water-supply schemes; without such aid, public health could not be improved. There the Act was passed in 1878, but only in the year 1934 the Government came forward with a million pounds; until then the Act was in force in letter but not in spirit.

"I am referring to all these points only to show that the Act is very reasonable but it has to be supplemented with enough money. Last year a provision was made in the budget for rural water-supply scheme. I thought that some such fund would be made available in connexion with this Bill for being utilized in rural areas. I hope, as time goes on, this will be done.

"There is one other gem in the Bill to which I do not wish to refer in detail. It was said in the Lower House that it was a very vital thing. I do not wish to lay much stress on that point now and there is no use in doing so. It is stated in sub-clause (3) of clause 51 that any person easing himself in any private open space shall immediately cover up the excreta with earth.

"I submit that so far as this Bill is concerned, it is good. There are of course many gems in this Bill, but the mine is absolutely empty. I suppose that enough funds will be provided in course of time. I hope the Government will give effect to this measure with all its implications."

* DR. P. J. THOMAS:—"Sir, I rise to support this Bill because I consider it to be a necessary preliminary to the economic development of this country. In India, the average expectation of life at birth is about 26 years; it has increased from 23 or 24 to 26 during the period 1881 to 1931; in England the expectation of life is as high as 60. Our death-rate is also higher than in most other countries. Various statistics could be quoted to show the pitiable position of India in this matter, but I do not want to tire the House by recounting them. For long our rulers have been under the influence of *laissez faire*: the Government only interfered when famine or epidemics broke out; in normal times the authorities were leaving everything to the free will of the people, and the people having been accustomed to a very low

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standard of living for a long time, nobody rose against it and there was no strong public opinion to press for reform. All those who realize the poor condition of our people whether in town or country, are bound to support this Bill.

"I cannot quite understand why some opposition has been made against this Bill. Perhaps there is a feeling that the powers to be given to the Health Officers might be misused. Local bodies are now having some powers with regard to public health; they have been administering certain Acts; apparently they have not been fulfilling their duties properly. We know very well in Madras itself how open spaces in the City have been used as lavatories. I am living in a part of the City where I find every morning people squatting to answer the calls, and this is continuing in spite of the assurance of the Police that they have stopped the nuisance in that part of the City. I know how people who live in other parts of India feel when they come to Madras. To say that local bodies alone can manage these matters is to my mind, rather asking for the impossible. After all local bodies are dependent upon the votes of the people generally and they have got certain difficulties in enforcing such laws. I should certainly welcome the greater powers that are given to the Health Officers. There are indeed possibilities of their misusing them; I do not at all deny it. But, I think the Hon. Minister has made provision for this by imposing penalties. I hope the Government will see that these provisions are carefully enforced. In a country like India we have to remember that powers given to officers are more likely to be misused than in other countries; we have therefore to be jealously watching the working of the extra powers given to officers of any department.

"I fear that the significance of this measure has not been fully realized by my hon. Friend Mr. Narayanaswami Nayudu. Even in England public health was extremely bad 100 years ago. There were outbreaks of plague, smallpox and typhoid frequently in factory areas where overcrowding was pronounced; the mortality rates were very high in such localities. It was not uncommon for people in those days to live in swampy areas, and the results were disastrous. All this has changed since 1875 on account of active work by Government and local authorities and by the energetic co-operation between the Government and the people. In India, things have been rather bad for long. The Hon. Minister pointed out in this connexion that things were better in the past; I hope he is right. Perhaps owing to sparseness of population things were a little better then. But only the 'higher' classes cared for cleanliness; the aghaharams were comparatively clean. One peculiarity about the Indian people in the past was that the upper castes kept the lower away by prescribing distances

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of approachability; this was in conformity with the whole structure of society in those days. There have been patches of well-kept tracts in this country; but things generally were not good. Perhaps it was due to pre-occupation with the attainment of the future world that the actual needs of this world were neglected. The question of improvement of public health should have been taken up long ago. In England the matter was in the force about the middle of the 19th century. Public conscience rose there earlier. But in India such conscience is still only vaguely felt. It is no wonder that there is opposition to this Bill at the present time.

“ But can we promote public health merely by law and by imposing penalties? I think that, even in a country like India legislation can have only a low degree of efficacy. We must go beyond that; we must form a powerful public opinion and educate it systematically. After all, public health measures cannot be enforced, unless we have strong public opinion supporting the Government. As a matter of fact, there is great need for educating the people, especially the younger generation in the matter of health; that must be done in schools. I think we must carry on very much stronger propaganda in elementary schools, secondary schools and even in colleges, so that our young men and women may have proper conception of the importance of public health. People must realize that it is not enough if they are careful; the danger is as great if the neighbouring houses are infested. Every one must be interested to see that the other man's house also is kept clean. All these ideas must be inculcated strongly into the minds of our boys from the very beginning of their lives by parents and teachers. We should see that some text-books on the subject are printed and that propaganda is carried on. The Hon. Minister pointed out that propaganda is being carried on even now. Lectures are being delivered and pamphlets are published; but I fear that the propaganda that is carried on at present is rather weak. A few people who have got leisure might be attending the lectures delivered and reading the pamphlets circulated. But the common people have not been benefited by these. Public health must be taught as a compulsory part of our school course. Not only teachers but also all those who are engaged in education must be taught the elements of public health. If one individual or family in a locality neglects public health, even if all other families are careful, the locality may be liable to the worst diseases. Thus, the indifference of one person may cause the greatest injury to the community as a whole. Hence the supreme importance of public health.

“ But, the most active propaganda will not suffice if the income of the masses remains at the present low level. With

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such a despicably low standard of living as now obtains in India, we cannot expect the masses to keep a high standard in health. The common people must have better houses and more abundant amenities. A campaign for public health can only be effective if we succeed in raising the income of the working classes. At present, their income is very low. The improvement of public health is largely dependent upon the economic condition of the people. With such appalling conditions as are obtaining in this country to-day, public health cannot be improved very much. That is why I insist on this legislation being considered as a part of a large campaign against poverty and ignorance. This legislation must be accompanied by other measures like free compulsory education and by a campaign for raising the standard of living of the people and of course their income. I would appeal to the Government to consider this legislation as only a first step or instalment of a general campaign for better living. Let us push on by creating public opinion, by educating the younger generation, by doing everything possible to increase the income of the masses, i.e., by increasing production, by changing the present methods of cultivation and marketing and the vicious system of land tenures in this country. I hope these matters will be attended to immediately.”

The House then adjourned to meet again at 11 a.m. on Monday, the 30th instant.

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APPENDIX I.

[Vide answer to starred question No. 140 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 28th January 1939, page 65 supra.]

Statement.

A comparative statement showing the total excise revenue and expenditure for each of the years 1936-37 and 1937-38 and the half-year ending 30th September 1938 as also the consumption of several kinds of liquors is given below:—

	1936-37.	1937-38.	1938-39 (half-year ending 30th September 1938).
	RS.	RS.	RS.
Total excise revenue	3,96,24,802	4,03,74,613	1,79,79,110
Total expenditure	33,12,347	33,68,258	14,89,107
Consumption of arrack	9,99,804	10,95,063	5,31,354
	(P.G.)	(P.G.)	(P.G.)
Spirits	72,872	72,887	Not avail- able.
	(P.G.)	(P.G.)	Do.
Wines	14,980	13,922	Do.
	(I.G.)	(I.G.)	
Malt liquors	6,32,757	5,91,989	Do.
	(I.G.)	(I.G.)	
Number of trees marked.			
	1936-37.	1937-38.	
Cocoanuts	953,726	881,772	Not avail- able.
Palmyra	488,291	593,024	
Dates	656,354	629,887	
Sagos	3,327	3,419	
Total	2,101,698	2,108,102	

Revenue.—The increase in 1937-38 is mostly due to an increase in the receipts from duty on arrack.

Expenditure.—The increase in expenditure in 1937-38 over 1936-37 is only Rs. 55,911 (less than 2 per cent). It is mostly due to an increase under pay of establishment and officers as a result of grade promotions made in the course of the year and an increase under travelling allowance owing to the intense touring and several transfers consequent on the introduction of prohibition in Salem.

The expenditure up to half-year ending 30th September 1938 is Rs. 14,89,107 against Rs. 15,81,136 for the same period during 1937-38. The decrease of Rs. 92,029 during the half-year ending 30th September 1938 is due (1) to the introduction of prohibition in Salem and withdrawal of Excise staff from 1st October 1937 and (2) to the transfer of the control of the administration of Matches and Sugar (Excise Duty) Acts to the Government of India from 1st April 1938.

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Consumption of arrack.—The increase in consumption in 1937-38 over 1936-37 is only 95,259 proof gallons or 9.5 per cent. The increase occurred in the majority of districts and is attributed to the low rate of selling price of arrack, better economic conditions and rigorous steps taken to suppress illicit distillation in certain parts.

The consumption in the non-prohibition area of the province during the half-year ending 30th September 1938 amounted to 531,354 proof gallons against 541,214 proof gallons for the corresponding period of last year representing a decrease of 1.8 per cent. The decrease occurred in all districts except Vizagapatam, West Godavari, Guntur, Madras and Chittoor and is generally attributed to the unfavourable economic conditions and high selling price of arrack in certain parts. The increase in the five districts is ascribed to the low rate of selling price of arrack.

Spirits.—There is no appreciable difference in consumption in the non-prohibition areas between the figures of 1936-37 and 1937-38.

Wines.—The decrease is due to the high cost of imported wine.

Malt liquors.—Reasons for the decrease are not known.

Toddy (number of trees marked).—The increase is slight and does not call for any remarks.

2. The estimated savings in the current year up to 31st March 1939 due to the abolition of the Excise staff in Cuddapah district is Rs. 25,600 and in Chittoor Rs. 23,500.

The estimated cost of additional Police staff employed to enforce prohibition in the current year up to 31st March 1939 in Cuddapah district is Rs. 28,000 and in Chittoor Rs. 29,000.

As regards Salem a net saving of Rs. 19,000 is anticipated during 1938-39.

3. The districts in which illicit distillation crime is prevalent are Vizagapatam, East Godavari, West Godavari, Kurnool, Anantapur, Bellary, Coimbatore, Tinnevely, the Nilgiris, South Kanara and Malabar.

The duty on country spirits was reduced from 1st April 1935 by about 25 per cent throughout the Presidency to reduce the margin of profit of the illicit distiller. In the Chicacole circle of the Vizagapatam district the sale of cheap ippa arrack was introduced with effect from 1st April 1937. A special party of twelve peons is employed in this circle for detection of illicit distillation. In other areas it is the chief function of the local staff to prevent this class of crime and it is believed that in general they are doing all that is possible under the system of control prevailing in non-prohibition areas.

No other steps are under contemplation.

[28th January 1939]

APPENDIX II.

[Vide answer to starred question No. 141 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 28th January 1939, page 66 supra.]

G.O. No. 2639, P.H., dated 21st July 1938.

READ—the following papers:—

From the Surgeon-General, dated 17th December 1937,
No. 1591 Mis.

From the Director of Public Health, dated 24th March 1938,
No. 3445-1, P.H.

From the Director of Public Health, dated 9th May 1938,
No. 12488-1, P.H.

From the Surgeon-General, dated 30th May 1938, No. 2548-H.

Order—No. 2639, P.H., dated 21st July 1938.

The Conference of Public Health Ministers held at Fort St. George, Madras, on 29th December 1937 passed a resolution to the effect that rural medical practitioners should have a special course of training in the theory and practice of "public health" to enable them to discharge efficiently their duties as sanitary officers. The Government have considered the resolution in consultation with the Director of Public Health and the Surgeon-General and have decided that it should be given effect to.

2. The training, which will be in Madras, will last for a month exclusive of Sundays and will be confined to medical practitioners in charge of rural dispensaries of allopathic medicine subsidized by Government. A detailed syllabus for the course of training is printed as an appendix to this order. The Director of Public Health is requested to arrange for the training of these practitioners in batches, in consultation with the presidents of local boards concerned. During the absence of the practitioners while undergoing training the rural dispensaries may be placed in charge of substitutes on Government subsidy. The practitioners deputed for training should be paid from the funds of the local boards concerned—

(a) travelling allowance as on tour for their journeys to Madras for undergoing training and for their return journeys; and

(b) an honorarium of Rs. 25 a month during the period of the training.

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After the completion of the training a remuneration of Rs. 15 a month should be paid from the funds of the local boards concerned, to each rural medical practitioner for doing public health work. No separate travelling allowance or additional honorarium for inoculation or festival duty need be paid. The rural medical practitioners will, when doing public health work, be under the control of district health officers. The area for purposes of public health work should not as a rule extend to villages beyond a radius of five miles from the rural dispensary. Where this area is too heavy a charge as in deltaic tracts, it may be reduced in consultation with the district health officer.

3. The presidents of local boards are informed that in future those medical officers who have undergone training in public health work should be given preference for appointment as rural medical practitioners.

(By order of His Excellency the Governor)

C. H. MASTERMAN,
Secretary to Government.

To the Surgeon-General.
,, the Director of Public Health.
,, the Principal, Indian Medical School.
,, the Examiner of Local Fund Accounts.
,, the Inspector of Municipal Councils and Local Boards.
,, the Accountant-General.
,, all presidents of district boards (with copies for presidents of panchayat boards).
,, the Public (Political) Department.
,, the Commissioner of Labour.

APPENDIX.

Training of Rural Medical Practitioners in public health work.

Syllabus for practical training.

1. Water-supply—Sources (wells, springs, rivers and tanks.)
Impurities in water-supply—Chemical and bacteriological and how best to conserve the sources from pollution.
Disease due to impurities in water-supply.
Inspection of water-supply and collection of samples from different sources including bore-wells and tube-wells.
Problems of water-supply in rural towns, villages and festival camps and their protection including chlorination, and testing if efficient.
Selection of sites for wells
Demonstration of use of ordinary borer for determining the nature of sub-soil water before digging up wells.
The use of pumps, repairs and their proper maintenance.
2. Communicable diseases.—Epidemiology and prevention and control of spread of the more important communicable diseases like cholera, smallpox and plague.

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Epidemic diseases—Insects and parasites.—Diseases transmitted by insects and parasites and methods of control and prevention.

Methods of prevention and control of plague, smallpox and cholera. Training in inoculation with anti-cholera, anti-plague and anti-typhoid vaccine and methods of disinfection of houses, clothes, furniture, excreta, etc.

3. *Plague.*—Observation, general ideas of rats and fleas. Dissection of rats and how to make smears, diagnosis of plague in rats.

Rat destruction—trapping, baiting and fumigation with cyanogas.

Sun disinfection, steps taken before evacuation and re-occupation—Inoculation—Fumigation of grains, etc., and personal effects.

4. *Festivals.*—Management of fairs and festivals in all their aspects—Submission of Forms I, II and III reports.

5. *Vaccination.*—Preservation of lymph under rural conditions. Technique of vaccination.

Preparation of returns—common causes of failure of vaccination—Checking of unprotected persons and unprotected cases registers.

6. *Vital statistics.*—Aims and objects of registration; population and census; importance of accuracy in registration work; errors commonly met with and their avoidance; calculation of birth and death rates and infantile mortality and maternal mortality rates. Duties of village munshis in registration in compulsory and non-compulsory areas; legal obligations imposed on people by Act III of 1899. Rules regarding registration of still births and maternal deaths. Laws, rules and departmental orders regarding vital statistics.

7. *Food.*—Nutritive values of foods in common use and diseases attributable to food (vitamin and deficiency diseases)—food-poisoning and inspection of food. Inspection of meat, fish and other common articles of food and recognition of signs of disease.

Methods of inspection of dangerous and offensive trades with a view to licensing them with reference to existing by-laws.

8. *Hygiene of schools.*—Inspection of schools with a view to issue sanitary certificates.

9. *Rural sanitation and propaganda.*—Selection of sites for latrines; different types of latrines suitable for rural areas; demonstration of bore-hole latrines and squatting slabs.

Training in the different methods of propaganda, including operation of magic lantern and cinema apparatus and organization of other methods of propaganda, such as exhibitions.

10. *Conservancy.*—Methods of collection and disposal of rubbish and nightsoil. Trenching and compost method of nightsoil disposal—Storage of rubbish in such a way as to prevent fly-breeding. Disposal of sullage water by means of filter-wells and trenches.

11. *Soils, sites and buildings.*—Nature of soils, their relative healthiness, modes of soil pollution, improvements of unhealthy sites, site selection for various purposes including wells, burial-grounds, building sites, village sites (which to choose and which to avoid), village planning and house planning (mistakes to avoid). Relation of irrigated land to habitations; requirements of buildings used for various purposes.

12. *Maternity and child welfare.*—Aims and scope of maternity and child welfare work—Organization of schemes and duties of midwives in such schemes—Anti-natal, inter-natal and post-natal care—Study of midwifery and maternity—Morbidity and mortality rates—Practical demonstrations in Poonamallee Health unit area.

13. *Malaria.*—Preventive aspect of malaria—Demonstration of common breeding places and different types of mosquitoes. Demonstration of different methods of anti-mosquito and anti-malarial measures—Use of larvicidals, mosquito curtains, free distribution of quinine and cinchona products, and surface and subsoil drainage.

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14. *Leprosy.*—Diagnosis of early cases of leprosy—Treatment and preventive aspect of leprosy.

15. *Tuberculosis.*—Methods of diagnosis of early cases and examination of contacts—Preventive aspect of tuberculosis.

Air.—Diseases caused by impurities in air—Methods of ventilation.

16. *Venereals.*—Preventive aspect of venereal diseases.

Details of distribution of subjects of the course.

Items 1, 2, 4, 5, 6, 7, 8, 10, 11 and 12.	At Poonamallee unit area by Health Officer, Health Unit and the Assistant Director of Public Health, 15 days excluding Sundays.
Item 8—Plague	2 days—The Research Health Officer.
„ 13—Malaria	2 days—The Malaria Officer.
„ 9—Rural sanitation and propaganda.	2 days—The Rural Sanitation and Propaganda Officer.
Item 14—Leprosy	3 days—Excluding Sundays—Tirumani, Saidaput and Chief Leprosy Officer.
„ 15—Tuberculosis	3 days—Director, Tuberculosis Institute.
„ 16—Venereals	2 days—General Hospital (Venereal Specialist).

APPENDIX III.

[Vide answer to starred question No. 142 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 28th January 1939, page 67 supra.]

Statement showing the names, religion, race and caste of students sent to All-India Village Industries Association, Wardha, for training in village industries during 1937–38.

Name of the candidate.	Religion, race and caste.
First batch—	
1 P. P. Menon	Non-Brahman, Hindu.
2 V. Appavu	Do.
3 Simhadri A Chut Ramanna	Do.
4 S. Balasundaram	Do.
5 N. Rajagopalan	Brahman, Hindu.
6 P. Lakshmanamurthy	Do.
7 S. Videyanathan	Scheduled caste.
8 D. V. Subba Rao	Muslim.
9 K. M. K. Muhammad Sahib	Indian Christian.
10 V. P. Iyadurai	
Second batch—	
1 P. R. Doraiswami	Non-Brahman, Hindu.
2 L. Basavaraj	Do.
3 T. V. Shanmugam	Do.
4 G. Vallinayagam	Do.
5 Pandit V. Natesan	Brahman, Hindu.
6 V. Sivaram Bhat	Do.
7 K. Suryanarayana	Scheduled caste.
8 T. S. Sundaram	Muslim.
9 M. A. Gaffur	Indian Christian.
10 K. A. Devasikhamony	

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APPENDIX IV.

[Vide item III at page 71 supra.]

L.A. BILL No. 4 OF 1939.

(As passed by the Assembly)

A Bill further to amend the Madras Elementary Education Act, 1920, the Madras Local Boards and Elementary Education (Amendment) Act, 1934, and the Madras Elementary Education (Amendment) Act, 1935, for certain purposes.

WHEREAS it is expedient further to amend the Madras Elementary Education Act, 1920, the Madras Local Boards and Elementary Education (Amendment) Act, 1934, and the Madras Elementary Education (Amendment) Act, 1935, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement. 1. (1) This Act may be called the Madras Elementary Education (Amendment) Act, 1939.

(2) It shall come into force on such date as the Provincial Government may, by notification in the Official Gazette, appoint.

Amendment of section 3, Madras Act VIII of 1920. 2. In section 3 of the Madras Elementary Education Act, 1920 (hereinafter referred to as the said Act)—

(i) in clause (ii), for the words “ ‘ District Educational Officer ’ and ‘ Inspectress of Girls’ Schools ’ ”, the words “ and ‘ District Educational Officer ’ ”, and for the words “ District Educational Officer or Inspectress of Girls’ Schools ”, the words “ or District Educational Officer ” shall be substituted;

(ii) clause (iii) shall be omitted; and

(iii) in clause (vi), for the words and figures “ under section 41 ”, the words “ by the Director of Public Instruction or by such authority as may be empowered by him in this behalf ” shall be substituted.

3. Chapter II of the said Act shall be omitted.

Repeal of Chapter II, Madras Act VIII of 1920.

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4. In sub-section (1) of section 38 of the said Act, the words “ the district educational council and ” shall be omitted. Amendment of section 38, Madras Act VIII of 1920.

5. Chapter IV of the said Act shall be omitted. Repeal of Chapter IV, Madras Act VIII of 1920.

6. In sub-section (1) of section 45 of the said Act, for the words “ through the district educational council ”, the words “ through the Director of Public Instruction ” shall be substituted. Amendment of section 45, Madras Act VIII of 1920.

7. In sub-section (1) of section 45-A of the said Act, the words “ the district educational council and ” shall be omitted. Amendment of section 45-A, Madras Act VIII of 1920.

8. In the proviso to sub-section (2) of section 47 of the said Act, for the words “ the District Educational Council ”, the words “ the District Educational Officer ” shall be substituted. Amendment of section 47, Madras Act VIII of 1920.

9. Chapter VI of the said Act shall be omitted. Repeal of Chapter VI, Madras Act VIII of 1920.

10. In sub-section (2) of section 56 of the said Act—
(i) clauses (c), (d) and (e) shall be omitted;
(ii) in clause (f), the words “ by district educational councils ” shall be omitted; and
(iii) clause (i) shall be omitted. Amendment of section 56, Madras Act VIII of 1920.

11. Rules 9 and 10 of the Schedule to the Madras Local Boards and Elementary Education (Amendment) Act, 1934, shall be omitted. Amendment of Schedule, Madras Act II of 1934.

12. Section 13 of the Madras Elementary Education (Amendment) Act, 1935, shall be omitted. Repeal of section 13, Madras Act XI of 1935.

13. The accounts of every district educational council up to the date on which this Act comes into force, shall be examined and audited by an officer appointed by the Provincial Government in that behalf. Audit of accounts of district educational councils up to the commencement of the Act.

14. All orders of recognition in respect of elementary schools and all orders admitting elementary schools to aid, made or deemed to have been made by a district educational council before the commencement of this Act under sections 41 and 42 of the said Act. Continuance of orders according to recognition or admitting schools to aid.

Madras Act II of 1934.

Madras Act XI of 1935.

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Act respectively, shall be deemed to have been made by the Director of Public Instruction or by such authority as may be empowered by him after this Act comes into force to grant recognition to elementary schools or to admit elementary schools to aid, as the case may be, and any such order shall be liable to cancellation or modification as if it had been made after the commencement of this Act.

Orders of a district educational council fixing the number of free places deemed to be those of the District Educational Officer.

Devolution of properties and rights of district educational councils to Provincial Government and continuance of proceedings pending at the commencement of the Act.

15. All orders passed by a district educational council before the commencement of this Act under the proviso to sub-section (2) of section 47 of the said Act fixing the number of free places, shall have effect as if they had been passed after such commencement by the District Educational Officer.

16. (1) All property and all rights of whatever kind used, enjoyed or possessed by, and all interests of whatever kind owned by, or vested in, or held in trust by, or for, any district educational council constituted under the said Act, including all moneys standing to the credit of the fund referred to in section 28 of the said Act, as well as all liabilities legally subsisting against such council shall, on and from the date of the commencement of this Act, pass to the Provincial Government.

(2) All proceedings taken by or against any district educational council and pending at the commencement of this Act may, after such commencement, be continued, subject to the provisions of this Act, by or against the Provincial Government or by or against such authority as may be designated by them in this behalf.

(3) Any remedy by way of application, suit or appeal available to or against a district educational council at the commencement of this Act shall, after such commencement, be available, subject to the provisions of this Act, to or against the Provincial Government.

Power of Provincial Government to suspend action.

17. The repeal of section 21 of the said Act by this Act shall not be deemed to affect the powers of the Provincial Government to act under that section in respect of any resolution passed or order issued by

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any district educational council or the president thereof before the commencement of this Act, or in respect of any act which is about to be done or is being done at such commencement.

18. If any difficulty arises in giving effect to the provisions of this Act or of the said Act as amended by this Act, the Provincial Government as occasion may require, may, by order, do anything which appears to them to be necessary for the purpose of removing the difficulty.

Power to remove difficulties in giving effect to Act.

APPENDIX V.

[Vide item IV at page 81 supra.]

L.A. BILL No. 17 OF 1938.

(As passed by the Assembly.)

A Bill to make provision for advancing the Public Health of the Province of Madras.

WHEREAS it is expedient to make provision for advancing the public health of the Province of Madras; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

1. (1) This Act may be called the Madras Public Health Act, 1939.

Short title and extent.

(2) It extends to the whole of the Province of Madras.

2. (1) The provisions of this Act, except Chapter IX and Part III of Chapter X, shall come into force in the whole of the Province of Madras at once.

Commencement.

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(2) The Government may, from time to time, by notification, extend all or any of the provisions of Chapter IX to any local area in the Province of Madras, and may cancel or modify any such notification.

(3) (a) The provisions of Part III of Chapter X shall come into force at once—

(i) in the City of Madras; and

(ii) in every local area which has been, or may hereafter be, declared to be a municipality under the Madras District Municipalities Act, 1920.

Madras Act
V of 1920.

(b) The Government may, from time to time, by notification, extend the provisions of Part III of Chapter X to any other local area in the Province of Madras, and may cancel or modify any such notification.

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context—

(1) "Building" includes—

(a) a house, out-house, stable, latrine, godown, shed, hut, wall (other than a boundary wall not exceeding eight feet in height) and any other such structure, whether of masonry, bricks, wood, mud, metal or any other material whatsoever;

(b) a structure on wheels or simply resting on the ground without foundations; and

(c) a ship, vessel, boat, tent, van and any other such structure used for human habitation.

(2) "Cattle" includes elephants, camels, mules, asses, horses, cows, bulls, bullocks, buffaloes, sheep, goats and pigs and the young ones of these species.

(3) "Dairy" includes—

(a) any farm, cattle-shed, milk-store, milk-shop, or other place from which milk is sold or supplied for sale, or in which milk is kept for sale or manufactured for sale into butter, ghee, cheese, cream, curds, buttermilk, or dried, sterilized or condensed milk; and

Madras Act
IV of 1919.
Madras Act
V of 1920.
Madras Act
XIV of 1920.

Madras Act
IV of 1919.
Madras Act
V of 1920.
Madras Act
XIV of
1920.

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(b) in relation to a dairyman who does not occupy any premises for the sale of milk, any place in which he keeps the vessels used by him for the storage or sale of milk, but does not include—

(i) a shop or place in which milk is sold for consumption on the premises only; or

(ii) a shop or place from which milk is sold or supplied for sale in hermetically closed and unopened receptacles in the same original condition in which it was first received in such shop or place.

(4) "Dairyman" includes any person who sells milk, whether wholesale or by retail.

(5) "Drain" means a house-drain or a drain of any other description, and includes a sewer, tunnel, culvert, ditch, channel or any other device for carrying off sullage, sewage, offensive matter, polluted water, rain water, or sub-soil water.

(6) "Drug" means any substance used as medicine whether for internal or external use, or any substance used in the composition or preparation of such medicine.

(7) "Dwelling house" means a building constructed, used or adapted to be used, wholly or principally, for human habitation or in connexion therewith.

(8) "Executive Authority" means the Commissioner, Chairman, President, or other functionary of the local authority concerned, who is vested with general executive powers under the Madras City Municipal Act, 1919, the Madras District Municipalities Act, 1920, or the Madras Local Boards Act, 1920, as the case may be.

(9) "Executive Officer" means the paid officer, if any, of the local authority who is vested with general executive powers in the local area for which such authority is constituted under the Madras City Municipal Act, 1919, or the Madras District Municipalities Act, 1920, or the Madras Local Boards Act, 1920, as the case may be.

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- (10) "Factory" means any premises including the precincts thereof, wherein any industrial, manufacturing or trade process is carried on with the aid of steam, water, oil, gas, electrical or any other form of power which is mechanically transmitted and is not generated by human or animal agency.
- (11) "Filth" means—
- (a) nightsoil and other contents of latrines, cesspools and drains ;
 - (b) dung and the refuse or useless or offensive material thrown out in consequence of any process of manufacture, industry or trade ; and
 - (c) putrid and putrefying substances.
- (12) "Food" includes every article consumed or used by man, for food, drink, or chewing, and all materials used or admixed in the composition or preparation of such article and shall also include flavouring and colouring matter and condiments.
- (13) "Government" means the Provincial Government as defined in clause 43 (a) of section 3 of the General Clauses Act, 1897. ^{x of 1897.}
- (14) "Health Officer" means the Health Officer employed by the local authority concerned and if there is no such officer, the Health Officer of the district.
- (15) "House-drain" means any drain actually used, or intended to be used, for the drainage of one or more premises.
- (16) "Hut" means any building which is constructed principally of wood, mud, leaves, grass, thatch, or metallic sheets, and includes any temporary structure of whatever size or any small building of whatever material made which the local authority may declare to be a hut for the purposes of this Act.
- (17) "Infectious disease" means an infectious disease as defined in section 52 and includes notified disease as defined in section 62.

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Madras Act
XIV of 1920.

- (18) "Latrine" includes privy, water-closet and urinal, whether public or private, or whether open or flush out.
- (19) "Local area" means the area within the jurisdiction of a local authority.
- (20) "Local authority" means—
- (a) in the City of Madras, the Corporation of Madras ;
 - (b) in any other municipal area, the municipal council concerned ;
 - (c) in any area in a district as defined in the Madras Local Boards Act, 1920, which is comprised within the jurisdiction of a panchayat, the panchayat concerned ; and
 - (d) in the case of all areas in a district defined as aforesaid, which are not comprised within the jurisdiction of a panchayat, the district board concerned.
- (21) "Lodging house" means a hotel, a boarding house, a choultry, dharmasala or rest-house not maintained by the Government or a local authority, an unlicensed emigration depot, or any place where casual visitors are received and provided with sleeping accommodation, with or without food, on payment, but does not include—
- (a) a students' hostel under public or recognized control, or
 - (b) a house licensed under section 125 for accommodating visitors to a fair or festival, or
 - (c) retiring rooms provided in railway premises for the use of passengers or railway servants.
- (22) "Magistrate" does not include an honorary or a village magistrate.
- (23) "Milk" means the milk of a cow, buffalo, goat, ass, or other animal and includes cream, skimmed milk, separated milk, and condensed, sterilized or desiccated milk, or any other product of milk.
- (24) "Notification" means a notification in the Official Gazette.

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- (25) "Nuisance" includes any act, omission, place or thing which causes or is likely to cause injury, danger, annoyance or offence to the sense of sight, smell or hearing or disturbance to rest or sleep or which is or may be dangerous to life or injurious to the health or property of the public or the people in general who dwell or occupy property in the vicinity or persons who may have occasion to use any public right.
- (26) "Occupier" includes—
- (a) any person for the time being paying or liable to pay to the owner the rent or any portion of the rent of the land or building or part of the same in respect of which the word is used or damages on account of the occupation of such land, building or part; and
 - (b) a rent-free occupant.
- (27) "Offensive matter" includes—
- (a) filth as defined in clause (11);
 - (b) sewage as defined in clause (33); and
 - (c) dirt, house sweepings, spittings including chewed betel and tobacco, kitchen or stable refuse, broken glass or pottery, debris and waste paper.
- (28) "Offensive trade" means any trade in which the substances dealt with are, or are likely to become, a nuisance.
- (29) "Owner" includes the person for the time being receiving or entitled to receive, whether on his own account or as agent, trustee, guardian, manager or receiver for another person or estate or for any religious or charitable purposes, the rent or profits of the property in connexion with which the word is used.
- (30) "Prescribed" means prescribed by the Government by rules made under this Act.
- (31) "Private street" means any street, road, square, court, alley, lane, passage or riding-path which is not a "public street," but does

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not include a pathway made by the owner of premises on his own land to secure access to, or the convenient use of, such premises.

- (32) "Public street" means any street, road, square, court, alley, lane, passage or riding-path, whether a thoroughfare or not, over which the public have a right of way and includes—
- (a) the roadway over any public bridge or causeway;
 - (b) the footway attached to any such street, public bridge or causeway; and
 - (c) the drains attached to any such street, public bridge or causeway and the land whether covered or not by any pavement, veranda, or other structure which lies on either side of the roadway up to the boundaries of the adjacent property whether that property is private property or property belonging to the Crown.
- (33) "Sewage" means nightsoil and other contents of latrines, cesspools or drains and includes trade effluents and discharges from manufactories of all kinds.
- (34) "Street" means a public or a private street.
- (35) "Urban local area" means the area within the jurisdiction of an urban local authority.
- (36) "Urban local authority" means—
- (a) the Corporation of Madras; or
 - (b) a municipal council; or
 - (c) any panchayat notified by the Government as an urban local authority for the purposes of this Act, so long as the notification remains in force.
- (37) "Venereal disease" means syphilis, gonorrhoea, soft chancre, venereal granuloma or lympho granuloma.
- (38) "Water-course" includes any river, stream or channel, whether natural or artificial, other than a drain.

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(39) "Workplace" means any premises including the precincts thereof (not being a factory or a workshop) wherein is carried on any industrial, manufacturing or trade process, at which not less than five persons are employed for wages or any other remuneration.

(40) "Workshop" means any premises including the precincts thereof (not being a factory) wherein any article or part of an article is made, repaired, altered, ornamented, finished or otherwise adapted for use on a commercial basis and not less than five persons are employed for that purpose for wages or any other remuneration.

CHAPTER II.

CONTROLLING AUTHORITIES AND THEIR POWERS.

Public Health Board.

Constitution
of the Public
Health
Board.

4. (1) As soon as may be after the commencement of this Act, the Government shall cause to be constituted for the Province of Madras a Public Health Board consisting of the following members, namely:—

- (a) The Minister for Public Health ;
- (b) the Minister for Local Administration ;
- (c) three Members of the Madras Legislature nominated by the Government ;
- (d) the Surgeon-General with the Government of Madras ;
- (e) the Director of Public Health ;
- (f) the Sanitary Engineer ; and
- (g) one other officer of the Government nominated by the Government.

(2) Members nominated under clause (c) of sub-section (1) shall hold office for a period of one year from the date of nomination, but shall be eligible for re-nomination.

(3) The Minister for Public Health shall be the President of the Public Health Board and the Director of Public Health shall be its Secretary.

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5. (1) The Public Health Board shall advise the Government on such matters as the Government may from time to time refer to it. Functions of
the Public
Health
Board.

(2) The meetings of the Board and the mode of transaction of business at such meetings shall be governed by such regulations as may be framed by it.

(3) The proceedings of the Board shall not be invalidated by reason of any vacancy in the office of the President, the Secretary, or a member.

Powers of the Government and of the Director of Public Health.

6. (1) The Government shall have power to inspect, control and superintend the operations of local authorities under this Act. Powers of
the Govern-
ment and of
the Director
of Public
Health and
his staff.

(2) The Government may, from time to time, define the powers to be exercised, and the duties to be performed, by the Director of Public Health or any member of his staff for the purposes of sub-section (1).

(3) Nothing contained in sub-sections (1) and (2) shall be deemed to affect, or derogate from, any powers possessed by the Government or the District Collector under any other law for the time being in force.

7. The Director of Public Health may, from time to time as occasion requires, recommend for adoption, by any local authority, such measures as may be necessary for improving the public health administration in the local area, or for safeguarding the public health therein : Powers of
the Director
of Public
Health to
advise local
authorities.

Provided that if on account of financial or other reasons, any local authority is unable to carry out such measures, or if there is any difference of opinion between the local authority and the Director, the matter shall be referred to the Government whose decision shall be final.

Public Health Establishments of Local Authorities.

8. (1) The public health establishment of every local authority (other than the Corporation of Madras) shall be on such scale as the Government may from time to time direct. Public
Health staff
in local
areas.

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(2) The authorities who may make appointments to the public health establishments referred to in sub-section (1), the conditions of service of the members of such establishments, and the duties of such members shall, notwithstanding anything contained in the Madras District Municipalities Act, 1920, or the Madras Local Boards Act, 1920, be governed by regulations, not inconsistent with this Act, made by the Government. Such regulations may lay down the extent to which the Director of Public Health shall have disciplinary control over the members of such public health establishments.

Madras Act
V of 1920.
Madras Act
XIV of
1920.

Appoint-
ment of the
Health
Officer.

9. (1) A local authority shall, if so required by the Government, include the post of a Health Officer in its establishment schedule.

(2) Notwithstanding anything contained in the Madras District Municipalities Act, 1920, or the Madras Local Boards Act, 1920, the Government --

Madras Act
V of 1920.
Madras Act
XIV of
1920.

(a) shall appoint the Health Officers of all the local authorities (other than the Corporation of Madras) in respect whereof a direction is issued under sub-section (1); and

(b) may recover from each such local authority, the whole or such proportion of the salary and allowances paid to the Health Officer, and such contribution towards his leave allowances, pension and provident fund as the Government may, by general or special order, determine.

Appoint-
ment of
temporary
Health
Officers
in emer-
gencies.

10. (1) In the event of the prevalence or threatened outbreak of any infectious disease in any local area, or of any unusual mortality therein, the Government may, by order, appoint temporarily for such period as may be specified therein, one or more additional Health Officers, for the treatment of such infectious disease and preventing it from spreading, or for investigating the cause of, and preventing, such mortality, as the case may be.

(2) For the purpose of sub-section (1) the Government may appoint any medical practitioner registered under the Madras Medical Registration Act, 1914, either on an honorary basis or on such

Madras Act
IV of 1914.

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salary or allowances or both as the Government may fix. The salary and allowances shall be payable from the funds of the local authority.

11. The Government may, by general or special order, authorize any officer of the Government or of a local authority, to exercise such of the powers of a Health Officer under this Act, in such area, and subject to such restrictions, limitations and conditions and to such control and revision, as may be specified in such order.

Delegation
of powers of
Health
Officer.

12. (1) Notwithstanding anything contained in this Act or in any other Act or Acts governing the local authority or authorities concerned, the Government may, by general or special order, appoint any person or persons to carry out such provisions of this Act, and in such areas, as may be specified in the order.

Appoint-
ment of
persons to
carry out
the provi-
sions of this
Act.

(2) The expenses incurred by such person or persons in doing so shall be met from the funds of the local authority or authorities concerned, either wholly or in part, and, where more than one local authority is concerned, in such proportions, as may be determined by the Government.

13. (1) Subject to such rules as may be prescribed including rules for consultation with the executive authorities concerned, the Director of Public Health shall have power--

Powers of
Director of
Public
Health over
public
health staff
of local
authorities.

(a) to transfer any member of the public health establishment of a local authority to the public health establishment of another local authority; and

(b) in times of emergency, to assign one or more members of the public health establishment of one local authority for temporary duty in the area of another local authority.

(2) Nothing contained in clause (a) of sub-section (1) shall apply to the Corporation of Madras.

(3) In the case referred to in clause (b) of sub-section (1), the local authority within whose jurisdiction the member or members of the public health

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establishment of another local authority are working, shall pay for the period of such temporary duty, the salary and allowances of such member or members and such contribution towards their leave allowances, pension and provident fund as the Government may, by general or special order, determine.

Health Officer's control over public health staff.

14. (1) The Health Officer in charge of any local area shall exercise supervision and control over all other members of the public health establishment in such area.

(2) (a) Save as otherwise provided in this Chapter or in any rules or regulations made under it, all appointments, transfers and punishments of the members of the public health establishment under the supervision and control of the Health Officer shall be made by the Health Officer, subject to the approval of the executive authority.

(b) If for any reason the executive authority disagrees with the orders of the Health Officer under clause (a), the executive authority shall refer the matter to the Government whose decision shall be final.

Local authority to provide adequate facilities to the Health Officer.

15. Every local authority shall provide its Health Officer with such clerical assistance, office accommodation, furniture, equipment, stationery, and forms as may in the opinion of the Director of Public Health be necessary for the proper conduct of the business of such Health Officer.

Authorization of Health Officer to perform the functions of executive authority in public health matters.

16. Notwithstanding anything contained in the Madras City Municipal Act, 1919, the Madras District Municipalities Act, 1920, the Madras Local Boards Act, 1920, the Madras Prevention of Adulteration Act, 1918, and the Places of Public Resort Act, 1888, the Health Officer of a local authority shall perform such of the functions, and discharge such of the duties, of its executive authority in regard to public health matters under any of the provisions applicable to such local authority contained in the Acts aforesaid, subject to such appeal and control as the Government may, by general or special order, determine.

Madras Act IV of 1919.
Madras Act V of 1920.
Madras Act XIV of 1920.
Madras Act III of 1918.
Madras Act II of 1888.

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CHAPTER III.

WATER-SUPPLY.

17. (1) Every local authority may, and if the Local Government so direct shall, provide or arrange for the provision of a sufficient supply of drinking water for consumption by the inhabitants of the area within its jurisdiction.

(2) The local authority shall, so far as may be practicable, make adequate provision for securing—

(a) that the water-supply is continuous throughout the year, and

(b) that the water supplied is at all times wholesome and fit for human consumption.

(3) A local authority may also provide or arrange for the provision of a sufficient supply of water for other domestic purposes or for non-domestic purposes.

18. (1) If in the opinion of the Government, a local area does not possess a sufficient supply of wholesome water fit for the consumption of its inhabitants, they may direct the local authority concerned, either singly or in combination with the local authority or authorities having jurisdiction over any local area or areas in the neighbourhood which are similarly situated, to execute within such time as the Government may fix, such works as may be directed by the Government for providing a sufficient supply of wholesome water fit for human consumption.

Power of Government to direct local authority to execute water-works.

(2) A local authority may, with the previous sanction of the Government—

(a) construct, lay, or erect filters, reservoirs, engines, conduits, pipes or other works without the limits of its local area, for supplying such area with water;

(b) purchase or take on lease any water-work, or any water, or any right to store or to take or convey water, either within or without the limits of its local area; and

(c) contract with any local authority or other person or agency for the supply of water.

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(3) A local authority may, with the previous sanction of the Government, by public notice, declare any lake, stream, spring, well, tank, reservoir, pond, or other source of water-supply, whether within or without the limits of its local area (other than a source under the control of the Government), from which water is or may be made available for the use of the public in the local area for domestic purposes, to be a source of public water-supply for such purposes and every such source shall thereafter be under the control of the local authority, only to the extent necessary for such purposes.

Power of Government to divert water from water-main belonging to a local authority.

19. The Government shall have power to take water from any water-main belonging to, or in the control of, a local authority for supplying water to any other area, subject to such payment being made to the local authority concerned and subject also to such other conditions as the Government may consider reasonable :

Provided that before taking action under this section, the Government shall communicate to the local authority the grounds on which they propose to do so, fix a reasonable period for the local authority to show cause against the proposal, and consider its explanations or objections, if any.

Power of Collector in regard to water-supply.

20. (1) The Collector of the district, or any other officer appointed by the Government in this behalf, may cause inquiries to be made in any local area or part thereof, with a view to ascertaining—

(a) whether the source of water-supply for such local area or part is contaminated from any cause against which effective means of protection can be taken, and

(b) whether the provision of any additional source or sources of water-supply is necessary for such local area or part.

(2) The Collector or other officer aforesaid may, after taking into consideration the result of such inquiries, by notice, direct that any source of water-supply be cleaned, improved, repaired or otherwise

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protected from contamination, or that such additional source or sources of water-supply be provided, as the case may be :

Provided that before issuing a notice under this sub-section, the Collector or other officer shall give the authorities or persons affected, a reasonable opportunity to make any representations they may wish to make and consider the same.

(3) Against any direction issued by the Collector or other officer under sub-section (2), an appeal shall lie to the Government whose decision shall be final.

(4) (a) Every notice issued under sub-section (2) shall specify the nature and extent of the works to be executed, the estimated cost thereof, and the authority or authorities or the person or persons by whom, and the period within which, they are to be executed.

(b) The notice shall either—

(i) be published in the prescribed manner ;
or

(ii) be served on the local authority or on the person owning or having control over the source of water-supply, as the case may be, in the prescribed manner.

(5) If the directions contained in any notice issued under sub-section (2) have not been satisfactorily complied with, the officer issuing the notice may himself cause the works specified in the notice to be executed, provided that he may, on sufficient cause being shown, extend the period specified in the notice, or modify or rescind any direction contained therein.

(6) (a) If a water-tax is imposed in the local area, the cost of carrying out the works specified in the notice issued under sub-section (2), whether such works are executed by the authority or person specified therein or under sub-section (5) by the officer issuing the notice, shall be borne by the local authority concerned.

(b) If no water-tax is imposed in the local area, such cost shall be borne by the inhabitants of the local area who, on inquiry, are found to be benefited by the works or shall be shared between such inhabitants and the local authority concerned in such proportions as may be determined by the Government.

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Explanation.—For the purposes of this sub-section, 'water-tax' means—

- (a) a tax levied under section 25 of this Act, or
- (b) a water and drainage-tax levied under section 81 (1) (b) of the Madras District Municipalities Act, 1920, or under section 99 (1) (b) of the Madras City Municipal Act, 1919, Madras Act V of 1920. Madras Act IV of 1919. or
- (c) a tax levied under section 75 (2) of the Madras Local Boards Act, 1920, for the specific purpose of executing, maintaining or improving any work for the supply of water. Madras Act XIV of 1920

Power of Director of Public Health to direct local authority to improve water-supply.

21. If the Director of Public Health is satisfied upon investigation that any source of public water-supply in a local area is contaminated or is subject to imminent risk of contamination by reason of unsatisfactory location, protection, construction, operation or maintenance, and speedy remedy or immediate prevention is, in his opinion, desirable, he may, by order, direct the local authority to take such measures as may be specified therein; and the local authority shall take action accordingly.

Railway administrations to submit samples of drinking water for analysis.

22. In the case of any railway in the Province of Madras, the Government may, by general or special order, require the authority administering the railway to submit for analysis, to such person or institution, in such manner, and at such intervals, as may be prescribed, samples of drinking water supplied by such authority at any station or stations on such railway. For such analysis, the authority aforesaid shall pay to the Government such fee as may be prescribed by them.

Rules for the protection and periodical examination of water-supply. Health Officer's powers in regard to insanitary sources.

23. The Government shall have power to make rules providing for the protection and periodical examination of sources of water-supply in the Province.

24. (1) The Health Officer may at any time by written notice require that the owner of, or any person having control over, any lake, stream, spring, well, tank, reservoir, pond or other source of water-supply which is used for drinking, bathing or washing clothes shall, whether the same is private property or not, within a reasonable time to be specified in the notice,

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or in any case falling under clause (d) within such time as may be specified in the notice not being less than thirty-six hours from the receipt thereof—

- (a) keep and maintain any such source of supply in such manner as the Health Officer may direct; or
- (b) cleanse any such source of water-supply from silt, refuse and vegetation; or
- (c) protect any such source of water-supply from pollution by surface drainage in such manner as the Health Officer may direct; or
- (d) fill in, repair, protect or enclose in such manner as the Health Officer may direct, any such source of water-supply, if for want of sufficient repair, protection or enclosure, such source of water-supply is in his opinion dangerous to the health or safety of the public or of any persons having occasion to use or to pass or approach the same; or
- (e) desist from using, and from permitting others to use, for drinking purposes any such source of water-supply if, in the opinion of the Health Officer, the water is unfit for drinking; or
- (f) close any such source of water-supply, either temporarily or permanently, or fill up, enclose or fence the same in such manner as the Health Officer considers sufficient to prevent the use thereof for drinking purposes, if in his opinion the water is unfit for drinking; or
- (g) drain off or otherwise remove from any such source of water-supply, or from any land or premises or receptacle or reservoir attached or adjacent thereto, any stagnant water which the Health Officer considers to be either injurious to health or offensive to the neighbourhood:

Provided that the provisions of clauses (a) and (d) shall not apply to a stream:

Provided further that a notice shall not be issued under clause (f) unless a notice has first been

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issued under clause (e) and the source of water-supply in question continues to be used for drinking purposes notwithstanding the issue of such notice, and the Health Officer considers that such use cannot be prevented otherwise than by the issue of a notice under clause (f).

(2) If the owner or person having control as aforesaid fails or neglects to comply with any notice issued under sub-section (1) within the time specified therein, the Health Officer may, if immediate action is necessary to protect the health or safety of any person or persons, at once proceed to execute the work specified in such notice; and all the expenses incurred in respect thereof by the Health Officer shall be paid by the owner of, or person having control over, such source of water-supply, and shall be recoverable as if it were a tax due to the local authority concerned:

Provided that in the case of any private source the water of which is used by the public or by any section of the public as of right, the expenses which have been incurred by the Health Officer or which, in the opinion of the local authority, have been necessarily incurred by the owner of, or person having control over, the source of water-supply shall be paid from the funds of the local authority.

Levy of water-tax and earmarking the proceeds for water-works.

25. (1) Any local authority may with the previous sanction of the Government, and shall, if so directed by them, levy within its area or any part thereof, any tax which may be necessary for providing water-supply in such area or part.

(2) Any tax levied under sub-section (1) may be a new tax levied on such basis and assessed and realized in such manner as may be sanctioned or directed by the Government, or may be a tax or additional tax levied under any head of taxation specified in any law for the time being in force governing the local authority concerned in which case all the provisions of such law relating to the incidence, assessment or realization of a tax under such head or in any manner connected therewith shall be applicable to the tax or additional tax, with such modifications and restrictions, if any, as may be prescribed.

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(3) (a) The rates at which any tax may be levied under this section shall be determined by the local authority with the previous sanction of the Government in case the tax is levied by the local authority of its own motion, and by the Government in case the tax is levied at their direction.

(b) The local authority may with the previous sanction of the Government and shall, if so directed by them, alter the rates at which any such tax is to be levied.

(4) (a) Every local authority levying a tax under this section shall earmark the net revenue therefrom for expenditure on the execution, maintenance and improvement of works of water-supply in the local area or part thereof within which it is levied.

(b) Such revenue shall be expended in accordance with such orders as may be issued by the Government in this behalf.

(5) Nothing contained in this section shall be deemed to affect the power of the Corporation of Madras to levy a water and drainage tax under section 99 (1) (b) of the Madras City Municipal Act, 1919, or of any municipality governed by the Madras District Municipalities Act, 1920, to levy a water and drainage tax under section 81 (1) (b) of that Act.

Madras Act IV of 1919.

Madras Act V of 1920.

26. No owner of any dwelling-house which may be constructed or reconstructed after the commencement of this Act in any urban local area shall occupy it, or cause or permit it to be occupied, until he has obtained a certificate from an officer of the Public Health Department of the local authority concerned, not below the rank of Health or Sanitary Inspector, that there is within the house, or within a reasonable distance therefrom, a supply of wholesome water sufficient for the domestic purposes of the inmates of the house.

New house not to be occupied without adequate water-supply.

CHAPTER IV.

DRAINAGE.

27. (1) Every urban local authority shall, so far as the funds at its disposal may permit, provide and maintain a sufficient and satisfactory system of public drains for the effectual draining of its local area.

Local authority to maintain public drains.

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(2) If, in the opinion of the Government, any local area or part thereof should, for any special reason, be provided with a system of public drains or with any other means of drainage, they may direct the local authority to provide or execute, within such time as may be fixed by them in this behalf, such works as may be considered necessary by them.

(3) The local authority shall at all times keep in good repair all drains, cesspools and the like vested in or belonging to them.

Power of
Health
Officer to
require
drains to be
constructed.

28. (1) If any premises are in the opinion of the Health Officer without sufficient means of effectual drainage, he may, by notice, direct the owner of such premises to construct a drain leading therefrom to the nearest public drain or other place set apart by the local authority for the discharge of sewage :

Provided that—

(a) the cost of constructing that portion of the drain which is situated more than one hundred feet from the said premises, shall be paid from out of the funds of the local authority concerned ; and

(b) if, in the opinion of the Health Officer, there is no public drain or other place set apart for the discharge of sewage within a reasonable distance of such premises, he may, by notice, require the owner of the premises to construct—

(i) a closed cesspool, tank, filter or other work of such material, size and description, as he may direct ; and

(ii) a house-drain communicating with such closed cesspool, tank, filter or other work.

(2) Where by reason of a local authority changing its system of drainage or undertaking a new system of drainage, it becomes necessary for the owner of any premises to reconstruct or alter any drain, the

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cost of the reconstruction or alteration of such drain shall be borne wholly by the local authority, or wholly by the owner, or partly by the local authority and partly by the owner, in accordance with such rules as may be prescribed.

29. Where a house-drain belonging to one or more premises has been laid in any private street which is common to more than one premises and the Health Officer considers it desirable that any other premises should be drained into such drain, he may, by notice, require the owner of such premises to connect his house-drain with such first-mentioned drain ; and the owner or owners of such first-mentioned drain shall thereupon be bound to permit such connexion to be made :

Drains in
private
streets.

Provided that no such connexion shall be made—

(a) except upon such terms as may be mutually agreed upon between or among the owners concerned, or

(b) in default of such agreement, except upon such terms as may be laid down by the local authority and in particular, until any payment which may be directed by the local authority to be made to the owner or owners concerned, has been duly made.

30. (1) Drains for the drainage of huts shall be of such size and description, and be constructed of such material, as may be considered by the Health Officer to be practicable, having regard to the circumstances of the locality and the position of the nearest public drain or other place set apart by the local authority for the discharge of sewage.

Drainage for
huts.

(2) If the Health Officer considers that a new drain should be constructed for the benefit of the occupants of any hut, he may, by notice, require the owner of the land on which such hut stands, to construct such drain and such owner shall construct such drain, and cause it to be cleansed and repaired to the satisfaction of the Health Officer.

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Drainage of
court, yard,
alley,
passage, etc.

31. For the purpose of efficiently draining any land or building, the Health Officer may, by notice, require the owner of any court, yard, alley, lane, passage or open space—

- (a) to pave the same with such material and in such manner as may be approved by the Health Officer and to keep such paving in proper repair ; or
- (b) to raise the level of such court, yard, alley, lane, passage or open space.

Explanation.—It shall be open to the Health Officer to require that in any case both the measures specified in clauses (a) and (b) of this section shall be taken.

Construction
and closure
of cesspools.

32. (1) No person shall construct a cesspool—

- (a) beneath any part of any building or within fifty feet of any tank, reservoir, water-course or well or within such other distance therefrom as the Health Officer may consider to be practicable having regard to the circumstances of the locality ; or
- (b) within any local area, or outside such area but within three hundred feet of any reservoir used for the storage of filtered water to be supplied to such area, except upon a site and in a position which have been approved in writing by the Health Officer.

(2) The Health Officer may, at any time, by notice, require any person within whose premises any cesspool is constructed in contravention of sub-section (1) to remove such cesspool or to fill it up with such material as may be approved by him.

Prohibition
of occupa-
tion of new
building
without
drains.

33. No owner of any building constructed or reconstructed after the commencement of this Act in any urban local area shall occupy it, or cause or permit it to be occupied, until he has obtained a certificate from the Health Officer that the building has been provided with sufficient means of drainage.

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34. No person having control over any building or land shall cause or allow—

Sullage or
sewage not
to be let out
into streets.

- (a) the water of any sink, sewer, latrine or sanitary convenience, or any other liquid or other matter which is, or is likely to become, offensive, to run or drain into, or to be thrown or put upon, any street or open space or to soak through any external wall ; or
- (b) any offensive matter from any sewer, latrine or sanitary convenience, to run, drain or be thrown into a surface drain in any street.

35. No person shall, save as may be generally or specially prescribed, throw, empty, or turn, or suffer or permit to be thrown, emptied or turned or to pass, into any public drain, or into any drain communicating with a public drain—

Injurious
refuse not
to be dis-
charged into
public
drain.

- (a) any matter likely to injure the drain or to interfere with the free flow of its contents, or to affect prejudicially the treatment and disposal of such contents ; or
- (b) any liquid being refuse or steam or other liquid which is, either alone or in combination with the contents of the drain, dangerous, or the cause of a nuisance, or prejudicial to health ; or
- (c) any explosive or inflammable substance.

36. No person shall, save as may be generally or specially prescribed—

Pollution of
water-
courses
prohibited.

- (1) put, or cause to be put, or cause to fall or flow or be carried, or knowingly permit to be put or to fall or flow or be carried, into any water-course—
 - (a) any solid or liquid sewage matter, or
 - (b) any poisonous, noxious or polluting liquid proceeding from any manufactory or manufacturing process, or
- (2) put, or cause to be put, or cause to fall or be carried, or knowingly permit to be put or to fall or be carried, into any water-course, so as, either singly or in combination with other similar acts of the same or any other

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person, to interfere with the due flow of such water-course, or to pollute the water therein, the solid refuse of any manufactory, manufacturing process or quarry, or any rubbish or cinders, or any other waste or putrid solid matter, or

- (3) commit nuisance in or in the neighbourhood of any water-course.

CHAPTER V.

SANITARY CONVENIENCES.

Obligation of local authority to provide public sanitary conveniences. 37. Every local authority shall provide and maintain in proper and convenient places a sufficient number of sanitary conveniences for the use of the public and cause all such places to be kept in proper order so as not to be a nuisance or injurious to health.

New houses to be provided with sanitary conveniences. 38. If in any local area any building intended for human habitation is constructed or is reconstructed after being pulled down to or below the ground floor, the owner thereof shall provide such sanitary conveniences and in such positions as the Health Officer may, by notice, require.

Additional sanitary conveniences. 39. (1) If any building intended for human habitation is without any sanitary convenience or if, in the opinion of the Health Officer, the sanitary convenience or conveniences provided therein are insufficient, having regard to the number of persons occupying the building, or are inefficient, or are objectionable on sanitary grounds, he may, by notice in writing, require the owner of such building—

(a) to provide such sanitary conveniences or such additional sanitary conveniences and in such positions, as may be specified in the notice; or

(b) to make such structural or other alterations as may be specified in the notice.

(2) Every owner of the ground on which a group of six or more huts stands shall provide such latrine accommodation, in such positions, and within such time as the Health Officer may, by notice, require, for the use of the inhabitants of such group of huts.

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40. (1) All latrines shall—

Mode of construction of latrines.

(a) be so constructed as to screen persons using the same and the filth from the view of persons passing by or residing in the neighbourhood; and

(b) be maintained, repaired, altered and used in accordance with the rules and by-laws made under this Act.

(2) If any latrine opening on any street, whether such latrine be erected before or after the commencement of this Act, is so placed or constructed as to be a nuisance or offensive to public decency, the Health Officer may, by notice in writing, require the owner to remove it or to carry out such improvements therein and within such time as may be specified in the notice.

(3) When any latrine is used in common by the occupiers of two or more premises or by the members of two or more families, no person shall injure or improperly foul any such latrine or anything used in connexion therewith.

CHAPTER VI.

ABATEMENT OF NUISANCES.

41. Without prejudice to the generality of the definition of the expression "nuisance" contained in clause (25) of section 3, the following shall be deemed specifically to be nuisances for the purposes of this Chapter:—

Certain things to be nuisances.

(1) any premises in such a state as to be prejudicial to health or a nuisance;

(2) any pond, pool, ditch, gutter, water-course, water-trough, latrine, cesspool, drain or ashpit which is so foul or in such a state as to be prejudicial to health or a nuisance;

(3) any animal kept in such a place or manner as to be prejudicial to health or a nuisance;

(4) any accumulation or deposit of refuse or other matter which is prejudicial to health or a nuisance;

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(5) any factory (not being a factory governed by the provisions of the Factories Act, 1934), xxv of 1934 workshop or workplace, which is not provided with sufficient means of ventilation, or in which sufficient ventilation is not maintained, or which is not kept clean or not kept free from noxious effluvia, or which is so overcrowded while work is carried on as to be prejudicial to the health of those employed therein ;

(6) any fireplace or furnace which does not as far as practicable consume the smoke arising from the combustible used therein, and which is used for working engines by steam, or in any mill, factory, dyehouse, brewery, bake-house or gaswork, or in any manufacturing or trade process whatsoever ;

(7) any chimney sending forth smoke in such quantity as to be a nuisance ; and

(8) any noise, vibration, dust, cinders, irritating smell or offensive odour produced by a factory, workshop or workplace which is a nuisance to the neighbourhood.

Detection of
nuisance.

42. Every urban local authority shall—

(a) cause its local area to be inspected from time to time with a view to ascertain what nuisances exist therein calling for abatement under the powers conferred on such authority by this Act ; and

(b) enforce the provisions of this Act in order to abate such nuisances.

Information
regarding
nuisance.

43. Any person aggrieved by a nuisance in any local area may give information of the same to the Health Officer or any other officer of the public health establishment of the local authority.

Power of
Health
Officer to
abate
nuisance.

44. If the Health Officer is satisfied, whether upon information given under section 43 or otherwise of the existence of a nuisance, he may, by notice, require the person by whose act, default or sufferance the nuisance arises or continues, or, if that person cannot be found, the owner or occupier of the premises

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on which the nuisance arises or continues, to abate the nuisance and to execute such works and take such steps as may be necessary for that purpose :

Provided that—

(a) where the nuisance arises from any defect of a structural character, the notice shall be served on the owner of the premises ; and

(b) where the person causing the nuisance cannot be found and it is clear that the nuisance does not arise or continue by the act, default or sufferance of the owner or the occupier of the premises, the Health Officer may himself forthwith do what he considers necessary to abate the nuisance and to prevent a recurrence thereof.

45. If the person on whom a notice to abate a nuisance has been served under section 44 makes default in complying with any of its requirements within the time specified therein, or if the nuisance although abated within such time is, in the opinion of the local authority, likely to recur on the same premises, the local authority may arrange for the execution of any works necessary to abate the nuisance, or to prevent its recurrence, as the case may be, and may recover the cost from such person as if it were a tax due to the local authority.

46. Where a house or other building is, in the opinion of the Health Officer, unfit for human habitation by reason of a nuisance existing therein, he may apply to a Magistrate (not being a Magistrate of the third class) to prohibit the use of such house or building for human habitation until it is rendered fit therefor.

47. (1) A local authority may sell any materials which have been removed by it from any premises (including any street), when executing works under this Chapter or otherwise carrying into effect the provisions thereof, if such materials are not claimed and taken away by the owner before the expiration of seven days from the date on which they were removed by the local authority.

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(2) A local authority selling any materials under sub-section (1) shall pay the sale-proceeds to the person to whom the materials belonged, after deducting therefrom the amount of any expenses recoverable from him by such authority.

(3) The provisions of this section shall not apply to any offensive matter removed by a local authority under the Act governing such authority.

Powers of
entry and
inspection.

48. The executive authority or any officer of the Public Health Department of the Government or of the local authority, not below the rank of Health or Sanitary Inspector, may enter and inspect any premises for the purpose of enforcing any of the provisions contained in this Chapter :

Provided that—

(a) no such entry shall be made between sunset and sunrise except when a nuisance is caused by anything done or omitted to be done in the premises between sunset and sunrise ;

(b) no dwelling house shall be so entered without the consent of the occupier thereof, unless he has received at least twenty-four hours previous notice of the intention to make such entry ;

(c) sufficient notice shall in every case be given to enable the inmates of any apartment appropriated to women to withdraw to some part of the premises where their privacy may be preserved ; and

(d) due regard shall be paid, so far as may be compatible with the exigencies of the purpose of the entry, to the social and religious usages of the persons residing in the premises.

Power of
Government
in case of
default by
local autho-
rity.

49. If the local authority or its Health Officer makes default in doing its or his duty under this Act in regard to the abatement or prevention of nuisances, the Government may authorize any of their officers to perform such duty and for that purpose to exercise any specified powers of the local authority or of its Health Officer or of both, in the local area concerned and the expenses incurred by such officers shall be met from the funds of the local authority.

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50. If a nuisance under this Act within, or affecting any part of, a local area, appears to be wholly or partly caused by some act or default committed or taking place outside such local area, the local authority may take or cause to be taken against any person in respect of such act or default any proceedings in relation to nuisances, authorized by this Act in the like cases and with the like incidents and consequences as if the act or default were committed or took place wholly within such local area.

51. (1) No person shall deposit, or cause or suffer any member of his family or household to deposit, any carcasses of animals, any dust, dirt, dung, ashes or refuse or filth of any kind, any animal matter, any broken glass, earthenware or other rubbish, or any other thing which is or may be a nuisance, in any street or in any arch under a street, or in any drain beside a street, or on any open space (not being private property), or on any quay, jetty or landing place, or on any part of the sea-shore, or on the bank of any water-course, except in such receptacles as may be provided or at such places, in such manner and at such hours, as may be fixed by the Health Officer.

Nuisance
caused by
act or
omission
outside local
area.

Prohibition
of the deposit
of rubbish,
etc., in
street,
etc.

(2) No person shall ease himself, or cause, permit or suffer any member of his family or household to ease himself, in any such street, arch, drain, open space, quay, jetty, landing place, sea-shore or bank aforesaid.

(3) Any person easing himself in any private open space shall immediately cover up the excreta with earth.

CHAPTER VII.

PREVENTION, NOTIFICATION AND TREATMENT OF DISEASES.

Part I.

Infectious diseases in general.

52. For the purposes of this Part, 'infectious disease' means (a) acute influenzal pneumonia, (b) anthrax, (c) cerebro-spinal fever, (d) chickenpox, (e) cholera, (f) diphtheria, (g) enteric fever, (h) leprosy, (i) measles, (j) plague, (k) rabies, (l) relapsing fever, (m) scarlet fever, (n) smallpox, (o) tuberculosis, (p) typhus or (q) any other disease which

Infectious
diseases.

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Explanation.—In this section, 'medical practitioner' includes a hakim or vaidya, whether registered or not.

Prohibition
of the use
of water
from sus-
pected
source.

57. (1) If it appears to the Health Officer that the water in any tank, well or other place, if used for drinking or any other domestic purpose, is likely to engender or cause the spread of any infectious disease, he may, by public notice, prohibit the removal or use of the said water generally or for any specified domestic purpose.

(2) No person shall remove or use any water in respect of which any such notice has been issued in contravention of the terms thereof.

Removal of
infected per-
son to hos-
pital.

58. (1) If it appears to the Health Officer that any person is suffering from an infectious disease, and that such person—

- (a) (i) is without proper lodging or accommodation, or
- (ii) is lodged in a place occupied by more than one family, or
- (iii) is without medical supervision directed to the prevention of the spread of the disease, or
- (iv) is in a place where his presence is a danger to the people in the neighbourhood; and

(b) should be removed to a hospital or other place at which patients suffering from such disease are received for treatment,

the Health Officer may remove such person or cause him to be removed to such hospital or place.

(2) If any woman who, according to custom, does not appear in public, is removed to any such hospital or place—

- (i) the removal shall be effected in such a way as to preserve her privacy; and
- (ii) special accommodation in accordance with the custom aforesaid shall be provided for her in such hospital or place.

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(3) No person shall leave, or be taken away from, any hospital or other place referred to in sub-section (1) without the permission of the medical officer in-charge or of the Health Officer.

(4) Whoever—

- (a) obstructs the removal of any person to any hospital or other place under sub-section (1), or
- (b) leaves, or takes away any person from, any such hospital or place in contravention of sub-section (3),

shall be punished with imprisonment which may extend to three months, or with fine, or with both.

59. (1) No person who knows that he is suffering from an infectious disease not specified in Part II of this Chapter shall expose other persons to the risk of infection by his presence or conduct in—

Prohibition
of the
exposure of
other
persons to
infection.

- (a) any market, theatre or other place of entertainment or assembly, or
- (b) any school, college, play-ground or such other place, or
- (c) any hotel, hostel, boarding house, choultry, rest-house, or club, or
- (d) any factory or shop.

Explanation.—A person shall be deemed to know that he is suffering from an infectious disease within the meaning of this sub-section if he has been informed by the Health Officer or any other officer of the Public Health Department of the Government or of a local authority, not below the rank of Health or Sanitary Inspector, or a medical practitioner registered under the Madras Medical Registration Act, 1914, that he is so suffering.

Madras Act
IV of 1914.

(2) No person who has the care of a person whom he knows to be suffering from an infectious disease not specified in Part II of this Chapter shall cause or permit that person to expose others to the risk of infection by his presence or conduct in any place referred to in sub-section (1).

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the Government may from time to time, by notification declare to be an infectious disease either generally throughout the Province or in such part or parts thereof as may be specified in the notification.

Appoint-
ment of
additional
health staff.

53. (1) In the event of the prevalence or threatened outbreak of any infectious disease in any local area, or of any unusual mortality therein, the local authority concerned shall provide such additional staff, medicines, appliances, equipment and other things as may, in the opinion of the Health Officer, be necessary for the treatment of such infectious disease and preventing it from spreading, or for investigating the cause of such mortality, and preventing it, as the case may be :

Provided that, if the local authority does not agree with the opinion of the Health Officer, the matter shall be referred to the Director of Public Health whose decision shall be final.

(2) In the event aforesaid, if the Health Officer considers that immediate action is necessary in the interests of public health, he may, notwithstanding anything contained in sub-section (1), appoint such additional staff and obtain such medicines, appliances, equipment and other things as may be necessary; and the expenses incurred in respect thereof shall be met from the funds of the local authority.

(3) Every appointment made under sub-section (2) shall be reported forthwith to the executive authority and by such authority to the local authority concerned at its next meeting.

Provision
and
maintenance
of isolation
hospitals
and wards.

54. (1) (a) The local authority may, and if so required by the Government shall, provide or cause to be provided, hospitals, wards or other places for the reception and treatment of persons suffering from infectious diseases.

(b) For the purpose of the reception and treatment of such persons a local authority may—

- (i) itself build such hospitals, wards or places of reception, or
- (ii) contract for the use of any such hospital or part of a hospital or place of reception, or

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(iii) enter into an agreement with any person having the management of any such hospital, for the reception and treatment therein of persons suffering from infectious diseases.

(c) For the purpose aforesaid, two or more local authorities may in combination provide a common hospital or place of reception.

(2) A local authority shall not be deemed to have discharged its obligation under sub-section (1) unless the hospitals, wards or places of reception in question are maintained in accordance with such general or special orders as may from time to time be issued by the Director of Public Health.

55. A local authority may, and if so required by the Director of Public Health shall,—

Provision of
ambulances,
etc.

- (a) provide and maintain suitable conveyances, with sufficient attendants and other requisites, for the free carriage of persons suffering from any infectious disease; and
- (b) provide proper places and apparatus and establishment, for the disinfection of conveyances, clothing, bedding or other articles which have been exposed to infection; and when any conveyances, clothing, bedding or articles are brought to any such place for disinfection, may cause them, at its discretion, to be disinfected, either free of charge, or on payment of such fee as it may fix.

56. Every medical practitioner who in the course of his practice becomes cognizant of the existence of any case of enteric fever or tuberculosis in any private or public dwelling other than a public hospital shall, if the case has not been already reported, give information of the same with the least practicable delay—

Medical
practitioners
to give in-
formation
of certain
infectious
diseases.

- (a) in municipal areas, to the executive authority, the Health Officer or a Sanitary Inspector; and
- (b) in non-municipal areas, to the Health Officer, a Health or Sanitary Inspector or the village headman.

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Infected persons not to engage in certain trades and occupations.

60. No person shall, while suffering from, or in circumstances in which he is likely to spread, any infectious disease—

- (a) make, carry or offer for sale, or take any part in the business of making, carrying or offering for sale, any article of food for human consumption ; or
- (b) engage in any other occupation without a special permit from the Health Officer of the local authority concerned or otherwise than in accordance with the conditions specified therein.

Prevention of infectious diseases transmissible from animals.

61. If, in any local area, any infectious disease transmissible to man breaks out or is in the opinion of the Health Officer likely to break out, amongst cattle, or other animals, it shall be the duty of the Health Officer to recommend to the local authority the adoption of such measures as he may deem necessary for suppressing or mitigating the disease or for preventing the outbreak or threatened outbreak thereof; and the local authority shall consider such recommendations and take such action thereon as to it may seem suitable.

Part II.

Notified Infectious Diseases.

Notified diseases.

62. In this Part, notified disease means,

- (a) cerebro-spinal fever,
- (b) chicken-pox,
- (c) cholera,
- (d) diphtheria,
- (e) leprosy,
- (f) measles,
- (g) plague,
- (h) rabies,
- (i) scarlet fever,
- (j) smallpox,
- (k) typhus, or
- (l) any other disease which the Government may from time to time by notification declare to be a notified disease for the purposes of this Part either generally throughout the Province or in such part or parts thereof as may be specified in the notification.

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1 of 1894.

63. (1) The Health Officer may, in cases of emergency, with the sanction of the District Collector, enter upon, occupy and use, or depute any person to enter upon, occupy and use, without having recourse to the provisions of the Land Acquisition Act, 1894, any building or place which, in the opinion of the Health Officer, is required, and is suitable for any purposes connected with the prevention or control of infection from a notified disease :

Provided that, if the building or place is occupied, notice shall be given in writing to the occupant, or be conspicuously affixed on such building or place, not less than thirty-six hours before it is entered upon.

(2) The owner or lessee of such building or place shall be entitled to compensation for any damage or expenses incurred and to a reasonable rent for the period during which it had been occupied or used for any of the purposes referred to in sub-section (1). Such compensation and rent shall be fixed by the District Collector.

(3) The Health Officer shall, when any such building or place ceases to be occupied or used for any of the purposes aforesaid, cause it to be thoroughly disinfected and cleansed.

64. Every medical practitioner who, in the course of his practice, becomes cognizant of the existence of any notified disease in any private or public dwelling other than a public hospital and

every manager of any factory or public building, every keeper of a lodging house, every head of a family and every owner or occupier of a house, who knows or has reason to believe that any person in any premises under his management, control or occupation is suffering from, or has died of, a notified disease,

shall, if the case has not been already reported, give information of the same with the least practicable delay—

- (a) in municipal areas, to the executive authority, the Health Officer or a Sanitary Inspector, and

Occupation of houses to prevent the spread of infection.

Information regarding notified disease.

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- (b) in non-municipal areas, to the Health Officer, a Health or Sanitary Inspector or the village headman.

Explanation.—In this section, ‘medical practitioner’ includes a hakim or vaidya, whether registered or not.

Power of entry of local officers to take preventive measures.

65. (1) The Health Officer or any person authorized by him in this behalf may—

- (a) at all reasonable hours, inspect with or without assistants any place in which any notified disease is reported or suspected to exist, without notice in the case of factories, workshops, workplaces, offices, business places and the like and after giving such notice as may appear to him reasonable in other cases, including dwelling houses; and

- (b) take such measures as he may consider necessary to prevent the spread of such disease beyond such place.

(2) The powers conferred by sub-section (1) on the Health Officer may, in municipal areas, be exercised also by the executive authority or any person authorized by such authority.

Destruction of hut or shed to prevent spread of infection.

66. (1) If it appears to the Health Officer that the destruction of any hut or shed is necessary to prevent the spread of any notified disease, he may, after giving to the owner and the occupier of such hut or shed such previous notice of his intention as may in the circumstances of the case appear to him reasonable, take measures for having such hut or shed and all the materials thereof destroyed.

(2) Such compensation as the local authority may consider reasonable, shall be paid to any person who in its opinion sustains loss by the destruction of any hut or shed under the powers conferred by sub-section (1); but save as provided in this sub-section, no claim for compensation shall lie for any loss or damage caused by any exercise of the powers aforesaid.

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67. If, on the application of the Health Officer, a Magistrate (not being a Magistrate of the third class) is satisfied that it is necessary in the interests of public health that a lodging house or any place where articles of food are sold, or prepared, stored, or exposed for sale, or distributed, should be closed on account of the existence or recent occurrence in such lodging house or place of a case of notified disease, the Magistrate may, by order, direct it to be closed until the expiry of such period as may be specified in the order or until it is certified by the Health Officer to be free from infection.

Closure of lodging houses.

68. No person shall—

- (1) send or take to any laundry or public wash-house or any public water-course, tank or well, for the purpose of being washed, or to any place for the purpose of being cleaned, any clothing, bedding or other article which he knows to have been exposed to infection from any notified disease, unless such article has been disinfected by, or to the satisfaction of, the Health Officer, or a registered medical practitioner, or unless under instructions from such a person, it is sent with proper precautions to a laundry for the purpose of disinfection with notice that it has been exposed to infection; or
- (2) place or cause or permit to be placed in any dust-bin or other receptacle for the deposit of refuse any matter which he knows to have been exposed to infection from a notified disease and which has not been disinfected.

Infected clothes not to be sent to laundry.

69. (1) No person who knows that he is suffering from a notified disease shall—

Infected persons not to use public conveyance.

- (a) enter any public conveyance used for the conveyance of passengers at separate fares, or

(b) enter any other public conveyance, without previously notifying the owner, driver or conductor thereof that he is so suffering.

(2) No person having the care of a person whom he knows to be suffering from a notified disease shall permit that person to be carried—

- (a) in any public conveyance used for the conveyance of passengers at separate fares,

or

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(b) in any other public conveyance, without previously notifying the owner, driver or conductor thereof that the person is so suffering.

(3) The owner, driver, or conductor of a public conveyance used for the conveyance of passengers at separate fares shall not convey therein a person whom he knows to be suffering from a notified disease, at any time when a passenger not suffering from such disease is being conveyed therein :

Provided that a person suffering from a notified disease may be conveyed in the public conveyance aforesaid, in such cases of emergency and subject to such restrictions and safeguards as may be notified by the Government.

(4) The owner or driver of any other public conveyance may refuse to convey therein any person suffering from a notified disease until he has been paid a sum sufficient to cover any loss and expense which will be incurred by reason of the provisions of the next succeeding sub-section.

(5) If a person suffering from a notified disease is conveyed in a public conveyance, the person in charge thereof shall as soon as practicable give notice to the Health Officer of the local area in which the conveyance is usually kept and before permitting any other person to enter the conveyance shall cause it to be disinfected.

(6) The local authority when so requested by the person in charge of a public conveyance in which a person suffering from a notified disease has been conveyed shall provide for its disinfection.

Letting or sub-letting a building occupied by an infected person.

70. No person shall, without a special permit from the Health Officer, let or sub-let, or permit or suffer any prospective tenant to enter, a building in which he knows or has reason to know that a person has been suffering from a notified disease, within the three months immediately preceding.

Prohibition of the exposure of other persons to infection.

71. (1) No person who knows that he is suffering from a notified disease shall expose other persons to the risk of infection by his presence or conduct in—

- (a) any street or public place, or
- (b) any market, theatre or other place of entertainment or assembly, or

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(c) any school, college, play-ground or such other place, or

(d) any hotel, hostel, boarding house, choultry, rest-house, or club, or

(e) any factory or shop.

Explanation.—A person shall be deemed to know that he is suffering from a notified disease within the meaning of this sub-section if he has been informed by the Health Officer or any other officer of the Public Health Department of the Government or of a local authority, not below the rank of Health or Sanitary Inspector, or a medical practitioner registered under the Madras Medical Registration Act, 1914, that he is so suffering.

Madras Act
IV of 1914.

(2) No person who has the care of a person whom he knows to be suffering from a notified disease shall cause or permit that person to expose others to the risk of infection by his presence or conduct in any place referred to in sub-section (1).

72. (1) If a case of notified disease occurs on any premises, the Health Officer may, whether the person suffering from the disease has been removed from the premises or not, make an order forbidding any work to which this section applies, to be given out to any person living or working on those premises or in such part thereof as may be specified in the order, and any order so made may be served on the occupier of the factory from which the work is given out or on any contractor employed by such occupier.

Forbidding work in infected premises.

(2) An order under this section may be expressed to be operative for a specified time or until the premises or any part thereof specified in the order have been disinfected to the satisfaction of the Health Officer, or may be expressed to be inoperative so long as any other reasonable precautions specified in the order are taken.

(3) This section applies to the making, cleaning, washing, altering, ornamenting, finishing or repairing of wearing apparel and any work incidental thereto, and to such other classes of work as may from time to time be notified by the Director of Public Health.

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Prohibition
of use of
public
library
by infected
person.

73. No person who knows that he is suffering from a notified disease shall take any book, or cause any book to be taken for his use, or use any book taken, from any public or circulating library.

Disposal of
bodies of
persons
dying while
suffering
from
notified
disease.

74. (1) No person having the charge or control of the body of any person who has died while suffering from a notified disease shall permit or suffer persons to come unnecessarily into contact with, or proximity to, the body.

(2) No person shall, without the sanction in writing of an officer of the Public Health Department of the Government or of the local authority concerned, not below the rank of Health or Sanitary Inspector, retain in any premises (elsewhere than in a public mortuary) for more than twelve hours the body of any person who has died while suffering from any notified disease.

(3) (a) If any such body (not being a body kept in a mortuary) remains undisposed of for more than twelve hours without the sanction referred to in sub-section (2), or

if the dead body of any person is retained in any building so as to endanger the health of the inmates of such building, or of any adjoining or neighbouring building,

any Magistrate may, on the application of any officer referred to in sub-section (2), order the body to be removed and disposed of within a specified time.

(b) A Magistrate may, in the case of the body of a person who has died while suffering from a notified disease, or in any other case in which he considers the immediate disposal of the body necessary, direct the body to be so disposed of, unless the friends or the relatives of the deceased undertake the disposal of the body within a time specified in the order.

(c) The expenses of the removal and disposal of any body under clause (a) or clause (b) shall be borne by the local authority; but such expenses may be recovered, as if it were a tax due to it, by the local authority from any person who would have been legally liable therefor but for such removal and disposal, unless in the opinion of the local authority he is too poor to do so.

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(4) (a) If any person dies in a hospital or a place of temporary accommodation for the sick, while suffering from a notified disease, and the Health Officer certifies that in his opinion it is desirable, in order to prevent the spread of infection, that the body should not be removed from such hospital or place except for the purpose of being taken direct to a burial or burning ground or a crematorium for being forthwith buried or cremated, no person shall remove the body from the hospital or place except for such a purpose.

(b) When the body is removed for the purpose aforesaid, it shall forthwith be taken direct to a burial or burning ground or a crematorium, and there buried or cremated with the least practicable delay.

(5) Without the permission of the Health Officer or a Magistrate, no person shall cause or permit to be carried in a public conveyance the dead body of any person who has died while suffering from a notified disease.

75. In the event of the prevalence of a notified disease in any local area, on the application of the Health Officer, any Magistrate, not being a Magistrate of the third class, having local jurisdiction shall have power to prohibit either generally, or by special order in any individual case, assemblages consisting of any number of persons exceeding fifty, in any place whether public or private, or in any circumstances, or for any purpose, if in his opinion such assemblages in such place, in such circumstances, or for such purpose, would be likely to become a means of spreading the disease or of rendering it more virulent.

Power of
Magistrate
to prohibit
an assembly
of fifty or
more
persons.

76. (1) In the event of the prevalence or threatened outbreak of a notified disease in any local area, the Government may, by notification—

Power of
Government
to confer
special
powers on
officers to
control
notified
diseases.

(a) declare that such local area is visited or threatened with an outbreak of notified disease, and

(b) confer on the Health Officer or any other officer of the local authority concerned, or on any officer of the Government, all or any of the powers specified in sub-section (2).

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(2) The powers which may be conferred under sub-section (1) are—

- (a) power to order the evacuation of infected houses and houses adjoining them or in their neighbourhood, or generally of all houses in an infected locality;
- (b) power to make vaccination and preventive inoculations compulsory subject to the provisions of sub-section (3);
- (c) power to direct—
 - (i) that persons arriving from places outside the local area, or residing in any building adjacent to, or in the neighbourhood of, an infected building, shall be examined by any specified medical officer or by any one of a specified class of medical officers;
 - (ii) that the clothing, bedding or other articles belonging to such persons shall be disinfected, if there is reason to suspect that they have been exposed to infection; and
 - (iii) that any such person shall give his address and present himself daily for medical examination at a specified time and place, for a period not exceeding ten days;
- (d) power to take such measures as may be necessary—
 - (i) in respect of, or in relation to, persons exposed to infection from any notified disease, or likely to infect other persons with any such disease, and
 - (ii) in respect of, or in relation to, articles exposed to infection from any notified disease, or likely to infect persons with any such disease,
 including, in case (i) the placing of restrictions on the movements of such persons, and in case (ii), the destruction of such articles and the placing of restrictions on their export from, import into, or transport within, the local area;

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- (e) power to direct that at any place within or outside the local area, any consignment of grain exported from, or imported into, such area by rail, road or otherwise, shall be examined and, if necessary, unloaded and disinfected in any specified manner; and
- (f) power to close all or any existing markets and to appoint special places where markets may be held.

(3) (a) If any person who, or a child in whose care, is sought to be vaccinated or inoculated in pursuance of the power referred to in clause (b) of sub-section (2), declares before a Magistrate specially empowered by the Government in this behalf that as a result of a careful inquiry into the subject, he believes that such vaccination or inoculation will be injurious to his health or the health of the child, as the case may be, the Magistrate may, after giving notice to the Health Officer and hearing any representations made by him or on his behalf, exempt such person or child from vaccination or inoculation, on condition of the person aforesaid undertaking to subject himself and the members of his family to isolation of such description and for such period and to such further restrictions, if any, as may be directed by the Magistrate:

Provided that any exemption granted under this clause shall cease to have effect after a conviction under clause (b) and no exemption shall be granted to any person who has been so convicted.

(b) Any person who commits a breach of any undertaking given by him under clause (a) shall be punished with imprisonment which may extend to three months, or with fine, or with both.

(4) Any officer on whom powers are conferred by a notification under sub-section (1) shall, subject to such limitations, restrictions and conditions, if any, as the Government may in the same or in any subsequent notification impose, exercise every power so conferred on him until it is withdrawn by notification.

(5) The local authority may, in its discretion, give compensation to any person who in its opinion has sustained substantial loss by the destruction of

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any property under the powers conferred by this section; but save as provided in this sub-section, no claim for compensation shall lie for any loss or damage caused by any exercise of the powers aforesaid.

Destruction
of rats,
mice, etc.

77. (1) The occupier of every premises, or if the premises are unoccupied, the owner thereof, shall take such steps as may be reasonably practicable for the destruction of rats, mice and other animals susceptible to plague infesting such premises.

(2) Where the Health Officer is of opinion that the occupier or owner of any premises has failed to fulfil the obligation laid on him by sub-section (1), he may either—

- (a) serve a notice on such occupier or owner, requiring him to take such steps and within such time as may be specified in the notice, or
- (b) enter upon such premises and take such steps as may be necessary for the purpose of destroying the rats, mice and other animals susceptible to plague infesting the same, after giving not less than twenty-four hours previous notice to such occupier or owner.

(3) Any expenses incurred under clause (b) of sub-section (2) may be recovered by the local authority concerned from the occupier or owner, as the case may be, as if it were a tax due from him to the local authority.

Part III.

Venereal diseases.

Provision for
treatment of
venereal
disease by
local authorities.

78. (1) A local authority may, and if so required by the Government shall, make such arrangements in its local area as may be directed by the Government for—

- (a) the free diagnosis and treatment of persons suffering, or suspected to suffer, from venereal diseases; and
- (b) the prevention of infection from such diseases.

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(2) The local authority may, for the purpose mentioned in sub-section (1), enter into a contract—

- (a) with any other local authority, or
- (b) with a hospital or medical institution recognized by the Government in this behalf, or
- (c) with the sanction of the Government, with any medical practitioner registered under the Madras Medical Registration Act, 1914.

Madras Act
IV of 1914.

79. Every physician or other person treating, or examining with a view to treatment, a person having a venereal disease shall, at the first visit—

Patient to be
instructed in
methods of
prevention of
the spread of
venereal
disease.

- (a) impress upon such person the necessity for treatment until the cure is effected;
- (b) instruct him in regard to the measures necessary for preventing the spread of the disease; and
- (c) furnish him with such other information relating to the disease as may be provided by the Director of Public Health.

Madras Act
IV of 1914.

80. Every medical practitioner registered under the Madras Medical Registration Act, 1914, and included in a panel published by the Government for the purposes of this section shall be bound, at the instance of a person desirous of obtaining a certificate under this section and on payment of a fee of five rupees, to examine such person, and if he finds that that such person is not suffering from a venereal disease, or has been cured thereof, to furnish to such person a certificate to that effect in the prescribed form.

Certain
medical
practitioners
to certify as
to freedom
from venereal
disease.

Part IV.

Power to make rules.

81. The Government shall have power to make such rules as they deem fit for the treatment of persons affected with any epidemic, endemic or infectious disease, and for preventing the spread of such diseases and the rules may declare by what authority or authorities such rules shall be enforced and executed.

Rules for
the preven-
tion, treat-
ment and
control of
certain
diseases.

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CHAPTER VIII.

MATERNITY AND CHILD-WELFARE.

* Local authority to carry out maternity and child-welfare measures.

82. Every local authority shall be bound to carry out such measures pertaining to maternity and child-welfare as may be prescribed.

CHAPTER IX.

MOSQUITO CONTROL.

Prohibition of mosquito breeding in collections of water.

83. (1) If the provisions of this section have been extended to any local area, no person or local authority shall, after such extension—

(a) have, keep, or maintain within such area any collection of standing or flowing water in which mosquitoes breed or are likely to breed, or

(b) cause, permit, or suffer any water within such area to form a collection in which mosquitoes breed or are likely to breed,

unless such collection has been so treated as effectively to prevent such breeding.

Explanation.—Troughs used for cattle and in frequent use shall not, until the contrary is proved, be deemed to be collections of water in which mosquitoes breed or are likely to breed.

(2) The natural presence of mosquito larvæ in any standing or flowing water shall be evidence that mosquitoes are breeding in such water.

Treatment of mosquito breeding places.

84. (1) The Health Officer may, by notice in writing, require the owner or the occupier of any place containing any collection of standing or flowing water in which mosquitoes breed or are likely to breed, within such time as may be specified in the notice, not being less than twenty-four hours, to take such measures with respect to the same, or to treat the same by such physical, chemical or biological method, being measures or a method, approved by the Director of Public Health, as the Health Officer may consider suitable in the circumstances.

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(2) If a notice under sub-section (1) is served on the occupier, he shall, in the absence of a contract, expressed or implied, to the contrary, be entitled to recover from the owner the reasonable expenses incurred by him in taking the measures or adopting the method of treatment, specified in the notice, and may deduct the amount of such expenses from the rent which is then, or which may thereafter be, due from him to the owner.

85. If the person on whom a notice is served under section 84 fails or refuses to take the measures, or adopt the method of treatment, specified in such notice within the time specified therein, the Health Officer may himself take such measures or adopt such treatment and recover the cost of doing so from the owner or occupier of the property, as the case may be, in the same manner as if it were a property tax.

86. Where, with the object of preventing the breeding of mosquitoes in any land or building, the Government or any local authority, or the owner or occupier at the instance of the Government or any local authority, has constructed any works in such land or building, the owner for the time being as well as the occupier for the time being of such land or building shall prevent its being used in any manner which causes, or is likely to cause, the deterioration of such works, or which impairs, or is likely to impair, their efficiency.

87. (1) No person shall, without the consent of the Health Officer, interfere with, injure, destroy or render useless, any work executed or any material or thing placed in, under, or upon any land or building, by or under the orders of the Health Officer with the object of preventing the breeding of mosquitoes therein.

(2) If the provisions of sub-section (1) are contravened by any person, the Health Officer may re-execute the work or replace the materials or things, as the case may be, and the cost of doing so shall be recovered from such person in the same manner as if it were a property tax.

88. For the purpose of enforcing the provisions contained in this Chapter, the Health Officer or any of his subordinates not below the rank of Health or Sanitary Inspector may, at all reasonable times, after

Health Officer's powers in case of default.

Protection of anti-mosquito works.

Prohibition of interference with such works.

Power of Health staff to enter and inspect premises.

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giving such notice in writing as may appear to him reasonable, enter and inspect any land or building within his jurisdiction; and the occupier or the owner, as the case may be, of such land or building, shall give all facilities necessary for such entry and inspection, and supply all such information as may be required of him for the purpose aforesaid.

CHAPTER X.

SANITATION AND BUILDINGS.

Part I.

*Residential Areas.*Notification
of residential
areas

89. (1) Every urban local authority shall, within one year from the commencement of this Act or within such further time as the Government may allow in the case of any such authority, notify in the prescribed manner the localities, divisions, wards, streets or portions of streets in its local area which shall be reserved for residential purposes.

(2) An urban local authority may, at any time subsequent to the issue of a notification under sub-section (1), notify additional localities, divisions, wards, streets or portions of streets, as areas which shall be reserved for residential purposes.

(3) A notification issued under sub-section (1) or sub-section (2) may declare that operations in any factory, workshop or workplace in existence at the time when it comes into force, or that the continuance of any offensive trade carried on by any person at such time, shall be subject to such restrictions, limitations and conditions as may be specified in the notification.

Approval of
Director of
Public
Health and
of Director of
Town-Plan-
ning to be
obtained for
notification.

90. (1) Before issuing a notification under section 89, the local authority shall—

(a) obtain the approval both of the Director of Public Health and of the Director of Town-Planning, in regard to—

(i) the suitability of the areas proposed to be reserved for residential purposes; and

(ii) the restrictions, limitations and conditions, if any, proposed to be imposed under sub-section (3) of section 89; and

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(b) publish in the prescribed manner for general information the situation and limits of the areas proposed to be reserved for residential purposes and the restrictions, limitations and conditions, if any, proposed to be imposed under sub-section (3) of section 89, and consider all objections received by it within six weeks of such publication.

(2) In the event of a difference of opinion between the local authority and the Director of Public Health or the Director of Town-Planning, the matter shall be referred to the Government whose decision shall be final.

91. Any person aggrieved by the issue of a notification under section 89, may appeal to the Government whose decision shall be final. Appeal
against
notification.

92. Upon the issue of a notification under section 89, the following consequences shall ensue, namely:— Conse-
quences of
notification.

(a) The construction or establishment of any new factory, workshop or workplace, or the carrying on of any new offensive trade in the areas specified in the notification shall be absolutely prohibited.

(b) In the case of any factory, workshop or workplace in existence at the time when the notification comes into force or of any offensive trade in existence at such time, the restrictions, limitations and conditions, if any, specified in the notification, shall be observed in the areas aforesaid.

Explanation (1).—If work in any factory, workshop, or workplace existing at the time when the notification under section 89 comes into force or any offensive trade carried on by any person at such time ceases to be carried on for a continuous period of not less than one year, the resumption of work in such factory, workshop, or workplace or of such offensive trade, as the case may be, shall, unless the Government otherwise order, be deemed to be absolutely prohibited under clause (a).

Explanation (2).—In the case referred to in *Explanation (1)*, where the period exceeds six months but does not extend to one year, work in the factory,

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workshop or workplace or the offensive trade, as the case may be, shall not be resumed without the written permission of the Health Officer unless the Government otherwise order.

Extension of sections 89 to 92 to non-urban local authorities.

93. The Government may, by notification, direct that the provisions of sections 89 to 92 shall apply to any non-urban local authority specified in such notification; and thereupon, the provisions of those sections shall apply to such authority as if it were an urban local authority and as if the reference to the commencement of this Act in sub-section (1) of section 89 were a reference to the date of publication of the notification under this section.

Part II.

Control over Insanitary Buildings.

New building not to be erected on certain sites.

94. (1) No person shall erect a new building on any ground which has been filled up with faecal or offensive vegetable or offensive animal matter or upon which any such matter has been deposited, unless and until the Health Officer certifies that such matter has been properly removed by excavation or otherwise, or has become or been rendered innocuous.

(2) Against the refusal of the Health Officer to issue a certificate under sub-section (1), an appeal shall lie to the Government whose decision shall be final.

Cleansing of court, yard or passage used in common.

95. (1) If any court, yard or passage which is used in common by the occupants of two or more buildings, but is not a public street, is not regularly swept and kept clean and free from rubbish or other accumulation to the satisfaction of the Health Officer, he may cause such court, yard or passage to be swept and cleansed.

(2) The local authority may recover any expenses reasonably incurred by the Health Officer under sub-section (1) from the occupants of the buildings which front or abut on the court or yard, or to which the passage affords access, in such proportions as may be determined by the Health Officer.

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96. (1) If any dwelling house or portion thereof appears to the Health Officer to be unfit for the purpose of human habitation, he may in cases not falling under section 46, apply to the local authority to prohibit the use thereof for such purpose, and such authority shall make an order prohibiting the use of such dwelling house or portion for human habitation until in the opinion of the Health Officer it is rendered fit therefor:

Dwelling house unfit for human habitation to be vacated.

Provided that before making an order under this sub-section, the local authority shall give the owner and the occupier or occupiers, if any, concerned a reasonable opportunity of showing cause why it should not be made.

(2) When any order has been made under sub-section (1), the executive authority shall cause a copy of the order to be communicated to the owner as well as to every occupier concerned; and every such occupier shall be bound to cease to inhabit the dwelling house or portion thereof, as the case may be, within thirty days after the communication of the order to him.

(3) The owner of any dwelling house or portion of a dwelling house in respect of which an order under sub-section (1) is in force, shall not let or occupy, or permit to be let or occupied, such dwelling house or portion, or any part thereof, as a human habitation.

97. Notwithstanding anything contained in any other law or provision having the force of law, for the time being in force, no person shall, without the previous permission of the Health Officer, erect any back-to-back houses intended to be used as dwelling houses and any such house the erection of which is begun after the commencement of this Act without such permission shall be deemed to be unfit for human habitation within the meaning of section 96.

Back-to-back houses not to be erected without permission.

Part III.

Abatement of Overcrowding.

98. In this Part—

Definitions.

(1) "tenement" means a dwelling house and includes—

(a) any part of a dwelling house which is capable of separate occupation; and

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- (iii) the use of the premises as a lodging house is likely to occasion inconvenience or annoyance to persons residing in the neighbourhood.

(2) The registration, or the renewal of the registration, of a person as a keeper of a lodging house shall expire at the end of the year for which it is granted unless, for special reasons, the executive authority considers that it should expire at an earlier date, when it shall expire at such earlier date which shall be specified in the certificate of registration or of renewal of registration.

(3) If an executive authority refuses to grant or renew registration under this section, he shall deliver to the applicant a statement in writing of the grounds on which his application is refused.

(4) If at any time, a person registered as the keeper of a lodging house applies for the removal from the register of the name of any person entered therein as a deputy of the keeper, or for the insertion therein of the name of any other person, being a person approved by the executive authority, whom the keeper proposes to employ as a deputy, the executive authority shall alter the register accordingly and make any consequential alterations in the certificate of registration.

Appeal to
local authority.

104. A person aggrieved by the refusal of an executive authority to grant or renew registration under section 103 may appeal to the local authority.

Rules for
the upkeep
and maintenance
of
lodging
houses.

105. The Government shall have power to make rules—

- (a) for fixing the number of persons who may be received into a lodging house and for the separate accommodation of the sexes therein ;
- (b) for promoting cleanliness and ventilation in lodging houses and requiring the walls and ceilings thereof to be lime-washed or treated with some other suitable preparation, at specified intervals ;
- (c) with respect to the taking of precautions when any case of infectious disease occurs in a lodging house ; and
- (d) generally for the well-ordering of lodging houses.

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106. (1) The keeper of a lodging house shall, if so required by the executive authority, affix, and keep affixed and undefaced and legible, a notice with the words "Registered lodging house" in some conspicuous place on the outside of the house. Notice to be affixed outside the lodging house.

(2) The keeper of a lodging house and every other person having the care or taking part in the management thereof shall at all times allow the executive authority, the Health Officer or any other person authorized by the executive authority or Health Officer in this behalf, to have free access to all parts of the house.

107. When the registered keeper of a lodging house is convicted of any offence under this Chapter or under section 64 or a rule or by-law applicable to him made under this Act, the Court by which he is convicted may cancel his registration as a lodging house keeper and may order that he be disqualified for such period as the Court thinks fit for being again registered as such keeper. Cancellation of registration by court.

CHAPTER XII.

FOOD CONTROL.

108. (1) No person shall—

- (a) sell, expose or hawk about for sale, or keep, store or prepare for sale, any animal intended for human consumption which is diseased, or the flesh of any animal which has died on account of natural causes ; or
- (b) sell, expose or hawk about for sale, or keep, store, manufacture or prepare for sale, any food or drug intended for human consumption which is unfit for such purpose or is unwholesome.

Prohibition
of sale of
unsound
food.

(2) In any prosecution under sub-section (1), the Court shall, unless and until the contrary is proved, presume—

- (a) that any animal found in the possession of a person who is in the habit of keeping animals of that class for sale for human consumption, has been kept by such person for sale, and

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(b) a students' hostel under public or recognized control, but does not include a dwelling house or part of a dwelling house occupied by the owner thereof; and

(2) "landlord" means the immediate landlord of the occupier or occupiers of a tenement.

Duties of landlord.

99. A landlord of a tenement—

(a) shall maintain it in a habitable condition; and

(b) except temporarily on occasions such as marriages and the like, shall not cause or permit the tenement to be overcrowded:

Provided that no proceedings shall be instituted against the landlord in respect of any infringement by him of the provisions of this section, unless a notice in writing that the tenement is not in a habitable condition or that it is overcrowded, has been served upon the landlord or his agent by the Health Officer, and the landlord fails within such time as may be specified in such notice to take such steps as may be reasonably open to him for putting the tenement in a habitable condition or for securing the abatement of the overcrowding therein, as the case may be, including, if necessary, the taking of legal proceedings for possession of the tenement..

Power to make rules.

100. The Government shall have power to make rules for determining—

(a) whether a tenement or any class of tenements is or is not maintained in a habitable condition within the meaning of section 99; and

(b) whether a tenement or any class of tenements is or is not overcrowded within the meaning of that section.

CHAPTER XI.

LODGING HOUSES.

Lodging houses to be registered.

101. No person shall keep a lodging house or receive a lodger therein unless he is registered as the keeper thereof under this Act:

Provided that a person who immediately before the commencement of this Act was keeping a lodging house

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shall, for a period of three months after such commencement, be deemed to have been registered as the keeper thereof.

102. Every executive authority shall keep a register in which shall be entered — Register of lodging houses.

(a) the full name and the place of residence of every person registered as the keeper of a lodging house;

(b) the situation of every such lodging house;

(c) the number of persons authorized to be received in the lodging house; and

(d) the full names and the places of residence of any persons who are to act as deputies of the keeper of the lodging house.

103. (1) An executive authority on receiving from any person an application for registration, or for the renewal of his registration, as a keeper of a lodging house, and on payment by him of such fee, if any, as may be prescribed for the purpose, shall register the applicant in respect of the lodging house named in the application or renew his registration in respect thereof and issue to him a certificate of registration or of renewal of registration: Conditions of registration and of renewal of registration.

Provided that the executive authority—

(a) shall not register an applicant until the Health Officer has inspected the premises named in the application and has recommended such registration; and

(b) may refuse to register, or to renew the registration of, an applicant if he is satisfied that—

(i) the applicant or any person employed or proposed to be employed by the applicant at the lodging house as a deputy or otherwise is not a fit person, whether by reason of age or otherwise, to keep or to be employed at a lodging house; or

(ii) the premises are not suitable for use as a lodging house or are not as regards sanitation and water-supply and in other respects including means of escape in case of fire, suitably equipped for use as such; or

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(b) that any food or drug found in the possession of a person who is in the habit of keeping, storing, manufacturing or preparing such food or drug for sale for human consumption, has been kept, stored, manufactured or prepared by such person for sale.

Punishment
for contra-
vening
provisions
of section
108, through
others.

109. (1) Any person who does any of the acts mentioned in sub-section (1) of section 108 or in clauses (a) to (d) of sub-section (1) of section 5 of the Madras Prevention of Adulteration Act, 1918, through others employed by him, whether the latter be adults or children, shall be liable to punishment for such act as if he had himself done the same.

Madras Act
III of 1918.

(2) If a child under seven years of age does any of the acts aforesaid, the employer of the child, or the parent or other person having the care and custody of the child, as the case may be, shall be liable to punishment for such act as if he had himself done the same.

Flesh of
dead animal
not to be
consumed.

110. No person shall knowingly consume the flesh of any animal which has died on account of natural causes.

Explanation.—It shall be no defence to a prosecution under this section that the flesh was consumed as a matter of custom, or as a matter of right on account of services rendered in removing dead cattle, or on any other ground.

Importing
meat into
local area.

111. (1) No person shall bring into any local area, without the permission in writing of the Health Officer thereof, the flesh of any animal slaughtered outside the local area otherwise than in a slaughter-house maintained or licensed by the Government or by a local authority.

(2) Any flesh brought into the local area in contravention of sub-section (1) may be seized by the Health Officer or any officer or servant of the local authority authorized by him in that behalf, and sold or otherwise disposed of as the Health Officer may direct; and in case of sale, the sale-proceeds shall be credited to the funds of the local authority.

(3) Nothing in this section shall be deemed to apply to—

(a) cured or preserved meat, or

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(b) flesh or meat carried through any local area for consumption outside the limits thereof and not stored anywhere within such limits in the course of transit, or

(c) flesh or meat brought into the local area by any person for immediate domestic consumption and not for sale:

Provided that the local authority may, by public notice, direct that the provisions of this section shall apply to cured or preserved meat of any specified description or brought from any specified place.

112. The Health Officer may, without notice, enter any place at any time, by day or by night, where any article of food is being manufactured, prepared, exposed or stored for sale, and inspect such article and any utensil or vessel used for manufacturing, preparing or containing the same.

Power of
Health
Officer
to enter
premises
used for
food trade.

113. (1) The Health Officer may, at any time, examine any person engaged in selling, or in manufacturing or preparing for sale, or in any manner whatsoever handling any article of food intended for sale.

Powers of
Health
Officer to
deal with
carriers of
disease
handling
food.

(2) If on such examination the Health Officer finds that such person is suffering from, or harbouring the germs of, any infectious disease, such person shall not take part in selling any article of food or in manufacturing, preparing or in any manner handling any article of food intended for sale, until the Health Officer certifies in writing that he is free from infection from such disease.

114. (1) If the Health Officer has reason to believe—

(a) that any person within the local area over which he has jurisdiction is suffering from an infectious disease attributable to milk or dairy produce supplied within such area, or

Investiga-
tion of
diseases
caused by
milk or
dairy
produce.

(b) that the consumption of any milk or dairy produce supplied within such local area is likely to cause any person therein to suffer from an infectious disease,

the Health Officer may require the person supplying the milk or dairy produce to furnish within such time as may be fixed by the Health Officer, a complete list of all dairies (whether situated within or outside the

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limits of the local area) from which that person's supply of milk or dairy produce is derived or has been derived during the six weeks immediately preceding.

(2) If such supply or any part of such supply is obtained, not directly from a dairy but through some other person, the Health Officer may make a similar requisition upon such other person.

(3) Every person on whom any requisition is made under sub-section (1) or sub-section (2) shall be bound to comply therewith.

Inspection
of dairy by
Health
Officer.

115. (1) The Health Officer may inspect any dairy referred to in section 114 and the milch-cattle and the employees therein, and if, on such inspection, the Health Officer is of opinion that any infectious disease is caused, or is likely to be caused, by the consumption of the milk or dairy produce supplied from such dairy, he may make an order prohibiting the supply of any milk or dairy produce for human consumption from such dairy.

(2) An order made under sub-section (1) shall be forthwith cancelled by the Health Officer on his being satisfied that the milk supply has been changed, or that the employees objected to by him have ceased to work at the dairy, or that the cause of infection has been removed.

(3) If an order made under sub-section (1) or cancelled under sub-section (2) relates to a dairy situated outside the limits of the local area, the Health Officer shall also inform the local authority within whose jurisdiction the dairy is situated.

(4) When an order is made under sub-section (1), the Health Officer may either—

- (a) permit the milk or other produce of the dairy, after being boiled or treated in such other manner as he may direct, to be sold or used as animal food, subject to any reasonable restrictions he may impose, or
- (b) cause such milk or dairy produce to be destroyed.

(5) No person shall sell or supply any milk or dairy produce in contravention of the provisions of this section.

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CHAPTER XIII.

FAIRS AND FESTIVALS.

116. (1) The Government may, by notification— Notification
of fairs and
festivals by
Govern-
ment.

- (a) declare that any local area or part of a local area in which a fair or festival is to be held shall, for the purposes of this Chapter, be a notified fair or festival centre, for such period as may be specified in the notification; and
- (b) define the limits of the area which shall, for the purposes aforesaid, be the site for the fair or festival.

(2) The provisions of this Chapter shall apply only to fairs and festivals in connexion with which a notification under sub-section (1) has been issued.

117. (1) The Government, or the local authority Levy of
pilgrim tax
on travellers
by inland
waterways. with the approval of the Government, may by notification impose, during a period to be specified in the notification, a tax on persons leaving by inland waterways a notified fair or festival centre or any place within such distance therefrom as may be specified in the notification.

(2) Every such notification shall specify the rates at which the tax shall be levied:

Provided that the tax shall not exceed four annas in the case of passengers leaving by steam vessels, and two annas in the case of passengers leaving by other vessels including ferry boats.

(3) The Government shall have power to make rules regarding—

- (a) the collection of the tax;
- (b) the ascertainment of the expenses incurred in collecting the tax;
- (c) in case the tax is collected by any authority (other than the local authority concerned) or any person, the payment of the proceeds of the tax after deducting the expenses of collecting the same, to the local authority;
- (d) in the case referred to in clause (c), the returns and the information to be furnished by the authority or person collecting the

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tax to the local authority concerned, and the decision of disputes between the authority or person aforesaid and such local authority ; and

(e) the decision of disputes between two or more local authorities.

Levy of tolls
on vehicles.

118. (1) The Government, or the local authority with the approval of the Government, may, by notification, levy tolls on any vehicle (other than a motor vehicle) or any animal entering a notified fair or festival centre, for such period, at such rates, and subject to such exemptions, as may be specified in the notification.

(2) The Government shall have power to make rules regarding—

- (a) the collection of tolls ;
- (b) the composition of the tolls payable by any person ;
- (c) the seizure, detention, and disposal of any vehicle or animal in respect of which toll is not paid ;
- (d) the duty of the police to assist persons authorized to collect tolls, and the powers of the police in that behalf ; and
- (e) the penalties to be imposed in case of evasion of tolls or of resistance to the seizure and detention of any vehicle or animal in respect of which toll is not paid.

Notice to be
given of fair
or festival.

119. (1) The person or authority in charge of any fair or festival shall, not less than sixty days before its commencement, intimate to the executive authority or Health Officer of the local authority concerned, or in case the fair or festival is to be held within the jurisdiction of more than one local authority, to the executive authority or Health Officer of each of the local authorities concerned, the date of the commencement of such fair or festival, and the period for which it will last.

(2) The person or authority in charge of the fair or festival shall also furnish such other particulars relating to the fair or festival as may be called for by the executive authority or Health Officer of the local authority or any of the local authorities concerned.

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120. The local authority within whose jurisdiction a fair or festival is held, or if it is held within the jurisdiction of two or more local authorities, any person or committee appointed by such local authorities jointly, shall make provision for—

Sanitary
arrange-
ments, etc.

- (1) the demarcation and preparation of the site of the fair or festival ;
- (2) the clearing and draining of the site ;
- (3) the disposition of the several parts of the fair or festival, including the alignment of roads within the site ;
- (4) the supply in sufficient quantities of water fit for drinking and cooking purposes for the use of persons resorting to the fair or festival and the proper preservation of such water ;
- (5) the accommodation of pilgrims and visitors, to such extent as may be practicable ;
- (6) the lighting of the fair or festival site ;
- (7) the supply by suitable persons of wholesome food, at reasonable rates, and in sufficient quantities, to persons resorting to the fair or festival and the proper supervision and inspection of all food prepared or offered for sale or stored or in course of transit within the fair or festival site ;
- (8) the collection, removal and disposal of refuse, rubbish and sewage ;
- (9) the supply and maintenance of suitable latrines for the use of persons resorting to the fair or festival ;
- (10) the detection and segregation of cases of infectious disease and the prevention of the introduction and spread of such diseases ;
- (11) the employment of adequate medical staff, the provision of medical relief, and the furnishing of hospital accommodation both for general and isolation purposes ; and
- (12) such other purposes as may be prescribed.

121. The arrangements mentioned in section 120 shall be executed under the supervision and control of the Health Officer concerned, or if the fair or festival is held within the jurisdiction of more than one local authority, under the supervision and control of the

Health
Officer to
supervise
the arrange-
ments.

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Health Officer of one of such local authorities designated by the person or committee referred to in section 120, or in case no Health Officer is so designated, under the supervision and control of the Health Officers concerned within their respective local areas.

Power to enter and seize unwholesome food.

122. (1) The Health Officer, or a Health or Sanitary Inspector of the local authority or of any of the local authorities concerned, or any officer of the Government or of any such local authority appointed by the Government in this behalf, may—

- (a) enter and inspect any building or shop in the fair or festival site, which is a source of food-supply ;
- (b) for the purpose of inspection, have access to any source of water-supply on such site or within such distance therefrom as the Government may, by general or special order, determine ; and
- (c) seize any food prepared or offered for sale or stored or in course of transit within the fair or festival site which, he has reason to believe, is unwholesome or unfit for human consumption, and destroy the same forthwith if, in his opinion, such food is of a perishable nature or the value thereof does not exceed three rupees.

(2) (a) Any officer seizing any food under clause (c) of sub-section (1) shall, if it is not destroyed under that clause, report the seizure to such authority or person as may be prescribed in that behalf.

(b) If the authority or person aforesaid is of opinion that the food is unwholesome or unfit for human consumption, such authority or person may, by order in writing, direct the food to be destroyed ; and any expenses incurred in this behalf (including the cost, if any, of analysing the food or a sample thereof) shall be recoverable from the person from whom the food was seized, as if it were a tax due from him to the local authority or any of the local authorities concerned.

(c) If the authority or person aforesaid is of opinion that such food is wholesome and fit for human consumption, the food shall be returned to the person

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from whom it was seized ; and the cost, if any, of analysing the food or a sample thereof shall be borne by the local authority or local authorities concerned.

123. (1) The local authority may, in cases of emergency, with the sanction of the District Collector, depute any person to enter upon, occupy and use, without having recourse to the provisions of the Land Acquisition Act, 1894, any land or any building not being a dwelling-house in the notified fair or festival centre which in the opinion of the Health Officer, is required and is suitable for any purposes connected with the fair or festival, such as the construction of pilgrim-sheds, water-sheds, hospitals, segregation-sheds, latrines, and the like :

Occupation of building, etc., required in connexion with fair or festival.

I of 1894.

Provided that if the land or building is occupied, notice shall be given in writing to the occupant or be conspicuously affixed on such land or building, not less than twenty-four hours before it is entered upon.

(2) The owner or lessee of such land or building shall be entitled to compensation for any damage or expenses incurred, and to a reasonable rent for the period during which it had been occupied or used for any of the purposes referred to in sub-section (1). Such compensation and rent shall be fixed by the District Collector.

(3) The local authority shall, when any such land or building ceases to be occupied or used for any of the purposes aforesaid, cause it to be thoroughly disinfected and cleansed.

124. (1) The Health Officer may, by notice in writing, require the owner of, or other person having control over, any source of water-supply situated on the fair or festival site, or within such distance therefrom as the Government may by general or special order determine, to close or disinfect such source within a specified time if, in the opinion of the Health Officer, it is likely to engender or cause the spread of disease amongst persons resorting to the fair or festival.

Control over private sources of water-supply.

(2) If the owner or person aforesaid fails or neglects to comply with any notice issued under sub-section (1) within the time specified therein, the Health Officer may himself take the necessary action ; and the whole of the expenses incurred in doing so or such

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part thereof as the Health Officer may determine to be reasonable, shall be recovered from such owner or person as if it were a tax due from him to the local authority or any of the local authorities concerned.

Licensing
of houses to
accom-
modate
visitors to
fair or
festival.

125. (1) The owner or occupier of a house, not being a lodging house registered under Chapter XI, situated in any notified fair or festival site shall not, for purposes of gain, accommodate in the house visitors to the fair or festival, without obtaining a licence in that behalf from the executive authority or the Health Officer of the local authority or any of the local authorities concerned.

This provision shall not apply to tenancies from month to month or for a period exceeding one month.

(2) Every application for a licence under sub-section (1) shall be in writing, shall contain such information as may be required by the authority to whom it is addressed, and shall be accompanied by such fee as may be prescribed for the grant of the licence.

(3) (a) If it appears to the executive authority or the Health Officer, as the case may be, that the house is suitable for accommodating visitors to the fair or festival, he may issue a licence, in the prescribed form and subject to the prescribed conditions, for the accommodation in the house of such number of visitors as may, in his opinion, be conveniently received therein, having regard to the number of persons resident in the house, whether as members of the family or as servants of the owner or occupier.

(b) The licence shall also specify—

(i) the maximum number of persons (residents and visitors) who may be accommodated in the house at any one time; and

(ii) the date until which it shall remain in force.

(4) If the authority granting the licence is satisfied that the licensed house has, subsequent to the grant of the licence, become unfit for the accommodation of visitors, or if the licensee is convicted of any offence punishable under this Chapter, such authority may revoke the licence or, at his discretion, may suspend the licence for such period or until the fulfilment of such condition, as he may specify.

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CHAPTER XIV.

FINANCE.

126. If in respect of any fair or festival, any tax or toll is levied under section 117 or section 118 of this Act, or under section 116 of the Madras District Municipalities Act, 1920, or section 110 of the Madras Local Boards Act, 1920, the local authority shall have power to spend the proceeds thereof in connexion with the fair or festival or for the benefit generally of the local area concerned, in such manner as the Government may, by general or special order, authorize.

Madras Act
V of 1920.
Madras Act
XIV of 1920.

Manner of
spending
proceeds of
taxes and
tolls levied
in respect of
fairs and
festivals.

127. (1) Every municipality shall earmark not less than 30 per cent of its income from all sources other than Government grants, for expenditure on the advancement of public health in its local area, including expenditure on medical relief, and every district board or panchayat shall similarly earmark not less than 12½ per cent of its income from such sources:

Earmarking
of revenue
by local
authorities
for expendi-
ture on
public
health.

Provided that the Government may, for financial or other reasons, vary the provisions of this sub-section to such extent as they may think fit in the case of any municipality or district board or any panchayat or class of panchayats.

(2) (a) The Government may, by notification, authorize any local authority or class of local authorities to incur expenditure on any public health purpose specified in the notification, notwithstanding anything contained in the Act under which such local authority or authorities have been constituted.

(b) Any expenditure incurred by a local authority, which is authorized by clause (a) shall be taken into account for the purposes of sub-section (1).

CHAPTER XV.

RULES, BY-LAWS, PENALTIES, &c.

128. (1) The Government shall, in addition to the rule-making powers conferred on them by any other provision contained in this Act, have power to make rules generally to carry out the purposes of this Act.

Power of
Government
to make
rules.

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(2) In particular and without prejudice to the generality of the power conferred by sub-section (1), the Government may make rules—

- (a) with reference to all matters expressly required, or allowed, by this Act to be prescribed; and
- (b) regulating the situations in which sanitary conveniences for the use of the public shall be constructed by a local authority, and the number of such sanitary conveniences.

Penalty for
breach of
rules.

129. (1) In making a rule under section 81, the Government may provide that a breach of such rule shall be punishable with imprisonment which may extend to three months or with fine or with both.

(2) In making a rule under any other provision contained in this Act, the Government may provide that a breach of such rule shall be punishable—

- (i) with fine which may extend to one hundred rupees, and in case of a continuing breach, with fine which may extend to thirty rupees for every day during which the breach continues after conviction for the first breach; or
- (ii) with fine which may extend to twenty rupees for every day during which the breach continues after receipt of notice from the executive authority or the Health Officer to discontinue such breach.

Procedure
for making
and the
effect of
rules.

130. (1) The power to make rules under this Act shall be subject to the following conditions:—

- (a) A draft of the rules shall be published in the Official Gazette.
- (b) Such draft shall not be further proceeded with until six weeks after such publication or until such later date as the Government may appoint.

(2) All rules made under this Act shall be published in the Official Gazette and upon such publication shall have effect as if enacted in this Act.

By-laws by
local
authorities.

131. Any local authority may make by-laws, not inconsistent with this Act or the rules made thereunder or with any other law, for carrying out all or any of the purposes of this Act.

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132. In making a by-law, the local authority may provide that a breach thereof shall be punishable— *Breach of by-laws.*

- (a) with fine which may extend to fifty rupees, and in case of a continuing breach with fine which may extend to fifteen rupees for every day during which the breach continues after conviction for the first breach, or
- (b) with fine which may extend to ten rupees for every day during which the breach continues after receipt of notice from the executive authority or the Health Officer to discontinue such breach.

133. In regard to by-laws made by a local authority under sections 131 and 132, the following provisions shall apply, namely:— *Procedure for making or altering by-laws.*

- (a) in case the local authority is the Corporation of Madras, sections 352, 353, 354 and 356 of the Madras City Municipal Act, 1919;
- (b) in case the local authority is a municipality constituted under the Madras District Municipalities Act, 1920, sections 309, 310 and 311 of that Act; and
- (c) in case the local authority is a local board constituted under the Madras Local Boards Act, 1920, sections 204, 205 and 205-A of that Act.

Madras Act
IV of 1919.

Madras Act
V of 1920.

Madras Act
XIV of 1920.

134. (1) Whoever—

- (a) contravenes any of the provisions of this Act specified in the first and second columns of Schedule I; or
- (b) contravenes any rule or order made under any of the provisions so specified; or
- (c) fails to comply with any direction lawfully given to him, or any requisition lawfully made upon him, under or in pursuance of any of the said provisions

Penalties for
offences
against
Act, etc.

shall be punished with fine which may extend to the amount mentioned in that behalf in the fourth column of the said Schedule.

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- (2) Whoever after having been convicted of—
- (a) contravening any of the provisions of this Act specified in the first and second columns of Schedule II; or
 - (b) contravening any rule or order made under any of the provisions so specified; or
 - (c) failing to comply with any direction lawfully given to him, or any requisition lawfully made upon him, under or in pursuance of any of the said provisions

continues to contravene the said provision or the said rule or order, or continues to fail to comply with the said direction or requisition, shall be punished for each day after the previous date of conviction during which he continues so to offend, with fine which may extend to the amount mentioned in that behalf in the fourth column of the said Schedule.

Explanation.—The entries in the third column of Schedules I and II headed 'Subject' are not intended as definitions of the offences described in the provisions specified in the first and second columns thereof, or even as abstracts of those provisions, but are inserted merely as references to the subject dealt with therein.

Penalty for preventing entry of executive authority or Health Officer.

135. Every person who prevents the executive authority or the Health Officer or any person to whom the executive authority or the Health Officer has lawfully delegated his powers of entering on or into any land or building, from exercising his lawful power of entering thereon or therein, shall be punished with simple imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both.

Miscellaneous.

Appeal against decisions of Health Officer.

136. Any decision of the Health Officer against which an appeal is not otherwise provided for in this Act shall be subject to such appeal as may be prescribed.

Method of serving notices.

137. (1) When any notice is required to be given by this Act, or by any rule, by-law, regulation or order made under it, such notice shall be given—

- (a) by giving or tendering the notice to such person; or

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- (b) if such person is not found, by leaving such notice at his last known place of abode or business or by giving or tendering the same to some adult member or servant of his family; or
- (c) if such person does not reside in the local area and his address elsewhere is known to the executive authority, by sending the same to him by post, registered; or
- (d) if none of the means aforesaid be available, by affixing the same in some conspicuous part of such place of abode or business.

(2) When the person is an owner or occupier of any building or land, it shall not be necessary to name the owner or occupier in the notice, and in the case of joint owners and occupiers it shall be sufficient to serve it on, or send it to, one of such owners or occupiers.

138. No person shall be tried for any offence against the provisions of this Act, or of any rule, or by-law made under it, unless complaint is made within three months of the commission of the offence by the police, or the executive authority or the Health Officer, or by a person expressly authorized in this behalf by the local authority, the executive authority or the Health Officer: Cognizance of offences against the Act.

V of 1898.

Provided that nothing contained in this section shall affect the provisions of the Code of Criminal Procedure, 1898, in regard to the power of certain Magistrates to take cognizance of offences upon information received or upon their own knowledge or suspicion.

139. Any police officer who sees a person committing an offence against any of the provisions of this Act or of any rule or by-law made thereunder, may arrest such person, if his name and address are unknown to the officer and such person on demand declines to give his name and address or gives a name and address which the officer has reason to believe to be false. Powers of Police Officers to arrest offenders against Act, etc.

140. (1) The executive officer of a local authority or any member of the public health establishment of a local authority not below the rank of Health or Sanitary Inspector, who sees a person committing any of the offences specified in sub-section (2) in the area over which the local authority has jurisdiction, may arrest Powers of executive officer and public health staff to arrest offenders against Act, etc.

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such person, if his name and address are unknown to the executive officer or member aforesaid and such person on demand declines to give his name and address or gives a name and address which such officer or member has reason to believe to be false. Any person so arrested shall be handed over to the officer in charge of the nearest police station as expeditiously as possible.

(2) The offences referred to in sub-section (1) are—

(a) offences against any of the provisions of this Act or of any rule or by-law made thereunder ; and

(b) offences falling under any of the provisions of the Acts mentioned below, if such provisions are in force in the area over which the local authority has jurisdiction—

(i) Chapters VII to XIII, both inclusive, of the Madras City Municipal Act, 1919, read with section 357 of that Act and Schedules VII and VIII thereto ; Madras Act IV of 1919.

(ii) Chapters VII to XIII, both inclusive, of the Madras District Municipalities Act, 1920, read with section 313 of that Act and Schedules VII and VIII thereto ; Madras Act V of 1920.

(iii) Chapters VIII to XI, both inclusive, of the Madras Local Boards Act, 1920, read with section 207 of that Act and Schedules VIII and IX thereto ; Madras Act XIV of 1920.

(iv) sections 53 and 73 of the Madras City Police Act, 1888 ; Madras Act III of 1888.

(v) clauses (9) and (11) of section 3 and sections 4 and 10 of the Towns Nuisances Act, 1889 ; and Madras Act III of 1889.

(vi) section 5 of the Madras Prevention of Adulteration Act, 1918. Madras Act III of 1918.

141. No person arrested under section 139 or section 140 shall be detained in custody—

(a) after his true name and address have been ascertained, or

Persons arrested not to be detained unnecessarily.

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(b) for a longer period than under all the circumstances of the case is reasonable ; and such period shall not, in the absence of the special order of a Magistrate, whether having jurisdiction to try the case or not, exceed twenty-four hours, exclusive of the time necessary for the journey of such person to the Court having jurisdiction to try the case.

142. (1) No suit, prosecution or other proceeding shall lie, against any local authority or any executive authority of a local authority, or against the Government or any officer or servant of a local authority or of the Government, or against any person appointed under section 12 of this Act, for any act done or purporting to be done under this Act without the previous sanction of the Government. Bar of suits and prosecutions in certain cases.

(2) No local authority or executive authority of a local authority, no officer or servant of any local authority or of the Government and no person appointed under section 12 of this Act, shall be liable in respect of any such act in any civil or criminal proceeding if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

143. Any executive authority of a local authority or any officer or servant of a local authority or of the Government, or any person appointed under section 12 of this Act, who maliciously abuses any powers conferred on him by or under this Act, shall be punished with imprisonment which may extend to one year or with fine which may extend to one thousand rupees or with both. Punishment for malicious abuse of powers.

Explanation.—No prosecution shall be instituted under this section without the previous sanction of the Government.

144. If any provision relating to public health contained in any other enactment in force in the Province of Madras is repugnant to any provision contained in this Act, the latter provision shall prevail and the former provision shall, to the extent of the repugnancy, be void. Act to override other enactments

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Power to
remove
difficulties.

145. If any difficulty arises in giving effect to the provisions of this Act, the Government, as occasion may require, may, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

SCHEDULE I.

Ordinary Penalties.

[See section 134 (1).]

Section. (1)	Sub-section or clause. (2)	Subject. (3)	Fine which may be imposed. (4)
24	(1)	Failure of the owner or other person having control to obey or comply with the directions contained in a notice requiring to keep any well, etc., in good repair, to cleanse it, or protect, etc.	Fifty rupees.
26	..	Owner of new dwelling house occupying or permitting its occupation without a supply of wholesome water.	Fifty rupees.
28	(1)	Failure to comply with notice to provide efficient drainage.	Fifty rupees.
29	..	Failure to comply with notice requiring to connect a house drain with an outside drain.	Fifty rupees.
30	..	Failure on the part of the owner of land to comply with notice requiring a drain for a hut on the land.	One hundred rupees.
31	..	Failure to comply with notice for paving or raising the level of any court, yard, etc.	Fifty rupees.
32	(1)	Unlawful construction of cess-pool or construction of cess-pool on unapproved site.	Fifty rupees.
	(2)	Failure to comply with notice requiring removal or closure of cess-pool.	Fifty rupees.
33	..	Occupying or permitting occupation of new building without drain.	One hundred rupees.
34	..	Letting out sullage or sewage into a street, etc.	Fifty rupees.
35	..	Discharging injurious refuse, etc., into a drain.	One hundred rupees.
36	..	Polluting water-course	One hundred rupees.
38	..	Constructing or reconstructing a building intended for human habitation without a sanitary convenience.	Fifty rupees.
39	..	Failure to comply with notice regarding provision of sanitary conveniences or latrines.	Fifty rupees.
40	(1)	Failure to construct and maintain latrines in the prescribed manner.	Fifty rupees.
	(2)	Failure to comply with notice regarding removal or improvement of latrines.	Fifty rupees.
	(3)	Causing injury to latrines	Fifty rupees.

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Ordinary Penalties—cont.

Section. (1)	Sub-section or clause. (2)	Subject. (3)	Fine which may be imposed. (4)
44	..	Failure to comply with notice to abate nuisance.	Fifty rupees.
46	..	Failure to comply with Magistrate's order prohibiting the use of a house or building.	One hundred rupees.
51	(1)	Depositing filth, rubbish, etc., in streets.	Twenty-five rupees.
	(2)	Easing or permitting a member of the family to ease in a street, etc.	Twenty-five rupees.
	(3)	Failure to cover excreta with earth ..	Five rupees.
56	..	Failure to give information regarding existence of certain infectious diseases.	Five rupees.
57	(2)	Failure to comply with notice prohibiting the use of unwholesome water.	One hundred rupees.
59	..	Exposing other persons to infection ..	Twenty-five rupees.
60	(a)	Infected persons carrying on trade in articles of food.	Fifty rupees.
	(b)	Infected persons engaging in other occupations without permit.	Fifty rupees.
64	..	Failure to give information of notified diseases.	Ten rupees.
67	..	Failure to close lodging houses, etc. ..	One hundred rupees.
68	..	Sending infected clothes to a laundry or depositing infected articles in a receptacle for refuse matter.	Fifty rupees.
69	(1), (2), (3) and (5).	Using or permitting use of public conveyance by an infected person.	Fifty rupees.
70	..	Letting or sub-letting of infected building without a permit.	Fifty rupees.
71	..	Exposing other persons to infection ..	Fifty rupees.
72	(1)	Failure to comply with notice forbidding work in infected premises.	Fifty rupees.
73	..	Use of books from public libraries by infected persons, etc.	Fifty rupees.
74	(1), (2), (4) and (5).	Delay in disposing of dead body of an infected person or allowing others unnecessarily to come into contact with it, etc., etc.	Fifty rupees.
75	..	Failure to comply with order prohibiting assemblages of 50 or more persons.	One hundred rupees.
77	(1)	Failure to take steps for the destruction of rats, mice, etc.	Twenty rupees.
	(2)	Failure to comply with the notice for the destruction of rats, mice, etc.	Fifty rupees.
79	..	Failure to give instructions to the person having venereal disease and failure to furnish the required information.	Twenty rupees.

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Ordinary Penalties—cont.

Section. (1)	Sub-section or clause. (2)	Subject. (3)	Fine which may be imposed. (4)
84	(1)	Failure to comply with notice requiring steps to be taken against breeding of mosquitoes.	Fifty rupees.
86	..	Permitting the deterioration of works relating to prevention of the breeding of mosquitoes.	Two hundred rupees.
87	(1)	Injuring or destroying anti-mosquito works.	Five hundred rupees.
92	(a)	Construction of factories, workshops, etc., in residential areas.	One thousand rupees.
	(b)	Failure of factories, workshops, etc., to comply with restrictions imposed.	Five hundred rupees.
94	..	Illegal erection of building on insanitary ground.	Two hundred rupees.
96	(2) and (3)	Failure to cease to inhabit a dwelling house declared unfit for human habitation or permitting it to be let or occupied as a dwelling house.	Two hundred rupees.
97	..	Constructing back-to-back houses without permission.	One hundred rupees.
99	(a)	Failure to maintain a tenement in a habitable condition.	Fifty rupees.
	(b)	Causing or permitting a tenement to be overcrowded.	Fifty rupees.
101	..	Keeping a lodging house or receiving a lodger without registration.	One hundred rupees.
106	(1)	Failure to affix notice	Ten rupees.
	(2)	Refusal to allow free access to the executive authority, etc., to all parts of the lodging house.	One hundred rupees.
108	(1)	Selling, etc., unsound meat or food ..	One hundred rupees.
109	..	Selling, etc., unsound meat or food through others.	One hundred rupees.
110	..	Consuming the flesh of any animal which has died of natural causes.	One hundred rupees.
111	(1)	Unlawfully importing meat from outside the local area.	One hundred rupees.
113	(2)	Infected person carrying on trade, etc., in articles of food.	One hundred rupees.
114	..	Failure to furnish information regarding the sources of supply of milk or dairy produce.	Fifty rupees.
115	(5)	Failure to comply with the order prohibiting the supply of milk or dairy produce.	Two hundred rupees.
119	..	Failure to inform the proper authority about the date and other particulars regarding fair or festival.	Fifty rupees.
124	..	Failure to comply with notice to close or disinfect source of water-supply.	One hundred rupees.
125	(1) and (3)	Accommodating visitors without licence, or infringing conditions of licence.	Fifty rupees.

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SCHEDULE II.

Penalties for continuing breaches.

[See section 134 (2).]

Section. (1)	Sub-section or clause. (2)	Subject. (3)	Fine which may be imposed. (4)
24	(1)	Failure of the owner or other person having control to obey or comply with the directions contained in the notice requiring to keep any well, etc., in good repair, to cleanse it or protect, etc.	Ten rupees.
26	..	Continuing to occupy a dwelling house or to permit its occupation without a supply of wholesome water.	Ten rupees.
28	(1)	Failure to comply with notice to provide efficient drainage.	Ten rupees.
29	..	Failure to comply with notice requiring to connect a house drain with an outside drain.	Ten rupees.
30	..	Failure on the part of the owner of land to comply with notice requiring a drain for a hut on the land.	Twenty rupees.
31	..	Failure to comply with notice for paving or raising the level of any court yard, etc.	Ten rupees.
32	(2)	Failure to comply with notice requiring removal or closure of cesspool.	Ten rupees.
34	..	Letting out sullage or sewage into a street, etc.	Ten rupees.
35	..	Discharging injurious refuse, etc., into a drain.	Twenty rupees.
36	..	Polluting water-course	Ten rupees.
38	..	Constructing or reconstructing a building intended for human habitation without a sanitary convenience.	Ten rupees.
39	..	Failure to comply with notice regarding provision of sanitary conveniences or latrines.	Ten rupees.
40	(2)	Failure to comply with notice requiring removal or improvement of latrines.	Ten rupees.
44	..	Failure to comply with notice to abate nuisance.	Ten rupees.
46	..	Failure to comply with Magistrate's order prohibiting the use of a house or building.	Twenty rupees.
57	(2)	Failure to comply with notice prohibiting the use of unwholesome water.	Twenty rupees.
59	..	Exposing other persons to infection ..	Five rupees.
60	(a)	Infected persons carrying on trade in articles of food.	Ten rupees.
	(b)	Infected persons engaging in other occupations without permit.	Ten rupees.
67	..	Failure to close lodging houses, etc. ..	Twenty rupees.
71	..	Exposing other persons to infection ..	Ten rupees.

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Penalties for continuing breaches—cont.

Section.	Sub-section or clause.	Subject.	Fine which may be imposed.
(1)	(2)	(3)	(4)
72	(1)	Failure to comply with notice forbidding work in infected premises.	Ten rupees.
77	(1)	Failure to take steps for the destruction of rats, mice, etc.	Five rupees.
	(2)	Failure to comply with notice for the destruction of rats, mice, etc.	Five rupees.
84	(1)	Failure to comply with notice requiring steps to be taken against the breeding of mosquitoes.	Ten rupees.
92	(a)	Construction of factories, workshops, etc., in residential areas.	Two hundred rupees.
	(b)	Failure of factories, workshops, etc., to comply with restrictions imposed.	One hundred rupees.
96	(2) and (3)	Failure to cease to inhabit a dwelling house declared unfit for human habitation; or permitting it to be let or occupied as a dwelling house.	Fifty rupees.
97	..	Constructing back-to-back houses without permission.	Twenty-five rupees.
99	(a)	Failure to maintain a tenement in a habitable condition.	Twenty rupees.
	(b)	Causing or permitting a tenement to be overcrowded.	Twenty rupees.
101	..	Keeping a lodging house or receiving a lodger without registration.	Fifty rupees.
106	(1)	Failure to affix notice	Five rupees.
	(2)	Refusal to allow free access to the executive authority, etc., to all parts of the lodging house.	Fifty rupees.
108	(1)	Selling, etc., unsound meat or food ..	Twenty rupees.
109	..	Selling, etc., unsound meat or food through others.	Twenty rupees.
113	(2)	Infected person carrying on trade, etc., in articles of food.	Twenty rupees.
115	(5)	Failure to comply with the order prohibiting the supply of milk or dairy produce.	Fifty rupees.
124	..	Failure to comply with notice to close or disinfect source of water-supply.	Twenty-five rupees.
125	(1) and (3)	Accommodating visitors without licence or infringing conditions of licence.	Twenty rupees.

THE MADRAS LEGISLATIVE COUNCIL

Monday, the 30th January 1939

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

* 143 Q^a.—

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I put the question, Sir? "

MR. PRESIDENT:—" Have you got the permission of the hon. Member to put the question? Unless you are authorized by him, you may not put it."

Proposal, if any, to levy tax on salaries of Government officials for affording relief to the educated unemployed.

* 144 Q.—KHAN BAHADUR T. M. MOIDU SAHIB BAHADUR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how the Government propose to give relief to the educated unemployed; and

(b) whether the Government propose to levy any tax on the salary of the officers of the Government and other local bodies for affording relief to the educated unemployed?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—" (a) The matter is under the consideration of Government.

" (b) A suggestion has been made that a tax of a rupee per annum should be levied from each educated person in employment whatever may be the nature of his employment. This suggestion is under the consideration of Government."

Proposal, if any, to levy tax on salaries of Government officials for affording relief to the educated unemployed.

* 145 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how the Government propose to give relief to the educated unemployed; and

^a The question and answer were included in the proceedings under Rule 31—vide pages 191-192 infra.

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(b) whether the Government propose to levy any tax on the salary of the officers of the Government and other local bodies for affording relief to the educated unemployed?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—“(a) & (b) The attention of the hon. Member is invited to the answer to question No. 144.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know by whom the suggestion was made?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“It was from the department itself.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know when the Government will be able to give effect to this proposal?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“I think it will take some time, Sir.”

Extents of Government forests—reserved and unreserved—and fuel and timber forests.

* 146 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the Government forest area in each district and how much of it is reserved and how much unreserved—the area to be given in square miles and acres;

(b) the several forest panchayats in each district, the area held by each and the income derived by each during 1937–38;

(c) the Government fuel forest area in each district and the nature of the fuel;

(d) the Government grazing forest area in each district; and

(e) the Government timber forest area in each district and the nature of the timber grown and extracted during 1937–38 with the value of the extracted timber?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) to (e) The information is given in the statement* placed on the table.”

SRI B. NARAYANASWAMI NAYUDU:—“May I know, Sir, if the Government are satisfied that sufficient grazing areas are provided?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“I think so, Sir.”

SRI B. NARAYANASWAMI NAYUDU:—“Government are satisfied?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Yes.”

* Printed as Appendix I on pages 249–271 infra.

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Age-limit in respect of mufassal Government Pleaders appointed by District Collectors under Board's Standing Orders.

* 147 Q.—SRI R. SRINIVASA AYYANGAR: Will the Hon. the Minister for Law be pleased to state—

(a) whether any age-limit has been fixed in regard to mufassal Government Pleaders appointed by District Collectors under the Board's Standing Orders to attend to Government work;

(b) whether it is a fact that practitioners of over 60 years of age are holding the said office in the mufassal; and

(c) whether there is any proposal to fix their age-limit to bring it in conformity with that fixed for Public Prosecutors and District Government Pleaders?

THE HON. DR. P. SUBBARAYAN:—“(a) The hon. Member presumably refers to work done on behalf of Government in stations outside the district headquarters. Collectors have full power to appoint any lawyer to conduct any particular case in such stations and the question of appointment of a particular person for a definite period does not arise. It is, therefore, unnecessary to fix any age-limit and it is left to Collectors to see that pleaders appointed for particular items of work are fit both by age and capacity to deal adequately with work entrusted to them.

“(b) The answer is in the affirmative. There are four pleaders doing Government work above 60 years of age in Vizagapatam district, two in Ramnad and one in each of the districts of Anantapur, Coimbatore, the Nilgiris, Tanjore, East Godavari and West Godavari.

“(c) The answer is in the negative.”

List of Andhras and non-Andhras in Educational Service in Andhra districts and their knowledge in Telugu language.

* 148 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Education be pleased to state—

(a) the number of appointments made in the Madras Educational Service during the last twelve months in (1) colleges and (2) in the inspectorate in the Andhra districts and the names of the appointees for the several posts;

(b) the number of Andhras and non-Andhras appointed, the number of officers and their names so appointed who have passed Telugu in the examination;

(c) whether non-Andhras have been appointed to inspect schools where Telugu is the medium of instruction, and, if so, why the appointments were made;

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(d) whether there is no provision in the statutory rules to the effect that officers posted for duty in certain places should have a knowledge of the language of those places;

(e) whether any complaints have been received by the Government about the hardships caused by the District Educational Officers in the Telugu districts not being able to understand Telugu;

(f) whether resolutions protesting against this state of affairs passed at public meetings, have been communicated to the Government; and

(g) whether any action is proposed to be taken by the Government in this matter?

THE HON. SRI C. J. VARKEY:—“(a) & (b) A statement” is laid on the table. As regards the women’s branch of the Inspectorate, there was no change in the personnel.

“(c) Yes, in a few cases. Promotions and transfers cannot always be made purely on a language basis. Moreover, a District Educational Officer has always the assistance of a Telugu-knowing Deputy Inspector.

“(d) & (e) The answer is in the negative.

“(f) A resolution of one public meeting at Rajahmundry has been received.

“(g) No. Out of the sixteen officers mentioned in the statement laid on the table nine are Andhras or know Telugu well. Of the remaining seven, four are employed in colleges where a knowledge of Telugu is not essential.”

SRI D. SRIRAMAMURTI:—“Are the Government aware that in the Government Training College at Rajahmundry, a Principal and Professor of Geography have been appointed who cannot either read or write Telugu?”

THE HON. SRI C. J. VARKEY:—“The Government are not aware of that, Sir.”

Programme for the development of key industries and technical industries in Government technological institutions.

* 149 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased—

(a) to place before the House the schemes, plans and programmes adopted by the Conference of the Ministers for Industries for the development of key industries in British India and the steps taken or being taken for the purpose in this Province; and to state—

(b) what technical industries in educational courses are going to be introduced in Government institutions intended for technological education?

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THE HON. MR. V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—“(a) A copy* of the resolutions passed at the Conference of Ministers of Industries held in Delhi in October 1938 is placed on the table of the House.

“(b) The question has not yet been considered.”

MR. J. A. SALDANHA (after the next question was called):—“I want to ask a supplementary question, Sir.”

MR. PRESIDENT:—“The hon. Member ought to have been more prompt in putting the supplementary question.”

MR. J. A. SALDANHA:—“I was just getting up for that purpose.”

MR. PRESIDENT:—“Yes, the hon. Member may put the question.”

MR. J. A. SALDANHA:—“What funds are being provided in the coming year for carrying out these schemes and plans in this Province?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“So far, this Government have given a contribution of Rs. 1,000.”

Introduction of the system of employing male nurses and reasons therefor.

* 150 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state—

(a) what the grounds are on which Government have decided that male nurses should be trained and employed so that in course of time male nurses may attend on all adult male patients;

(b) which authorities and bodies were consulted by Government before passing their order; and

(c) what objections have been raised to the scheme and what action Government have decided to take thereon?

THE HON. DR. T. S. S. RAJAN:—“(a) It is considered that male nurses will be as suitable as women nurses for attending on male patients. For certain special departments, male nurses are the most suitable. They are now employed in some private medical institutions, in special departments and in military hospitals.

“(b) The Surgeon-General was consulted. No other authorities or bodies were formally consulted.

“(c) The representations received in respect of the reorganization scheme were considered by the Government and the scheme has been suitably modified. The modifications have been announced in a press communiqué, issued by the Government on 18th January 1939.”

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SRI A. RANGASWAMI AYYANGAR:—"Will the Government be pleased to state whether, as a class, male nurses are more efficient than female nurses?"

THE HON. DR. T. S. S. RAJAN:—"Sir, it is a problematical question, asking for opinion; but I do think, in their respective spheres, one is as good as the other."

Grants to aided Colleges and Indian boarding houses.

* 151 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Education be pleased to refer to the Quinquennial Report on Public Instruction for the years 1931-32 to 1936-37 in this Province with reference to the modified rule 41 of the Grant-in-aid Code and to state—

(a) how far the grants to aided colleges or college departments have been increased or decreased in the years 1937-38 and 1938-39 for buildings, equipment of libraries, laboratories and so on, apart from grants for the teaching staff and what the policy of Government is as to grants-in-aid for such purposes to aided colleges or college departments and on what grounds it is justified;

(b) what difference has been found as to rates in working the modified rule 62 of the Grant-in-aid Code, restricting the grants payable to Indian orphanages to a maximum limit of two-thirds of the net boarding charges instead of two-thirds of net cost of maintenance as was the case before 1933;

(c) what is the amount of grant each orphan or destitute child, in the Indian boarding house, has been receiving in 1932-33, 1933-34, 1934-35, 1936-37 and 1937-38 and will receive in 1938-39; and

(d) whether modifications have been made recently in the grant-in-aid to Indian boarding houses for orphans and destitute children and if so, with what distinction between orphans and destitute children?

THE HON. SRI C. J. VARKEY:—" (a) There was no change of policy as regards these grants during the years in question. The provision for building and equipment grants to colleges for the last three years was as follows:—

	1936-37.	1937-38.	1938-39.
	RS.	RS.	RS.
Building grants ..	2,37,970	1,04,000	1,75,000
Equipment grants ..	47,400	25,700	61,700

" (b) The effect of the modification in the rule has not been uniform but has varied with reference to the circumstances of each institution. The grant being subject to an upper

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limit of Rs. 3 a month per pupil, it may be said generally that institutions which have been spending adequately on boarding have not suffered a diminution of grant.

" (c) The hon. Member presumably means the average grant paid on behalf of each pupil for each of the years in question. These grants are distributed by the Director of Public Instruction. The distribution of grant for the year 1938-39 has not yet been made and particulars of the average grant for the past years are not readily available.

" (d) The reference is apparently to the rules notified at pages 267-68 of Part I-B of the *Port St. George Gazette*, dated 19th April 1938, as modified by Notification No. 469 published at page 596 of Part I-B of the *Gazette*, dated 18th October 1938. No distinction has been made in the rules between orphan destitute children and non-orphan destitute children, although, for the sake of convenience and clearness different forms of destitution certificate have been prescribed for the two classes of children."

MR. J. A. SALDANHA:—"What is the meaning attached by the Government to the term 'orphans'?"

THE HON. SRI C. J. VARKEY:—"Orphans are children who have lost either their father or their mother, or both."

MR. J. A. SALDANHA:—"Is there any distinction at all observed as between orphans and destitute children? They are not exclusive of each other; I am at a loss to understand what distinction there is at all."

THE HON. SRI C. J. VARKEY:—"There is a distinction, and that has been made clear in the answer itself. There are orphan destitutes and non-orphan destitutes; therefore, even those who have parents living come under 'destitute children.'"

MR. J. A. SALDANHA:—"Why not therefore put it clearly beyond all argument? These things are all misunderstood by the authorities in the district in giving grants."

THE HON. SRI C. J. VARKEY:—"Is it a supplementary question, Sir?"

MR. PRESIDENT:—"It is not a supplementary question."

MR. J. A. SALDANHA:—"The difference should be made clear as between orphan and non-orphan destitutes."

THE HON. SRI C. J. VARKEY:—"It may not be clear to all, Sir; but I believe it is sufficiently clear when I say that destitutes are divided into two classes—orphans and non-orphans; and there are two destitution certificates introduced by the notification of 18th October 1938; and it has made matters clearer than Mr. Saldanha thinks."

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District boards amalgamated in November 1938, election of President and Vice-President and fixing of dates therefor.

* 152 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) the names of the district boards which were amalgamated in the month of November, 1938;

(b) the names of the district boards in which the election for president and vice-president took place on the same day and separate meetings have been convened on the same day as the case may be; and

(c) whether it is a fact that the Government have fixed the dates and hour of the meetings for the election of president and vice-president of the district boards which were amalgamated in the month of November 1938 and issued instructions to the ex-officio presidents (Collectors) to call for the meetings on those dates and at the hour fixed by them?

THE HON. SRI S. RAMANATHAN (Minister for Public Information) on behalf of the Hon. Sri B. Gopala Reddi:—

“(a) The bifurcated district boards in the following revenue districts were amalgamated in November 1938:—

Ramnad,	Coimbatore,
Tanjore,	East Godavari, and
Nellore,	Kistna.
Salem,	

“(b) In none of the amalgamated district boards referred in the answer to clause (a) was the election of the vice-president held on the same day as the election of the president.

“(c) The Government instructed the ex-officio presidents of the amalgamated district boards to convene meetings of their respective boards on certain suitable dates and at certain suitable hours for the election of presidents.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“Suitable to whom?”

THE HON. SRI S. RAMANATHAN:—“Suitable to the members as well as to the authorities who are to convene the meetings.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“May I know how the Government came to know that the hour and date were suitable to the members?”

THE HON. SRI S. RAMANATHAN:—“The hour was fixed in office time, as usual; and there has been no objection raised so far as regards the suitability of the hour.”

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“Is 9 o'clock within the office time?”

THE HON. SRI S. RAMANATHAN:—“It is very convenient to begin work at 9 o'clock.”

SRI R. SRINIVASA AYYANGAR:—“Were any instructions issued to the authorities in the district with regard to the fixing of the hour?”

THE HON. SRI S. RAMANATHAN:—“I am not aware.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“Why should the Government fix the date of the meetings and communicate to the ex-officio presidents?”

THE HON. SRI S. RAMANATHAN:—“So that the amalgamation might be given effect to. It was necessary that some early date should be fixed for this purpose by the Government. I do not see the point at all in the hon. Member putting this question.”

Annual grants made to leper asylums.

* 153 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased—

(a) to place before the House the various orders passed by the Government during the last ten years as to annual grants-in-aid to private leper asylums in this Province as also to the Tirumani Leper Settlement in the Chingleput district; and to state

(b) what changes have been made recently in the rates and conditions for receipt of the grants and on what grounds; and

(c) the number and percentage of lepers approximately expected to be thrown out of the asylums as a result of such change and what accommodation and provision for feeding are proposed to be arranged for such lepers?

THE HON. DR. T. S. S. RAJAN:—“(a) and (b) Copies of G.Os. No. 1326, P.H., dated 12th July 1916, No. 752, P.H., dated 30th March 1928, No. 1480, P.H., dated the 18th August 1931 and No. 4535, P.H., dated the 19th December 1938, will be furnished to the hon. Member as there is no time to print them and lay them on the table. Leper asylums are intended for treatment cases only and not for ‘burnt out’ cases whose proper place is in a charitable institution.

“(c) The Government have no information.”

Grant of darkhast lands in South Kanara.

* 143 Q.—SRI D. MANJAYA HEGDE: Will the Hon. the Minister for Revenue be pleased to state—

(a) the number of acres of unassessed waste lands granted on ‘darkhast’ to people, both landholders and others, in South

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Kanara after the Congress party has taken charge of the administration of the Province;

(b) the present policy of the Government as to the alienation of the unassessed lands to the landholders;

(c) the recent Government Orders issued to the District Revenue authorities regarding the granting of lands on 'dar-khast' or alienation of waste lands; and

(d) whether the Government are contemplating the abolition of kumki rights of the landholders in South Kanara?

THE HON. SRI T. PRAKASAM:—“(a) 5.44 acres till the end of October 1938.

“(b) & (c) The present policy of the Government in regard to assignment of lands including unassessed lands for cultivation is defined in Board's Standing Order No. 15. Pending a revision of the policy of assignment, the Government have directed that no part of a large compact block and no extent of 5 acres and more in any case should be assigned.

“As regards the alienation of lands for public purposes, the Government have ordered that all applications for alienation, except those from local bodies, in which the extent of land involved is one acre and more should be submitted to the Government for sanction.

“(d) The Government will consider the question of kumaki rights in connexion with the policy of assignment to be followed in the case of large blocks.”

UNSTARRED QUESTIONS

Districtwar statement showing various particulars regarding collection of kist and punishments awarded to village officers for non-collection.

46 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: (With reference to the answer given to question No. 76 put at the meeting of the Legislative Council held on 13th December 1938, will the Hon. the Minister for Revenue be pleased to call for and place a comparative statement on the table of this House, showing the following particulars, districtwar, for the three faslis ending with 30th June 1938:—

(a) total amount of demand;

(b) total amount collected without any sort of coercive process;

(c) total number of defaulters;

(d) total number of coercive processes issued; and

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(e) total number of punishments under each of the following heads accorded to village officers for the non-collection of kist in time—

(1) dismissals;

(2) suspensions; and

(3) fines?

A.—(a), (c) & (d) The attention of the hon. Member is invited to the statistics contained in statements Nos. 10 and 12 of the Jamabandi reports of the respective faslis. The report for fasli 1347 will be published shortly.

(b) The amount collected without attachment of property can be obtained by subtracting the figures in columns (6) and (9) of statement No. 12 referred to above from the figure in column (4) of statement No. 10.

(e) The statistics required are not compiled in the normal course of business.

Proposal, if any, to purchase electric power from the Hydro-Electric Project at Jog and schemes, if any, for linking towns and villages in Malabar and South Kanara.

47 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether, during his recent visit to Jog, he had in view the possibility of purchasing power from the hydro-electric project and of the waterfalls there, in order to supply electricity to towns and villages in South Kanara;

(b) if so, whether any negotiations therefor with the Mysore Government have been started; and

(c) whether any progress has been made and if so, what will be the cost of any scheme for linking towns and villages in Malabar and South Kanara with any hydro-electric scheme in this Province and when, it is expected, the scheme will be completed?

A.—(a) & (b) The answer is in the negative.

(c) Pykara power is now being supplied to Palghat in the Malabar district. The Electricity department is making a survey of Ernad and Calicut taluks with a view to extend the supply of Pykara power to towns and villages in other taluks of Malabar. If load develops satisfactorily in the northern parts of Malabar, it may be feasible to extend transmission line further to South Kanara. It is not possible to state when Pykara power will be made available in South Kanara. There is no other scheme of connecting South Kanara with a hydro-electric scheme.

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—THE MADRAS PUBLIC HEALTH BILL, 1938 (L.A. BILL No. 17 OF 1938), AS PASSED BY THE ASSEMBLY.

MR. PRESIDENT:—“The House will now resume discussion on the motion made by the Hon. Dr. T. S. S. Rajal, viz., that the Madras Public Health Bill as passed by the Legislative Assembly, be taken into consideration.”

11-15
a.m.

* MR. J. A. SALDANHA:—“Mr. President, I have first to congratulate the Hon. the Minister for Public Health for having brought forward this Bill so soon after he took charge of his office. This Bill is long overdue. Previous Ministries also adumbrated a scheme of this sort. But they had not the time or the courage or the ability to bring forward such a Bill. The necessity for a Bill of this sort arises out of so many matters. It is an ideal measure for carrying out the objects of sanitation which are found in other Acts, for instance, the District Municipalities and Local Boards Acts. Now that you have got a Bill, it will be easy for us to act up to these provisions. His Highness the Aga Khan in one of his learned works “India in Transition,” some twenty years ago said that if there is one thing to the discredit of the British Government in India, it is the fact that they allowed India to grow up in illiteracy and insanitation. The steps that were taken to remove illiteracy, insanitation and ill-health were very inadequate. Let us hope that the publication of this Bill will achieve the ideal before the Government. Ancient religious codes, as pointed by the Hon. Minister, provide religious sanction for punishment for violating the principles of sanitation. People were bound to be religious and they had to adhere to the rules of sanitation, and any breach of those rules were severely dealt with. Here I would like to refer to one provision in the Old Testament of the Bible, the Deuteronomy, corresponding to one provision which has been added by the Select Committee to the Bill very wisely in clause 51, sub-clause (3), which says:—

‘Any person easing himself in any private open space shall immediately cover up the excreta with earth.’

“There was a time when I was agitating for similar sanitary measures in a place where I was judicial officer, and I tried in vain to find a provision of this sort in the Hindu Dharma Shastras. But there was found one provision in the Bible itself and that is contained in verses 12 to 14 of Chapter 13 of Deuteronomy which says:—

‘12. Thou shalt have a place without the camp, to which thou may all go for the *Necessities of Nature*.

‘13. Carrying a paddle at thy girdle and when thou sitteth down thou shalt dig round about and with the earth that is dug thou shalt cover.

‘14. That which thou art eased of.’

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“The punishment that is provided for in this Bill for a breach of the rule relating to this nuisance is Rs. 5 and that too for committing nuisance in one’s own private land. The problem as to nuisances on public roads is greater still in a place like Madras which is notoriously bad in this respect. I would hesitate to mention what Mahatma Gandhi once remarked about Madras, that it was dirty so far as roads in the interior are concerned. I was told that Bombay successfully got rid of this nuisance. It was due to the famous Commissioner who induced the Government to issue a notification to confer on him the powers of a Magistrate to whip under the Criminal Procedure Code. According to that he began to horse-whip those who were found committing nuisance in public streets and for this purpose he went round the city on horse-back several times along the foreshore which was very dirty and was practically used as a public latrine. As a result of this, this nuisance was put a stop to and privy system was then established in Bombay and now Bombay is free from this nuisance.

“I would like that similarly all magistrates in Madras should be vested with summary powers to put a stop to this evil. Otherwise I do not think that merely a fine of Rs. 25 will create a sanitary conscience in the mind of the people. Apart from this, we should also organize a crusade against insanitation by enlisting the support of all heads of religious institutions, by going round the villages and towns; and unless this is done and done in a very thorough manner by a body of young and old citizens of the towns and villages carrying on a systematic campaign, I do not think we shall be able to achieve much in this direction. It won’t do merely to make laws; we must rouse a sanitary conscience in the mind of the people of the villages and towns; and unless such a thing is done, you will not be able to carry out this campaign effectively.

“It is deplorable that at present the percentage of death in India is the highest in the world and it is really a disgrace to our administration. I do not find one important provision in this Bill and that is making town-planning compulsory in the case of villages which are growing into towns. I hope it will not be a cry in the wilderness and now that the Health Bill is under discussion, it is hoped that the Health department and the Department of Town-planning will put their heads together and introduce town-planning in big villages. Because if villages grow into towns in a haphazard fashion as is the case at present, it will not conduce to sanitation. If you therefore take time by the forelock and introduce town-planning at this stage, I am sure a lot of nuisance will be averted. The fundamental principle of town-planning is mainly the health of the people and from that point of view town-planning is quite essential for

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villages also. I find that in England town-planning is considered to be a very important part of the public health administration. There it is referred to again and again, but here it is only incidentally referred to. There is in fact no clause to compel town-planning in the villages and even the town-planning that is carried on in the towns is not carried on in a proper manner, but in a haphazard and indifferent fashion.

"Here, I would like to suggest that in order to work the provisions of the Bill more effectively, it would be well to enlist the sympathy and co-operation of all classes of people. At present district conferences are held periodically, but they should be made statutory committees so that they may be of real use to the rural population. Instead of keeping them merely as advisory bodies, they should be made statutory bodies with the Collector of the district concerned as president, so that it will be easy for people to get their grievances redressed soon locally, instead of their being made to go to Madras before the Health Board. From my own experience of Mangalore—To-day, there is a meeting there and I am sorry I could not attend it—I may say that beyond giving advice in respect of carrying out repairs to tanks, etc., we have no power to organize schemes for rural uplift as a whole. On the other hand if the Government invest these bodies with certain powers in these respects, they will be doing a great thing in this direction. I would therefore recommend that as soon as possible the Government should consider the question of converting these district conferences into some kind of councils, with certain powers in matters of town-planning, sanitation, etc.

11-30 a.m. "Now, Sir, as regards finance, it is good that local authorities like municipalities, village panchayats and district boards are authorized and, if necessary, also compelled to levy taxes for carrying out the various measures. Because, we find in the discussions at the economic conference held in our district, that funds are very inadequate to carry out even modest measures regarding sanitation and roads. Therefore provision should be made in the Act to compel the Government to set apart a certain percentage for helping the local boards so that they may be induced to take up such measures. For instance, if the municipality spends half or two-thirds, Government should contribute the other portion. Until that sort of thing is done, there will be no inducement. Until then, it will be only a question of our doing things under the goodwill of the Government and we shall be dependent upon their goodwill for carrying out health measures. I say, let it be translated into action, by means of some contribution, say, half to be raised by the municipality or the district board, and half to be paid by the Government. I shall just quote an instance to show how private contributions will run high and even go beyond the expectations of ordinary people. The question

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of a women's hospital was agitating the minds of the people of Mangalore and we were moving for it in the old Legislative Council. Happily, in one of his unguarded moments, the Raja of Panagal made the announcement that the Government would be prepared to give as much money as was forthcoming by way of private contributions. We were able to collect a sum of Rs. 50,000 and the Government no doubt paid us an equal sum. But when the original announcement was made he never expected that so much would be collected; he thought that it may not exceed Rs. 10,000. And now we have got one of the splendid hospitals in the Presidency. I am only saying this to show to the Hon. Minister to what extent private contributions can go if an incentive is offered that an equal sum will be paid by the Government.

"Further, I do not see any provision in this Bill for the raising of loans by the municipalities and district boards for this purpose. Loans are necessary for carrying out great public health objects like water-supply. I know that there are provisions in the District Municipalities and Local Boards Act; but I would very much like that all those provisions should have found a place here inasmuch as we are dealing with the question of public health and whatever provisions are relevant to it should find a place here. It is not as if all amounts spent in this direction are not paying. The building of markets is clearly a paying proposition. I am certain that we shall be getting a dividend of about 15 per cent.

"Even without these, the Bill as it stands is a comprehensive measure and with some greater comprehensiveness, it would have been a model legislation. As a matter of fact the Ministry has to be congratulated in bringing in measures which go far in advance and run much ahead of other provinces in point of the legislative activities. But whether they produce good or bad is to be seen."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"Let me congratulate the Hon. the Minister for Public Health on having brought forward this very useful measure. This is the first of its kind in India. I am glad to see that the work started by the late lamented Raja Sahib of Panagal is being supplemented by the Hon. the Minister for Public Health. It may not be out of place to recall the various useful measures introduced by him, such as the establishment of the Indian School of Medicine, and the introduction of rural medical relief. But for the limitations under which he had to work then, he would have introduced many more useful measures. Now the Ministers have the unfettered freedom and the Hon. the Leader of the House very rightly took advantage of it.

"Sir, we on this side of this House have never failed to appreciate the good measures that have been brought forward by the

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party in power and to co-operate with them if we felt that they were in the interest of the public. I believe we have always been taking interest in observing the parliamentary conventions and rules.

"I should like to take this opportunity to offer my explanation to the remarks made by the Hon. the Prime Minister with regard to the point of order raised by me in the matter of observing the rules."

MR. PRESIDENT:—"The hon. Member cannot take this as an opportunity to reply to the remarks made by the Hon. Premier. He will restrict his observations to the Bill."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I shall take another opportunity to deal with that question. As I submitted before, I am in general agreement with the principles of this Bill. The Hon. the Leader of the House mentioned in his speech the existence of some provision in the Public Health Act of England which prompted him to incorporate some of the provisions of this Bill. The whole scheme of the Public Health Act of England is built by vesting the powers only in collective bodies such as county councils and boroughs, while the present Bill vests all the powers in one officer of the Government. It is said that the creation of a Public Health Board is one of the features of this Bill. I don't see any necessity for the retention of sub-clause (c) of clause 4 (1) especially after the statement of the Hon. the Prime Minister in the other House which unequivocally declared that the Health Board has no power and their resolutions are only advisory. Is it with a view to have the views of the opposite party also? If that is so, I fear that the wording of that clause should be changed. Instances are not wanting that whenever the Leader of the House tried to deal fairly with the Opposition, members of his party rebelled and refused to obey him. Again instances there have been to show that motives were imputed to the actions of the Leader by not merely the camp followers but even by his colleagues. Further as the constitution of the Legislature stands at present, it does not matter whether it is election or it is nomination; because it is only the members of the party in power that would be elected or nominated. I, therefore, think that the principle of election which was originally enunciated in this Bill is rightly substituted by nomination and the Government have taken the full responsibility for good or bad. Let the Government alone bear its entire responsibility for the working of this Act. Perhaps it is with this view that my hon. Friend, Sir Pannir Selvam in the Select Committee suggested that the entire responsibility should be taken up by the Ministry for working this Act.

"Sir, I am not one of those who believe that vaccination is bad or injurious to human health. The Government who

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believe in compulsion in certain other matters have come forward to exempt people for reasons of conscience. I do not know what happened between their first stand and their next step in obliging a member of the party in power who moved an amendment in the Lower House. I happened to read Sir, a telegram that appeared in the *Madras Mail*, dated 19th January, from Mr. Gandhi giving his blessings to conscientious objectors. Perhaps that blessing would have had the desired effect. Sir, I fail to see any reason why the Government still say that the Magistrate 'may after giving notice to the Health Officer and hearing any representations made by him exempt any such child from vaccination and inoculation.' Why should there be the word 'may,' Sir? Why not have 'shall'? Is it the intention of the Government that the decision should be left to the Magistrate? If it is the intention of the Government to exempt anybody on the ground of conscience, let it be done fully and whole-heartedly and without any ambiguity capable of double interpretation. If the Government are against it, let them take away the whole conscience clause and say 'no' to conscientious objectors as they are doing in other cases. Sir, it is not known why the Government who are noted for their strength of mind, should vacillate in this particular issue; it is really amusing.

"Mr. President, in conclusion I desire once again to tender my congratulations to the Hon. the Leader of this House on his having brought this useful measure which will be an example for the rest of India. Madras has always been taking the credit for having brought forward such utilitarian measures first and that tradition has been kept up."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, I rise to congratulate the Hon. the Minister for Public Health on introducing a measure which, I am told, is the first of its kind in the country.

"We are told that the death-rate in our country is appalling when compared with other countries in the world. Sanitation, especially in the rural parts is very much neglected with the result that thousands and thousands are dying neglected and uncared for. As a villager myself, I know Sir, specially when there is an outbreak of cholera or other infectious diseases, how the villagers are suffering for want of medical care and attention, not to speak of prophylactic treatment. When a person gets the disease, his neighbour does not know about it; in fact even the patient does not know what is the nature of the disease that he is suffering from and when questioned, he himself says that it is due to the hard and heavy food he had taken the night before and that as a result of it he is having purging and vomiting. As a matter

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of fact, it thus takes at least ten days for the Health department to know about its outbreak; and by that time the disease would have spread to other streets and possibly to other villages and there might have been many deaths. You can easily imagine Sir, how difficult it will be for the Public Health department to check and control the disease at that stage. The matter does not end there; some of the members of his family may go to the neighbouring villages to their relatives' houses and even spread the disease there; thus village after village is ruined. I, therefore, think that a Bill of this nature is very urgent and absolutely necessary, having regard to the present state of public health in our Province. I would say without fear of contradiction that the Bill when it becomes law will certainly go a long way to improve the health conditions of the country and I hope the Government will take a keen interest in the matter and see that villagers especially are well educated in hygienic principles. More than enforcing the provisions of the law, this is very essential.

"Further the villagers should know the various provisions of this Bill and they should also know that if they offend against its provisions, they will be prosecuted. The Hon. Dr. Rajan, while introducing the measure, told us that steps were taken by the Government in this direction. Magic lantern lectures were delivered to the people and the people were educated in the matter of observing the principles of hygiene. But, generally, Sir, the officers of the Public Health department visit only the villages on the roadside and this knowledge seldom reaches the villages in the interior, which, more than others, stand in great need of it. Only those people in the villages on the roads and towns get the benefit of such propaganda but not those situated in the interior and it is very essential that they should reach them also. Steps should be taken to improve matters in this direction. I would suggest that the Government should consider the possibility of appointing a staff at least temporarily for a period of two years from the date of the passing of the Act so that Health Inspectors and Sanitary Inspectors may carry knowledge to the interior villages and educate the villagers sufficiently with regard to hygienic principles to be followed by them. Unless and until that is done, I think it would be wrong to prosecute persons for a violation of the law. I shall now take for the sake of illustration one section of the Bill. It says that the people should not ease themselves in the open ground and also so many conditions are laid down there. If you visit any panchayat village, you will see how many latrines there are in the village; invariably they are situated in the remotest corners of the village. When you insist on such conditions, it is but fair that you should provide as many latrines as possible in all convenient places so that the people may be able

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to ease themselves in them without any inconvenience. If many latrines are provided, the enforcement of this provision will become very easy and the administration of the Act becomes a grand success; but without such provision being made, apart from its not being a success, it will only serve to persecute innocent villagers.

"Sir, enormous powers are given in this Bill to the Health Inspectors and Health Officers. Of course I do understand that the Hon. Minister for Public Health has taken care to see that sufficient provision is made for the punishment of such officers who may go out of their way to harass the people unreasonably. We are grateful to the Hon. Minister for that, but at the same time I would like to request him to give strict instructions to such officers not to enforce the health provisions very strictly until such time as the public get sufficient facilities to carry out the provisions of the Act. That is the suggestion I wish to place before the Hon. the Health Minister, because I know there are some places where there are not sufficient facilities for the observances of the health provisions contained in this Bill. 11-45 a.m.

"Again, Sir, there must be some appellate authority when the Health Officer drives the villagers to the necessity of incurring some expenditure by way of damages; and the appeal should lie to the Director of Public Health. Unless there is provision for such an appeal, I fear a great deal of hardship may be caused to the general public by the Health Inspectors and Health Officers.

"I want to refer to one other matter, here, though it may not have direct connexion with a measure like the present one which deals purely with health. I want the Government to deal with the problem of beggars. It is a notorious fact that beggars roam about the streets in the village and in the city and town, and they sleep on the pials of houses. You know, Sir, we Indians are a charitable nation; consequently the beggars frequent the houses of people to receive alms. They carry the germs of disease with them and thus spread the disease from house to house and also from place to place. In this way they will become a regular nuisance in due course. Perhaps it may be asked how this is relevant to the present Bill: but as this menace shows a tendency to grow everyday and as it affects the health of the people, I felt it incumbent on my part to bring this matter to the notice of the Hon. the Health Minister.

"There is another matter closely connected with the health of the people, and that is the safety of property and lives of the people. It is a well-known fact, Sir, that in the summer months sometimes entire villages are burnt down on account of fire accidents. We know, in the towns, there are fire engines ready with water to rush to help in case of fire accident. But in the

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villages, water is available only at a distance of one or two furlongs from the village, the villagers do not have the presence of mind to fetch water from that place and they have not got the necessary vessels ready at hand to bale out water; consequently what happens is, when there is a fire accident in one part of the village, the villagers do not have the presence of mind to bring water from the place where water is available; and even should they do so, as it takes a long time, by the time they bring water to the scene of accident, the entire house is burnt to ashes. I have seen Press reports of fire accidents in village after village in the summer months, where human lives have been lost, and where several cattle have been lost. I know this subject does not come directly under this Health Bill, but all the same it comes under the safety to the health of the people. In this connexion I would invite the attention of the Hon. Minister to the system that prevailed in ancient days with regard to fire accidents.

'Vessels filled with water shall be kept in thousands in a row without confusion, not only in big streets and at places where four roads meet, but also in front of the royal buildings. If a house-owner is not found to have ready with him water-posts, a kumbha, a deona, a ladder, an axe, a winnowing basket, a hook and a leather bag, he shall be fined one-fourth of a pana.'

"Sir, those are the things kept in readiness in olden days to prevent fire accidents. I read this from Kautilya's Arthashastra, page 177. The Government need not take this drastic step, but at least they can make a regulation to the effect that in villages where you have not any agency to prevent fire accidents, you can ask the village munsif, the karnam and the totis to have water at least at places where four roads meet ready for emergencies. instead of leaving the poor villagers to go to a distance of one or two furlongs and bale out water to the scene of occurrence. As I said, very often they will not have the presence of mind even to bring the water. I place this fact before the Hon. the Health Minister, because I know he has a warm corner for the ordinary people, and if he does this, it will go a long way to improve the life in the villages."

DR. SIR K. V. REDDI NAYUDU :—" Mr. President, during the last eighteen months it was scarcely given to us to be able to join hands with the Government and extend our co-operation in the matter of legislation and other measures that came up before the House. We opposed several measures because we honestly believed that those measures were not for the good of the country. There were measures on which we sat silent on these benches, because we thought that there was nothing calling upon us to make any remarks. In objecting to those cases, there was not the slightest intention on our part to oppose for opposition's

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sake, or to embarrass the Government. To-day, however, Mr. President, we have before us a Bill which is very nobly conceived and whose results we hope will be seen in the villages. Some objections were no doubt raised, such as for instance, that the powers now enjoyed by certain local bodies were taken away, and that the Government have appropriated them. But I feel, Sir, that such objections can be raised on almost every Bill. It is humanly impossible for any Government to produce any measure to which intelligent minds cannot find some sort of objection, or other. But one thing can be said about this Bill, that whatever local bodies might feel on one or two matters, like the one that I have mentioned, or the one about the constitution of the Public Health Board, it must be admitted on all hands that this is a measure to which serious objection cannot be taken in any direction. It is true that our death-rate is very high; but, fortunately our population is increasing by leaps and bounds. The food problem, perhaps, will have to be tackled very soon; for though we are able to supply our own food and though it is true that we are not in the unfortunate position of some countries, like England, where three-fourths of the food consumed is imported from other countries, yet we should be prepared to face such a situation, as we are already reaching the border line, when we have to find measures which will increase our food production. That aspect was referred to by one hon. Member the other day. I join with him in some respects in saying that our young men and women must certainly be stronger and healthier than they are at present, but I would add that we should devote ourselves to the increase of national food production. And this Bill, I am confident, will help us in that direction.

Mr. President, the hon. the Mover of this Bill has appealed for the co-operation of the public in this matter. I entirely agree with him in that. For, without public co-operation it is not possible to carry out all the good intentions of the Hon. Minister under the provisions of this Bill. Even acts which could not be easily concealed, if committed, could escape the long arm of the law. Here are matters, many of which could easily be concealed, and the offenders might escape from the clutches of the law. The only thing that could sufficiently and efficiently make this Act operative is public co-operation, for which the Hon. Minister has appealed. There are one or two ways in which this public co-operation may be secured. It is admitted on all hands now that our people are illiterate. Most of the faults they commit are due to their ignorance rather than a desire to wilfully disobey the law. And in order to remove this illiteracy, I will have to appeal both to the Hon. Minister in charge of this Bill and the Hon. Minister for Education, whose presence here,

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we all appreciate and we are glad to note. Judging from the first impressions, he is a very vigorous and active gentleman. And let us hope he will not lose any time in introducing compulsory elementary education, and, Sir, free education too.

"Another direction in which the whole Government can do their bit is by developing adult education. After all, the children will learn something at school. But our adults, about eighty per cent of them, are perhaps very ignorant and very superstitious. Adult education can do a lot to wipe out this. The Press, the platform, the radio and such other useful appurtenances can be very well utilized. Recently there was a conference on the subject of adult education. Many good speeches were made and many speakers made suggestions which are sure to be beneficial if carried out. I would invite the attention of the Hon. Health Minister to the proceedings of that conference and ask him to see in what manner they could help adult education. If that is done, and if this Bill itself is administered in the spirit in which it is conceived, I have absolutely no doubt that public health will improve enormously and that the death-rate of children in this country, which is unfortunately very heavy, can be reduced. I would, therefore, not only extend my co-operation but heartily and sincerely congratulate the Hon. Minister on the introduction of this Bill."

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* SRI A. RANGASWAMI AYYANGAR:—"Mr. President, as one who has some connexion with the administration of local bodies, it is not a secret if I say that the local bodies themselves will be glad to be relieved of the odium of administering many of the health provisions contained in the Local Boards Act. It is very often the case that some of the miscreants against the health laws are the well-to-do and influential persons of the locality. Very often the local bodies find themselves unable to carry out the laws against such persons and, therefore, they will themselves welcome the taking over of the responsibility of the enforcement of the health laws by the Government. Therefore, the objection that the powers of the local bodies are sought to be taken away is not a valid objection. The local bodies themselves may very well welcome the provision relating to the carrying out of the health laws by a central authority as it is provided in the Bill."

* SRI V. V. JOGAYYA PANTULU:—"Mr. President, while agreeing with the previous speakers about the usefulness of this Bill and the congratulations offered to the Mover of the Bill, I wish to say a word on behalf of the conscientious objectors to vaccination. They have asked me to represent to the Mover certain facts in order that the exemptions that are granted may be really

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useful to them. They say that the exemption that is now granted is really on paper and would not benefit them in any way. No doubt, some hon. Members will be very pleased if it is really so. In that case, it is as well not to give exemption at all. There is no use in granting them on paper and denying it in practice. The conscientious objectors say that the exemption sought to be given in clause 76 applies only to infected areas and unless a clause is added making it applicable to all areas, it would in practice prove to be of no use. As it is, the exemption now provided does not affect in the least compulsory vaccination laid down in the District Municipalities Act and Local Boards Act. In England this exemption is extended to all areas. There is no question of isolation at all there. Even after all conditions are fulfilled it is strange that the Magistrate has been given discretion to exempt or not. If really the Mover meant that exemption should be put in force then the Magistrate should be allowed no discretion in the matter and the discretion should be left to the conscientious objector.

"Then, another matter for complaint on their part is the method of isolation. If at all, it should be confined only to the person who objects and not to his family, as it is done now. I put these suggestions of the conscientious objectors before the House for giving them a real relief instead of merely paper relief."

* SRI DIWAN BAHADUR R. SRINIVASAN:—"Mr. President, special measures must be adopted to stamp out leprosy from our Province. The Government have included it as one of the infectious diseases. There should be restriction to the movement of the lepers, particularly in railways. These lepers freely get into the third class railway compartments, and the infection is carried to other passengers through the medium of bugs which are known to infest these third-class compartments. In other countries, I know, special carriages are provided for lepers. On the leper's intimation to the railway administration of his intended movement, the date and the time are fixed for his journey. On that day he is allowed to enter into the carriage, the carriage is then attached to the tail-end of the train and he is taken to the destination. After that the carriage is disinfected and fumigated. Great care is taken about the movement of the lepers in other countries. So we must try our best to stamp out leprosy from our country also.

"There are animals for instance, pigs, and also plants that spread leprosy. Pigs should not be allowed to come into the streets, within the locality or in the town. When they are to be slaughtered, there should be a special place or rather slaughter-house for the pigs, about a couple of furlongs or so out of the

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towns. In the slaughter-houses also I should think that much care is not taken as to whether the animal that is brought there to be slaughtered is fit for human consumption or not.

"Even in Madras City we see pigs running about. Then again, of course we do not see plants spreading leprosy so much here in this country. But I was told that in Rhodesia leprosy was spread in various parts of the country to a large extent. The people did not understand what was the cause and they were trying their utmost to find out the cause. At last they found that it was the black pepper trees that were planted on either side of the streets as ornamental trees which were the cause of it. And then they cleared those trees and in course of time leprosy was stamped out. We must be very careful with regard to men, animals and plants by which leprosy is spread."

* MRS. HENSMAN:—"Mr. President, in congratulating the Hon. the Minister in charge of this Bill, I would like to associate myself with those who have said that it is a power for good and will be very much more potent in future with greater propaganda and better education.

"Some of us would like to have seen a little more expansion of clause 82 dealing with maternity and child welfare. It is probably one of the shortest clauses in any Bill; but as it provides for all that is necessary by the words 'bound to carry out such measures pertaining to maternity and child welfare as may be prescribed,' it does convey probably all the powers without saying so. Probably it is a better way of propaganda not to add a whole list of things and scare people as to what is coming.

"It is sub-section (3) of section 76 that has been spoken of most here and in connexion with that we have heard the points of view of both sides this morning. We have heard the views of those who would like the clause to be amended so as to make it more rigorous and give less room for those who are conscientious objectors for spreading epidemic diseases; we have also heard the point of view of those who are conscientious objectors and who would like to have this clause taken out, because they feel that it makes it very difficult for them to go before a Magistrate and to have their point made clear. Now, as a Presidency Magistrate myself, I would like to say that there would probably be a certain amount of hesitation in giving effect to this clause; for instance, it is left to the Magistrate to determine what restrictions, what kind of isolation and for what period this isolation, should be observed. Of course, the Magistrate, in consultation with a doctor, will be able to put forward these things. Even then, with all the arguments with regard to restrictions and differences of interpretation regarding isolation, we like to maintain that we do not want the 'a man in a cave' theory, each one to go to his own cave

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and isolate himself. In modern days it is not at all possible to do this in towns or even in villages where people have to go to the same well for water and for washing their clothes, each carrying some infection. It is almost impossible to ask for isolation of an entire family on account of any disease, especially such diseases as are dealt with in section 76 (2) (b), where vaccination and inoculation are made more or less compulsory. I would like to say that these restrictions should be made far more heavy and be far more clearly stated so that the isolation of those concerned may be really effective. It is as a woman that I speak, because I know how much I have dreaded myself taking vaccination or inoculation into my family. But, it is easy to protect ourselves by injecting some serum into a child or a grown-up who is up to that time perfectly well and as far as humanity can say he will probably escape such and such a disease. It is a form of protection to the society as well as to the individual. Up to now we have heard of conscientious objectors in matters of religion. Now, families who are religious in health matters may ask the Health Officer to have them exempted by a Magistrate and cause a certain certificate of exemption from inoculation and vaccination to be issued. It should be made very clear that these families should not be channels of infection. They should be isolated from any activity that would bring them into contact with others. Conscientious objections are coming to be dealt with as religious, and this probably is not a question to be treated as a matter of religion. If there is to be such a clause as a conscientious objection clause, I repeat that some of us would ask that it should be made very much clear as regards what isolation, what restrictions and what precautions must be taken, because, we will notice in this very section, section (3) (b), that the penalties and punishment provided for in this Bill can only be brought into force and levied to protect society after the infection in question has been passed on to other families by those who pledged themselves to observe certain restrictions. For the future health and welfare of the nation, this Bill should be strengthened in this way."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I just wanted to explain the point raised by Mr. Jogayya Pantulu about the provision to exempt the conscientious objectors from vaccination or inoculation and it has been clearly and satisfactorily replied to by Mrs. Hensman. Mr. Jogayya Pantulu stated that it would be proper to extend it to all areas and not merely confine this provision to areas notified for infection. Mr. Jogayya Pantulu pleaded that exemption from vaccination should be extended under the Local Boards and Municipalities Acts to all district board areas and municipal areas. I think I had better explain the principle underlying this provision. If there is infection, acute infection, in any place, there is meaning in the Government

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telling the man who objects, 'If you isolate yourself, you will be exempted from this, if we are satisfied that you will not endanger others.' He can be isolated for a definite length of time and in a definite place. But if the general law of vaccination in municipal areas and district boards has to be provided with similar exemption, the man will have to isolate himself for a lifetime. He will have to be isolated for all time and under normal circumstances. This would be impossible. The greatest exponent in India for the time being of the conscientious objectors' position has admitted that it would be just on the part of the Government to insist that the man who wants exemption should offer to voluntarily isolate himself satisfactorily. This can be done only in the case of notified infected areas for a limited time. It is impossible to isolate one for all time. Hence it is that this conscientious objection clause has been introduced in this Bill and it would not be applicable at all in the other case. I wanted to explain this to the conscientious objectors. That is why I intervened."

* THE HON. DR. T. S. S. RAJAN:—"Sir, I am very grateful to all the Members of this House, particularly to the Opposition for the wholehearted support which they have given to this Bill. Whatever may be the attitude of the Opposition at other times and in other places, I for one, as Leader of this House, can say without any fear of contradiction that our Opposition here has always been very discriminating and helpful. Therefore, I am not in the least surprised that I had this wholehearted support from the Members of the Opposition to this Bill.

"Coming to the various criticisms that were offered, I have to offer a word of apology first of all to Mr. Narayanaswami Nayudu for the complaint he made that he did not receive a copy of the Bill that he had asked for. It was not my desire to keep him out of it or to be discourteous to him. His letter was acknowledged and in the letter of acknowledgment it was stated that it was not possible for us to send the Bill, because it had not reached a stage when it could be sent. Therefore, while the Bill was in the process of making, it is not fair or right for the Government to distribute it for opinion. When once the Bill has been completed and made public, then it is open to all interested Members to offer any criticism they think necessary. In fact, the Bill has been before the public for over three months and if people had only cared to be critical and helpful, it would have been the easiest thing to have sent in helpful suggestions that may usefully be incorporated in the Bill. While pleading inability on behalf of Government to send the Bill as soon as it was asked for, I would say that sufficient time has been given to all the Members to enable them to give such help as they thought fit, so that the Bill might be made completely useful and at the same time sufficiently exhaustive.

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"Well, another question was raised about the finances. A careful perusal of the Bill will tell you that financial provision has been made and it is one of the features of this Bill, which I claimed for it on the day when I introduced it in the House. An obligation is laid on all local bodies to set apart to the extent of 30 per cent of their income apart from the Government contribution. Thirty per cent is the minimum laid down in this Bill. But Mr. Narayanaswami Nayudu said, 'I do not know what local bodies have so far been contributing.' I may, for his information, state here that on an average municipal councils all over the Province are to-day contributing a little over 34 per cent. The fear may be expressed that your minimum might induce people to cut down this expenditure. But that fear may always be there. But it does not necessarily mean that they should not spend more. Thirty per cent is only the minimum and we have in view those small municipalities which are now coming into existence the finances of which are still low and which have not yet seen their way to the importance of health matters in local administration. To such bodies this 30 per cent rule will necessarily apply. It does not come into operation in the case of the Madras Corporation, for instance, which spends nearly 50 per cent of its revenues for health purposes. As regards local bodies other than municipalities, I remember to have said the other day that the presidency average expenditure of local bodies on public health is only $8\frac{1}{4}$ per cent and in this Bill we have made it compulsory that they should spend $12\frac{1}{2}$ per cent at least. There also the Government contribution is excluded. Therefore you will find on the whole that while we did not go far beyond the resources of the local bodies in making it obligatory on them to spend a definite sum for health purposes, we have taken care to see that we did not strain their finances unnecessarily. That perhaps is the keynote to the financial obligations laid up on the local bodies by this Bill.

"In this connexion I would like to answer all those objections raised, even those from my hon. Friend, Mr. Saldanha. People are generally under the impression that the Provincial Government do not spend sufficiently for public health purposes. I would like to correct that misapprehension. To-day we are spending for medical and public health purposes in this Province a little over $2\frac{1}{2}$ crores of rupees out of a gross revenue of 16 crores and nobody can complain that our contribution to public health expenditure is at all mean or niggardly. Therefore it is not as if the Government are not doing what is necessary. My contention is that we are doing more than what is possible under the present conditions, for it should not be forgotten that in all undertakings of water-supply to municipalities, the Government give half as free grant and half as loan. When Mr. Saldanha talked of loans

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to municipalities, I wanted to give him this bit of news that no loans for health purposes, particularly with regard to water-supply and drainage schemes were ever refused. And in accepting this big commitment on our resources we have dealt unfairly with villages, for we have not made the same amount of contribution for villages as we have done for the municipalities in the past; but it is just to make amends that we have made it the first act of our Ministry to put aside 15 lakhs of rupees for rural water-supply to be entirely financed by the Provincial Government and this fund is not the last word on the subject. We have made this as a start, as the nucleus of our water-supply fund which, according to the finances at the disposal of the Government, will be augmented as often as it is possible. A ten-year plan of complete rural water-supply has been drawn up and year after year I do hope it may be possible for this Government to realize all that they have promised and that the funds shall be used with perfect co-operation between the health authorities, the revenue authorities and the local bodies concerned. It may be possible at the end of ten years to stand up and say that we have fulfilled our trust to those lakhs of villagers whose lives are entrusted to our care.

“ With regard to the constitution of the Health Board, it is unnecessary to say anything more in view of what has come from the Leader of the Opposition. I can tell him that he is certainly right in the conclusion he has arrived at that Sir Pannir Selvam did not put up this objection while in the Select Committee. I hope I am not disclosing any secrets of the Select Committee when I say that in deference to the wishes of my hon. Friend, I said that I would accept the challenge that he put up, namely, ‘The responsibility of working this Act shall be entirely yours and I do not want you to share it with the elected Members of this House. Whomsoever you want you had better nominate and do not strive to create a loophole in cases of failure.’ I took up the challenge as one who had to work the Bill, I was not afraid of taking up the challenge. It may be that the Public Health Bill in its working may create unpopularity. As one who believes in the principles enunciated in this Bill as the correct thing and the best thing for the nation, it is not the loss or fear of loss of office that is going to frighten me from the position I have taken. In fact, I took up that attitude much against my wish, even though I had clearly provided for election for the Members of the Board from the Legislatures in the original draft. It was subjected to severe criticism even from our own party but I thought it wise and good that when once the point of the Opposition was made clear, it was but right that we must accept the responsibility for our action and that is what I have to say to Sir Mahomed Usman as to why we preferred nomination to election.

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“ One other point I would like to place before this House. A large number of representations were received by us demanding representation of particular group interests. There were women’s associations that wanted representation on the Board; there were the railways that wanted representation on the Board; there were the local bodies that wanted representation on the Board; there was the Madras Corporation that wanted representation on the Board. If we went about trying to satisfy everybody that wanted representation on the Board, it would cease to be an effective advisory body and it would become a deliberative chamber, in fact it would be a sort of small legislature; and that was not what was meant by the constitution of this Board. Though the Board’s function is entirely advisory, I may tell this House here and now that this advisory function is, for all practical purposes, to be a responsible function. We want this Health Board not merely to give irresponsible advice and go away, but to come and share the responsibility of the health administration in this Province, so that instead of the Director of Public Health or the Health Minister making himself responsible for anything, they will give such help as will render the decisions more acceptable in view of the criticisms that have been brought to bear upon this subject. No subject is exempt from the operation of this advisory Board and everything concerning health, decision or consultation, shall be provided for in the regulations to be made in regard to the rules governing the Health Act and in the rules and regulations of the Health Board. The functions of the Board should be real and not merely spectacular.

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“ With regard to the appointment of the Health Officer, my learned Friend, Mr. Narayanaswami Nayudu, gave a lot of illustrations, amusing as they were as he himself told, so that he might make his position clear. I do not think that the *Bommalatam* is going to be of the kind that he imagines, but I may assert with some amount of confidence that the Health Officers have got to assert their individuality, particularly in cases where immediate and quick decision is required, and when they are face to face with an epidemic. Particularly during times of epidemics they cannot be mere automatons. Even if you put a number of rules in the statute-book, none of them should take away the initiative, the responsibility and the due sense of service, that is required of these Health Officers. In fact it is just the other way to what my hon. Friend, Mr. Narayanaswami Nayudu pointed out. This Act is more or less meant to make him efficient, not only efficient and useful, but more resourceful in the discharge of his duties. If we have given him sufficient power under the Act, it is not to make him an automaton in his service but to make him discharge his duties with a certain amount of responsibility with the help of his intellect and with the education and training that

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has been given him, so that he may be in a position to save human life. Therefore, I simply cannot take up the position as suggested by my hon. Friend on the other side. He said that we have tarnished the gem of the Public Health Act in the large powers given to the Health Officers, and the Health staff. But I would assure him that we have not tarnished it, but that we have rubbed it well. By rubbing it we have turned an ugly unburnished diamond into a brilliant one. We have improved it to such a brilliance that one can say that it has risen from 64 to 128 facets. We have cut it into so many facets that it will glow in brilliance from time to time. If anything, you can only say that we have improved the Act. You can never say that we have tarnished it. We used to say that tarnished gems are always given to Gods in the temples; but this Bill, the Public Health Bill, is not intended for the pleasure of Gods in the temples, but for those Gods that are represented in the millions of our people who die from epidemics and whom we want to save. We have rubbed it well, as I have said already, and raised its brilliance from 64 to 128 facets, as a result of the criticism from the public and the Press and also by making it undergo a prolonged procedure in the other House.

“One of the hon. Members, I think it was Mr. Saldanha, seems to have been tickled by the fancies of our people. Now he is glad that an obligation is cast on individuals to cover their own excreta, particularly in public and private places. That is a very important thing from the health point of view. I am glad that a Biblical quotation has been given to the House and pious Christian as he is, he has thought it fit to support this clause, with a Biblical sanction behind him and I am very thankful to him for this information.

“Then my hon. Friend, Dr. Thomas told us that this is an economic measure. In fact, it is a precursor of economic reconstruction. I certainly agree that, with some more economic resources at my disposal, I should reconstruct the national diet of our people by giving them a scientific diet, and by giving them better food. If hon. Members who have expressed their views in this respect were to co-operate with us and educate the people on the advantage of good feeding of our children with proper and scientific food, and if we are able to save millions of children from death, it would be a glorious day. But working under such limitation as we are, we have to concert only half measures. Even these health measures, I know, will not give all the health that is necessary to our people, nor even the prolongation of life which every one wishes. But in so far as this Bill is meant to protect the people against disease, it certainly gives enough authority and enough power and enough legal sanction to put into practice measures for the safety of our people.

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“With regard to the suggestion of Mr. Saldanha that there should be statutory committees in all districts, I really could not understand what the hon. Member meant when he said that. I may remind him that to-day there are health committees in all municipalities, and in all district boards and nothing would prevent panchayat boards also to have health committees of their own. But to ask us to make a statutory provision to that effect would defeat the purpose which we have in view. We have made this Health law applicable to the smallest villages and none will prevent village people or the panchayat boards from giving effect to this provision of law. But the idea of an advisory body of a Public Health Committee being statutorily conceived does not appeal to my imagination. I really believe that co-operation is more necessary than these committees and other things. The creation of a healthy public opinion is more important than many clauses in the Bill. For the benefit of Members of this House, I may mention that the Government are already in communication with the Health department to the effect that before this Bill is passed into law and put in operation, before the penal clauses are enforced, the education of our people in matters regarding public health must be undertaken. That is one important fact which I can lay before you with regard to the intentions of the Government in this matter. Even with regard to educational bodies, I believe attention to health forms an important function of all people and all bodies—we are having a conference of educational authorities within the next few days so that we might have an educational health programme which could be well-fitted in the working of this Health Act. I think the public ought to be educated in regard to matters of sanitation and the subject of imparting to the people instruction on health matters should be made compulsory. This will show to you that we are not taking an academic view of the whole Bill as such, and that we are thinking far beyond the clauses contained in this Bill, and we hope to create a health conscience in our people, so that the administration of the Health law may become efficient and useful, without which I assure you that the whole Bill will defeat its own purpose.

“I have got only one more thing to refer to and that is with regard to the observations made by the Hon. the Leader of the Opposition regarding want of discipline or something with regard to leadership in the party. I have been here as Leader of the House and I can assure Mr. Samiappa Mudaliyar, at any rate in this House, with a certain amount of confidence that neither was there any difference of opinion, nor was there any lack of discipline on the part of the Leader of this House.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“With regard to the Annamalai University affair, I was attacking.”

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* THE HON. DR. T. S. S. RAJAN:—"That was a different thing and I should have thought that that matter was not referred to now. In fact a reference to that affair proves the great discipline that we are having. In fact when that question was raised, I accommodated Sir Mahomed Usman and said that we would take the next opportunity for giving a seat to the Opposition. If that affair proves anything, it proves the amount of accommodation that is shown by the Government in this House."

* SRI B. NARAYANASWAMI NAYUDU:—"Steam roller."

* THE HON. DR. T. S. S. RAJAN:—"Steam roller! It has got certain functions to perform. You cannot perform all the functions with the help of a small ruler or other kinds of rollers. The steam roller has got to be maintained for maintaining certain works. If we use the steam roller for the purpose of our party, I do not think that it is really wrong. There are some kinds of work where the steam roller becomes necessary and which the steam roller alone can do."

"With regard to what my hon. Friend Mr. Ramakrishna Reddi said regarding the necessity for provision against outbreaks of fire in villages, I should like him, if possible, to come out as a real leader and be more charitable than he has been telling us. I would like him to dig a few more wells for his village, and the Government and the villagers will thank him for such an act of philanthropy; because after all, what he complained of was that there was not enough water-supply during outbreaks of fire. My own opinion is that sometimes fire is a very good, and perhaps the greatest, disinfectant that man or God can give. Some houses are unfit for human habitation; many things such as bats, bandicoots, mosquitoes, etc., which haunt such dwellings, will die in the fire. I dare say the same fire means different things in different circumstances. On some occasions fire is a good thing because we consider it necessary for expiating our sins by making certain *homams* on fire. On some other occasions fire results in loss of lives. Scientifically conceived fire is a good thing. It does not mean that for all conceivable fires provision should have been previously made. If provision for a bucketful of water has not been made it will not matter much. The quotation from the Arthasastra does not carry us much further. It only shows that we have lost our traditions. We have slipped from the original position which we once occupied. I would suggest that instead of a bucketful of water a bucketful of sand might be kept. Sand is more helpful in checking the spread of fire. I certainly do not object to more water being kept. As far as the Government are concerned, all that I would like to state is this: we have taken measures to provide water-supply not only in municipalities but in rural areas also."

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"I do not propose to deal with the question of conscientious objectors, because it has been effectively dealt with by the Hon. the Premier. I cannot accept the position of my hon. Friend Mr. Jogayya Pantulu. If you are not for this effective isolation, you cannot introduce a conscience clause in the Bill. Sir, I believe in vaccination; I believe in inoculation as a remedy against disease. As far as my medical knowledge goes, I do not find any better remedy against such diseases than what prevails to-day."

"There is only one more thing to which I would like to refer and that is a vague suspicion that was raised by the hon. Lady Member of this House, that if we isolate people they should be left without water or food. What we propose to do is to lay down rules by giving directions to the Health staff as to what they should do when isolating people. If we isolate a person it would not be our desire to kill him without giving him food or water, but would certainly provide him the necessary food and water. But we shall make effective safeguards against the spread of infection. The obligation will be on both sides. When we make a provision for isolation it will be done with such care and thoughtfulness that any man who isolates himself will have nothing to fear apart from the consequences of isolation. For conscience to him is more than his health and more than his life and to such a man we shall not deny the means of getting anything in the nature of human comforts. We shall certainly protect him as we want to protect ourselves against him. The rules framed will be consistent with the idea I have mentioned."

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"With regard to child-welfare and maternity work, I may assure this House that we are not unaware of the importance of child-welfare and maternity work. Those of you who have watched the progress of the work in this Province will note that we are not slow in this matter. But it is a work which has been voluntarily taken up by our sisters and brothers in this Province and I should congratulate on this occasion the Assistant Director of Public Health who has found it possible to tap so much of private charity for this most humanitarian cause of maternity and child-welfare. But we are far from our goal and heavy and strenuous work is necessary to realize our cherished ambition of having a safe maternity period for our women without the fear of death and without the fear of an early grave for the children born in this land. We shall strive to do our best, but I am afraid legislation will not take us very far, for legislation necessarily means finance. To-day we are giving only niggardly grants for schemes for child-welfare and maternity work. If our finances improve as we hope they would, it will not be difficult to divert as much money as is necessary for such most useful purposes of national reconstruction."

"With regard to the eradication of leprosy, my hon. Friend, Rao Bahadur R. Srinivasan, made some observations which I feel

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Now what the Government propose to do is not only to compel a local authority to provide itself with a Health Officer, but also to take away the power of appointing that Health Officer from that local authority and vest it in the Government. The real question is this. I do not call this a tarnished gem; it is an excellent gem. But the question is whether it is malignant or beneficent. As I said before, the Hon. Minister for Education said the other day that the District Educational Councils were wild animals preying upon the animals of the village and therefore they should be killed. I want to know, Sir, whether the Hon. the Minister for Public Health thinks that the local boards are wild animals and cannot be entrusted with the power of appointing Health Officers. Of course the steam-roller can be employed and the question is whether it is proposed to employ it in the case of the local boards also. We have got about 50 municipalities and about 28 district boards in the Presidency and altogether there will be nearly 100 appointments of Health Officers. The Health Officer is one of the executive officers of the boards, and as I said already, the English Act gives the power to the local boards only of appointing Health Officers. Therefore, the question here is whether these local bodies are considered to be 'wild animals' which are unfit to be entrusted with the power of appointing the Health Officers. After all, Sir, it must be remembered that these local boards are footing the bill and the question is why the local boards should be deprived of the patronage of appointing these Health Officers. These local boards are going to select only those persons who have got the necessary qualifications which would have been prescribed already. All the 164 carats required for the gems will be prescribed and the district board president or the municipal chairman will not choose a gem which is less than 164 carats. The only question is who should choose the gems—the district board president and the municipal chairman or the Hon. Minister for Public Health sitting here? Personally I should say that the person who pays for the gem should have the right to select it."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I second the amendment."

* THE HON. DR. T. S. S. RAJAN:—"Mr. President, I certainly cannot congratulate my hon. Friend as being a good appraiser of gems, for he has chosen a wrong gem and has not cared even to examine it properly. Section 76-A of the District Municipalities Act still stands and we have not altered it by repeating it here. The *status quo* is maintained and there is nothing new in this Act. I would also remind the hon. Member that the Government pay 75 per cent of the pay of the Health Officers in municipalities and the entire pay of the Health Officers in district boards. Therefore, even speaking as a fair business proposition, it must be left to the Government to appoint the officers for whom they

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pay. Then Sir, it is not the Minister who makes the appointments as he pleases. The hon. Member Mr. Narayanaswami Nayudu must know more about it. There is the Public Service Commission which makes these appointments and which takes good care to see that only fit and proper persons are appointed."

SRI B. NARAYANASWAMI NAYUDU:—"It is stated that the Local Government will appoint these officers."

* THE HON. DR. T. S. S. RAJAN:—"Of course, the Local 1 p.m. Government will make the appointment; but it is done with the assistance of the Public Service Commission which is a part of the Local Government; selection is made finally by the Government. For the reasons that I have mentioned, I cannot accept the amendment."

The amendment was put and lost.

Clauses 9 to 13 were put and carried.

Clause 14.

Sub-clause (1).

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I move—
'For the words "Health Officer," the words "the executive authority" be substituted.'

The sub-clause says that the Health Officer in charge of any local area shall exercise supervision and control over all other matters of the public health establishment in such area. My proposal is the words 'the executive authority' should be substituted for 'Health Officer.' What I have urged already, will hold good in this case also. The question is whether the Sanitary Inspector and the subordinate officers should be under the direct charge of the Health Officer or of the executive authority. I am in favour of the latter."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I second it."

* THE HON. DR. T. S. S. RAJAN:—"Sir, I should certainly congratulate the hon. Member on his cleverness; by just making one verbal alteration, he has altered the fundamental basis of the Bill itself. What is wanted is that the Health Officer should have certain powers. What the amendment says is that the executive authority should be substituted for the Health Officer. We have made the change, because the present system is not working properly. The fundamental principle of the clause is that the Health Officer should have the help of some people in the discharge

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it very difficult to accept, because it is contrary to all scientific concepts on this question. He suggested that not merely men but animals and plants also are all communicating this disease from person to person. He mentioned bugs also if I remember right, in public conveyances and he has told us the story of how in railways and public conveyances in other countries, accommodation is reserved for the transport of people suffering from this disease. Sir, this Bill does make provision for it. We have made it an offence if public conveyances, railways included, carry infected persons. If they do so, they will have to do it under proper precaution. The railways are not exempt from this.

"Another thing is this. While I do not accept the theory that leprosy is communicated by trees or animals such as pigs, I really feel that there is no agency other than the human agency that is the cause of the spread of this disease. We have found after investigations and observations for a number of years that the close contact of a leper with another is responsible for the spread of the disease. We have also found that it is more communicable during the earlier stages of the disease, particularly in undetected cases. What appears to be an innocent skin affection is proved to be a most infectious form of disease easily communicated to other people. Therefore, in the development of the leprosy campaign in this country we have taken a new road altogether. We have tried to deal with the disease at the source, i.e., the children, and by protecting the children against this infectious disease we protect the community as a whole. Thus we have tried to grapple with the problem in the most rational way.

"A question was raised this morning as to what was the new policy of Government with regard to leprosy and whether we were going to turn the lepers out into the streets. We are going to turn a good many of them out into the streets, for the leper hospitals are not poor houses. They are hospitals where leprosy has got to be treated, so that society may be protected against the infectious nature of the disease. The leper hospital is essentially a public health institution, not a charity organization. While there are missionary bodies and other charitable, religious and philanthropic institutions to cater to those who are poor and miserable, we as a Government are interested in the public health aspect of leprosy. Our desire is to prevent leprosy from spreading to men and women who are not at present affected by it. We are confident that we are moving in the right direction. Leprosy has been eradicated in very many countries in the world and it is beyond doubt that it can be eradicated. It is certainly possible in this country also, provided we adopt the right measures. In order to adopt the right measures we must know the method or procedure of eradicating the disease. That is what we claim we are doing. It is not really that we are not moved to pity at the sight of suffering

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humanity and therefore we want to turn them out into the streets. We are very sorry we have to do that; but we cannot with our limited resources cater to the large leper population which runs into lakhs and lakhs. Therefore, while we spend all the money for the public health of the Province, for preventing the spread of infection, we cannot certainly be held liable for the protection of the helpless and maimed of whom there are so many in our Province. Even the hungry and starving people are deserving of attention as much as the maimed lepers. A maimed leper is an economic waste so far as society is concerned; he is not a source of economic strength to the country. But it will be a sin to impose a burden on the finances of the Province in order to provide for these maimed people. Of course these poor maimed people must be taken care of by those who have the sympathy and the resources for it. But from a national point of view they are an economic waste. If I say so, it must not be supposed that I have no human feeling for these people. Certainly they ought to be taken care of, but the Government with its slender finances cannot undertake a function of this sort which is very colossal.

"I think, Sir, I have covered most of the points which have been raised in the course of the debate which has been fairly exhaustive and illuminating. With the assurances I have had of goodwill and co-operation, I daresay that it will be possible to pass through the rest of the stages of the Bill easily so that the time of the House may be given to more important business that is ahead of us."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2, 3, 4, 5, 6, 7 and 8 were put and carried.

Clause 9.

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, Sir, I beg to move—

'Omit sub-clause (2) of clause 9.'

"Mr. President, sub-clause (1) of this clause says that a local authority shall, if so required by the Government, include the post of a Health Officer in its establishment schedule. Of course that is not objected to. But sub-clause (2) says:

'(2) Notwithstanding anything contained in the Madras District Municipalities Act, 1920, or the Madras Local Boards Act, 1920, the Government—

(a) shall appoint the Health Officers of all the local authorities (other than the Corporation of Madras) in respect whereof a direction is issued under sub-section (1);'

Hitherto under the law as it stands at present the local authorities have the power of making the appointment of Health Officers.

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of his duties; it is not right to put these people under the executive authority who is not responsible for health matters. I cannot accept the amendment."

The amendment was put and lost.

Clauses 14 to 17 were put and carried.

Clause 18.

Sub-clause (3).

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I move—

'Delete sub-clause (3) and substitute the following:—

"all public pumps, wells, cisterns, reservoirs of water, tanks, ponds or other sources of public water-supply shall vest in and be under the control of the executive authority and the executive authority may cause the works to be maintained and supplied with wholesome water."

The idea seems to be that even private sources of water-supply can be declared as public sources of water-supply and the question is whether that is the intention of the Government. The sub-clause says:

'A local authority may, with the previous sanction of the Government, by public notice, declare any lake, stream, spring, well, tank, reservoir, pond or other source of water-supply, whether within or without the limits of its local area from which water is or may be made available for the use of the public in the local area for domestic purposes.'

It will be noticed that it is not stated water from which source should be made available for the use of the public. It is not stated and it is doubtful whether the public have got a right to take water from a private stream, well or lake, etc. There is really no objection to water being taken from public streams, springs, lakes, etc. As I have already asked, the real question is whether a private well in a house can be vested in a local authority and whether the owner may be asked to improve it and make it an additional source of public water-supply. Not only that; the Palghat Municipality may think that a source of water-supply in Rajahmundry is necessary for the former place and keep it under its control. A local authority has only to get the permission of the Hon. Minister and it can declare that any source of water-supply is under its control, whether it is public or private. The same provision is given in clause 20. Clause 20 says that the Collector of the district may cause inquiries to be made in any local area with a view to ascertaining whether the provision of any additional source or sources of water-supply is necessary for such local area or part. It is also stated that a notice shall be served on the local authority or on the person owning or having control over the source of water-supply in the prescribed manner. If there is scarcity of water and if the Collector or the local authority thinks that additional source of public

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water-supply is to be provided, power is given to the local authority to take necessary action. If a well is dried up, is the poor owner of the well to be asked to deepen the well and allow the public to take water from it? I wish to know what the reply of the Government is. I know that there is another provision for controlling a well and stopping it from being utilized by the public, if it is insanitary or infected with any germs, etc. That is a different question. This question is about making a private source of water-supply into a public source. That is why I am moving the amendment. My amendment is taken from the English Public Health Act. I want that all public pumps, wells, cisterns, reservoirs of water, tanks, ponds or other sources of public water-supply shall vest in and be under the control of the executive authority and the executive authority may cause the works to be maintained and supplied with wholesome water. That must of course be done. Public wells should be made to vest in the local boards. The reason why I move my amendment is to see that private sources of water-supply are not declared to be public sources of water-supply and to be subject to the jurisdiction of the local authority."

SRI DIWAN BAHADUR R. SRINIVASAN:—"I second it."

* SRI T. C. SRINIVASA AYYANGAR:—"Sir, I do not see the force of the amendment. The provision contained in the sub-clause is quite necessary. In the southern parts of the Presidency, particularly in the cotton-growing districts in the south, we have not been able to find good sources of water-supply within the municipal limits or within the particular local board limits. We have to tap some distant source and this clause merely enables the local body to do the needful with the previous sanction of the Government. It may be a private source or private property; every necessary precaution will be taken for the purpose of compensating the owner for making it a public source of water-supply. The provision contained in sub-clause (3) is absolutely essential for the purpose of providing good water-supply. Recently I came to know that at a considerable distance from the municipal limits of Virudhunagar, lay a source of water-supply and it had to be conserved. Similarly a source of water-supply at a very distant place from Rameswaram supplies water to the town. There are many other places like that. I do not think that the existence of this sub-clause will affect prejudicially the rights of anybody; on the other hand it would be of great help to the local bodies."

* THE HON. DR. T. S. S. RAJAN:—"Sir, I must remind the hon. Member of the fact that there is provision already for public sources of water-supply being vested in the local authority; such a provision exists in the City Municipal Act, in the District Municipalities Act and in the Local Boards Act. Therefore, we need not go into that point now. As I have already stated, as long as a man uses his well for himself, we do not propose to deal with it.

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But if he wants to extend his generosity to a number of people who are not owners of the well, the Government have got to see that the source is kept clean; for that purpose the Government want to take power to have control over such wells. Otherwise, the moment the Health Officer goes near the well, the owner of the well may find fault with the Health Officer. Power is taken by this clause to enable the Health Officers to apply the provisions of this Bill to wells which are used by the public. If a well is unfit for use and if it is used, it will be a danger to the public; the provisions of this Bill should apply to such cases. With regard to private wells, it must be noted that in times of epidemics, we have got power to inspect and purify them. If I accept this amendment, it will make the whole provision very unsatisfactory. I also wish to bring to the notice of the hon. Mover of this amendment the very good illustrations which my hon. Friend, Mr. Srinivasa Ayyangar gave."

The amendment was put and lost.

Clauses 18 and 19 were put and carried.

Clause 20.

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I move the following amendment:—

'Add the following words after the end of sub-clause (2) and before the proviso thereunder: "by the local authority."'

The sub-clause says:—"The Collector or other officer aforesaid may, after taking into consideration the result of such inquiries, by notice, direct that any source of water-supply be cleaned, improved, repaired or otherwise protected from contamination or that such additional source or sources of water-supply be provided as the case may be." The question is who should be directed to clean the source. I have no objection if the local authority cleans it. I say that a private owner should not be called upon to provide additional source or to deepen a well. The State has of course power to ask a person to keep his private well clean; the State should have no power to ask a person to keep his own well clean and allow other persons to use it. My question is whom should the Collector direct to keep a well clean. There is no objection to the word 'direct'. I have stated in my amendment that the source should be cleaned by the local authority."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I second it."

THE HON. DR. T. S. S. RAJAN:—"There is no confusion at all in this Bill. It imposes an obligation on the Collector to see that sources of water-supply are kept clean."

The amendment was put and lost.

Clauses 20 to 75 were put and carried.

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Clause 76.

Sub-clause (3) (a).

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I move the amendments standing in my name, viz.—

'Omit the words "as a result of a careful enquiry into the subject" in lines 5 and 6; and

'Omit the word "may" occurring in line 9 and substitute the word "shall."'

My object in tabling these amendments is to make clear the intention of the Government. What I want to know from the Hon. the Minister is this: even after observing all the conditions to be imposed by rules that may be framed by the Government hereafter, are the Magistrates still to have the power to say 'No' to the conscientious objector? That is the one point I want to know."

* THE HON. DR. T. S. S. RAJAN:—"Yes, that is so."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"If that is so, I would like to press my amendment. Why should the Magistrate be empowered to say 'No' even after the person fulfils all the conditions prescribed and agrees to isolate himself and to undergo solitary confinement? My idea is that if any person agrees to observe the conditions prescribed by the Government, the Magistrate must be in a position to exempt him from this clause. It is only with that view that I am moving these amendments."

SRI B. NARAYANASWAMI NAYUDU:—"I second it."

* THE HON. DR. T. S. S. RAJAN:—"Sir, ordinary jurisprudence will admit that we should not tie down the hands of our Magistrates in instances of this sort. Certain regulations are going to be framed and a certain number of persons can go and declare that to the best of their ability and knowledge, their conscience does not allow them to undergo the restrictions. That is the clause. And the Magistrate is supposed to enquire into such cases. First of all, when a man goes to him and declares to that effect, the Magistrate will find out whether such an exemption is essential in his case, whether the man is really capable of understanding what is meant when he says that his conscience does not allow such and such a thing, etc. These are technical matters which could not be defined. The local Magistrate will enquire into it and find out whether he understands it, whether he is only a rustic tutored by the anti-vaccinators to go and make any declaration before him, etc. In such cases, it is necessary that the Magistrate should not be compelled to give the exemption; he should be in a position to satisfy himself whether the claims put forward by the parties are *bona fide*, whether they are understood by the parties making them; and you must not merely ask him to see whether the formality is complied with and compel him to give the exemption. That will conduce to public danger. Therefore, Sir, I think, power

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motion, but I do not want to do that. I say that in spite of the high praises that have been lavished on the Government in connexion with this Bill, this Bill will be a dead letter, worse than a dead letter, if the Government are callous and are not coming to the rescue of these leper hospitals. The Government may be spending something like Rs. 2½ crores on health and sanitation; but they must get more money in other ways and spend more money on lepers. If you have reduced your income on account of the prohibition of liquor, you must try to get more money in other ways and give it back to us and help us in carrying out such charitable ideas as the treatment of lepers. I hope the Government will reconsider their position, and I appeal to them to spend more money on charities like hospitals. While supporting the Bill, I would strongly appeal to the Government to come to the aid of the poor people."

SRI B. NARAYANASWAMI NAYUDU:—"Just one word, Sir. The Hon. the Minister was saying that the Health Officers are paid by the Government and therefore there is no reason for complaint at all, but it is stated in sub-clause (2) of clause 9 that 'the Government may recover from each such local authority the whole or such proportion of the salary and allowances paid to the Health Officer.' So, Sir, the question of the Government paying is absolutely wrong."

* SRI R. SRINIVASA AYYANGAR:—"Sir, I rise to give my support to the motion before the House. I would like, at the very outset, to congratulate the Hon. the Minister for Public Health for not only sponsoring the Bill but also for having piloted it through so ably and so successfully. The Bill contains the largest number of clauses, I think 146 in all. The Bill has been very carefully conceived and carefully drafted with a view to avoid all possible criticism. Criticisms we have no doubt heard on the floor of this House, but those criticisms have been fully and satisfactorily answered, with the result that when some of the amendments of which notice had been given were called in, those gentlemen who had given notice of those amendments thought it prudent not to move them at all. On the whole, this is a measure which is calculated to better the health of the people. We care more for health than for wealth: health first, wealth next. I have not the slightest doubt that people will begin to appreciate and benefit themselves by the provisions contained in this Bill in the very near future and the name of the Hon. Minister for Public Health will go down to posterity as a great public benefactor. I have no doubt that he will have the satisfaction that the Bill on the whole has the general support of the country."

The motion was put and carried and the Bill was passed into law.

The House then adjourned for lunch to meet again at 3 p.m.

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(After Lunch—3 p.m.)

III.—MOTION.

THE REPORT OF THE MADRAS ESTATES LAND ACT ENQUIRY COMMITTEE.

* THE HON. SRI T. PRAKASAM:—"Mr. President, I beg to move—

'that the Report of the Madras Estates Land Act Committee be taken into consideration.'

"After the report was presented to the House, more than two months' time has been given to hon. Members so that all might have time to go through the Report and be ready to discuss it. The Report was considered in the Assembly for seven days and it has now come up before this House. I take it that hon. Members of this House have studied the Report and have also followed the discussion in the Legislative Assembly. I wish to refer to the recommendations of the Committee as briefly as possible.

"There were nine members including the Chairman on this Committee. The majority, namely, five, have made their recommendations. The Raja Sahib of Mirzapuram directly representing the landholders has recorded his minute of dissent. His minute of dissent deals straight with each of the questions referred to the Committee for consideration and report. He has repudiated each point, one by one. There are three others who though they have appended what they have called minutes of dissent, have agreed with the majority on many points as they themselves have stated and they have narrowed down their contention by stating on what matters they differ. My hon. Friend, Mr. Rangaswami Ayyangar agrees with the majority on all the points including the question of rent but he took a different view with regard to the final recommendation; after agreeing even on the question of the correctness of the finding with regard to rents, he has made alternative proposals with regard to that and has given special reasons. My hon. Friend, Mr. Narayanaswami Nayudu, though he agreed with the findings of the majority on most of the points, has made his position clear with regard to the question on which he did not agree. Then there is the hon. Mr. Mahoob Ali Baig who also generally agreed with most of the points and has given some reasons where he differed from the findings of the Committee. I have stated this with a view to show that out of four members who did not agree with the majority, only one member, i.e., the Raja of Mirzapuram, recorded his minute of dissent on each one of the points directly repudiating the findings of the majority.

"The first question related to the ownership of the soil, whether it vested in the landholder or in the ryot. The second question—it was an important question—relates to the irrigation sources,

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must be given to the Magistrate to satisfy himself in this respect. I am sorry, Sir, I cannot accept the amendment."

The amendments were put and lost.

Clause 76 was put and carried.

Clauses 77 to 145.

MR. PRESIDENT:—"As there are no amendments received for the clauses after clause 76, I propose to put all the clauses together to the House so that the work of the House may be expedited. I hope the House will have no objection to that course."

Clauses 77 to 145 were put and carried.

Schedules I and II were put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. DR. T. S. S. RAJAN:—"Sir, I now move—
'that the Bill be passed into law.'

"In doing so, I have only to say a few words. This Bill has been under the consideration of the Government for nearly sixteen months. A number of departments concerned have all given us that hearty co-operation which alone could have made it possible for a Bill of this kind to be put on the statute-book to-day. It is generally the rule, when such heavy bills as this are undertaken, to have a special staff and a special secretariat attached to the Minister concerned, to do the work. But in this instance, that procedure was not adopted; with the existing staff that has been at our disposal, it has been possible for us to work up, dress the Bill and present it before the House. But for the large amount of interest and co-operation and detailed application to the various clauses contained in this Bill and the amount of critical knowledge that has been brought to bear upon it, both legal and administrative, it would not have been possible to have this Bill on the statute-book so early. In the Lower House also we had very good co-operation from Members from all sides. Although as many as 285 amendments were tabled there, it was possible within the course of three days to discuss all the amendments and carry the Bill through in that House.

"In this connexion, I think I should not mention the names of all those who have worked with me and the Secretaries that have worked with me; but I cannot omit to mention the very strenuous labours of my Under Secretary and also the Assistant Secretary of the Legal Department. They have sat days and nights working at this Bill and they have always come up with the drafting in time, to enable me to pilot this Bill through. In this House it has been my good fortune to receive more or less, if I may say so, unanimous appreciation of the various provisions contained in this Bill; and I am very grateful to all Members of the House

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who have given me this helpful co-operation in putting this legislation on the statute-book. What I would request members is this: they should not think that they have discharged their duty by voting for it; they should go back to the country, carry with them the message contained in this Act and convey it to our people, each in his own way. And I, for one, assure them of all the support and sympathy which this administration can give in furtherance of the task which I am now asking them to undertake. Sir, I am very grateful to the members of this House, to the Press and to the public and to all those that have unhesitatingly co-operated with me and with this Government to put this most useful measure—the first of its kind in India—on the statute-book." (Cheers.)

* MR. J. A. SALDANHA:—"Mr. President, there fell from the Hon. Minister some remarks a few minutes ago, in which the Hon. Minister made a distinction between the duties of the Government under the Health Act and the work of charitable institutions. I think a very serious step has been taken by the Government in announcing—in answer to a question put by me—that in future only treatable cases of leprosy will be given grant-in-aid if undertaken by private hospitals and that others will not be given any aid. The result of it would be—I know from enquiries that I have made in Mangalore at any rate—that about 50 per cent of the lepers that are now undergoing treatment in the various hospitals will be sent out and literally thrown on the public streets. I consider such a result as not at all supported by any principle of administration. As a matter of fact, all work of government is charity in one sense—public health work is charity, running of schools is charity and hospitals also are charity institutions. Sir, Mangalore contains a large number of institutions maintained by private charity—at any rate more than half of them are run with the help of charity from Parsis in Bombay and other places. I cannot understand how the Government can draw a line in respect of their duty towards such institutions. What will be the result? In Tirumani, for instance, there are about 1,000 lepers; and according to what we have heard, about 500 lepers will be thrown out. We can easily fancy the result on the public of Madras. We have already got enough lepers in public streets who are trying our patience to the utmost. If 50 per cent of the lepers now undergoing treatment are to be thrown out on the streets of Madras, there will be real danger to the public. In Mangalore, as I said, we already see a good number of lepers squatting and sleeping in all public places, porticoes and balconies of churches. Some of them are now in the asylum which is being aided by the Government—I am told there are 110 of them there; and if 50 per cent are to be turned out, the position will be very serious. I am sorry that the Government have not realized that. Hospitals are always charitable institutions by whomsoever they are run. This is a very important point requiring even the moving of an adjournment

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their ownership and the rights involved therein. The third important matter relates to the forests, communal lands and porambokes. The fourth and the most important is the question relating to fair and equitable rents. What is a fair and equitable rent? Is it the rent that is prevailing to-day as is contended by the landholders, relying upon certain sections of the Estates Land Act which laid down certain rules of presumptions; or is it the rent that was fixed, permanently and unalterably, as I shall explain to the House presently, in 1802 at the time of the Permanent Settlement?

3-15
p.m.

“Those who may not have been acquainted with the whole history between 1802 and to-day may have thought at first that the proposal to go back to 1802 is all imaginary and not based on facts. There is no question of law involved in this matter. It is a pure and simple question of fact; a fact which, when once looked into dispassionately and without prejudice, must be admitted by all. What happened at the time of the Permanent Settlement, and why is it contended now, after 138 years that the rates of rent that were fixed in 1802 should be taken as fair and equitable and that only these rates should be collected by the landholder from the ryots hereafter and that these should have been taken without the least alteration during the past so many years?

“I put the case before the hon. Members of this House, Sir, by stating that at the time of the Permanent Settlement, the arrangement was made that the land revenue that should be paid to the Government should be first fixed, viz., a share or proportion of the gross produce or net produce should be set apart as land revenue payable by the ryots to the Government. After ascertaining the share of produce that should be set apart as land revenue due to the Government, it had to be settled as to who should collect that revenue for the Government, that is, whether the amount should be collected by the Government themselves, as in the case of ryotwari areas, or it should be collected through certain agents. Then, after the agency question is settled, what should be the terms of agreement between the agents who should collect the land revenue and the Government? In the northern districts half the gross produce was set apart towards the land revenue payable to the Government; in the southern districts it was not invariably gross produce; generally it was on the basis of net produce. In either case, as soon as the gross produce or the net produce payable as land revenue was fixed, it was arranged that two-thirds of the land revenue fixed permanently and unalterably should be paid to the Government as peshkash and one-third should be taken by the landholder as consideration for doing the collection work. If the material on which these conclusions of the Permanent Settlement are based are convincing, it is for the hon. Members of the House to decide here and now whether they

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should be accepted as binding or they should be rejected. I agree, Sir, that if it is true that the permanent arrangement made at the time of the Permanent Settlement was to the effect that the land revenue was fixed permanently and unalterably first, and that from out of such land revenue two-thirds was agreed to be paid as peshkash to the Government by the landholder, and one-third was agreed to be taken by him as consideration for doing the collection work, it is easy to understand the position. If there is anything wrong in that, of course, various contentions might be raised.

“I do not wish to take hon. Members of the House straight to 1802 and begin to establish my position by quoting evidence from the bottom. I would like to point out to hon. Members of the House that what is stated by me just now as the arrangement or the understanding or the agreement at the time of the Permanent Settlement, continued to be recognized as the correct basis up-to-date and at every stage of legislation that was undertaken in the past, attempted or dropped. Then the matter will become very simple. I say, Sir, that the permanent and unalterable character of the land revenue and of the portion set apart for the landholders' consideration has been maintained even under the Estates Land Act, if not wholly by embodying those very sections, i.e., sections 7 and 9 of the Patta Regulation *en bloc*, partially at least by having adopted them in certain sections of the Estates Land Act. It was the Hon. Mr. Forbes that introduced the Estates Land Bill of 1908. His speech, I take it, is in the hands of every member of this House. He has stated in that speech and he has made the position clear in more than one place by stating what the arrangement at the time of the Permanent Settlement was. He has said in so many words that at the time of the Permanent Settlement, the share of the Government for revenue was first fixed, and out of that, two-thirds was fixed as the permanent and unalterable sum for peshkash payable to the Government, and one-third as the remuneration for the landholder. He quoted Regulation XXX of 1802 known as the Patta Regulation. He referred to sections 7 and 9 of the Patta Regulation and discussed those provisions with a view to point out that the land revenue was fixed permanently and unalterably, that two-thirds of the land revenue was permanently and unalterably fixed as peshkash and the other one-third portion was given to the landholder as remuneration, and that the peshkash continued to be permanent and unalterable from that date until now and that the balance that was allowed to landholders from out of the permanent and unalterable figure of the land revenue should have remained unalterable. There is no complication in this; there is no question of law in this; nobody need be confused about this, and no one need be startled about this. When once it was settled permanently in 1802, when

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once land revenue was fixed irrevocably in 1802, when once two-thirds of that amount was fixed as peshkash payable to the Government; when once that two-thirds had been paid from that date until to-day, without adding a single copper to it, what justification can there be for enhancing the other one-third that was given as allowance for doing collection work in any year or any period? This is a simple question, a question of commonsense and nothing else. The only thing that the Committee has done is to look into all those records, find out where these things are, remove the earth under which they were covered, as it were, and place them before the Legislature that appointed it to do this duty.

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p.m.

“Strangely enough, everything is denied by the landholders. The Permanent Settlement arrangement is denied; the fact that the land revenue was fixed permanently and from out of that amount two-thirds were paid to the Government as an unalterable amount as peshkash and the other one-third was allowed to the landholder, is not admitted by the landholders even to-day. It was not admitted by those who represented their predecessors or themselves at the time of the Estates Land Act; it was not admitted at the time of the Rent Recovery Act; it was not admitted at the time of the Tenancy Bill of 1885; it was not admitted at the time of the Tenancy Bill of 1898 and it is not admitted to-day. I shall try to place before the hon. Members of this House what the Hon. Mr. Crole who was the Revenue Member in 1898 said on this matter—Mr. Crole's speech also is in the hands of the hon. Members of this House—

‘What the Government did in 1802 was this. It was quite properly assumed that all interests in land were confined to two parties, namely, the Sovereign power and the cultivator. It then proceeded to make a contract with a third party called a zamindar. Under that contract, the zamindar took the place of the Government in respect of collection of revenue which was calculated on the average of the receipts obtained during the management of the Company's officers, or under their supervision, extending over a series of years. Out of these receipts, roughly, two-thirds were to be paid to Government as peshkash which was unalterably fixed for all time and the remaining third was to be retained by the zamindar. In other words, if 50 per cent of the gross produce was set aside for the ryot, out of the balance, 35 parts went to Government and 15 to the zamindar. The shadowy, undefined claim of State ‘proprietaryship’ of the soil was likewise transferred to him. But the ryot remained quite unaffected by the terms of this contract. It could not of its own operation affect the rights of existing cultivators any usage or custom tending to protect those of future cultivators or any power of the legislature to interfere from time to time for the protection of those rights. The ownership of the soil was not transferred under the contract, for, Government could not pass on to the zamindar what it did not itself possess.’ (Interruption.)

“I have finished Forbes, Sir, I did not read the passage. I requested the attention of hon. Members to the speech. I stated orally what the Hon. Mr. Forbes said at the time of the Estates Land Act in 1908. I am taking hon. Members of the House to 1898, that is ten years before the Estates Land Act and I am quoting the words of the Hon. Mr. Crole. Various documents have

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been printed in the Appendices to show to the hon. Members of the House the process adopted for arriving at these figures. The Special Commission Reports for the North, South as well as the West, have all been printed to show the basis of calculation, how the figures were arrived at and how when certain methods adopted by the Special Officers who were put in charge of preparing the material for the Permanent Settlement made them commit mistakes, they were corrected, and they were revised; all these things are shown in some of the Special Commission Reports. I have started with 1908, gone back to the 1898 Bill and now I am going further back to 1865, to the Rent Recovery Act. I am submitting, Sir, that in clause 10 of the Rent Recovery Bill of 1863, sections 7 and 9 of the Patta Regulation were bodily introduced. Section 7 of the Patta Regulation is to the effect that there should be no enhancement, no addition to the taxes that ought to be collected from the ryots under any pretext or for whatsoever reason. Having so laid down in section 7, in section 9 it was laid down, ‘In spite of our making everything permanent and unalterable, in this human world so long as courts are established, parties may be coming to courts with some plea or other against these unfortunate men and these ryots may be dragged into courts. If they should be drawn into courts and a dispute relates to the rents or the rates that they have to pay, we simply direct the presiding officer to go back to the year 1801 and adopt the rate that was fixed then as the rate that should be adopted as permanent and unalterable.’ That was the direction in section 9 of the Patta Regulation. These two sections were introduced bodily in clause 10 of the Rent Bill of 1863. For that Bill to become law finally, it took two years. There was a Select Committee appointed. First there was a proposal to introduce a Revenue Code copying bodily the Bengal Rules. But, that was not accepted. Finally taking a few portions of that proposed Code, this Rent Bill was introduced. In that Rent Bill, as I stated, to make the position of the ryot clear, these two sections 7 and 9 were introduced bodily. The matter went up to the Select Committee. The Select Committee stated in their report that they accepted the findings of the Board of Revenue of Madras made in their Proceedings No. 7743 of 1864. The Board dealt with the Patta Regulation. They held that the rent or the revenue paid by the ryot was fixed permanently and unalterably in 1802; that the landholder was not entitled to enhance the rent; that if he should be given the right to enhance the rent and hand over the land to another man, who offers a higher rate, it would be allowing that man to rob the ryot and pay a portion of the plunder to the landholder. That was the language used by the Board in their Proceedings No. 7743 of 1864. This was accepted by the Select Committee and they said, ‘These findings are correct and the rent should not be enhanced and it should remain unalterable.’ Then when they came to the passing of the Act they said in their report also ‘While

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getting on smoothly until now and there has not been any serious or general attempt to enhance the rent here after they were permanently fixed in 1802. I am sorry I am not able to place this in a printed form in the hands of the hon. Members but they will permit me to read, Sir, from the stock file relating to the Bill of 1885:—

‘ Besides the above opinions, attention is drawn to those recorded in Board’s Proceedings, dated 1st September 1884, No. 3050, on Mr. Carmichael’s Bill. The general opinion was that any legislation which had more for its object than the amendment of Act VIII of 1865, where necessary, would be probably mischievous; and among those papers, the opinion of Mr. H. J. Stokes is particularly worth recalling at the present time. He said then: “The objects of a tenancy Bill ought to be to ensure the payment of a fair rent on the one hand and security of tenure on the other. If these objects are not attained, there certainly results disorder. In this Presidency, in all the settled estates with which I am acquainted, we have a customary rent, and all that is wanted is to ascertain and record it. Hitherto, no general attempt has been made by zamindars to exceed it and things may be said to have gone on very smoothly in Madras, when we compare the record of our estates with the constantly recurring troubles which have been experienced in Bengal. There the landlord was armed with power to evict and enhance and the cultivator was forgotten. It is to correct the results of this long neglect that a vigorous effort is now being made. But seeing that our circumstances have been so different, it is most improbable that an enactment framed specially to meet those of Bengal should be copied in our Presidency without great danger.”’

“ From this it is clear that the rents of 1802 have prevailed until 1885 as well and how when an attempt was made to introduce the clause to enhance the rents from the Bengal Code in the proposed Bill, the Board of Revenue protested against the whole thing. In that Bill, Sir, an attempt was made to introduce a clause of the Bengal Code to the effect that for acquiring occupancy right, there must be possession for twelve years. Referring to that clause, this Board in another place in continuation of the same, said: ‘ That clause should not be introduced here, because here the question of occupancy right or the right of the ryot is in no way disputed. Why should we introduce it from the Bengal Code to the effect that if a man is in possession for twelve years, he would acquire the right? Thereby you are interfering with the existing right of the ryot. Why should you say that a man should be in possession for twelve years to establish his right? The right has already been accepted here and it is a matter of declaration. So why should we introduce it here? ’ When this protest was entered into on this and other matters that attempted legislation of 1885 was dropped. You will find that what was dropped in 1885 Bill appears in the Estates Land Act I of 1908, which is said to be a document that should not be interfered with. How is it that it appears now in the Estates Land Act I of 1908? It has appeared under the name of ‘ old waste. ’ That expression ‘ old waste ’ created such a confusion in the minds of practising lawyers, that even well-versed practitioners here in the City found it difficult. (Sri T. C. Srinivasa Ayyangar: ‘ It was dropped. ’) The hon.

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Member tells me that it has been dropped. I am aware of it. We have also written in our report that it has been dropped. We have also pointed out that the old waste mistake was there for thirty years. We have also pointed out that other sections introduced should also have been dropped, but were not dropped, because those who were responsible were not there in 1936. That is how the whole mischief has been caused. That is why the Committee has recommended the repeal of that Act altogether. It is not an Act that could be amended by any small amendments, because it is in these sections that they have tampered with the rights of the ryots in a manner that cannot be discovered, which I shall be referring to shortly.

“ Although the definition of ‘ old waste ’ was objected to in the Bill of 1885 it found a place in the Act of 1908. It was sought to be brought in the Act of 1895, but it was dropped. But in the Act of 1908 somehow it was introduced. The 1905 Bill was introduced, not by Mr. Crole, but Mr. Ross and seconded by another European gentleman, and later on, the Bill was piloted by the Hon. Mr. Forbes. Now what are the provisions contained in the Bill of 1898 which hon. Members should remember? These are rather important provisions of that Bill—not that I have adopted the provisions of that Bill *en bloc*. But we have modified the provisions wherever we did not agree and introduced only such of those provisions with which we agree in the draft Bill that we are presenting to-day. What did that Bill say with regard to fair and equitable rent? Section 17 of that Bill which is printed in the Appendices Volume clearly lays down that enhancements may be made with regard to one class of lands. Lands upon which rents had been fixed were exempted in the Bill as introduced in 1895. Section 17 of that Bill which will be found on page 615 of the Appendices Volume says:

‘ Where an occupancy ryot holds at a money-rent not fixed in perpetuity, the proprietor may, subject to the provisions of this Act, institute a suit before the Collector to enhance the rent on one or more of the following grounds, namely:—

- (a) that there has been rise in the average local prices of staple food-crops in the taluk or zamindari division since the existing rent was fixed;
- (b) that the productive powers of the land held by the ryot have been increased by an improvement effected by, or at the expense of, the proprietor since the existing rent was fixed;
- (c) that the productive powers of the land held by the ryot have been increased, since the existing rent was fixed, by any work of irrigation or other improvement executed at the expense of Government, and the proprietor has been required to pay an additional revenue or rate to Government in consequence thereof;
- (d) that the productive powers of the land held by the ryot have been increased by fluvial action.’

“ These four clauses, it was declared in the Bill as introduced then, should apply only to lands on which rents were not fixed in

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we accept these findings we shall have to amplify the provisions for certain reasons.' Section 11 of the Rent Recovery Act thus came into being. That section 11 did not embody sections 7 and 9 of the Patta Regulation as clause 10 of the Bill did, but they put in a different form making a provision for enhancement as in clause 4 and in certain provisos.

"This section 11 of the Rent Recovery Act started the trouble for the ryots. What was this Rent Recovery Act? Was it an Act which was intended to create any rights in favour of the landholders or in favour of the ryots? No. It is not so. It was a processual law. The object of the Act was merely to prescribe a certain procedure to enable the landholders defined under section 1 of that Act to collect the moneys due to them. That was not an Act which was intended to deal with the relations between the landholders and their ryots alone. That was an Act in which under section 1, landholders were divided into two classes. The first class, consisted of the zamindars, shrotriyamdars, inamdars, etc., and other proprietors. Very many of the hon. Members may not have noticed—even those who have had occasion to apply these sections in the early days of their practice may not have noticed—that the Rent Recovery Act made provision for the recovery of moneys due to Government ryots from their tenants also. The Government ryot of the ryotwari area was included as landholder under the second classification in section 1 of the Rent Recovery Act. The Government ryot is a free-holder. That is known to everyone. The Government ryot lets his land to anybody, enters into an arrangement with him under a lease or an agreement and he is free to enhance rents, to decrease rents and to do whatever he likes. That was the position of the second class of landholders provided for in the Rent Recovery Act. They had to make a provision to enable that landholder, the Government ryot to increase rent or to reduce the rent or to enter into any arrangement he liked with his tenant. That Government ryot is clubbed with this landholder, the zamindar.

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"Section 11 of the Rent Recovery Act had to provide the procedure for both classes of landholders. Therefore they introduced certain clauses there with regard to recovery of moneys. The first clause related to contracts. The contract could apply only to the ryotwari land on which rent could be enhanced. That contract cannot be said to apply to the zamindar whose terms were settled at the time of the Permanent Settlement permanently and unalterably. If the contract could be taken to apply to the landholders of the first class also it is only with reference to the Permanent Settlement contract and could not have been anything else. The second clause relates to the survey rates of 1859 and the third clause deals with the local usage and custom. All these things you will find in section 9 of the Patta Regulation also. If the original

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rates were not fixed, what should be fixed is referred to in the Patta Regulation. If the parties are not satisfied with these rates they will have to go back to the established waram rate of 1801. That was the scheme of section 11 of the Rent Recovery Act.

"The evil days of the ryot started when the courts began to interpret this section 11. What did the courts do? In the beginning there was no trouble at all. Before the High Court was established on this beach and the judges came from London to preside over this court and decide cases under the Rent Recovery Act, there were judges of the Adalat Court. The Adalat Court judges were men who had lived in this country, who had studied the land revenue questions and who had understood the common law of the country. They were the men who took part in the framing of the Regulations that presided over those courts. So there was no difficulty at all with regard to solving this problem whenever a question of dispute came between the landholder and the ryot so long as the Sadar Adalat Court was in charge of this. I may tell the hon. Members of this House about one small case that came up for trial before the Sadar Adalat Court ten years after the Permanent Settlement Regulations were passed. That was a case filed by the firewood merchants of Masulipatam who were obstructed from getting timber from the forests. The question came before the Sadar Adalat Court and they decided it by saying: 'Were these people entitled or not before the permanent regulations were passed to take timber from the forests? If they were entitled to do it then, they are entitled to do it now.' That goes to prove the title also to some extent. It was this case that was referred to in the Board's Proceedings No. 7743 which I referred to just now. I am submitting, Sir, now that the rights that were settled permanently and unalterably, the rents that were settled in 1802, remain unaltered, generally speaking, until 1865 when alone this Patta Regulation was repealed. The sections 7 and 9 of the Patta Regulation were on the statute-book and remained as the law until 1865. Not only did they remain as law till 1865 but they remained as law until even 1885 when another Tenancy Bill was put up and dropped subsequently. Therefore, it is not correct to suppose that I am putting the case generally when these rents were being enhanced by the landholders from 1802 until now and that they have been enjoying the fruits of the enhanced rents until now. Mr. Crole has referred in his speech to this fact. Referring to the Collector's report he said: 'The rates of the Permanent Settlement have remained and are on record until now.' You will find again, Sir, in 1885 when an attempt was made in the Bill to introduce for the first time some of the rules of the Bengal Tenancy Act with a view to enhance this rent then the Board of Revenue pointed out: 'Why should this attempt be made now to introduce that Bengal rule into our Presidency; here the matters have been different. We have been

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perpetuity. The contention on behalf of the ryots is that the rents had been fixed in perpetuity and they have become unalterable and no enhancement of any kind should be introduced due to the improvements made by the landholder or by the Government. When a thing is said to be fixed unalterably, can it be taken that other conditions or circumstances would make it alterable? It is a matter of commonsense there also. In the Bill of 1895, also these provisions appeared in the Bill, as introduced, but when it went to the Select Committee they revised the whole thing. In revising it they omitted all these four clauses as put in here. They kept only two clauses. With regard to one clause, in section 16 of the revised Bill, section 9 of the Patta Regulation, was bodily introduced again. I am trying to convince those hon. Members who have not understood the implications of an attempt to introduce these provisions at every turn. What was fixed at the time of the Permanent Settlement was considered unalterable up to 1865. As I have pointed out these rates were prevailing even after 1865. When they came to legislate in 1905, in the Bill as introduced, those lands for which rents were fixed in perpetuity were exempted, because in other cases it is a matter between parties to enter into an agreement either to increase or decrease as it is being done in the whole universe. In the Bill of 1895 as amended by the Select Committee you will find clause 16 (i) reads as follows (page 666 of the Appendices Volume):—

‘In the disposal of suits involving disputes regarding rates of land revenue payable by ryots the following rules shall be observed:—

- (i) In estates which have been surveyed by the British Government previous to 1st January 1859, and in which a money assessment has been fixed on the fields, such assessment is to be considered the proper land revenue payable.’

Sir, that clause would not make any material difference if we see that the rights of the zamindar remain the same as they were in sections 9 and 7 of the Patta Regulation which were enforced until 1865, but were afterwards repealed. Even after 1865 those provisions were not altered. That is with reference to one clause.

‘The next clause which I would like to refer is a very important one and it runs thus:—

- ‘(ii) (a) The Collector shall adopt the rates of assessment in money, or of division in kind, prevailing in the cultivated lands in the year preceding the assessment of the permanent peshkash.’

‘Section 9 of the Patta Regulation is introduced in this clause. When it is put in there in the revised Bill of 1898, who can argue that it has disappeared, this Committee is putting it for the first time and this measure is extraordinary and expropriatory? I pointed out that so far as the Rent Act of 1865 was concerned, it was only a processual legislation which did not create rights or take away the rights. I am supported by the Hon. Mr. Forbes with regard to this statement. That Act made

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no distinction between occupancy ryots and non-occupancy ryots. That Act made provisions for recovering the money. So it cannot be contended that the rights of the ryots had been taken away or any new rights had been created in the landholders. If that is so with regard to that piece of legislation, and if sections 9 and 7 were introduced in the Bill of 1863 and they appeared in a modified form in section 11 of the Act of 1865 and again they were reproduced in the Bill of 1898—Mr. Forbes said all these in 1908 when introducing his Bill—how can it be contended that these provisions have been introduced for the first time by the members of this Committee with a view to expropriate the rights of the landholders? Is there anything revolutionary? Is there any mistake in this? People could have argued in all seriousness some time before now that because the Chairman of the Committee is a Congress Minister he has brought forward an extraordinary proposal such as this. They could have also argued that the landholders could do whatever they liked and enhance the rent as they pleased. They could have used all these arguments before. But I was always certain that even the most prejudiced people and even those who might have thought so at one time would have been convinced with the material placed before them as to the justification of the present Government in introducing this Bill, when they are called upon to decide upon this plain and simple matter. I never had any trouble about it.

‘Now let us come to the Estates Land Act of 1908. What is the position? Was any right created in favour of the landholder or was any right taken away? I say ‘No.’ Some difficulty was created in that Act by introducing two irreconcilable elements within the definition of the ‘ryots.’ There in the Rent Act, two irreconcilable elements were introduced in the definition of the ‘landholder.’ Under the Estates Land Act, there was the ryot of the ‘old waste.’ ‘Old waste’ is a land that is now in the possession of the landholder. Without attempting to establish any right to it it was used by him for a period of ten or even more years. There were three classes of ‘old wastes’ at that time. All of them were entirely the property of the landholder and they were in the position of private lands of the landholder. They were his property and he could do anything he liked with them and enhance the rent if he liked with regard to those old wastes. But when the ryot had to be defined as ‘old waste holder’ and when occupancy right had to be given to him under the Estates Land Act of 1908, and when rules had to be framed for enhancement of rent by the landholder with regard to these lands also, as in the case of Act of 1865, they had to provide a provision reconciling the interests of the two, viz., the interests of the ryots and those of the landholder in that Act. That is how ‘old waste’ was included in the Act of 1908. When this mistake of including the ‘old waste’ was discovered at a later

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stage, some good members who were in the Legislature at that time thought that that provision relating to 'old waste' should not be there and they brought in a fresh Bill to remove 'old waste' from that Act altogether. When they removed 'old waste' from that Act, it was beneficial to the ryots and then the landholders clamoured that a provision should be made for enhancing the rent with reference to those 'old waste' lands.

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" Section 30 contains all the four clauses which I have just now read from the Bill of 1898 with regard to the enhancement of rents. All these clauses were intended to apply by the framers of the Act of 1898 only to those persons to whom they were applicable. Who were the persons to whom they applied? The holders of old waste. Section 30 says that the rent can be enhanced on account of a rise in prices, the improvements made by the landholders, the improvements made by Government and improvements which result on account of fluvial action. All these could be enforced with regard to the ryot of the old waste but not with regard to the land on which the rent was unalterably fixed. But what was unalterably fixed in 1802 is made alterable to-day by this piece of legislation. This 'old waste' was removed after having been there in the Act for a quarter of a century, but these sections 30 to 35 relating to enhancement of rent were allowed to remain on the statute book. What happens now is this: All the sections 30 to 35 which relate to the enhancement of rent and sections 40 and 41 dealing with commutation of rent and certain other presumptions under the Act will now apply to the occupancy ryots also. I am submitting that the Estates Land Act has been so misleading and has created troubles which were never dreamt of even at the time of Chokkalingam Pillai's case and Fakir Muhammad's case in 1860. Even under this Estates Land Act, I have shown that there are provisions which show that the Act did not intend to touch rents which were fixed permanently in 1802. Clause (1) of section 30 deals with the enhancement of rents on account of a rise in price. Hon. Members should not be carried away by the idea, 'Should not the landholder have the right to claim enhancement of rents when the ryot benefits on account of a rise in prices?' Certainly not. If the ryot's rent had been fixed unalterably it is for him to get the benefit of a rise in prices. I want to call the attention of hon. Members to the proviso (a) to section 30 which says that enhancement of rent on account of rise in prices shall not apply to lands on which the rents had been fixed unalterably and permanently in 1802. After the Estates Land Act was passed in 1908, big landholders filed suits against the ryots in courts and obtained decrees against them for enhancing the rents at a rate not exceeding 2 annas in the rupee. How could they have done that when there was a proviso to the effect that this right to enhance rent on account of a rise in prices shall not apply to lands

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on which the rent had been fixed unalterably and permanently? I am submitting that even under the Estates Land Act, however misleading and misdirecting its provisions may be, the framers of the Act were not altogether unconscious of the rights of the ryots and to the extent to which they have provided this proviso to clause (i) of section 30, they have sought to safeguard them.

" With regard to the other contention as to why the landholder should not claim enhancement of rent on the ground of improvements made by him I shall submit straightaway that he is not entitled to any such thing. It might look strange if it is contended that he is not entitled to any such enhancement. It might be asked, when the Government had made improvements at a considerable cost and when the ryot is reaping the benefits of the improvements, why should not the landholder who is the representative, even according to the authors of the report, of the Government for the purpose of collecting the revenue be entitled to enhance the rent? I submit, Sir, that neither the Government nor the landholder is entitled to enhance the rent on either of those two grounds, namely, on the ground of improvements made by the Government or on the ground of improvements made by the landholder. It was the duty of the Government in the first place to make improvements either by way of repairing the old existing irrigation sources or by even constructing new ones. What for does the Government take half the gross or half the net produce from the poor ryot? The Government state definitely that they want this money in order to carry on the administration and give the necessary protection to the people and to improve the works of public utility in the interests of the people. For these two reasons the Government take a share of the ryot's produce. No Government has ever repudiated these two liabilities and they hang on the Government even with regard to the ryotwari areas. When the right to collect revenue was transferred to the landholder, the liability attached to that right was also transferred to him. Therefore, on either of those two grounds, it can never be said that the landholder is entitled to claim enhancement of rents.

" Then what remains? The last clause relating to fluvial action. Sir, a river is in floods and the neighbouring lands improve and they yield more. There comes the landholder. He pounces upon the ryot and asks for a portion of the increase. But why on earth should he give a portion? It is the ryot's land and his labour and God gives him something more by fluvial action. The landholder is surely not entitled to claim an enhancement of rent. Was there such a provision in the Permanent Settlement Regulation, in the Patta Regulation or in the Rent Recovery Act? Was there any such rule anywhere hitherto? It was introduced for the first time in the Rent Bill of 1898 and that Bill was dropped. In that Bill they expressly stated that this clause would not apply to

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lands upon which the rents were fixed in perpetuity. So this 'fluvial action' and all these four clauses were bodily included in section 30 of the Estates Land Act. I have pointed out that the proviso to clause (1) ought to have been tacked on at the end of the fourth clause stating that none of these rights to claim enhancement of rents would apply to cases in which at the time of the Permanent Settlement the rents were fixed unalterably and permanently. Instead of doing so, they did it only partially.

"I shall take hon. Members to another important chapter where the matter clinches itself that it was not the intention even under the Estates Land Act to interfere with rights which have been permanently fixed at the time of the Permanent Settlement. There is a chapter on the Record of Rights and Settlements. The word 'settlement' means settling rents after getting it surveyed and getting all the things done. What was settled at the time of the Permanent Settlement, was not intended to be unsettled under the Estates Land Act. Was it intended to have another settlement here and enhance the rents? Certainly not. That chapter is a very long one and there are many words which create confusion. But when they were referring to the settling of rents by the officers they were looking only to those lands which would be surveyed and with regard to which rents could be settled, even allowing for enhancement of rents on the ground of rise in prices and improvements made by the landholder and so on. The Collector was entitled to go into all these things only with regard to 'old waste' ryots and not with regard to lands for which rents had been permanently fixed.

"Section 165 of the Estates Land Act which deals with the settlement of rents runs as follows:—

'165. When an order is made under the last foregoing section, the particulars to be recorded shall be specified in the order and shall include, either without or in addition to other particulars, some or all of the following, namely:—

- (a) the name of each ryot's landholder and of each landholder in the estate or portion thereof;
- (b) the name of the ryot or where there is no ryot the name of the occupant;
- (c) the situation extent and one or more of the boundaries of the land held by the ryot, as shown in the survey map of the village;
- (d) whether the land is irrigated, unirrigated, or garden land and, if irrigated, whether double or single crop;
- (e) the rent lawfully payable at the time the record is being prepared and whether the ryot is entitled to the benefit of proviso (a) to clause (i) of section 30.'

All these things have to be done in cases in which the ryot has to pay enhanced rents. But please note clause (e).

"I have already submitted that section 30 deals with the right to enhance rent on the ground of a rise in prices. I have already

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submitted that the proviso (a) says that the section does not apply to lands for which the rents had been permanently fixed. I will read that portion of section 30 in this connexion. Section 30 runs as follows:—

'30. Where for any land in his holding a ryot pays a money rent, the landholder may apply to the Collector to enhance the rent on one or more of the following grounds and no others.'

I want the House to remember the words, 'no others' because it is important with regard to the question of commutation of rent.

The section continues:

'(1) that during the currency of the existing rent there has been a rise in the average local prices of staple food crops in the taluk or zamindari division:—

(a) PROVIDED that if the rent be permanently payable at a fixed rate or rates, it shall not be liable to be enhanced under this clause on the ground of a rise in prices.'

That is the protection given to the ryot with regard to permanently settled rates. Section 165, sub-section (e) in the settlement chapter also refers to 'the rent lawfully payable at the time the record is being prepared and whether the ryot is entitled to the benefit of proviso (a) to clause (i) of section 30.'

"If that is the land on which rent has been fixed permanently, 4-30
certainly even the Settlement Officer cannot touch it. It is not p.m.
open to any hon. Member here or to anybody outside to contend that this rate had been abandoned, that the Government had been recognizing the increase of rate, that the Legislature has been recognizing this increase, that the landholders have been enjoying these rates without any demur from anybody until now and that vested rights are being divested now. People say that this is expropriation and the whole report is revolutionary. There is no expropriation here so far as the landholders are concerned. If there has been any expropriation, it has been the expropriation of the rights of the ryot from 1802 until now whenever the zamindars were successful in the attempts made by them. Section 30 of the Madras Estates Land Act says that enhancement of rate can be demanded only on four grounds. Section 41 of the Estates Land Act deals with commutation of rents. Was there any section relating to commutation of rents in any Act before the Estates Land Act? Is there any provision relating to commutation in the Act of 1865? Is there any provision regarding commutation in the original Regulations of 1802? Why was it introduced in the Estates Land Act of 1908? What is meant by commutation? If anybody goes and asks for commutation, the officer must go into the whole matter, take into consideration the condition of irrigation sources, find out the yield and its price and then commute. This is what that section says. Is it not enhancement, if it is applied to lands the rents of which were fixed permanently? It

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is certainly enhancement. A note at the bottom of section 41 says that enhancement made on this ground need not be treated as enhancement. What is the meaning of saying that this enhancement should not be treated as enhancement, when this section was wrongly applied to lands for which rents had been permanently and unalterably settled? Should this provision be there? Leave this matter aside.

"If it had been made clear that all these provisions applied to old waste lands and not to permanently settled lands, there would have been no trouble. But dubious language has been used here. Presumptions were raised; sections were put on the statute book. Section 28 of the Estates Land Act raised a presumption to the effect that, if there is a question about fair and equitable rent, the presumption is that the rate prevailing then was the proper rate. Is that the way in which the interests of the ryots should be protected, when the rents had been permanently and unalterably settled? It was the duty of the lawyers, it was the duty of the Judges who administered the laws, to have gone into the whole matter when the question came up before them and to settle the law by stating clearly that this presumption was never intended to be applied to these permanently settled lands. The question came up for consideration in connexion with the Kannivadi estate where rates were enhanced on the basis of contract entered into between the landholder and the ryots. The Estates Land Act expressly took away the provision relating to contract. It was sought to be introduced indiscreetly in the Rent Recovery Act of 1865; even then 'contract' was done away with. I would have to tell hon. Members a few words about this curious enhancement in the case of the Kannivadi estate. One officer, Mr. Hurdiss, fixed the rate; it was considered very high; it was revised by another officer, Mr. Peters and fixed at a lower figure. Some time after the Estates Land Act was passed, there was what was called a *manoraji* rate, both parties entering into a contract; when arriving at that rate, the rents were enhanced. The ryots raised the question and stated that this *manoraji* rate did not bind them; they said, 'our bodies might have been there, but our minds were never in the matter.' The question came up before the High Court, and one Judge stated in all seriousness that the enhancement was perfect and valid. How can it be valid and how can it be relied upon? Section 28 of the Estates Land Act says that, if there is a dispute, the presumption is in favour of the prevailing rate. It was the duty of the learned Judge to have gone into the whole matter when it came up before him. Section 135 of the Estates Land Act is a copy of section 7 of the Patta Regulation; section 136 is practically a copy of the next section in the Patta Regulation with regard to the penalty that would be levied, if there

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should be a violation in that respect. There should be no enhancement. Those two sections are there; in spite of these provisions, the *manoraji* rate prevailed. The Committee have dealt with that case exhaustively in the second part of their report. Although section 30 laid down that enhancement can be only on four grounds and on no other ground, the enhanced rates were recognized on the presumption basis.

"I have shown you clearly how there was enhancement of the rates when commutation took place. The question connected with commutation rates has a long history and the Committee has dealt with it in their report, and I do not wish to trouble the House by reading any portion of it. Commutation rates failed even in the ryotwari areas; commutation rates that were adopted at the time of the original settlement and subsequent settlements had failed and they have been cancelled by Majoribanks report. We are giving remission to the extent of Rs. 75 lakhs even in this year of distress, when the crops have partially failed. The argument that is advanced is that, although these rates might have been fixed at the time of the Permanent Settlement, it would be difficult to arrive at the correct figures now. I may say that we have gone into the bottom of this matter; we have got material in the western districts, southern districts and in other places, to ascertain the rates. We have suggested various methods for it. It is contended that we may modify some sections here and there in the Estates Land Act and not alter the principles of that Act. The provisions in that Act have practically destroyed the ryot. According to our findings, the Act should be materially altered. It was contended that it was only the peshkash that was permanently and unalterably settled at the time of the Permanent Settlement and not the balance. The balance is made their property; the zamindar says, 'I can do what I like with it.' That is the sort of contention that has been put forward. I may inform hon. Members in this connexion that there are printed accounts prepared by the officers who submitted the Special Commission reports. The basis of their calculations is also given in this Special Commission reports. The accounts show the gross produce also. There is a column in that account which says that two-thirds should be paid to the Government as peshkash; another column is there which shows that the balance of one-third should go to the landholder for his allowance. What more proof the hon. Members want? How can it be contended by the Landholders' Association or by anybody that it was the peshkash that was settled permanently at that time and that the balance was given to the zamindar freely and that the zamindar can enhance the rent as he pleases? I will not be arguing on behalf of the Committee for one moment, if what the Landholders' Association says is correct. The whole report will be withdrawn straightaway.

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“ Take, for instance, the Venkatagiri estate; the accounts were prepared by an officer called Stratton and they are printed in the report. The officer has taken the figures from the account books of the landholder himself. It is stated that so much should be paid as peshkash and that the balance should go to the landholder. The figures are taken from the books of the landholder himself; the Special Commission Settlement Officer did not get his figures from any other source. All this information is given in the Committee's report; yet the zamindar is still contending in the year 1939 in the same manner as he did in the year 1865. It is stated that the Committee's report is revolutionary; it is stated that so much sensation has been created by the findings of the Committee; the speech of the Hon. Mr. Crole is in the hands of hon. Members and the reply to that speech is also in the hands of hon. Members; the reply given by the Raja of Bobbili is printed at the end of Appendices. Item by item, that is printed there. What the Raja of Bobbili said is printed in the findings of this Committee. The Raja of Bobbili reproduced what the Hon. Mr. Crole stated about the right to the soil, about the rate of rent, etc.—about twenty or thirty points were culled out by him out of the speech of Mr. Crole—and began to give answers to those points.

“ Sir, in the other House it was even contended that Mr. Crole might have spoken, Mr. Forbes might have spoken, they might have been persons who were very favourably inclined towards the ryots, and so forth. I had to try to convince the hon. Members there by placing before them chapter and verse and show them that what was stated by them was absolutely correct. For that purpose, I had to show to them that Mr. Forbes and Mr. Crole did not draw from their imagination, and we have not drawn from our imagination either. When we relied upon Mr. Forbes and Mr. Crole, we did not rely upon their personal opinions. Both the gentlemen referred to the authorities on which they were relying. They went back to the year 1802; they went back to what was stated before and after the Permanent Settlement, and we traced them all and have placed all those materials before hon. Members of this House; we have tried to show on what material the Permanent Settlement was based, how it was interpreted subsequently, understood and enforced. All these things have been placed in one continuous string from that date up to date. There is therefore nothing very extraordinary which we have stated.

“ One other point which has been urged—and perhaps may be urged here also—is with regard to the way in which these figures have been arrived at. I did not wish to take up much of the time of the House, Sir, over this matter; but I thought it was a duty cast upon me to place the material facts before hon.

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Members, with a view to enable them to understand that there is nothing extravagant in the recommendations made in the report.

“ As regards ownership of the soil, I think, Sir, except the Raja Sahib of Mirzapuram, the other three members who have given their minutes of dissent have agreed on the point, that the ownership of the soil is in the ryot—all the three of them—Mr. Narayanaswami Nayudu, Mr. Rangaswami Ayyangar and Mr. Mahaboob Ali Baig. I do not say that the fact that they agreed should be a conclusive proof by itself; they have agreed because the material gathered by the Committee was such that no other conclusion was possible; they have agreed on the facts recorded. And when once the ownership of the soil is admitted as belonging to the ryot, what follows with regard to irrigation sources, and to all rights and liabilities involved? If the soil belongs to the ryot, everything else belongs to him; if the irrigation sources pass through his lands, they belong to him; and the landholder was only a collection agent and never acquired any right in the soil or in anything pertaining to the land. For instance, take mines in the lands belonging to the ryots; they belong to the ryots if ownership is with them. The title of the landholder is in the sanad, and the sanad is not a document that has created an absolute freehold right both to collect rent and to the soil of the land. The sanad clearly makes out that the landholder was appointed as an agent to collect rent and that the agency was also made subject to conditions imposed therein. What are the conditions imposed therein? A stipulation will be found in every one of the sanads issued to the landholders, and that stipulation relates to the ryots and their interests also. They are made to agree there that they will carry out all the conditions contemplated under Regulation XXV of 1802 and the Patta Regulation XXX of 1802. Again, what was it that was contemplated? It is vaguely asserted that the Permanent Settlement Regulation does not say anything with regard to the ryot, that it related only to landholders and to the peshkash; and that therefore it could not be said that the Permanent Settlement gave any rights to the ryots. Sir, hon. Members of this House do not require much time to understand the connexion between the seven Regulations which were passed on one and the same date, the 13th of July 1802, and particularly, the Permanent Settlement Regulation, the Patta Regulation and Regulation XXXI with regard to inams or exempted lands. These should all be read together, to understand the scope of the scheme underlying the Permanent Settlement Regulations. Section 14 of the Permanent Settlement Regulation brings in the question of ryots and says that ‘ subject to the condition that you give them pattas defining the rent and fixing the extent, etc.’ So, fixity of rent and fixity of tenure are mentioned there in Section 14. The preamble to the Permanent Settlement Regulation and

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the preamble to the Patta Regulation will convince any one about the object of the Permanent Settlement Regulation and the method adopted for carrying out the Permanent Settlement. If I say a few words about the preambles of these Regulations, all the misgivings will disappear in one moment. The Permanent Settlement Regulation begins by saying: hitherto the rights, rent, peshkash, everything has been varying; the zamindar had no fixity of interest, or no interest either in the land or in anything else. He could not call anything his own. There is no hereditary right for him and the zamindar could be removed if he was misconducting with regard to collection of rent, etc. As regards the ryot, the zamindar was entitled to take any rent he pleased, without any fixity; and in the instructions to the Collectors and in the records in the State documents, it was stated expressly that the whole of the Permanent Settlement was intended primarily for the emancipation of the ryot and not for protecting the landholders with regard to payment of peshkash alone. So, in the preamble to the Patta Regulation it was stated that these variations, which had become intolerable, must be terminated, and so the fluctuations and variations existing till then were abolished. After abolishing them and making the slate clean, it was stated that in their place determined agreements should be substituted. What these determined agreements are, were referred to in section 14 and again they were made clear in the sanads that were issued. They stated expressly that such and such things should be carried out.

"One other matter which I did not mention in the proper place is this: some of these estates were carved out of Crown lands and they were put in auction; and among the conditions of sale, there was a stipulation that those who wanted to purchase the estates agreed to the special condition that they would take only the rents fixed for fasli 1210, i.e., the year preceding the Permanent Settlement. We have printed all these things in our report. So, the same rate applied whether it was with regard to money rent, or dry land or punja or house or backyard, i.e., the rates prevailing in fasli 1210 or the year 1801. It is therefore most extraordinary that people who do not know these things should now raise an agitation that startling things are contained in the recommendations contained in the report under consideration. And of all things, the most extraordinary is the position taken up by Mr. Rangaswami Ayyangar, one of the members of our Committee. I would read to hon. Members what Mr. Rangaswami Ayyangar has written. I would request hon. Members' attention to paragraph 4 at page 335 of Part I of the report: He says there:

'Coming to the question of what is a fair and equitable rent, that is, revenue, we have seen that the zamindar who has got his peshkash fixed on the basis of the proportion and of the price level prevailing in 1802 cannot now complain if the same principle is now adopted in respect of

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the portion of the revenue to be retained by him. That is to say, the ryot is, in justice and equity, bound to pay not more than the share of the produce he was paying just before the Permanent Settlement computed at the then prevailing rates of prices, on a calculation of which the peshkash had been fixed. This is the recommendation of the majority of us.'

After that finding, if anything is written by the hon. Member, it will be only an alternative proposal. He has put everything in much stronger and clearer language than the other members of the Committee have done. He has illustrated it by saying 'that is to say, the ryot is, in justice and equity, bound to pay not more than the share of the produce he was paying just before the Permanent Settlement,' so that there might be no misgiving in the minds of anybody.

"I am proud of Mr. Rangaswami Ayyangar. I congratulate him on the finding he has recorded. I have no complaint to make against him, because, being in the position in which the hon. Member was, he did not hesitate to record this finding. One in his position perhaps would have fought shy of it, when it was likely to affect his own interests, but he did not care for that. He recorded the finding in a much stronger language than the majority of the Committee have done. Then proceeds the alternative. I would like hon. Members to examine for a few minutes what this is: 'The mode of settling rents may be said to be correct from a purely theoretical point of view and the zamindars may not possibly raise the objection.' The other point which the hon. Member has explained for the majority also is why so much particular care was taken to keep to this Permanent Settlement rates and why the majority did not wish to go beyond the Permanent Settlement rates. As a shrewd lawyer, the hon. Member was explaining why the majority was doing this. It might be a good point for avoiding troubles at the hands of Governors, Viceroys or Secretaries of State, because in the whole of this Provincial Autonomy Constitution, some clause was put in in the Instrument of Instructions to the effect that, if anybody should attempt to interfere with the Permanent Settlement arrangement, if any such attempt should be made by Provincial Autonomy—of course they would be entitled to do so—but if they should attempt to do that, we must protect the interests of the zamindars, they shall not do it without our consent, or without obtaining the consent of the Governor or the Secretary of State.' That clause is there and Mr. Rangaswami Ayyangar has come to the rescue of the majority of the Committee's findings by giving the reason why this finding is given in this manner. Otherwise, is it right to say that we would not go with the Permanent Settlement arrangement, if as I pointed out either half gross or half net produce was given; and the zamindars have the right for half the gross or half the net? Right or wrong, we shall not touch it because they have stated that this must be done with their consent and if anything is to be done otherwise it will

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be subject to their supervision, otherwise they would veto it. So, we have stuck to it whatever it is. Let it be Permanent Settlement, and that is what the majority have recommended. It cannot be Permanent Settlement, while you have called it or made it permanent with regard to the landholder, but allowed it to be made alterable and temporary each time the enhancement was made. What is demanded in the majority recommendations is, Permanent Settlement must be truly and honestly permanent settlement and no portion of the amount settled permanently and unalterably should be made liable to variations. That is all what is demanded with regard to this.

"Then, the hon. Mr. Narayanaswami Nayudu has got some objection with regard to inams. He has given notice of an amendment to that effect and I shall refer to it after he moves the amendment."

The Council then adjourned to meet again at 11 a.m. the next day.

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APPENDIX I.

[Vide answer to starred question No. 146 asked by Sri B. Narayanaswami Nayudu at the meeting of the Legislative Council held on the 30th January 1939, page 184 supra.]

Statement showing forest areas in each revenue district under the control of the Forest department.

Serial number and revenue district.	Area of reserved forests in each revenue district (including panchayat forests under the control of the Forest department) on 31st March 1938.		Area of reserved lands under the control of the Forest department.	
	(1)	(2) SQ. MILES.	(3) ACRES (approx- imately).	(4) SQ. MILES.	(5) ACRES (approx- imately).
1 Vizagapatam	297	190,080	84	53,760
2 East Godavari	1,334	853,760	47	30,080
3 West Godavari	17	10,880	..	..
4 Kistna	72	46,080	..	..
5 Guntur	540	345,600	..	..
6 Nellore	337	215,680	..	..
7 Chingleput	80	51,200	..	..
8 Bellary	93	59,520	..	..
9 Anantapur	256	163,840	..	..
10 Kurnool	2,444	1,564,160	..	..
11 Cuddapah	1,609	1,029,760	1	640
12 North Arcot	902	577,280	..	..
13 Chittoor	504	322,560	..	..
14 Salem	1,401	896,640	22	14,080
15 South Arcot	41	26,240	..	..
16 Trichinopoly	136	87,040	..	..
17 Coimbatore	2,207	1,412,480	1	640
18 Madura	582	372,480	..	..
19 Tinnevely	335	214,400	..	..
20 Ramnad	72	46,080	..	..
21 Tanjore	36	23,040	1	640
22 South Kanara	807	516,480	..	..
23 Malabar	536	343,040	22	14,080
24 The Nilgiris	486	311,040	6	3,840
Total ..	15,124	9,679,360	184	117,760

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Statement showing the extent, etc., of panchayat forests.

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
VIZAGAPATAM.					
Regupalem	1,596	2	..	..	1,438
Gokivada	1,297	2	..	..	
Kavalapalli	1,659	3	..	..	
Yenavaram	1,202	2	..	..	
Pedapalli	5,354	8	..	..	
Bayyavaram	3,686	6	..	..	940
Adukula	1,740	3	..	..	
Venkatapuram	4,356	7	..	..	
EAST GODAVARI.					
Anuru	824	1	..	..	1,576
Murari	382	1	..	..	
Kogida	1,115	2	736	1	
Jingumilli	4,968	8	..	..	
Darbhagudam	3,535	6	..	..	
Ramasingavaram	3,315	5	..	..	
WEST GODAVARI.					
Mutyalapalli	1,297	2	..	..	6,026
Nallajula	2,625	4	..	..	
Dubacherla	2,745	4	..	..	
Nachugunta	1,812	3	..	..	
Vunguturu	1,215	2	..	..	
Chintalapudi	1,086	2	..	..	
Lingapalem	2,158	3	..	..	
Yerraguntapalli	4,976	8	..	..	
Makkinavangudam	4,055	6	..	..	
Tadikalapudi	2,105	3	..	..	
Ragavapuram	3,561	6	..	..	
Narasapuram	5,773	9	..	..	
KISTNA.					
Banda Fort	25,479	40	..	..	7,387
Pedapatnam	1,571	2	216	..	
Uthipalem	3,208	5	..	..	
Gannavaram	1,926	3	..	..	
Kondur	4,150	..	..	..	
Dasullapalem	1,343	2	..	..	
Velvadam	785	1	..	..	
Vellatur	2,770	4	..	..	
Velagaleru	3,630	6	..	..	
Tadepalli	2,111	3	..	..	
Jangalapalli	1,151	2	..	..	
Gundaboyinapalem	1,039	2	..	..	
Pochampalli	1,291	2	..	..	
Ramamapeta	1,029	2	..	..	
Chillakallu	903	1	98	..	
Jaggayyapet	4,375	7	..	..	
Budavada	1,608	3	..	..	
Balusupadu	2,353	4	..	..	
Ravirala	1,646	3	..	..	
Gandraya	715	1	..	..	

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Statement showing the extent, etc., of panchayat forests—*conu.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).	
	In acres.	In square miles.	In acres.	In square miles.		
(1)	(2)	(3)	(4)	(5)	(6)	
GUNTUR.						
New Kothapalem	1,945	3	..	..	30,472 for the whole district.	
New Mupparajuvatipalem	2,949	5	..	..		
Muppalla	2,990	5	..	..		
Murtizapuram	2,186	3	..	..		
Pamidipad	1,796	3	..	..		
Agnigundala	4,853	8	..	..		
Kondramutla	3,051	5	..	..		
Gorrepad	1,015	2	..	..		
Koppam	659	1	..	..		
New Kundarru	1,395	2	..	..		
Mukteswaram	680	1	..	..		
Nagarajupalli	1,140	2	..	..		
Uppumagalur	972	2	..	..		
Guravajipalem	1,543	2	..	..		
Nakerikal	2,774	4	..	..		
Vankayalpad	2,207	3	..	..		
New Kondavid and four others.	Forests under their management ordered to be retransferred to the Forest department.					
Madinapad	6,481	10	..	..		
New Madinapad	3,600	6	..	..		
Durgi	1,169	2	..	..		
Madugula	2,055	3	..	..		
Gundlapad	1,890	3	..	..		
Kambhampad	721	1	..	..		
New Piduguralla	1,889	3	..	..		
Veldurti	3,609	6	..	..		
Gamalapad	1,598	2	..	..		
New Vemavaram	2,311	4	..	..		
Tangeda	2,410	4	..	..		
New Guttikonda	2,759	4	..	..		
Regulagadda	3,230	5	..	..		
Davda	2,860	4	..	..		
Mandadi	2,245	4	..	..		
Konanki	4,438	7	..	..		
Pillutla	2,412	4	..	..		
Macherla	3,000	5	..	..		
Kothapalli	5,136	8	..	..		
Jettipalem	907	1	..	..		
Laimalli	903	1	..	..		
New Nidumukkala	1,006	2	..	..		
Pedamaddur	305	..	..	..		
Mangalagiri	1,085	2	..	..		
Undavalli	1,138	2	..	..		
Kamepalli	2,050	3	..	..		
Dodleru	412	1	..	..		
Bellamkonda	1,241	2	..	..		
Kandipad	429	1	..	..		
Gundlapalli	948	1	..	..		
Peda Nermalipuri	2,500	4	..	..		
Kubadpuram	1,210	2	..	..		
New Rajupalem	4,648	7	..	..		
Inumetla	3,000	5	..	..		
Chinnakurthi	3,500	5	..	..		
Karlapalem	298	..	..	..		
Batchulavandlapalem	699	1	..	..		
Motupalli	658	1	..	..		
Vadarevu	889	1	..	..		
Pillalavaripalem	123	..	..	..		

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
NELLORE.					
Vindur	502	1	..	..	66,488 for the whole district.
Kammavaripalem	552	1	..	..	
Pidathalapudi	700	1	..	..	
Vodur Budanam	678	1	..	..	
Venkatesupalli	800	1	..	..	
Yellasiri	2,545	4	..	..	
Vallipadu	861	1	..	..	
Kothapatnam	2,764	4	..	..	
Thammanapatnam	789	1	..	..	
Momidi	1,604	3	..	..	
Vedicherla	829	1	..	..	
Uggumadi	2,543	4	..	..	
Pernad	2,955	5	..	..	
Venad	1,120	2	..	..	
Rajupalem	2,165	3	..	..	
Ayyagaripalem	206	..	..	..	
Chipinagi	1,086	2	..	..	
Penubarthi	1,394	2	..	..	
Dachur	1,379	2	..	..	
Nernur	1,299	2	..	..	
Chittalur	1,013	2	..	..	
Yetur	2,656	4	..	..	
Magallur	865	1	..	..	
Varintapathi	1,230	2	..	..	
Pulikollur	70	..	..	..	
Duggunta	915	1	..	..	
Gudur	1,093	2	..	..	
Chikavolu	1,215	2	..	..	
Pathegunta	1,785	3	..	..	
Utukur	690	1	..	..	
Turimerla	597	1	..	..	
Toderu	792	1	..	..	
Cherlopalle	1,022	2	..	..	
Jorepalle	2,175	3	..	..	
Siddavavaram Masidpet	1,051	2	..	..	
Chaganam	1,100	2	..	..	
Chintalapalem	479	1	..	..	
Podalakur	2,560	4	..	..	
Biradavolu	2,811	4	..	..	
Sydapuram	2,043	3	..	..	
Griddalore	450	1	..	..	
Turpupundla	947	1	..	..	
Marupur	2,896	5	..	..	
Palicherlapad	1,725	3	..	..	
Vadlapudi	2,051	3	..	..	
Marlapudi	2,703	4	..	..	
Kommipad	1,515	2	..	..	
Gulincherla	673	1	..	..	
Gilakapad	2,740	4	..	..	
Nellepalli	1,426	2	..	..	
Gundavole	2,121	3	..	..	
Veminabli	1,163	2	..	..	
Tammalatalapur	3,617	6	..	..	
Amancherla	976	2	..	..	
Chemudugunta	482	1	..	..	
Chondapalem	894	1	..	..	
Dontali	1,737	3	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
NELLORE— <i>cont.</i>					
Kakuturu	713	1	..	..	66,488 for the whole district— <i>cont.</i>
Kandamur	1,483	2	..	..	
Kondlapudi	1,670	3	197	..	
Madmanur	489	1	..	..	
Muthukur	604	1	..	..	
Nellore	750	1	1,780	3	
South Mopur	1,069	2	..	..	
Survepalli	3,803	6	..	..	
Vaddapalem	1,070	2	..	..	
Viranakanapur	1,864	3	..	..	
Gudipad	1,811	3	..	..	
Peda Annalur	643	1	..	..	
Anantasagaram	1,526	2	..	..	
Varikuntapad	865	1	..	..	
Baddevolu Bhamanapalli	1,024	2	..	..	
Marripad	883	1	..	..	
Tikkavaram	1,761	3	..	..	
Boyilla	577	1	..	..	
Chiruvalla	1,155	2	..	..	
Chegerla	829	1	..	..	
Bubagunta	1,229	2	..	..	
Rajavolu	1,979	3	..	..	
Bommavaram	1,966	3	..	..	
Gowavaram	4,241	7	..	..	
Kakivoy	695	1	..	..	
Kaluvoy	2,339	4	..	..	
Kothapalli	1,124	2	..	..	
Pongur	2,759	4	..	..	
Ramaswamipalli	2,411	4	..	..	
Vengampalli	1,027	2	..	..	
Minagulla	286	..	..	..	
Nandavaram	893	1	..	..	
Peramanakondur	683	1	..	..	
Ammavaripalem	3,416	5	..	..	
Srikolam	1,109	2	1,088	2	
Vasili	..	..	..	..	
Kotithirtham	2,966	5	..	..	
Veligondla	641	1	..	..	
Takkepalligudur	1,054	2	..	..	
Manubolupadu	1,487	2	..	..	
Bitragunta	2,408	4	..	..	
Kavali	2,601	4	..	..	
Budamagunta	353	1	..	..	
Zummalapalem	985	2	..	..	
Lingarazu Agraharam	1,925	3	..	..	
Gathipalli	628	2	..	..	
Kothapalli	987	..	..	..	
Siripuram	2,907	5	..	..	
Timmasamudram	1,129	2	..	..	
Kudumuladinnapad	4,661	7	..	..	
Rudrakota	2,019	3	..	..	
Tallepalem	712	1	..	..	
Tammalapenta	3,996	6	..	..	
Bhyravaram	1,942	3	..	..	
Dattalore	4,490	7	..	..	
Nandipad	837	1	..	..	
Yepalagunta	1,981	3	..	..	
Udayagiri Kondayapalem	1,845	3	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
NELLORE— <i>cont.</i>					
Krishnapuram	1,350	2	..	..	
Yorukallu Gundamadakala.	3,825	6	..	..	
Ranganaidupalli	994	2	..	..	
Guvvadi	1,493	2	..	..	
Gandipalem	962	2	..	..	
Kondareddipalli	998	2	..	..	
Bhatragolu	1,963	3	..	..	
Dagadurthi	1,727	3	..	..	
Kothapalli Kavaragunta ..	2,692	4	..	..	
Talamanchi Kammapalem.	1,768	3	..	..	
Marripad	1,477	2	..	..	
Sangam	1,063	2	..	..	
Turimerla	567	1	..	..	
Buchireddipalem	2,157	3	..	..	
Chelamcherla	5,254	9	..	..	
Tettu	3,922	6	..	..	
Pothur	2,422	4	..	..	
Muthuvaripalem Yelurpad	2,265	4	..	..	
Pajerla	1,857	3	..	..	
Ravur	2,000	3	..	..	
Gudlur	4,289	7	162	..	
Chinalaterpi	1,135	2	..	..	
Magilicherla	2,398	4	..	..	
Chagollu	679	1	..	..	
Bhimavaram	1,088	2	..	..	
Ulavapad	421	1	..	..	
Karedu	1,190	2	1,839	3	
Chakicherla	1,279	2	..	..	
Vengulapuram	1,640	3	..	..	
Peda Irlapad	3,900	6	..	..	
Pedacherlapalli	1,746	3	..	..	
Kanigiri	2,000	3	..	..	
Hajipuram	1,228	2	..	..	
Hanumanthunipad	667	1	..	..	
Timmareddipalli	724	1	..	..	
Reddigaripalli	1,033	1	..	..	
Raviguntapalli	1,251	2	..	..	
Narramarella	775	1	..	..	
Chenchureddipalli	1,525	2	..	..	
Inimerla	1,500	2	..	..	
Ayyavarpalli	1,273	2	..	..	
Rangampalle	2,880	4	..	..	
Patur	8,230	13	..	..	
Jangamrajupalle	3,295	5	..	..	
Mittamanipalli	1,986	3	..	..	
Jandlamoram	5,449	9	..	..	
Kallur	645	1	..	..	
Rameswaram	973	2	..	..	
Chilamkur	1,597	2	..	..	
Paidipalem	1,977	3	..	..	
Bogalakatta	3,440	6	..	..	
Bondalakunta	3,644	6	..	..	
Denepalli	2,613	4	..	..	
Mangapatnam	1,677	3	..	..	
Teliki	1,296	2	..	..	
Mallela	1,701	3	..	..	
Cherlopalle	1,035	2	..	..	
Uppalur	2,331	4	..	..	

66,488
for the whole
district—*cont.*

30th January 1939]

Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
NELLORE— <i>cont.</i>					
Sirigipalle	2,801	4	..	..	
Dhodiya	2,315	4	..	..	
Nakkavaripalle	2,436	4	..	..	
Diguvapatnam	14	..	..	..	
Gandikota	3,825	6	..	..	
Sethivaripalle	4,136	7	..	..	
Kosinipalle	2,841	5	..	..	
Kalamalla	1,087	2	..	..	
Peddandlur	1,465	2	..	..	
Talleproddatur	113	..	..	..	
Yamavaram	1,600	3	..	..	
Yerraballa	4,025	7	..	..	
Ambakapalle	2,249	3	..	..	
Komannutala	3,459	5	..	..	
Mararichintala	2,049	3	..	..	
Palagiri	1,280	2	..	..	
Kommaddi	684	1	..	..	
Kamalapuram	98	..	..	..	
Chinnalapenta	2,184	3	..	..	
Machanur	2,070	3	..	..	
Lebaka	358	..	..	..	
Isakibanda	1,099	2	..	..	
Karamatikona	4,923	8	..	..	
Kesapuram	2,989	5	..	..	
Madhavaram	3,373	5	..	..	
Kamalamarri	2,204	3	..	..	
Yeguvagottivedu	2,376	4	..	..	
Nulevedu	2,409	4	..	..	
Kurnutala	4,438	7	..	..	
Polemirapalle	1,702	3	..	..	
Sibyalu	4,215	7	..	..	
Tsundarpalle	3,000	5	..	..	
ANANTAPUR.					
Penukonda	5,956	9	..	..	
Somandepalle	2,525	4	..	..	
Rampuram	1,868	3	..	..	
Settipalli	4,075	6	..	..	
Pamudurti	4,122	6	..	..	
Agraharam	2,135	3	..	..	
Venkatigaripalli	2,163	3	..	..	
Talamarla	1,882	3	456	1	
Munimadugu	1,871	3	182	..	
Guttur	2,184	3	..	..	
Nyamaddala	1,855	3	..	..	
Gowriripalli	1,942	3	..	..	
Mallapalli	2,765	4	..	..	
Budali	2,164	4	..	..	
Chalirendale	3,518	5	..	..	
Kondur	2,047	3	..	..	
Demakethepalli	3,489	5	..	..	
Cherlopalli	1,478	2	..	..	
Madakasira	3,721	6	..	..	
Sankaragai	1,723	3	..	..	
Jambulabanda	2,470	4	..	..	
Gundamala	5,344	8	..	..	
Ratnagiri	1,127	2	..	..	
Mandalapalli	5,084	8	..	..	
Hottebetta	2,261	4	..	..	

66,488
(for the whole
district—*cont.*)2,816
(Penukonda
taluk).1,780
(Hindupur
taluk).2,489
(Madakasira
taluk).

[30th January 1939]

Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
ANANTAPUR— <i>cont.</i>					
Velichelamala	5,567	9	..	..	3,691 (Kadiri taluk).
Kurli	2,720	4	..	..	
Malakaranula	2,760	4	..	..	
Tanakal	2,257	4	..	..	
Somayagulapalli	1,226	2	..	..	
Katarupalli	2,488	4	..	..	
Nagireddipalli	3,854	6	..	..	
Jogannapeta	1,566	2	..	..	
Charupalli	3,088	5	..	..	
Allapalli	910	1	..	..	
Dorigal	4,419	7	2,964	5	
Eduahalli	1,400	2	..	..	
Mallipalli	2,099	3	200	..	
Pypedu	4,249	7	..	..	
Oddupalli	7,512	12	..	..	5,522 (Anantapur taluk).
Mattala	3,797	6	..	..	
Tarimala	5,782	9	..	..	
Singanamala	3,567	6	..	..	
Illur	1,911	3	353	1	
Marutla	2,141	3	..	..	
Kammur (Kotanka)	5,401	8	..	..	
Kolagalla	2,331	4	..	..	
Penakacherla	2,162	3	..	..	
Penakacherla	2,711	4	..	..	
Durgam	1,851	3	..	..	
Malyavantam	1,851	3	..	..	
Dadalur	3,477	5	..	..	2,222 (Dharmavaram taluk).
Ramagiri	2,057	3	..	..	
Pathapolian	3,947	6	..	..	
Narasampalli	2,189	3	..	..	
Gantapalli	4,004	6	..	..	
Jambugampalle	3,709	6	..	..	3,146 (Kalyandrug taluk).
Bertarapalle	1,241	2	..	..	
Sethur	4,373	7	..	..	
Pillalapalli	3,542	6	..	..	
Kalyandrug	4,344	7	..	..	
Kottur	5,424	9	..	..	
Enumuladoddi	1,799	3	..	..	
Kurukulapalli	1,344	2	..	..	
Beluguppa	2,935	5	..	..	
Tondapadu	2,534	4	..	..	
Kondupalli	2,690	4	..	..	4,265 (Gooty taluk).
Medinakulapalli	891	1	..	..	
Molakatalla	3,632	6	..	..	
Appcherla	2,468	4	..	..	
Arumpalle	3,790	6	..	..	
Yeddulapalle	3,941	6	..	..	
Tatrakallu	1,623	3	..	..	
Nagasamudram	4,746	7	..	..	
Pandikunta	3,339	5	..	..	
Palyam	1,567	2	..	..	
Dancherla	1,857	3	653	1	
Nelagonda	2,336	4	..	..	
Rampuram	3,001	5	13,202	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
ANANTAPUR— <i>cont.</i>					
Pinnepalle	3,007	5	..	..	4,826 (Tadpatri taluk).
Chandana	2,383	4	..	..	
Konappabipadu	4,534	7	..	..	
Yallanur	474	1	..	..	
Goddumarru	4,878	8	..	..	
Dadithota	4,718	7	..	..	
Yelluthla	3,065	5	..	..	
Bukkapuram	6,266	10	..	..	
Kunukuntla	2,680	4	..	..	
Muchukota	6,215	10	..	..	
Rangarajukunta	5,859	9	..	..	2,522
Sanjeevapuram	4,556	7	..	..	
Kenkatampalli	5,002	8	..	..	
Gudipadu	..	..	2,522	4	
BELLARY.					
Kachapanram	1,660	3	..	..	4,490 (Adoni taluk).
Halvi	1,086	2	..	..	
Kadimetla	2,036	3	..	..	
Banavasi	2,123	3	..	..	
Kotekallu	4,305	7	..	..	
Diffanakal	1,060	2	..	..	
G. Hosahalli	813	1	..	..	
Isivi	2,436	4	..	..	
Ballekal	799	1	..	..	1,570 (Alur taluk).
Bolagota	1,875	3	..	..	
Arikera	1,511	2	..	..	
Neraniki	3,012	5	..	..	
Yellarthi	2,143	3	..	..	
Suluvooy	2,179	3	..	..	
Holalagundi	2,087	3	..	..	335 (Bellary taluk).
Minchori	2,997	5	104	..	
Chilkantapuram	..	..	1,194	2	
Nemakal	3,018	5	..	..	
Halakundi	1,727	3	..	..	
H. Siddapuram	6,263	10	323	1	
Vitlapuram	2,376	4	..	..	
Gollapalli	2,365	4	..	..	3,991 (Rayadrug taluk).
Rayadrug	3,507	5	..	..	
Mallapuram	1,770	3	..	..	
Hirehal	2,737	4	..	..	
T. Veerapur	2,539	4	..	..	
Vadrahonnur	2,722	4	..	..	
Rathibhavivanka	2,246	4	..	..	
Konthanapalli	1,349	2	..	..	1,288 (Hadagalli taluk).
Halagapuram	5,105	8	..	..	
Chintrapalli	2,132	3	2	..	
Koilarghatta	2,341	4	..	..	
Hirehadagalli	1,940	3	..	..	
Sogi	1,098	2	..	..	

[30th January 1939]

Statement showing the extent, etc., of panchayat forests—cont.

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
BELLARY—cont.					
Hanvihalli	2,852	4	..	..	5,741 (Harpanahalli taluk).
Musivinakallahalli	2,319	4	..	..	
Chigarteri	2,686	4	..	..	
Nichapuram	2,508	4	..	..	
Nichavanahalli	6,226	10	..	..	
Bendigeri	2,274	4	..	..	
Kyarakatti	4,728	7	..	..	
Kanchikeri	3,478	5	..	..	
Uchandidurgam	3,288	5	..	..	
Aligilavada	3,506	5	..	..	
Kadathi	2,203	3	..	..	7,588 (Hospet taluk).
Togarikati	3,942	6	..	..	
Hayarada	3,858	6	..	..	
Dasanahalli	1,765	3	..	..	
Hulikatti	1,901	3	..	..	
Halavagal	1,893	3	..	..	
Arasanahalu	4,669	7	..	..	
Adivimallanakeri	1,863	3	..	..	
Nagathibasapuram	3,983	6	..	..	
Joga	4,816	8	..	..	
Dharmasagaram	3,047	5	..	..	1,465
Gadiganur	3,358	5	..	..	
Papinayakanahalli	2,827	4	..	..	
Upparahalli	1,929	3	..	..	
Daraji	3,069	5	..	..	
Kamalapuram	4,648	7	..	..	
Ingaligi	1,777	3	..	..	
Venkatapuram	3,018	5	..	..	
Kanvithimmapuram	2,691	4	..	..	
Hospet	3,272	5	..	..	
Dhomagal	1,524	2	..	..	2
Metriki	5,141	8	..	..	
Malapur	5,276	8	..	..	
Chikkantapur	5,318	8	1,465	2	
Ubbalagundi	2,141	3	..	..	
Bennekallu	4,183	7	..	..	
Boppalapuram	3,669	6	..	..	
Kothur	4,981	8	..	..	
Gajapuram	2,568	4	..	..	
Chiribi	2,213	3	..	..	
Sunkadakal	4,870	8	..	..	13,377 (Kudligi taluk).
Suladahalli	4,016	6	..	..	
Mangapuram	5,541	9	..	..	
Banvikallu	4,493	7	..	..	
Chikkobanahalli	3,386	5	..	..	
Nimbalagiri	3,288	5	..	..	
Hosahalli	3,583	6	..	..	
Jammobanahalli	3,801	6	..	..	
Gundumunugu	3,675	6	..	..	
Hulikunta	3,672	6	..	..	
Shidegal	7,007	11	..	..	8
Ramadurgam	5,951	9	..	..	
Choranur	5,220	8	..	..	
Gudeka I	6,145	10	..	..	
Gudeka II	5,620	9	..	..	
Appayyanahalli	2,866	4	..	..	
Sheliappanahalli	4,204	7	..	..	
Gollalingamanahalli	1,411	2	..	..	
Jiginahalli	4,518	7	..	..	
Hakuppi	4,749	7	..	..	
Kvanahalli	5,303	8	..	..	5
Sierokeriaginahalli	2,089	5	..	..	

30th January 1939]

Statement showing the extent, etc., of panchayat forests—cont.

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees.)
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
KURNOOL.					
Pendikallu	2,492	4	..	..	7,677 (Dhone division).
G. Erragudi	3,655	6	..	..	
Tuggali	1,902	3	..	..	
Jonnagiri	824	1	..	..	
Kappatralla	3,029	5	93	..	
Karumanchi	1,490	2	..	..	
Pattikonda	3,606	6	..	..	
Gundlakonda	4,476	7	..	..	
Eddupanta	1,472	2	..	..	
Mettupalle	1,808	3	958	1	
Kothaburuzu	1,198	2	..	..	1,449 (Kurnool division).
Katarikonda	2,861	4	..	..	
Ramakakota	1,819	3	96	..	
Veldurthi	2,800	4	..	..	
Yemboyi	3,244	5	182	..	
Peapalle	5,749	9	420	..	
Bethamcherla	5,467	9	..	..	
Velgode	6,751	11	..	..	
Ganapavaram	11,981	19	..	..	3,003 (Markapur division).
Yerragondapalem	9,054	14	..	..	
Ramavaram	2,267	4	890	1	492 (Nandyal division).
Yadavada	1,142	2	..	..	
Loddipalli	..	..	1,445	2	Kurnool division.
Bilakalagudur	..	..	418	1	Nandyal division.
CHINGLEPUT.					
Kallabiranpuram	612	1	..	..	3,008 (Madurantakam taluk).
Kolialam	839	1	..	..	
Gudlur A.	903	1	..	..	
Agili	386	1	..	..	
Acharapakkam	1,017	2	..	..	
Kattugudalur	2,434	4	..	..	
Rajapoliem	383	1	..	..	
Meyyur	..	..	360	1	
Edamichi	1,555	2	..	..	
Marudam	1,125	2	..	..	756 (Conjeeveram taluk).
Perungoli	712	1	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
CHINGLEPUT— <i>cont.</i>					
Sembakkam	1,670	3	..	..	8,611 (Chingleput taluk).
Manamathi	1,534	2	..	..	
Madayathur	1,370	2	..	..	
Kattangolathur ..	731	1	..	..	
Vandalur	1,818	3	..	..	
Unamanjeri	1,950	3	..	..	
Kumili	1,206	2	..	..	
Gudalur	2,704	4	341	1	
Gudalur and Tirutheri	1,761	3	..	..	
Vallam and Vemmeli	1,492	2	..	..	
Anjur	1,492	2	..	..	
Sirukundram	1,559	2	..	..	
Nemali	1,526	2	453	1	
Tirumani	753	1	..	..	
Oragadam	1,024	2	890	1	
Tirukalikundram ..	2,563	4	377	1	1,238 (Saidapet taluk).
Sulur	949	1	..	..	
Sonallur	1,365	2	..	..	
Hanumanthaputheri	571	1	94	..	
Illalur	1,188	2	..	..	
Kazar and Mambakkam	3,952	6	233	..	
Mambakkam	1,888	3	..	..	
Paranur	637	1	16	..	
Appur	1,874	3	..	..	
Maduraipakkam ..	451	1	..	..	2,029 (Sriperumbudur taluk).
Mittanamalli	236	..	..	..	
Nanmangalam	676	1	..	..	
Perumbakkam	114	..	..	..	
Tambaram	436	1	..	..	
Koilpadagai	772	1	..	..	
Tirumullavayal ..	534	1	..	..	
Mannur	553	1	402	1	
Maganiam	955	1	..	..	
Nallur	1,073	2	..	..	
Kavanur	515	1	138	..	1,750 (Tiruvallur taluk).
Thandarai	828	1	53	..	
Puduppai	359	1	..	..	
Vattambakkam	814	1	..	..	
Vadakkupattu	710	1	..	..	
Siruvanjur	504	1	..	..	
Meyyur	682	1	..	..	
Nayapakam	1,168	2	..	..	
Pulrambakam	656	1	..	..	
Mailapore	1,148	2	..	..	
Vembedu	839	1	..	..	1,902 (Ponneri taluk).
Palavakam	753	1	..	..	
Pallikuppam	863	1	..	..	
Senjiagaram	325	1	..	..	
Erumaivettipalayam	532	1	..	..	
Irugulam	824	1	..	..	
Kollanur	852	1	..	..	
Mukarambakkam ..	728	1	..	..	
Manali	1,354	2	..	..	
Nemalur	1,395	2	..	..	
Alamadhi	1,128	2	..	..	
Santhavelur	940	1	..	..	

30th January 1939]

Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
CHITTOOR.					
Padiputlabylu	2,332	3	..	..	21,069 (for the whole district).
Damalacheruvu	4,294	7	..	..	
Pakala	1,657	3	..	..	
Sanambatla	4,101	6	25	..	
Ganjireddipalli ..	6,145	10	..	..	
Gollapalli	2,460	4	..	..	
Maddireddigaripalli	348	..	..	..	
Malivaripalli	1,660	3	..	..	
Musalikunta	2,161	3	..	..	
Pepepalli	2,615	4	..	..	
Peddamandan	2,520	4	..	..	
Burugupalli	3,621	6	..	..	
Reddivaripalli	1,401	2	..	..	
Veligallu	3,139	5	..	..	
Bandrevu	3,768	6	..	..	
Gopidinne	3,325	5	..	..	
Sivapuram	1,705	3	..	..	
Tamballapalli	4,125	6	..	..	
Rangasamudram	956	1	..	..	
Devalcheruvu	2,664	4	..	..	
Peddapoliem	1,535	2	..	..	
Sompalli	2,321	4	..	..	
Kothavaripalli	5,507	9	..	..	
Vayalpad	2,954	7	..	..	
Peddamandan	1,249	..	..	..	
Pasalavandlapalli ..	1,802	3	..	..	
Kalicherla	5,165	8	..	..	
Burugupalli	1,840	3	..	..	
Chinnatippasamudram	2,014	3	..	..	
Marripad	5,413	8	..	..	
Errakotapalli	4,773	7	..	..	
Nadimcherla	2,105	3	..	..	
Nancheruvupalli ..	4,822	8	..	..	
Vepulabylu	3,065	5	..	..	
Guttapoliem	3,491	5	..	..	
Vagalla	2,518	4	..	..	
Talupula	3,552	6	..	..	
Nuthanakalva	3,698	6	..	..	
Mellacheruvu	4,078	6	..	..	
Khambamvaripalli ..	2,730	4	..	..	
Marella	2,055	3	..	..	
Gorantlapalli	4,275	7	..	..	
Somrajupalli	6,427	10	..	..	
Lakkanapalli	1,593	2	..	..	
Samudrapalli	2,029	3	..	..	
Kammanapalli	1,870	3	..	..	
Nangamangalam	815	1	..	..	
Diguvaipalli	1,059	2	..	..	
Tavanampalli	1,468	2	..	..	
Bandarlapalli	1,862	3	..	..	
Puthalpat	2,332	4	..	..	
Polavaram	865	1	..	..	
Chinnamareddi Khandigai	513	1	..	..	
Reddigunta	1,474	2	..	..	
Kalapalli	1,468	2	..	..	
Gandlapalli	1,800	3	..	..	
	2,700	4	..	..	

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Statement showing the extent, etc., of panchayat forests—cont.

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
CHITTOOR—cont.					
Panatur	2,266	4	..	..	21,069 (for the whole district)—cont.
Chittapara	1,824	3	..	..	
Gudipala	2,873	4	..	..	
Cheelapalli	3,780	6	..	..	
Patnam	2,634	4	..	..	
Yadamari	2,401	4	..	..	
Penumur	4,191	7	..	..	
Chintapenta	1,364	2	..	..	
Gundlapalli	2,887	5	..	..	
Nampalli	5,968	9	..	..	
Irala	3,637	6	..	..	
Putramaddi	2,442	4	..	..	
Paradarami	3,838	6	..	..	
Veerisettipalli	2,710	4	..	..	
Bodaguttapalli	3,672	6	..	..	
Dakshinapathapalaiyam	2,469	4	..	..	
Viludonipalayam	2,641	4	..	..	
NORTH ARCOT.					
Uriyur	622	1	..	..	874 (Arkonam taluk).
Velur	1,729	3	..	..	
Ammanur	265	..	..	..	
Ammur	2,297	4	..	..	2,927 (Wallajah taluk).
Jambukolam	2,842	4	..	..	
Senneleri	1,333	2	..	..	
Maranam	901	1	..	..	
Timmanacharikuppam	2,577	4	..	..	
Nandiyalam	1,996	3	..	..	
Ayilam	3,061	5	..	..	
Kuppam	2,535	4	..	..	
Punganur	2,432	4	..	..	
Varaghur	896	1	..	..	
Munjurpet	2,048	3	..	..	5,836 (Vellore taluk).
Palamadi	6,112	10	..	..	
Mottuppalayam	2,137	3	..	..	
Vallam	1,922	3	..	..	
Selamanatham	1,360	2	..	..	
Kilachur	808	1	..	..	
Unai	1,940	3	..	..	
Othiyathur	1,150	2	..	..	
Karadigudi	1,838	3	..	..	
Kilkothur	1,392	2	..	..	
Odugathur	1,821	3	..	..	6,282 (Gudiyattam taluk).
Agaram	2,027	3	..	..	
Katpadi	1,369	2	..	..	
Vandranthangal	2,119	3	..	..	
Karasamangalam	1,514	2	..	..	
Chenji	1,998	3	..	..	
Malayapattu	2,106	3	..	..	
Melmoyal	2,357	4	..	..	
Kalambat	912	1	..	..	
Kanguppam	2,100	3	..	..	
Nagal	2,695	4	..	..	982 (Cheyyar taluk).
Kakapadi	3,843	6	..	..	
Karkur	2,052	3	..	..	
Balur	1,730	3	..	..	
Pallalakuppam	3,662	6	..	..	
Pogalur	1,826	3	..	..	
Thottithoraimottur	972	2	..	..	
Chendathur	1,990	3	..	..	

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Statement showing the extent, etc., of panchayat forests—cont.

Name of panchayat.	Extent of reserved forests.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
NORTH ARCOT—cont.					
Vellakuttai	1,211	2	..	..	314 (Tiruppattur).
Annamalai	1,727	3	..	..	6,425 (Tiruvannamalai taluk).
Kilnathur	2,546	4	..	..	
Sellancuppam	1,734	3	..	..	
Kattampundi	3,199	5	..	..	
Nariyapattu	2,587	4	..	..	
Maruthuvambady	1,239	2	..	..	
Sorakkolathur	2,418	4	..	..	
Udirampundi	2,042	3	..	..	
Vettavalam	584	1	..	..	
Panaiyur	1,667	3	..	..	
Annamalai	..	..	580	1	9,726 (Chengam taluk).
Perumanam	1,236	2	..	..	
Adayar	2,259	4	..	..	
Melpadur	2,592	4	..	..	
Vadamathur	2,132	3	..	..	
Eraiyur	3,096	5	..	..	
Narasinganallur	1,160	2	..	..	
Pachal	1,823	3	..	..	
Chinniyampettai	2,276	4	..	..	
Gudalur	..	..	..	..	
Thenkarimbalur	3,061	5	..	..	4,763 (Polur taluk).
Radapuram	2,958	5	..	..	
Kilvannakkambadi	3,470	5	..	..	
Melkarippur	1,642	3	..	..	
Melpulidiyur	2,488	4	..	..	
Karimangalam	2,712	4	..	..	
Melchengam	1,542	2	..	..	
Muthanur	2,173	3	..	..	
Royandapuram	..	..	..	..	
Naranakuppam	1,720	3	..	..	
Ettivadi	2,963	5	..	..	1,606 (Wandiwash taluk).
Alliyalamangalam	1,296	2	..	..	
Padagam	1,808	3	..	..	
Pernambakkam	2,070	3	..	..	
Seyyanandal	2,346	4	..	..	
Kadaladi	3,224	5	..	..	
Thenmadimangalam	2,555	4	..	..	
Padavedu	883	1	..	..	
Thuluvapushpagiri	1,120	2	..	..	
Mattavettu	3,134	5	..	..	
Veeranandal	3,000	5	..	..	982 (Cheyyar taluk).
Budur	489	1	..	..	
Nedungunam	1,566	2	6	..	
Ponnur	1,656	3	27	..	
Nambodu	..	..	1,424	2	
Vengunam	868	1	..	..	
Visamangalam	819	1	..	..	
Enadavadi	1,579	2	..	..	
Thandappantangal	1,123	2	..	..	
Pullavakkam	..	..	312	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
SOUTH ARCOT.					
Annakarankuppam ..	2,956	5	..	..	30,565 (for the whole district).
Perperiankuppam ..	2,579	4	..	..	
Killai ..	3,355	5	..	..	
Ma. Pudur ..	1,694	3	..	..	
Manakollai ..	4,679	7	..	..	
Kottai ..	1,578	2	..	..	
Mudanai ..	863	1	..	..	
Mu. Parur ..	3,064	5	..	..	
Nemam ..	1,100	2	..	..	
Kuppanatham ..	1,705	3	..	..	
Kilkurichi ..	1,775	3	..	..	
Vilangulam ..	1,261	2	..	..	
Kanangur ..	2,814	4	..	..	
Porasakurichi ..	1,697	3	..	..	
Pusapadi ..	1,617	3	..	..	
Mulpalangur ..	3,260	5	..	..	
Athiyur ..	1,729	3	..	..	
Periapagandar ..	2,336	4	..	..	
Rishivandian ..	3,324	5	..	..	
Sithal ..	1,518	2	..	..	
Tottapadi ..	1,448	2	..	..	
Endal ..	2,967	5	..	..	
Magarur ..	1,263	2	..	..	
Mukkanur ..	1,164	2	..	..	
Vadaporiparappi ..	3,575	6	..	..	
Puthirampattu ..	1,008	2	..	..	
Ninnaiyur ..	2,600	4	..	..	
Pidagam ..	6,200	10	..	..	
Kuthakudi ..	1,295	2	..	..	
Arasangudi ..	6,044	9	..	..	
Ponniandal ..	2,272	4	..	..	
Madampundi ..	1,990	3	..	..	
Arunkurukkai ..	8,300	13	3	..	
Murungambady ..	980	2	..	..	
Manalurpettai ..	2,827	4	..	..	
Kunjaram ..	1,000	2	..	..	
Mandagapady ..	1,800	3	3	..	
Mattigai ..	1,030	2	..	..	
Pinnalavadi ..	1,200	2	..	..	
Edaikkal ..	3,390	5	..	..	
Mulasamudram ..	951	1	..	..	
Sengurichi ..	1,700	3	34	..	
Sirupakkam ..	1,080	2	..	..	
Kallandal ..	1,639	3	..	..	
Viranjipuram ..	1,392	2	..	..	
Malavantangal ..	608	1	..	..	
Nallapalayam ..	1,603	3	..	..	
Vikravandi ..	464	1	..	..	
Kattalai ..	1,200	2	..	..	
Kandadu ..	600	1	..	..	
Olagapuram ..	1,206	2	..	..	
Merkanam ..	680	1	..	..	
Sirukadambur ..	850	1	..	..	
Sevalaporai ..	1,633	3	..	..	
Alampundi ..	1,058	2	..	..	
Perungappur ..	1,453	2	..	..	
Sirukadambur ..	1,289	2	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat,	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres. (2)	In square miles. (3)	In acres. (4)	In square miles. (5)	
(1)					(6)
SOUTH ARCOT—cont.					
Gangavaram	956	1	..	..	30,595 (for the whole district)—cont.
Gangaram	2,918	5	..	..	
Thuthipattu	3,709	6	..	..	
Anantapuram	787	1	..	..	
Karai	1,697	3	..	..	
Malavantangal	657	1	..	..	
Virangipuram	361	1	..	..	
Ponnampundi	781	1	..	..	
Paddipallam	3,047	5	..	..	
Periamur	2,278	4	..	..	
Nallampillaipettah	1,857	3	..	..	
Nallampillai Kuppam	4,445	7	..	..	
Sethavarai	1,757	3	..	..	
Puvanur	..	..	444	1	
CUDDAPAH.					
Rangampalle	2,880	1	1,046	2	17,229
Patur	8,230	13	..	..	
Jangamragipalle	3,295	5	..	..	
Mittamanipalle	1,986	3	..	..	
Jandlamoram	5,449	9	..	..	
Kallur	645	1	..	..	
Rameswaram	973	2	..	..	
Chilankur	1,597	2	..	..	
Paidipalem	1,977	3	..	..	
Bogalakalla	3,440	5	..	..	
Bondalakunta	3,644	6	..	..	
Denepalle	2,613	4	..	..	
Mangapatnam	1,677	3	..	..	
Teliki	1,296	2	..	..	
Mallela	1,701	3	2,928	5	
Cherlopalle	1,035	2	..	..	
Uppalur	2,331	4	339	1	
Sirigipalle	2,801	4	..	..	
Dhodiya	2,315	4	..	..	
Nakkavaripalle	2,436	4	..	..	
Diguvapatnam	14	..	587	1	
Gandikota	3,825	6	..	..	
Settivaripalle	4,136	6	..	..	
Kosinipalle	2,841	4	..	..	
Kalamalla	1,087	2	..	..	
Peddandhur	1,465	2	..	..	
Tallaprodatur	113	..	..	..	
Yamavaram	1,600	3	..	..	
Yerraballa	4,025	6	..	..	
Ambakapalle	2,249	4	..	..	
Komannutala	3,469	5	..	..	
Mararichintala	2,049	3	..	..	
Palagiri	1,280	2	..	..	
Kommaddi	684	1	..	..	
Kamalapuram	98	..	..	..	
Chinialapenta	2,184	3	682	1	
Machanur	2,070	3	..	..	
Lebaka	358	1	143	..	
Tsakibanda	1,099	2	..	..	
Karamatikona	4,923	8	..	..	
Keasapuram	2,989	5	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
CUDDAPAH—cont.					
Madhavaram	3,373	5	..	..	17,929—cont.
Kamalamarri	2,204	3	..	..	
Yeguvagottivedu	2,376	4	..	..	
Nulivedu	2,409	4	..	..	
Kurnutala	4,438	7	..	..	
Polimerapalle	1,702	3	..	..	
Sibyala	4,215	7	..	..	
Tsundapalle	3,000	5	..	..	
Venkayakalva	..	..	869	1	
Lingala	..	..	4,487	7	
Velidandla	..	..	2,243	4	
Vandadi	..	..	3,390	5	
TRICHINOPOLY.					
Perali	1,319	..	..	..	4,938 (Perambalur taluk).
Sithali	1,226	2	..	..	
Kilapuliyur	766	1	..	..	
Namaiyur	885	1	..	..	
Kalathur	1,382	2	..	..	
Ayyanarpalayam	2,874	4	..	..	
Kariyanur	774	1	..	..	
Periyavadagarai	912	1	..	..	
Venbavur	1,782	3	16	..	
Tiruppayar	1,644	3	..	..	
Veppanthattai	544	1	6	..	
Velur	2,989	5	..	..	2,721 (Udayarpalayam taluk).
Sathiramanai	1,853	3	..	..	
Kurumbalur	1,963	3	..	..	
Siruvachur	1,984	3	..	..	
Narayanamangalam	1,263	2	..	..	
Kilnatham	1,516	2	..	..	
Sathambadi	1,000	2	..	..	
Ulliyakudi	697	1	..	..	
Vilangudi	1,089	2	..	..	
Periyavalayam	1,065	2	..	..	
Vettiarvettu	429	1	..	..	1,870 (Lalgudi taluk).
Siluvacheri	1,054	2	..	..	
Kanguli	800	1	..	..	
Ayyur Mudukulam	2,092	3	..	..	
Tirukonam	1,645	3	..	..	
Thathanur	1,500	2	..	..	
Nedungur	634	1	..	..	
Maniankurichi	1,005	2	..	..	
Edumalai	1,601	3	..	..	
Thachankurichi	2,409	4	..	..	
Maramareddipalayam	783	1	..	..	4,186 (Musiri taluk).
Thinnanur	259	..	..	..	
Omandur	753	1	..	..	
Neduvalur	1,763	3	..	..	
Kurichimalai	1,110	2	..	..	
Kottathur	2,209	3	..	..	
Pulivalam	863	..	..	..	
Vellakkalpatti	1,858	3	..	..	
Viramachampatti	1,900	3	..	..	
Ponnusanganpatti	1,978	3	..	..	
Mavilipatti	1,798	3	..	..	

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Statement showing the extent, etc., of panchayat forests—*cont.*

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees).
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
RAMNAD.					
Kothankulam	550	1	..	..	707
MADURA.					
Kalvarpatti	4,768	7	..	..	4,290 (Dindigul division).
Thengarai	1,329	2	..	..	
Vannampatti	2,253	4	..	..	
Sengattampatti	1,804	3	..	..	
Nadakottai	874	1	..	..	1,249 (Usilampatt. division).
Munnadimangalam	1,495	2	..	..	
Pappapatty	141	..	..	..	
Nariampatty	324	1	..	..	
Manuthu	706	1	..	..	
Nalluthevanpatty	3,215	5	..	..	
Veerapandi	444	1	..	..	466 (Melur division). (Dindigul division). (Usilampatti division). (Melur division).
Allinagaram	710	1	..	..	
Chinnamanoor	441	1	..	..	
Mungipatty	..	..	553	1	
Vilacheri	1,521	2	103	..	
Narasingampatty	1,101	2	..	..	
Puthur	198	..	266	..	
Gollapatty	..	..	291	..	
Sengurichi	..	..	1,744	3	
Thadayampatty	..	..	987	2	
Pallapatty	..	..	1,360	2	
TINNEVELLY.					
Patheranagaram	..	..	228	..	1,897
Thalayattu	1,446	2	..	..	
Gangaikondan	1,391	2	..	..	
Sivalaperi	215	..	..	..	
Melapattam	913	1	..	..	
Muthur	848	1	..	..	
Sivalarkulam	1,411	2	..	..	
COIMBATORE.					
Mettupalayam	1,485	2	..	..	4,751 (Coimbatore taluk).
Kijjirampalayam	2,987	5	..	..	
Modur	3,379	5	..	..	
Sirumugai	1,721	3	..	..	
Tekkampatti	1,312	2	..	..	
Alathi	1,340	2	..	..	
Ethinadai	2,357	4	..	..	
Dalavipatnam	956	1	..	..	
Udiyur	910	1	..	..	
Garudankottai	1,604	3	..	..	
Arachalur	1,084	2	..	..	4,942 (Erode taluk).
Chennimalai	886	1	..	..	
Ekkatampalayam	828	1	..	..	
Punjai Palatholuvu	278	..	..	..	
Dalavaipalayam	682	1	..	..	
Sembagapudur	2,010	3	..	..	
Periakattipatti	2,303	4	..	..	
Alampalayam	2,866	4	..	..	
Thoppampalayam	2,980	5	..	..	
Panayamballi	2,331	4	..	..	
Andiyur	3,132	5	..	..	

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Statement showing the extent, etc., of panchayat forests—cont.

Name of panchayat.	Extent of reserved forest.		Reserved land.		Income of the panchayat (in rupees),
	In acres.	In square miles.	In acres.	In square miles.	
(1)	(2)	(3)	(4)	(5)	(6)
SALEM.					
Ulkurichi	2,816	4	..	..	1,103 (Hosur division).
Thattakkal	856	1	..	..	
Thogarapalli	900	1	..	..	
Varatanapalli	2,330	4	..	..	
Gunnissettipalli	1,047	2	..	..	7,566 (Dharmapuri division).
Ramenahalli	3,429	5	..	..	
Ganapathipatti	3,036	5	..	..	
Sellampatti	3,329	5	..	..	
Vadapatti	1,563	2	..	..	
Sungarahalli	960	1	..	..	
Mobiripatti	1,679	3	..	..	
Kilmorappur	2,273	4	..	..	
Thammissetipatti	2,263	4	..	..	
Ammamet	3,142	5	..	..	3,193 (Sankari division).
Kattarasampalli	4,200	7	..	..	
Pudur Pungani	1,120	2	..	..	
Kallavi	4,042	6	..	..	
Vellalapatti	867	1	..	..	
Athipadi	3,949	6	..	..	
Sundamalai	650	1	..	..	
Katteri	3,168	5	..	..	
Gonur	2,998	5	..	..	
Mookanur	1,260	2	..	..	
Thottipatti	1,516	2	..	..	6,562 (Salem division).
Kolnayakanpatti	4,000	6	..	..	
Suriamalai	4,166	7	..	..	
Pakkanad	4,086	6	..	..	
Kudumalai	1,472	2	..	..	
Kiripatti	3,189	5	..	..	
Kondayampalli	3,696	6	..	..	
Siliampatti	2,328	4	..	..	
Tandrayapuram	2,460	4	..	..	
Virapandi Murungapatti	4,472	7	..	..	
Pomarampatti Kattuvelpallapatti.	2,773	4	2,332	4	
Panamarathupatti	3,173	Handed over to Forest Department.			
Guralnattam	..	..	1,066	2	Salem division.
Elagiri	..	..	1,071	2	
Guzzalnayakanpatti	3,937	6	..	..	
SOUTH KANARA.					
Bhogotigutti	39	..	..	..	717
Volaikadu	28	..	..	..	
Heroor	151	..	..	..	
Baikadi	242	..	..	..	
Banglehadi	114	..	..	..	
Belapu	309	..	..	..	
Belletta Thumandi	108	..	..	..	
Kadandale	223	..	..	..	
Ramasamudram Kadu	529	1	..	..	
Katipalla	204	..	..	..	

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A statement showing the area of timber forests, nature of timber grown, area of fuel forests and nature of fuel in each division under working plan in acres.

(Information for each district is not available.)

Name of division.	Fuel forests.		Timber forests.	
	Area of fuel forests.	Nature of fuel.	Area of timber forests.	Nature of timber grown.
(1)	(2)	(3)	(4)	(5)
	ACS.		ACS.	
1 Vizagapatam ..	16,873	Miscellaneous species.	15,869	Sal, miscellaneous timber, teak and soft wood.
2 Godavari, Upper	1,017	Do.	37,457	Teak and miscellaneous timber.
3 Godavari, Lower.	41,986	Miscellaneous species and casuarina.	7,766	Miscellaneous timber.
4 Guntur	28,436	Miscellaneous species.	1,286	Palmyra and babul.
5 Nellore	32,370	Miscellaneous species and casuarina.	..	..
6 Anantapur	31,640	Miscellaneous species.	14,054	Miscellaneous timber.
7 Kurnool, East ..	6,262	Do.	130,518	Miscellaneous timber and soft wood.
8 Kurnool, South ..	55,893	Do.	124,581	Miscellaneous timber and palmyra.
9 Kurnool, West ..	..	..	28,924	Do.
10 Cuddapah, North	96,905	Miscellaneous species.	604	Palmyra, red sanders and miscellaneous species.
11 Cuddapah, South.	79,929	Do.	159,707	Red sanders and miscellaneous timber.
12 Chittoor	56,263	Do.	26,492	Red sanders, soft wood and miscellaneous timber.
13 Salem, South ..	29,737	Do.	5,539	Miscellaneous timber.
14 Salem, Central ..	69,114	Do.	52,340	Palmyra and miscellaneous timbers.
15 Salem, North ..	7,850	Do.	..	....
16 Vellore, East ..	54,975	Do.	..	
17 Vellore, West ..	58,973	Do.	8,209	Miscellaneous timber.

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A statement showing the area of timber forests, nature of timber grown, area of fuel forests and nature of fuel in each division under working plan in acres—*cont.*

Name of division. (1)	Fuel forests.		Timber forests.	
	Area of fuel forests. (2)	Nature of fuel. (3)	Area of timber forests. (4)	Nature of timber grown. (5)
	ACS.		ACS.	
18 Coimbatore, North.	66,275	Miscellaneous species.	157,748	Karimarudu, Pillamarudu, vengai, thadasal and miscellaneous timbers.
19 Coimbatore, South.	20,200	Do.	38,006	Mesua, rosewood, teak, karimarudu, pillamarudu, white and red cedar and miscellaneous timbers.
20 Kollegal	22,952	Do.	14,634	Teak and miscellaneous timbers.
21 Madura	167,157	Miscellaneous species and eucalyptus.	15,766	Teak, ainee, rosewood, pinewood and miscellaneous timbers.
22 Tinnevelly	50,905	Do.	13,036	Teak, mesua and miscellaneous timbers.
23 Tanjore	1,663	Miscellaneous species.	..	....
24 South Kanara ..	23,538	Do.	62,312	Hopea, teak, karimarudu, pillamarudu and miscellaneous timbers.
25 Wynaad	..	..	109,288	Teak, rosewood, mesua, karimarudu and miscellaneous timbers.
26 The Nilgiris ..	1,842	Eucalyptus and miscellaneous species.	28,999	Teak, rosewood and miscellaneous species.
27 Nilambur	..	..	40,408	Teak, rosewood, karimarudu, hopea, pali poon and miscellaneous timbers.
28 Palghat	20,092	Miscellaneous species.	51,398	Teak, rosewood, karimarudu, mesua, pali poon and miscellaneous species.

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Forest area open to grazing in each Forest division.

(Information for each district is not available.)

Name of the division. (1)	Area open to grazing in			
	Reserved forests.		Reserved lands.	
	(2)		(3)	
	SQ. MILES.	ACS.	SQ. MILES.	ACS.
1 Vizagapatam	285	182,400	84	53,760
2 Godavari, Upper	881	563,840	..	..
3 Godavari, Lower	400	256,000	47	30,080
4 Guntur	558	357,120	..	..
5 Nellore	36	22,400	..	..
6 Anantapur	378	241,920	..	..
7 Kurnool, East	874	559,360	..	..
8 Kurnool, South	714	456,960	..	..
9 Kurnool, West	823	526,720	..	..
10 Cuddapah, North	902	577,280	..	..
11 Cuddapah, South	627	401,280	1	640
12 Chittoor	466	298,240	..	..
13 Vellore, East	452	289,280	..	..
14 Vellore, West	334	213,760	..	..
15 Salem, North	518	331,520	..	..
16 Salem, Central	516	330,240	3	1,920
17 Salem, South	362	231,680	19	12,160
18 Kollegal	934	597,760	..	..
19 Coimbatore, North	805	515,200	1	640
20 Coimbatore, South	210	134,400	..	..
21 Madura	486	310,400	..	..
22 Tinnevelly	179	114,560	..	..
23 Tanjore	36	22,400	1	640
24 South Kanara	787	503,680	..	..
25 Wynaad	259	165,760	..	..
26 Nilambur	..	..	..	..
27 Palghat	108	67,840	..	..
28 The Nilgiris	439	280,960	6	3,840
Total	13,364	8,552,960	162	103,680

Statement showing the quantity of timber extracted and the amount realized during the year 1937-38 in each circle.

(Information in each district is not available.)

Name of circle.	Timber.	
	Quantity in thousands of cubic feet.	Amount realized in 1937-38.
		RS.
Waltair	449	53,846
Bellary	458	52,572
Salem	141	3,017
Coimbatore	715	3,13,241
Ootacamund	1,830	10,91,081
Total for the Presidency.	3,593	15,13,757 *

* The amount realized in the year does not correspond exactly with the volumes produced, as a part of the timber extracted in 1936-37 was sold in 1937-38, and a part of the timber extracted in 1937-38 was sold only in 1938-39.

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APPENDIX II.

[Vide answer to starred question No. 148 asked by Sri D. Sriramamurti at the meeting of the Legislative Council held on the 30th January 1939, page 186 supra.]

Number of appointments.	Names of appointees.	Andhra or Non-Andhra.	Whether Non-Andhras are qualified in Telugu.
(1)	(2)	(3)	(4)
	<i>(a) Colleges.</i>		
8	Sri T. Suryanarayana, Principal, Government Arts College, Rajahmundry.	Andhra ..	....
	Sri K. C. Subrahmanya Ayyar, Principal, Training College, Rajahmundry.	Non-Andhra.	....
	Mr. P. V. Alexander, Lecturer in English, Government Arts College, Rajahmundry.	Do.	....
	Sri C. D. Subrahmanya Chetti, Principal, Ceded Districts College, Anantapur.	Do.	Knows well. Telugu
	Sri P. B. Patnaik, Lecturer in Mathematics, Ceded Districts College, Anantapur.	Andhra ..	....
	Dr. M. Karamchand, Lecturer in English, Ceded Districts College, Anantapur.	Punjabi ..	....
	Sri P. Narayana Gowd, Lecturer in Chemistry, Ceded Districts College, Anantapur.	Andhra ..	....
	Sri S. Ganapathisubrahmanyam, Lecturer in Physics, Ceded Districts College, Anantapur.	Non-Andhra.	....
	<i>(b) Inspectorate.</i>		
8	Muhammad Abdul Ali Sahib Bahadur, District Educational Officer, Vizagapatam.	Andhra ..	....
	Sri Damodara Mudaliyar, District Educational Officer, Kistna.	Non-Andhra.	Knows well. Telugu
	Sri M. R. Subrahmanya Ayyar, District Educational Officer, West Godavari.	Do.	Knows and has passed the Telugu tests.
	Sri D. Ramayya, District Educational Officer, Kistna.	Andhra ..	....
	Sri K. P. Govinda Menon, District Educational Officer, Vizagapatam.	Non-Andhra.	....
	Sri C. Raghunatha Ayyangar, District Educational Officer, Guntur.	Do.	Knows well and has passed the Telugu tests.
	Sri S. Murugesu Mudaliyar, District Educational Officer, Kurnool.	Do.	....
	Sri P. Raghavaiah, District Educational Officer, Chittoor.	Do.	(Chittoor is bi-lingual.)

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APPENDIX III.

[Vide answer to starred question No. 149 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 30th January 1939, page 187 supra.]

Resolutions passed at the Conference of Ministers of Industries held in Delhi on the 2nd and 3rd October 1938 under the Chairmanship of Sjt. Subash Chandra Bose, President of the Indian National Congress.

(1) This Conference of the Ministers of Industries is of the opinion that the problems of poverty and unemployment, of national defence and of the economic regeneration in general cannot be solved without industrialization. As a step towards such industrialization, a comprehensive scheme of national planning should be formulated. This scheme should provide for the development of heavy key industries, medium scale industries and cottage industries, keeping in view our national requirements, the resources of the country, as also the peculiar circumstances prevailing in the country.

The scheme should provide for the establishment of new industries of all classes and also for the development of the existing ones.

Large-scale Industries.

(2) This Conference, having considered the views of several Provincial Governments, is of the opinion that pending the submission and consideration of a comprehensive industrial plan for the whole of India, steps should be taken to start the following large-scale industries of national importance on an all-India basis and the efforts of all Provinces and Indian States, should as far as possible, be co-ordinated to that end:—

- Manufacture of machinery and plant and tools of all kinds.
- Manufacture of automobiles, motor boats, etc., and their accessories and other industries connected with transport and communication.
- Manufacture of electrical plant and accessories.
- Manufacture of heavy chemicals and fertilizers.
- Metal production.
- Industries connected with power generation and power supply.

Planning Committee.

(3) With a view to doing preliminary work for giving effect to the resolutions (1) and (2), this Conference appoints a Planning Committee, the personnel of which will be announced later by the Congress President.

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To enable this Committee to commence work forthwith, the different Provincial Governments are requested to make suitable financial contributions. The Committee will submit its report to the Congress Working Committee and to the All-India National Planning Commission provided for hereafter within four months of the commencement of its sitting.

(4) This Conference is further of opinion that a Commission, fully representative of all-India, including the British Indian Provinces and the Indian States, should be appointed for the purpose of giving effect to resolutions (1) and (2) after due consideration of the recommendations of the Planning Committee. The Commission to be called the All-India National Planning Commission, shall consist of the following members with powers to co-opt—

- (a) One nominee of the Government of each Province or State co-operating in this work.
- (b) Four representatives of the Federation of Indian Chambers of Commerce.
- (c) A representative of the All-India Village Industries Association.
- (d) All members of the Planning Committee mentioned in Resolution No. (3).

Expert Advisers.

The Planning Committee and the All-India National Planning Commission shall have a paid non-member Secretary with the necessary staff. The Commission shall, at its first meeting, frame rules for its own procedure.

The Commission may appoint a sub-committee or sub-committees of experts to report to it on technical or financial aspects of any industry under consideration and may, for expert investigation, employ suitable technicians.

The Commission shall submit interim reports on each industry by definite dates to be fixed by the Commission at its first meeting.

First Meeting.

The first meeting of the All-India National Planning Commission shall be presided over by the President of the Indian National Congress. At that meeting the Commission shall elect its own Chairman, who if not already a member of the Commission, shall, ex officio, become a member of that body.

The Commission shall, in its report, formulate complete schemes including recommendations on the following points:—

- (a) Place or places where a particular industry shall be established with due regard to all relevant circumstances, such as the supply of raw materials, natural and local advantages, facilities, etc.

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- (b) Method of organization of industry, whether it should be under complete State control or under private enterprise and, in the latter case, the mode of State aid.
- (c) The method of financing the industry and its management.

Each co-operating Province and State shall make an initial financial contribution to the Commission to meet all necessary expenditure.

As soon as the All-India National Planning Commission comes into existence, the Planning Committee provided for in Resolution No. (3) will be absorbed in the Commission and will place before the Commission all the facts, materials, reports, etc., collected or drawn up by it.

Mr. V. V. Giri, Minister of Industries, Madras, will take the necessary steps in bringing into existence the All-India National Planning Commission and will also convene the first meeting of the Commission.

Power Alcohol.

(5) This Conference is of opinion that it is of national importance that industrial and power alcohol should be manufactured in India and the necessary raw material, chiefly molasses, now available in India in huge quantities which is at present being wasted, should be fully utilized. This Conference has heard with satisfaction that the Governments of the Provinces of United Provinces and Bihar, Bombay and Madras have schemes for the manufacture of power and industrial alcohol under their consideration. This Conference is of opinion that all the Provinces and States should fully co-operate and assist in the establishment and development of such an industry on an all-India scale, and to that end this Conference strongly recommends that necessary legislation should be enacted throughout India, to make illegal the sale of petrol unmixed with power alcohol for purposes of automobile fuel.

Automobile Industry.

(6) This Conference resolves that all the Provincial Governments and Indian States should co-operate with and assist one another in matters of marketing, industrial research, compilation and distribution of commercial and industrial intelligence, expert advice and technical and vocational education.

(7) This Conference favours the automobile project placed before it and recommends that the Planning Committee should examine the whole scheme in all its details and make its recommendations to the National Planning Commission.

THE MADRAS LEGISLATIVE COUNCIL

Tuesday, the 31st January 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Separate schools run by the Labour department in Malabar for scheduled classes.

* 154 Q.—SRI K. MADHAVA MENON: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether the Government have received any representation from Malabar that the separate schools for scheduled classes need no longer be continued except in the most backward areas for the benefit of the aboriginal or hill tribes and that the funds of the Labour department be utilized for the supply of slates, books, dress, etc., to all the scheduled class pupils attending the elementary schools in the district;

(b) whether the Government have received any representation from Malabar that the post of the District Labour Officer be made honorary;

(c) whether it is a fact that an honorary Labour Officer was at one time in charge of the Labour department in Malabar; and

(d) whether it is a fact that the Labour department in Malabar has not so far included in its work the programme of encouraging mixed education of the scheduled class pupils in the common schools?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—“(a), (b) & (c) The answer is in the affirmative.

“(d) The answer is in the negative.”

SRI K. MADHAVA MENON:—“May I ask, Sir, what is the necessity to retain the labour school where there is a district board or aided school or both within a radius of half a mile where Harijans are freely admitted now?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The policy of the department is to see that as far as possible scheduled caste pupils are admitted into the schools that are already existing and to open new schools where the existing schools are not accessible to them.”

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SRI K. MADHAVA MENON:—"May I ask with regard to clause (c) whether the work done by the honorary Labour Officer and that done by the present paid Labour Officer are the same?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"It may be different. At one time it was found that an honorary Labour Officer was enough for doing the work, but as the activities of the Labour department have been greatly extended now, it is not possible to have an honorary officer to carry on the duties."

Acquisition of lands for house-sites for scheduled classes in Malabar.

* 155 Q.—SRI K. MADHAVA MENON: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that under the existing regulations the Labour department cannot acquire lands for the purpose of house-sites to the scheduled classes in Malabar;

(b) if so, whether the district authorities have brought the legal difficulty to the notice of the Government; and

(c) whether the Government now propose to remove the legal difficulty in the matter?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—" (a) There is no such prohibition.

" (b) & (c) Do not arise."

Acquisition of land for the Headquarters Hospital building at Calicut.

* 156 Q.—SRI K. MADHAVA MENON: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether proceedings for acquisition of lands have been started for a new building for the Headquarters Hospital at Calicut; if so, at what stage it is now;

(b) whether the scheme for water-supply in the Calicut Municipality has been taken up; if so, at what stage it is now; and

(c) whether the scheme for drainage for the Calicut Municipality has been taken up; if so, at what stage it is now?

THE HON. DR. T. S. S. RAJAN:—" (a) Draft notification under section 4 (1) of the Land Acquisition Act has been published. Draft notification under section 6 of the Act is awaited from the Collector of Malabar.

" (b) The Chief Engineer, Public Works Department (General, Buildings and Roads), has reported that tenders for the infiltration wells and suction wells have been received and that an

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indent for the supply of pipes had been placed with the Indian Stores Department. Notifications under section 4 (1) of the Land Acquisition Act have been issued for the lands required for the headworks. The selection of the sites for location of infiltration wells is under consideration.

" (c) The investigation of the drainage scheme is in progress."

SRI K. MADHAVA MENON:—"May I know, Sir, whether the Hon. Minister is aware that the department is not able to spend the entire amount budgeted this year?"

THE HON. DR. T. S. S. RAJAN:—"The Government are not aware of it, but it is just possible that they are not able to spend it. It happens in very many cases where works are not completed."

Communitywar list of persons imprisoned in connexion with anti-Hindi agitation.

* 157 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR on behalf of Sri Diwan Bahadur R. Srinivasan: Will the Hon. the Prime Minister be pleased to state the number of men and women among the (1) Hindus, (2) Muslims, (3) Indian Christians and (4) Scheduled Castes who were imprisoned in the matter of anti-Hindi agitation since the introduction of Hindi in schools in this Province up to the 30th November 1938?

THE HON. SRI C. RAJAGOPALACHARIAR:—"The figures up to 30th November 1938 analysed as far as possible are as follows:—

			Hindus (other than Scheduled Castes).	Muslims.	Indian Christians.	Scheduled Castes.
Men	..	..	305	36	6	36
Women	..	..	17	..	..	..

SRI K. MADHAVA MENON:—"May I ask whether the persons who are recruiting people for this picketing campaign are making special appeals to people suffering from bad maladies to come as volunteers for this purpose saying that they would get good treatment in the jail hospitals?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I hope it is not true, Sir."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I know whether people are really recruiting persons for this purpose?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"That is a fairly strong presumption, Sir, under the circumstances."

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“Have they got any evidence to that effect, Sir?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I cannot produce it here, Sir.”

Failure of crops in the districts of Chittoor, North and South Arcot, Nellore and the Ceded districts and relief measures taken.

* 158 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI:
Will the Hon. the Minister for Revenue be pleased—

(a) to place before the House the reports of Collectors of the districts of Chittoor, North Arcot, South Arcot, Nellore and the Ceded districts regarding the failure of crops by reason of the failure of the monsoon; and to state

(b) the extent of failure of the several crops in the said districts on account of failure of rains;

(c) the measures adopted or proposed to be adopted for the relief of the people that suffered thereby; and

(d) whether the Government have sanctioned any additional staff for the detailed investigation of the loss caused thereby?

THE HON. SRI T. PRAKASAM:—“(a) The Government consider that no useful purpose will be served by placing these reports on the table of the House.

“(b) The figures will not be known until the azmaish of the crops has been completed.

“(c) The question will be considered on receipt of the recommendations of the local officers.

“(d) The answer is in the negative.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know, Sir, whether the Revenue Board Member has inspected Chittoor and other districts affected and what his recommendations are with regard to this?”

THE HON. SRI T. PRAKASAM:—“It is a fact that he inspected, but I cannot say what his recommendations are now.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“With reference to clause (b) may I ask whether the Government propose to postpone the collection of kists or give more remissions in the affected areas?”

THE HON. SRI T. PRAKASAM:—“As circumstances warrant, the matter will be decided.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask, whether the Government are aware of the fact that the District Collector has passed orders to the effect that the December

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kist need not be collected, but now the revenue authorities are compelling the ryots to pay the instalments for both the months in this month itself?”

THE HON. SRI T. PRAKASAM:—“The matter will be considered on the statement made by the hon. Member.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask whether the Government cannot give instructions to the Collector that the December kist may be postponed to the month of April?”

THE HON. SRI T. PRAKASAM:—“No undertaking can be given now.”

Certain insulting observations alleged to be made by the Sub-divisional First-class Magistrate, Puttur division, South Kanara district, on a case in which a fisherwoman was alleged to have been ill-treated.

* 159 Q.—SRI K. MADHAVA MENON on behalf of Khan Bahadur T. M. Moidu Sahib Bahadur: Will the Hon. the Minister for Law be pleased to state—

(a) whether the Government are aware of the following observations of the Subdivisional First-class Magistrate, Puttur division, South Kanara district, in his judgment in Criminal Appeal No. 21 of 1938 disposed of on 30th September 1938, viz., “It is a matter of regret that in a petty case of one man holding a fisherwoman by her blouse and another her hand for a few seconds, the learned Sub-Magistrate thought it fit to award a sentence that extended to six months’ rigorous imprisonment in the case of accused 1 and four months’ rigorous imprisonment in the case of accused 2”;

(b) whether there is any special law which provides for a lesser punishment when the person assaulted belongs to the depressed class;

(c) whether the Magistrate, while awarding punishment for crimes, is entitled to take into consideration the caste or class to which the complainant or the person on whom the crime was committed belonged; and

(d) if the answers to the above clauses are in the affirmative, whether the Government have taken any action in the matter?

THE HON. DR. P. SUBBARAYAN:—“(a) The answer is in the affirmative.

“(b) The answer is in the negative.

“(c) The prosecution case was, in this case, rejected by the Subdivisional Magistrate on appeal. The Government have no reason to think that the Subdivisional Magistrate

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laid special stress on the fact of the person who was alleged to have been assaulted being of the fisher caste: his judgment shows that he took objection to a heavy sentence in a petty case of assault.

“(d) The question does not arise.”

SRI K. MADHAVA MENON:—“Do the Government think that a person catching hold of both hands of a fisherwoman and another person holding her by the blouse is such a petty case?”

THE HON. DR. P. SUBBARAYAN:—“I will have to cause an enquiry to be made before I can answer that question.”

SRI K. MADHAVA MENON:—“Will the Government be pleased to make an enquiry into the matter?”

THE HON. DR. P. SUBBARAYAN:—“As I said, I shall send for the records and on their receipt, I shall see what can be done.”

District Judges appointed from Subordinate Judicial Service and Indian Civil Service.

* 160 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Prime Minister be pleased to state—

(a) the number of District Judges in the Presidency promoted from the Subordinate Judicial Service; and

(b) whether any rule exists prescribing any proportion of District Judges from the Subordinate Judicial Service, and from the Indian Civil Service?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) Six.

“(b) Out of the 26 District Judgeships in this Presidency 6 are taken from the Subordinate Civil Judicial Service, and 5 by direct recruitment from the Bar and other sources. These are listed posts. The rest go to the Indian Civil Service.”

Rates of court-fees in suits of small cause nature in Agency courts and other courts in the Presidency.

* 161 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Prime Minister be pleased to state—

(a) whether in the Agency courts of East Godavari and Vizagapatam districts, court-fee in suits of small cause nature also is collected by the Agency courts exercising civil jurisdiction at a higher rate than that collected in the ordinary civil courts of the Presidency in the plains; and

(b) whether there is any proposal under the consideration of the Government to reduce the court-fees in money suits of small cause nature in the Agency courts referred to in (a)?

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THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The rates of court-fees levied in the Agency courts are the same as those levied in the civil courts in the plains. The Government have no reason to suppose that court-fees in suits of small cause nature are levied at a higher rate in the Agency courts of East Godavari and Vizagapatam districts.

“(b) The answer is in the negative.”

Statement showing particulars about various projects for ports administered under the Indian Ports Act and the Madras Shipping and Landing Fees Act.

* 162 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Works be pleased to place before the House a statement showing the several projects costing each Rs. 1,000 and more contemplated for ports administered under the Indian Ports Act and the Madras Shipping and Landing Fees Act in the years 1938-39 and onwards, the approximate estimates of the cost of each and the income out of which the cost will be met, the balance that is expected to remain after meeting the expenditure or the deficit, and how the deficit is to be made up in the case of works in each port?

THE HON. MR. YAKUB HASAN:—“A statement ^a showing the proposals for improvements to ports in 1938-39 and onwards is placed on the table.

“By the expression ‘the income out of which the cost will be met,’ the hon. Member apparently wants to know the fund head from which the expenditure will be met. The attention of the hon. Member is drawn to section 36 (5) of the Indian Ports Act, 1908, and he is informed that the cost of such of the works as satisfy the criteria laid down in that section will be met from the Minor Ports Fund and the cost of others from the Landing and Shipping Fund of the port concerned, assisted, if necessary, by a loan or free grant from the Minor Ports Fund.

“All the funds concerned have got surpluses. If the works are sanctioned for execution and if there is not enough money in any particular fund for meeting the expenditure, the question of making up the deficit will be considered on merits.”

MR. J. A. SALDANHA:—“May I enquire, Sir, what is meant by the term ‘under consideration’? I want to know how long these schemes have been under consideration and when they are likely to be sanctioned?”

THE HON. MR. YAKUB HASAN:—“Ever since we came into office, more attention has been paid to these ports than

^a Printed as Appendix on page 335 infra.

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was done before, and as a result of that, some schemes have come and they are being considered now. What I meant to say is this that further information is being asked for and correspondence is going on backward and forward, and when the question is ripe for decision it will be decided; but I can fix no time for it. All I can say is that I am not sleeping over or delaying the matter."

SRI A. RANGASWAMI AYYANGAR:—" May I know, Sir, why the proposal for the construction of a port road to the beach in the port of Adirampatnam in the Ramnad district at an estimated cost of Rs. 18,000 was postponed? "

THE HON. MR. YAKUB HASAN:—" The proposal was that there should be a road to the port of Adirampatnam. Roads are maintained by the district board and the board does not consider that that road is necessary; and we also do not consider that any fund should be spent on that road from the Ports Fund. It is not important enough for that. Therefore, for the present we have postponed it; but we have not dropped it altogether. It has been postponed so that if further material is brought before us which might justify the expenditure, or if the district board could be persuaded to undertake the work, it will be considered again. Postponement means not dropping the question altogether, but only that the consideration of it has been postponed for the present."

MR. D. M. REID:—" May I ask the Hon. Minister with reference to item No. 8 in the statement relating to the Masulipatam dry dock, what the proposed capacity is of the dry dock and how many ships it is supposed to hold? "

THE HON. MR. YAKUB HASAN:—" I have not got the information on hand."

MR. D. M. REID:—" I have no doubt the Hon. Minister will give the information later."

THE HON. MR. YAKUB HASAN:—" Yes."

MR. D. M. REID:—" The next question I would like to put is with regard to the same item No. 8. May I know, Sir, as to what is meant by 'miscellaneous improvements' to Masulipatam at a cost of 2 lakhs? "

THE HON. MR. YAKUB HASAN:—" I will give that information also to the hon. Member."

MR. D. M. REID:—" The other point is with regard to item No. 9 in the statement, i.e., dredger for dredging open sea bars. Is it the intention that the dredger shall go from port to port? "

THE HON. MR. YAKUB HASAN:—" Yes."

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MR. J. A. SALDANHA:—" May I know if the expenditure with regard to these schemes will be shown in the Budget Estimates which will be placed before the House shortly? "

THE HON. MR. YAKUB HASAN:—" No. Each port has got its own budget and that budget does not form part of our budget. It does not come into our Budget Estimates."

MR. J. A. SALDANHA:—" Will these schemes be brought for consideration and sanction by the Legislature? "

THE HON. MR. YAKUB HASAN:—" No. They will not be brought before the Legislature."

MR. J. A. SALDANHA:—" Might I ask one further question, Sir? Is it not possible to show these different schemes under the amounts which are to be credited to the Government of Madras and the Government of India—there are the Madras Act and the Government of India Act governing these things? I want to know whether it is not possible to show them respectively under the amounts credited to the Government under each of these Acts separately."

THE HON. MR. YAKUB HASAN:—" Mr. Saldanha is going into the details of the question of keeping accounts, budgeting and so on. That, I submit, does not arise out of this question."

Statement showing number of unemployed graduates and undergraduates in Ceded districts and steps taken for relieving unemployment.

* 163 Q.—SRI M. NARAYANA RAO: Will the Hon. the Minister for Industries and Labour be pleased

(a) to place on the table a statement showing the number of graduates and undergraduates unemployed in the year 1938, in each of the four districts of the Rayalaseema; and to state—

(b) whether the Government have taken any steps to liquidate unemployment?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—" (a) The number of graduates and undergraduates unemployed in the district of Anantapur according to the census of the educated unemployed conducted in 1937 was as follows:—

Qualifications.		Number unemployed.	Qualifications.		Number unemployed.
Intermediate—			B.Sc.—		
Passed	51		Passed	3	
Failed	48		Failed	1	
B.A.—			B.A. (Hons.), B.Sc.		
Passed	65		(Hons.) or M.A.—		
Failed	30		Passed	1	
			Failed	..	

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“ The Government have no information in respect of the other three districts.

“ (b) Certain proposals for the relief of the educated unemployed are under the consideration of the Government.”

Status of pandits in Government colleges.

* 164 Q.—SRI M. NARAYANA RAO: Will the Hon. the Minister for Education be pleased to state—

(a) what the various grades of service of pandits, and their scale of pay are in Government colleges;

(b) whether they are placed on the same status as lecturers and assistant lecturers; if not, the reason for the difference; and

(c) whether there are any proposals before the Government to place pandits on the same status as the lecturers and assistant lecturers?

THE HON. SRI C. J. VARKEY:—“(a) The scales of pay are as shown below:—

In I grade colleges—Rs. 65—5/2—80 with two posts in the Presidency College on Rs. 80—10/2—100.

In II grade colleges—Rs. 45—5/2—60.

“(b) No. Scales of pay are fixed with reference to the qualifications of, and the nature of work performed by, the different classes of teachers.

“(c) The answer is in the negative.”

Alleged fatal assault by caste-Hindus on an Adi-Dravida in a village near Karaikudi.

* 165 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: With reference to the reply given on the 6th September 1937 to my question No. 43 regarding the fatal assault by caste-Hindus on an Adi-Dravida, in Visalankottai village near Karaikudi, will the Hon. the Prime Minister be pleased to state the result of the case which it was stated was under prosecution?

THE HON. SRI C. RAJAGOPALACHARIAR:—“The Sessions Judge of Ramnad, having held that the evidence was not enough to find the accused persons guilty of the charges brought against them, delivered judgment on 6th December 1937 acquitting them. The judgment was placed on the table of the Legislative Assembly last year. The Government gave a compassionate grant of Rs. 100 to the widow of the deceased in July last.”

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Proposal, if any, to use the police for political propaganda.

* 166 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state—

(a) whether his attention has been drawn to the sub-editorial article published on page 8 of the *Madras Mail*, dated the 28th. December 1938, under the heading “Political Police”; and

(b) whether the Government propose to use the police officers for the purpose of political information or propaganda?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) I have now seen it.

“(b) The answer is in the negative.”

Import of foreign rice in the Province.

* 167 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether his attention has been drawn to the news published on page 2 of the *Indian Express*, dated the 19th and 21st January 1939, under the headings “Rice Imports into Madras” and “Rice from Saigon” respectively; and

(b) whether any, and if so, what action the Government propose to take to prohibit the import of foreign rice?

THE HON. SRI V. I. MUNISWAMI PILLAI (Minister for Agriculture and Rural Development) on behalf of the Hon. Sri V. V. Giri:—“(a) The answer is in the affirmative.

“(b) This is a matter entirely within the province of the Government of India.”

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—REPORT OF THE MADRAS ESTATES LAND ACT ENQUIRY COMMITTEE—*cont.*

* THE HON. SRI T. PRAKASAM:—“I should like to add a few words to what I said yesterday. I was dealing with the portion of the land revenue that was given to the landholder in return for the services which he undertook to perform in the matter of collection. I was submitting that the land revenue was fixed on the cultivated land. I submitted also the whole process that was laid down for working out the figures on the cultivated lands. It was not only one-third of the land revenue that was fixed, permanently and unalterably, that was assigned to the landholder for the collection work undertaken by him, but in addition to that he was given the right to collect rent or land revenue on the waste lands that might thereafter be brought under cultivation and appropriate the same as an additional consideration

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for his services without making himself liable to pay to the Government a proportionate share as peshkash. It will be seen therefore, that one-third of the land revenue plus the rent or revenue that the landlord would be collecting on uncultivated lands, which were called waste lands, as he developed them by admitting ryots on special terms, were the amounts that were allowed to the landlord. There is a little difference between the consideration of one-third of the land revenue allowed on the cultivated lands and this extra rent or revenue that he was allowed to take on the waste lands. That difference lies in this. Land being waste, the ryots would not be ready to pay as much as they pay on the cultivated lands, because they have to reclaim the land, bring it under cultivation and spend labour and money in the process. For all these reasons, it was expected that the waste lands would be given on favourable terms to the ryots. Therefore, some special provision was made at that time with regard to them. The landholder was given the right to give the land to the ryots for a small rent or revenue, and to increase it as the land developed or decrease it as it deteriorated. But a limit was put to the rent even there. The landholder was not allowed to enhance the rent as he pleased. On the contrary, he was told that the rent was fixed at the time of the Permanent Settlement on cultivated lands irreversibly and that he should not exceed that limit even in regard to the waste lands. That was the condition imposed and within that limit, he was free to enter into agreements with the persons who were admitted and to take a lower or a higher amount. It must be strictly within that amount fixed.

“When this was the case, it was taken advantage of and contended in the past, even at the time of the Estates Land Act, that so far as the waste lands were concerned, the landholder was the absolute proprietor and that landholder was the landlord. May I submit to the House one word to explain the difference between the landholder and the ryot on the one hand and the landlord and the tenant on the other? They are quite different from each other. The landlord claims the ownership himself. He enters into agreement with others, who are his tenants—and the agreement is called the lease—and dictates his own terms both with regard to the amount to be paid and with regard to the period; and at the end of the term, the tenant will have to surrender it as is the case with regard to the building leases in the City of Madras. The vital difference is this: In this case the landlord claims to be the owner of the soil and at the end of the term he can take back the land and he is at liberty to increase or decrease the rent as he pleases. But in the case of the landholder and the ryot, the relationship is distinctly the reverse of this. He has no ownership of the soil and he cannot claim the right to eject the ryot at the end of the period. The ryot holds

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the land in his own right and he claims the right to the soil. The only obligation imposed on him is that he should pay the land revenue that was fixed at the time of the Permanent Settlement in perpetuity. Subject to that condition he is the owner and he is the freeholder of the land that he holds. The landholder's position is that he has only the proprietary right similar to the one which the Government had and has. He has the right to revenue; he has the right to collect that amount, pay a portion of it to Government as peshkash and take the balance as consideration for his work. That is the difference. 11-30 a.m.

“So this right was set up at the time of the Estates Land Act Bill; and this matter was discussed by the Hon. Mr. Forbes. The claim set up by the landholder with regard to the waste land as absolutely belonging to him and the right to enhance that rate was examined by the Hon. Mr. Forbes. He referred to a report sent up to the Government of India on this question and the reply given by the Government of India with special reference to what had happened in Bengal on this matter. So it was declared that the landholder cannot claim a landlord's interest in the land; he cannot claim the right to enhance the rent as he pleased. He is bound by the rate fixed at the time of the Permanent Settlement; he shall not exceed that limit even with regard to waste land; he is not free to convert the waste land into his own private land by getting it cultivated by his own people at his own cost. These rules were laid down; and these are acknowledged rules.

“But to-day the landholder is claiming right in the soil both in the cultivated land and also in the waste land. I am submitting this because there is some confusion that has arisen on account of the special rule laid down with regard to cultivation of the waste lands. Mutual agreement or an agreement for enhancing rent can be entered only with regard to waste land subject to the limit fixed there; if a waste land is given for Rs. 5 per acre to-day to enable the ryot to cultivate it without much trouble and bring it under cultivation, next year if it is developed and if it yields more, he can claim a higher share of the produce. That was the facility or rather that was the option given to the landholder. This is being confused and confounded with reference to rates and rents that were permanently and unalterably fixed at the time of the Permanent Settlement. That is why I wanted to make this position clear.

“The next point I wanted to refer to briefly is in connexion with the right claimed by the landholder to levy higher rates on cropwar basis or on the basis of rise in prices. Yesterday, I submitted sufficiently on the question of the right to claim enhancement on the ground of rise in prices. With regard to enhancement on cropwar basis I submit it is not valid, it is not just and proper, it is not consistent with the arrangement made

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at the time of the Permanent Settlement. In clause 39 of the Instructions given to the Collectors it was expressly laid down that the tax levied was on the land and not on the crop and that the tax was fixed in perpetuity; the object was to give liberty to the ryot to produce enough from the land, pay the tax, then leave enough margin for protection of his family and over that to produce sufficient quantity to promote the manufacture, industry and agriculture of the country. It is because of this object, in clause 8 of the Instructions to Collectors it was stated that the whole object of the Permanent Settlement was to emancipate the ryots who were oppressed until then. Therefore, the landholder is not entitled to claim enhancement on the basis of cropwar rates. The landholder is entitled to a claim upon his ryot when he produces a crop which would leave him sufficient quantity for his own family and also for promoting the manufacture, industry and agriculture of the country. This right, I have submitted, was given as the basis in the Instructions given to the Collectors, which are printed in the Appendices. They formed practically the basis for the Permanent Settlement Regulations—Regulations XXV, XXX, XXIX, XXXI, in all seven Regulations that were passed on one and the same day of 13th July 1802. All the Regulations were based on that footing. Section 14 of the Permanent Settlement Regulation XXV says that the rent should be defined, and provides that the amounts should be determined permanently and unalterably, the extent of the land should be specified and then that receipts should be given showing these two things in each one of the receipts. There are various other authorities contained in that Appendices volume, which I take it hon. Members have in their hands. Without taking them into the whole series of those sections I would just mention that the same rule was embodied in sections 11 and 187 of the Estates Land Act. Section 11 of the Estates Land Act runs thus:

‘A ryot may use the land in his holding in any manner which does not materially impair the value of the land or render it unfit for agricultural purposes.’

“I urge the attention of hon. Members to the words ‘may use the land in his holding in any manner which does not materially impair the value of the land.’ Thus no restriction was put upon him stating that if he produces more, a share must be given to the landholder. Section 187 (1) (b) of the Estates Land Act runs thus:

‘(1) Nothing in any contract between a landholder and a ryot made before or after the passing of this Act—

* * * *

(b) shall take away or limit the right of a ryot to use the land as provided by section 11.’

“So the tax was on the land and not on the crop or produce. If enhancement of rent either by way of a division in the crops

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or in cash had been levied, they are all unlawful and illegal. They cannot be quoted as constituting a custom valid and binding upon these ryots. The latest provisions of the Estates Land Act also made the position clear. The earliest, clause 39 of the Instructions given to the Collectors also made the position clear; the Regulations themselves made it clear. But in spite of this, the zamindars had been going on enhancing rent, taking a share or compelling the ryots to pay—all these things are not valid and binding.

“One other matter I would like to refer, Sir, briefly and it is this. At the time of the Permanent Settlement, what happened? A general survey was made according to the standard of measure that was then prevalent. Rents were ascertained, and prices also were fixed. The fact that prices were fixed is clear not only from the passages of the Fifth Report, but also from Regulation XXIX of 1802. It is the Karnams’ Regulation. The Preamble of the Karnams’ Regulation is as important as the Preamble of the Patta Regulation and the Permanent Settlement Regulation of the same date. The Preamble of the Karnams’ Regulation states ‘now that everything is being fixed permanently and unalterably we do not want or require to maintain the revenue establishment in the same manner in which we have been maintaining until then.’ They had been maintaining a very heavy revenue establishment, because according to the complaint of the East India Company, they were being defrauded by the landholders, who were not rendering them proper account, and the ryots were being defrauded by the landholders, because they were called upon to pay whatever was demanded, as everything was fluctuating and varying. Having passed the Permanent Settlement Regulation, they said, ‘Now that fluctuation and variation have been abolished, as we have now fixed the tenure in perpetuity, we have fixed the rent in perpetuity, we do not want so much of this revenue establishment. We shall discharge 11-45 all these officers. But we would like to maintain these village p.m. karnams.’ Village karnam is the accountant of the village. His work is very limited now, because everything is fixed, what it should be hereafter; he has to keep a record of rights, maintain a register in which he should enter the extent of the land cultivated by each man, the yield of each year and then the prices; for prices, stipulation is made there in the Karnams’ Regulation; that he shall maintain a *monthly list*. All this was done with a view to enabling the presiding officer in the case of a dispute between a landholder and the ryot to call this karnam to produce these accounts and find out what the rate of rent was according to his entries in the books as entered at the time in 1801 and to fix that as the proper rent. That was the direction given under section 9 of the Patta Regulation as I submitted yesterday. It only helped the presiding officer to enable him to arrive at the

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correct figure. The karnam was charged with that duty and he was made independent; he was not a servant of the zamindar or the ryot or even the Government; even the Collector can call him only for purposes of ascertaining the assessments that were prevailing. It was noted there that the Collector should not call the karnam to produce these accounts for other purposes and a fine was prescribed against the Collector himself, if he should abuse his power in the matter of using these accounts.

"Therefore, it is clear now that the rents were fixed and records were maintained and all facilities were provided for ascertaining these whenever there was a dispute. When this was done, what was it that was fixed as the rent? That is one other point which I am referring. Rent before that date was paid generally in kind; because, there was not sufficient coin in currency, nor even the currency notes—until 1860 the Currency Act did not come. The coins that were in vogue during the Moghul period and the Hindu period, had been changed after the English settled themselves here. Therefore, even the Government had to take land revenue in kind before 1802. In 1802 when they decided upon the Permanent Settlement, a survey was effected according to the then standard of measurement, as I stated already, and then the prices were fixed; the extent was fixed not only with regard to the money rates that had been prevailing in some areas before 1802, but also with regard to grain rents. The grain rents also were fixed not merely on taking the grain rent that was in force in the year 1801, a single year; but working out the average they arrived at the figure in the same manner in which they arrived at it with regard to the money rent. Grain rents were fixed permanently and unalterably. Money rents were fixed permanently and unalterably. In most cases money rents came in and in some places grain rents continued and most grain rents were converted into cash. Now, there is at least one estate and there are some portions in other estates where this system still prevails.

"The question has been raised about commutation of prices. The recommendations made by the Committee have dealt with this question, and they have arrived at the conclusion that, because the grain rent and the money rent had been fixed at the same time and on the same basis when they were made permanent and unalterable and the prices had been fixed at that time, even if the grain rent should be continuing to-day in some estates this commutation—because the commutation took place according to the prices registered by the karnam in 1802—should be made on the basis of the prices that prevailed in the year 1802 and not according to prices that are prevailing to-day. That is the point submitted. I am stating this so that the hon. Members who would be speaking on this, who may have had doubts in this

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matter may have some information on this matter. The object of fixing these grain rents permanently and unalterably was to give protection to the ryot when the question of commutation arises. It was with that object that it was settled, for there had been no price settlement at that time. We could argue that way. Sir, we shall take now, the district of Vizagapatam. At the end of the Appendices volume we have given from the original accounts, details that could be gathered with regard to the estates in the Vizagapatam district. The Vizagapatam district, Sir, pays nearly one-fourth of the total peshkash that is paid by all the estates in the whole Presidency. About 46 lakhs or so is being paid as peshkash by the 1,659 estates in the Presidency. Out of this amount a little over 11 lakhs is paid by the estates in the Vizagapatam district alone. So far as the Vizagapatam district is concerned we have given copy of certain accounts, called the 'Goshpara' accounts, or village accounts that are available even to-day. They are in fact in the possession of Government officers. They are in bound volumes and the details are given; every detail is given. The zamindari village accounts were not kept separate in those days. The same 'Goshpara' accounts dealt with the Government lands as well as the estate lands as the books were maintained then. Coming to the East Godavari district again, the next important district there are 'Goshpara' accounts bound in volumes which give all the details. Four districts, viz., Northern Circars alone pay more than half of the total peshkash which landholders, the 1,659 landholders, are paying in the whole Presidency.

"Coming to the south and the west, as I submitted yesterday, we have got the accounts. I myself made the necessary efforts in this matter, because, it will be seen that in some of the minutes of dissent the question is raised, 'how can you go back to 138 years?' These materials are made available here, we have given extracts here, we have got the books here, so that there may be no difficulty with regard to the ascertaining of these rates. If there is to be any difficulty, even that difficulty can be solved by a mere rule of arithmetic, the rule of three. In every estate the land revenue was fixed permanently whether on a gross basis or on a net basis or any other proportion, it does not matter, because these are not fixed in any uniform method all over the Presidency. But the one uniform method was that out of the revenue fixed, two-thirds should be paid as peshkash to the Government and one-third should be taken by the landholder. So far as that matter is concerned it is clear from the information placed before the hon. Members of the House. When it was fixed permanently and when the whole thing was done in 1802, two-thirds of the peshkash is being paid to-day and the balance being only half of this two-thirds, making the other one-third, all that is already there. Supposing there is a village where you cannot get any

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book, any account at all,—I am taking that extreme case—what is to be done is this. Take the village area for the whole village and the amount so levied as land revenue is clear here. The whole thing is fixed by two-thirds plus one-third; distribute it among the various people. The question will come as to why I take the extreme case as an illustration. The Settlement Officer whoever he may be, the special officer, will take that on the basis of the waste land that has to be assessed to-day and he would find out the classification of lands, because it was on the classification of the soil the whole settlement was started and that is continued even to-day. He will divide it and distribute it and the whole thing will be ascertained without any difficulty. We have given the other methods also. Therefore, Sir, it may be seen, whether it is grain rent or whether it is money rent, both were settled in the same manner, both were fixed permanently and irreversibly at the same time, so they continue together.

12
noon

“There is another clause in the Patta Regulation. There were four kinds of rents given in the Patta Regulation. Rent in cash, rent in grain, rent by way of division of produce and village rents, because joint village system prevailed. So far as the division of produce is concerned, in that clause, you will find that that was so intended for the lands that will be brought under cultivation after the Permanent Settlement. The language is there not for what had been brought under cultivation, but for what may be brought under cultivation. Therefore, there can be no doubt with regard to the positions that were examined by the Committee, the majority recommendations that were placed before the hon. Members of this House.

“The question as I submitted is a very simple one. The demand made on the landholders is not to forego one rupee out of their dues. They are asked to be just without being upset on account of this claim that is pressed on behalf of the ryots to-day. As the hon. Mr. Rangaswami Ayyangar put it so forcibly ‘when you have enjoyed the peshkash at a fixed rate from then until now, how can you grudge if the ryot claims the same thing when the whole thing was settled at the same time and both should have the benefit of it.’ He put it so forcibly that I adopt that and I submit that there is no expropriation, no revolution in the matter as it is complained. We are simply trying to do justice that has been denied to the man who has become an absolute wreck to-day in the country. What was the position even in 1898, when Mr. Crole was speaking on behalf of these ryots? What was the position economically so far as the agriculturists were concerned? The agricultural indebtedness in 1895 was 45 crores according to the Report of the Economic Enquiry Committee. To-day it is about 200 crores. It has increased by 150 crores. If this had been fixed permanently at that time and if the ryot had been benefited by this rule—one-third of the total

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cultivated area to-day belongs to the landlords of those estates—to that extent at least there would have been a comparative reduction so far as the debt is concerned. They have been compelled to go from door to door, borrow from morning to evening to pay their taxes. And what is the rent roll to-day and what was the rent roll at that time? If the total peshkash that is paid is 46 lakhs or 47 lakhs, what should have been the rent roll even to-day if it had continued unaltered? Forty-six plus 23; that should have been the total. Instead of being at that figure, the rent roll has come to nearly 2 crores and 20 lakhs or 25 lakhs or more than that. Where have they been getting this money to pay the landholders? The ryots have become beggars, they have become coolies in Burma, Malaya States and Indo-China. All this is given in Mr. Crole’s speech at the end. The whole speech that he got prepared with regard to this matter has been printed and published; it is in the hands of hon. Members. The country has been ruined practically on account of this tyranny. Therefore, there is nothing that is asked extravagantly of the landholders. Nobody can say—of course in the other House it was said that the recommendations of this Committee have been expropriatory and confiscatory and the other House got the reply from me.

“I am submitting, Sir, that the Committee had done its best to place facts, actual facts without any exaggeration. If there is any mistake—this is only the report stage—the mistake could be corrected. Such a sensation has been created over this report because 1802 has been referred to, and it is for that reason so much had to be said in the other House and so much is being said here. Therefore, I request the hon. Members of this House to exercise their judgment and reject this, if there is anything wrong, suggest modifications if there are any mistakes, or accept it if they are convinced of the barest truth that I have placed before them. What is demanded for the ryot is the simple justice that has been denied to him and is due to him. Not one farthing is demanded from out of those demands of the zamindars or landholders.”

MR. PRESIDENT:—“I now propose to call upon the hon. Members who have given notice of amendments to move their amendments one by one. Then those who desire to speak may do so on the motion as well as the amendments. At the end of the discussion, the amendments will be put to vote one by one, unless they are withdrawn. I think this will avoid repetition of argument and expedite the disposal of business. I hope the House will approve of the procedure which I have outlined.

“I have yet another observation to make. I am to draw the attention of hon. Members to rule 64 regarding the duration of speeches. I, however, do not propose to exercise my right under sub-rule (2) of the above rule and prescribe a time-limit. I am sure a number of hon. Gentlemen are anxious to take part in the

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debate and hence I appeal to the Members called upon to speak, to be as brief as possible in their remarks.

"Dr. Thomas is not in his place. Therefore, the amendment is deemed to have been withdrawn."

* SRI V. V. JOGAYYA PANTULU:—"I rise to speak in support of the majority report and to move the amendment which I have given notice of, requesting this House to recommend to the Government to bring legislation at an early date on the lines of the majority report. My justification for rising on this occasion is that I am the only member of the Committee in this House who has signed the majority report. The report that has been submitted is voluminous. It discussed matters at great length and gave considered opinions on the points raised therein. Further, the Hon. the Prime Minister in the Legislative Assembly, and the Hon. the Revenue Minister in both the Houses, spoke at great length, and in a very lucid, able and convincing manner, presented the points raised in the report. I, therefore, submit that there is no need for me to refer to all the points dealt with in the report especially during the short time I have at my disposal. I, therefore, propose to confine myself to the most important points in the report. Before I do so, I think it is perhaps necessary for me to read the amendment of which I have given notice. It runs as follows:—

'That on such consideration, this House recommends to the Government to bring in legislation at an early date on the general basis of the majority recommendations of the Madras Estates Land Act Enquiry Committee.'

Sir, there are three most important points according to me in the majority report and they are fair and equitable rent, enhancement of rents and the right in the soil. The landholders asserted that they were proprietors or owners of the soil, that statutory law, especially the Estates Land Act, conceded and even judicial decisions conceded their rights in the soil, and that their legal position is that of owners of the soil. They resent their being characterized rent-gatherers or rent-collectors. The ryots equally strongly urge that their right to soil was recognized from time immemorial by rulers of the land, by statutes and even by the Estates Land Act and they reiterate that the zamindars are merely tax-gatherers and nothing more. I propose to deal first with the question of the right in the soil, whether it is in the zamindar or in the ryot. Matters, I submit, went all right on this question since 1802, when the Permanent Settlement Regulation was passed, up to 1865 when the Rent Bill became law. Troubles began from the time when the Rent Act was passed. The Bill that preceded the Rent Act was all right. When the Rent Bill came to be passed, confusion was created by clubbing together all the tenures into one section—section 11—and introducing a sort of change in the law by importing into it contractual relations

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between the zamindars and the proprietors on the one hand and the tenants on the other. The trouble and confusion that resulted by the introduction of this change into the Estates Land Act was augmented by the decisions, in those early days, of judges who, ignoring the law of landlord and tenant in this country, imported the principles of English Law of landlord and tenant. This misleading view continued for a number of years, until it was set right about the year 1890 by a distinguished Judge of the Madras High Court Sir T. Muthuswami Ayyar and subsequently by Sir S. Subrahmanya Ayyar in 1920. These decisions are reported in I.L.R., 13 Madras, and 20 Madras. I do not wish to dwell at length on the errors committed by earlier judges basing their decisions on the English Law and the conclusions arrived at subsequently by later judges restoring the Indian Law of landlord and tenant as it existed in this country; because very recently in the Assembly this subject was referred to, at very great length, by my Hon. Friend the Revenue Minister and also because it has been dealt with exhaustively in the report itself in Chapter X, Volume I, beginning at page 174. Apart from the judicial decisions, I submit there are a number of authorities which supported the cause of the ryot and said that the right in the land lay in him. And I would now like to invite your attention to some of the statements made by those high authorities beginning with that great Hindu Law-giver Manu. Manu said that cultivated land was the property of him who cut away the wood or who first reclaimed and tilled it. This dictum of Manu received ample support in later days from high authorities like Sir Thomas Munroe, Justice Fletcher, Baden Powell, Hon. Mr. Crole, Sir John Shore and Hon. Mr. Forbes and others. The Hon. Mr. Crole said from his place in the Legislative Council while speaking in 1898 on the Madras Tenancy Bill as follows:—

'The term "zamindar" was unknown except in a small part of Madras until 1802. It came from Bengal . . . and was originally used to describe the holder of an office.'

Again

'The Committee of Revenue writing to the Governor-General in 1786, in a paper on the zamindars' rights say. "The office is conditional, it is renewable annually and revocable on defalcation".'

"Again, Sir, that great authority on Permanent Settlement, Sir John Shore, defined the zamindar as a 'receiver of the p.m. territorial revenue of the State from the ryots.' In another place, he said that the zamindar was 'a person entrusted with the collection of revenue.' The Hon. Mr. Forbes speaking on the Estates Land Act in the debate in 1905 said that 'the legal status of the zamindar cannot be put higher than that of an assignee of the public land revenue.' So that, from these quotations you will see that the ryot was recognized for a long time to be a person who had a right in the soil and not the zamindars or other proprietors.

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“ Sir, one argument on which the zamindars and proprietors depended for their right in the soil is this: they say that the Permanent Settlement Regulation itself gave them proprietary rights in the soil. They also rely for their position upon the instructions issued to the Collectors at the time of the Permanent Settlement which repeat what is contained in the Permanent Settlement Regulations. The Permanent Settlement Regulations state that the zamindars were given the proprietary right in the land. But in referring to this aspect of the matter we must understand the real meaning of the expression ‘proprietary right.’ Does it mean absolute ownership in the property or only qualified ownership? The expression ‘proprietorship’ was never considered to mean ‘absolute ownership’ and the evidence for this is to be found not only in the remarks made by experienced administrators, but also in the discussions relating to the Estates Land Act of 1908. The Hon. Mr. Forbes explaining the meaning of the word ‘proprietor’ stated that ‘proprietary right’ meant the right to collect the Government land revenue, the grant of a permanent tenure, the grant of a permanent right of alienation and an assurance to the zamindar of a hereditary and heritable estate. Again, there is section VIII of the Permanent Settlement Regulation which shows that in the matter of the rights given to the zamindar certain limitations, imposed before, were removed.

“ No doubt the phraseology employed in the Permanent Settlement Regulation, viz., the expression ‘proprietary rights’ created some doubts in the minds of people with regard to the rights that were created in favour of these landholders. The Government wanted to remove such doubts and passed Regulation IV of 1822. This Regulation declared that the Permanent Settlement Regulation XXV of 1802 never intended ‘to authorize any infringement or limitation of any established rights of any classes of its subjects.’ I submit that the combined effect of section VIII of the Regulation and other circumstances clearly show that the proprietary right granted to the landholders was never meant to convey full ownership.

“ Another ground on which the zamindars support their right of ownership is by referring to the rights of the poligars in Southern India. These zamindars say that those poligars were independent or semi-independent chieftains, maintaining military troops and exercising various functions of the Government and that the Permanent Settlement merely conferred on them no more than the proprietorship which had already vested in them. As a matter of fact, this question of ownership or proprietorship of poligars was examined at great length. Government appointed a Committee. One Mr. Hodgson, a Member of the Board of Revenue, held elaborate enquiries. This Committee, at its sitting in Madura, examined a number of representatives of these

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poligars. The Manuals of the districts in which the poliams are situate gave the origin and full history of these poliams. What is more, the Poligar of Udaiyarpalaiyam presented a written memorandum to the Committee admitting that he had no right to the soil. In fact, no serious claim was ever made by the poligars to their rights in the soil. It is, thus, clear that the argument based on the rights exercised by poligars, viz., that the landholders possess ownership in the soil does not hold water.

“ The next question which is equally important is, whether the rates of rent were fixed unalterably at the time of the Permanent Settlement or were they liable to be enhanced. The Statement of Objects and Reasons appended to the Permanent Settlement Regulation makes this very clear. It speaks about the protection of the actual cultivators against the landholders and adds that the latter are entitled to collect the revenue in the place of the Government. On the date on which the Permanent Settlement Regulation was passed, twelve other Regulations were passed and they substantially relate to the same subject and they must be considered all together as part of the same enactment. The Patta Regulation to which the Hon. Minister for Revenue made a reference says that it is obligatory on the zamindars to enter into written engagements with the ryots and it also provides for damages in case of default on the part of the landholders. In Section VII of that Regulation it is stated that no new assessment should be imposed ‘under any name or pretence’ and section IX further makes a provision that in case of disputes with regard to rates of rent on lands, the rate of rent prevailing in 1801 should be adopted and that if no evidence is forthcoming as to the rate prevailing in 1801, the rate prevailing for similar classes of lands in the neighbouring areas should prevail. So that, I submit that these sections clearly show that the rates were unalterably fixed at the time of the Permanent Settlement and that the rents fixed should never be increased except when valuable crops were raised. In Mill’s History of India, Volume II, relating to that portion which relates to the Administration of Cornwallis, it is stated that the rent on land was fixed unalterably at the time of the Permanent Settlement. Even subsequent to the date of the Permanent Settlement, I submit that until the Estates Land Act of 1908 was passed, the question of enhancing the rates of rent was never thought of or even considered. Section 30 of the Estates Land Act deals with enhancement. What I wish to bring to your notice is that even section 30 (1) (a) states that the scope of enhancement has been restricted only to lands other than those for which rent was not fixed permanently; so that all lands for which rent was fixed permanently were held not liable to enhancement even if there was rise in prices. As to the mistake which the Legislature committed, in the matter of applying enhancement to lands, rents

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of which were settled, on grounds referred to in clauses 2, 3 and 4, the Hon. the Revenue Minister has dealt with fully, and I do not therefore want to take up your time by referring to it again.

"Another charge made by the zamindars is that the recommendations of the Committee about rates of rent are expropriatory and divest zamindars of the rights vested in them. I submit that this charge is altogether unfounded. At the time of the Permanent Settlement sanads were issued to all the zamindars and clause 13 of the sanads shows how unfounded is this charge. This clause confers on Government the power to take away the rights granted by the Permanent Settlement Regulation at any time they pleased; and when the Regulation has given such powers to Government in express terms, it cannot be said now that even if any change were made in the Regulation it is expropriatory. In this connexion it is a matter worthy of note that the Joint Parliamentary Committee in their report at page 372 of Volume I, makes a statement that 'the zamindars are entitled to collect and pay to the Government only the rates established and settled.'

"I would refer yet to another charge made by the zamindars against the majority report. They say that the findings of the report are new and revolutionary. In answer to this, I have to state that the rights created in favour of the landholders by the Permanent Settlement Regulation and the Patta Regulation were in force until the Patta Regulation was repealed by the Rent Recovery Act of 1865. So far as the rights of the ryots are concerned, the rights created by the Patta Regulation—sections 7 and 9—in the matter of fixing rents were never taken away by the Rent Act and no fresh rights were created in favour of the zamindars. On the other hand, the two sections, sections 7 and 9 of the Patta Regulation are embodied in the Rent Recovery Bill, clause 10, and the substance of these sections is given in section 11 of the Rent Act.

"The only other objection that was raised is that the rights of the tillers of the soil have not been considered. With regard to this I would state that this subject is referred to in the report and it is not necessary for me to speak anything about it at this stage. With these few remarks I move the amendment which I have read to the House in the beginning."

SRI R. SRINIVASA AYYANGAR:—"I second the amendment."

MR. PRESIDENT:—"Mr. Narayanaswami Nayudu."

SRI B. NARAYANASWAMI NAYUDU:—"Am I to speak on the whole report including all the amendments? Am I to make the full speech which I want to make in this matter even now?"

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MR. PRESIDENT:—"Yes."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, I beg to move the three amendments of which I have given notice. They run as follows:—

That on such consideration (1) This Council recommends as follows:—

That all the zamindari areas be compulsorily surveyed and settled on principle analogous to and identical with those under which ryotwari areas have been settled taken in conjunction with the recommendations of the Marjoribanks Committee Report and the rates fixed for ever and that on such settlement the ryots should be declared to be the owners of their holdings subject to the payment of the rates of rents so fixed. However, the rates existing are lower than those that may be levied under the settlement recommended the same rates should be confirmed and fixed for ever.

(2) This Council refuses to give its assent to the recommendations that ryots should be declared to have proprietary right to the soil in all forests and recommends that in all zamindari villages, commanding forest areas, the zamindars should be compelled to set apart grazing areas for the use of the villages and suitable rules and powers be given to the Government for enforcing such provisions and the provision with regard to the green leaves for manure and cutting woods for domestic and agricultural purposes.

(3) This House recommends that agraharam villages pre-settlement or otherwise should be placed exactly on the same footing as zamindari villages and the ryots of the said villages are in the same footing as the ryots in the zamindari areas and the recommendation of the majority committee report in regard to inams should not be accepted or acted upon as the same are reactionary, contrary to the just and established rights of the ryots in the said villages.'"

SRI P. PEJIDI RAJU:—"On a point of order, Mr. President; the first amendment speaks of the recommendations of the Marjoribanks Committee. That report is not before the House and hon. Members do not know what its recommendations are. I want to know whether the House will be in order in discussing that amendment."

* SRI A. RANGASWAMI AYYANGAR:—"May I submit for the consideration of the House that all the amendments may be formally moved by the movers, and then hon. Members may

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speak on all the amendments instead of the several amendments being separately moved and discussed? Then each of the amendments may be separately voted upon. This would avoid a multiplicity of speeches by hon. Members on each of the amendments."

MR. PRESIDENT:—"Most probably the hon. Member has not heard the remarks which I made in the beginning."

THE HON. SRI C. RAJAGOPALACHARIAR:—"What the hon. Member suggests is that all the amendments given notice of by hon. Members may be formally moved now, then all the speeches may follow. It will save time."

MR. PRESIDENT:—"If all the amendments are formally moved without speeches other hon. Members may not know the reasons for those amendments."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Every one of the hon. Members will speak. If once we know all the amendments that are before the House, hon. Members may speak on all of them. For instance, after all the amendments are moved, Mr. Narayanaswami Nayudu may begin. There is only one other amendment and that is in the name of Mr. Saldanha."

MR. PRESIDENT:—"Yes. As regards the point of order raised by Mr. Peddi Raju, I entirely agree with him and since the Marjoribanks Committee Report is not before the House, I rule that portion of the amendment relating to the report out of order."

SRI B. NARAYANASWAMI NAYUDU:—"The words 'taken in conjunction with the recommendations of the Marjoribanks Committee Report' may be omitted and the rest may be allowed to stand."

MR. PRESIDENT:—"Yes."

SRI B. NARAYANASWAMI NAYUDU:—"With your permission, Sir, I will read the amendment as now amended:—

'This Council recommends as follows:—

"That all the zamindari areas be compulsorily surveyed and settled on principle analogous to and identical with those under which ryotwari areas have been settled and the rates fixed for ever and that on such settlement the ryots should be declared to be the owners of their holdings subject to the payment of the rates of rents so fixed. Where, however, the rates existing are lower than those that may be levied under the settlement recommended the said rates should be confirmed and fixed for ever." "

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MR. PRESIDENT:—"I have no objection to it."

SRI DIWAN BAHADUR R. SRINIVASAN:—"I second the amendments."

MR. PRESIDENT:—"Mr. Saldanha may move his amendments."

MR. J. A. SALDANHA:—"I beg to move—

'That on such consideration this House recommends to Government that a Committee composed of the members mentioned below be nominated by Government to report their views within three months on the recommendations of the Madras Estates Land Act Committee in their report—

(a) Two representatives of the zamindari class.

(b) Two representatives of the zamindari ryots.

(c) Two representatives of the latter's under-tenants.

(d) Two representatives of the general population of the Province, with a gentleman of judicial qualification and experience to preside and a Secretary to take down the proceedings.'

This is my humble submission, Sir."

MR. S. J. GONSALVES:—"I second it."

MR. PRESIDENT:—"The hon. Member Mr. Narayanaswami Nayudu may speak on all the amendments."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, Sir, with regard to the first amendment dealing with rates of rent I am in the unfortunate position of not knowing whether I agree with the Hon. the Revenue Minister or not, because as I have stated in my minute of dissent, I am really unable to understand what the recommendations of the majority of the Committee are. I say in the amendment that the ryot is to be declared as the owner of the soil. The majority report also recommends that the ryot ought to be declared as the owner of the soil. I say in my minute of dissent that there has been a limitation, an unalterable limitation, to the demand that could be made upon the ryot by reason of the Permanent Settlement, the Patta Regulation or the subsequent legislation that has been enacted. It looks as though the Hon. the Revenue Minister and the majority report agree with me. At the same time there seems to be a difference of opinion as to what has been unalterably fixed at the time of the Permanent Settlement, whether it is the rate of rent or the rent that was settled permanently at the time of the Permanent Settlement."

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“ Hon. Members will realize at once that the rate of rent has nothing to do with what is called the amount payable by the ryot or the village. The rate of rent may be fixed at so many rupees or so many puttis of paddy per acre or per garce of land. That is the rate of rent as distinct from the total amount calculated with reference to the total area. Whether the Permanent Settlement and the Patta Regulation fixed unalterably the upper limit with regard to the rate of rent alone or whether they fixed unalterably the assessment on the whole land seems to be one of the fundamental cleavages between me and the majority report. In fact the whole report has to be judged by this one fundamental fact, namely, whether it is a correct reading of the law to say that the Permanent Settlement fixed the rent unalterably or fixed only the rate of rent payable by the ryots.

“ Therefore the question now arises: what is the fair and equitable rent? The majority report says at one place that the rent has been fixed unalterably, that they were not asking anything new from the zamindars and that they were asking them only to stick to the Permanent Settlement and collect what had been given to them. They urge that they were not at all interfering with their rights. On the other hand, I say that the upper limit has been prescribed and there is a difference between the upper limit and the existing rates of rent. The question of fair and equitable rent has arisen because the upper limit has been exceeded and there has been an over-assessment. I submit that the upper limit of half the gross produce which obtains in most zamindaris is absolutely an over-assessment. On account of this there has been all this struggle in this century for the modification of the upper limit by the zamindars themselves because they cannot get tenants to cultivate the lands or for other reasons. I have till now confined myself to lands in the holding of the ryot. I must now turn my attention to lands not in the holding of the ryot. The theory of *usucapion*, i.e., whoever occupies the land gets its ownership is an old theory of Roman jurisprudence. Prescriptive titles have been got and even hemispheres have been claimed according to that theory. That is the theory with regard to colonization accepted everywhere. The theory that the State is the owner of the soil can be applied only in the sense that at any moment it can command the whole land for its own purposes. That is a different thing and ought not to be confused with the ownership of the person who is on the land, who is enjoying it and paying taxes to the Government. When we go to waste lands or what is called hills and forests, we find there is a different situation. If a person holds the land, then you can apply the doctrine of *usucapion*. The land must be vested either in a State or in a person with certain limitations. The only question is who is

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the person to be declared as the owner of the estate; the other question is what are the rights of the ryot? 12-45 p.m.

“ In the first amendment, I say that the ryot is the owner of the soil. My second amendment says that the ryot should not be declared to have proprietary right to the soil in forests. My third amendment is with regard to inams. The last point is one of the saddest points in the majority Committee report. There has been silent revolution with regard to aghaharams. The majority has not stated what the law should be with regard to aghaharams and what the relationship should be between the aghaharam tenants and the aghaharamdars. Hon. Members should understand that aghaharams form a great part; there are about one million peasants in aghaharam villages. There has been statutory law on this point from the year 1908 until 1938; the majority report says ‘scrap that law altogether.’ That is very good; but what is the law that is proposed in its place? Not a word is said as what should be done with regard to aghaharam lands. Therefore it is that I have brought forward the amendment. My hon. Friend Mr. Rangaswami Ayyangar says that some inams are included and that they would continue to be governed under the Estates Land Act, proposed to be enacted. I may say that the inams that will be included in the proposed Bill would be very insignificant. Many inams were granted by Reddi kings; many inams were granted by Hindu dynasties; many inams were granted by Muhammanadan rulers; the majority report has not recommended as to what the law will be with regard to aghaharam lands.

“ I will take up the first recommendation with regard to rates of rent. As I said, I do not know and I am unable to know what the recommendation of the majority report is on this matter. Hon. Members will refer to the draft Bill. Hon. Members will excuse me if I take up some time; it is rather difficult for me to refer to this matter; I will try my best. The only way of dealing with the point is by referring to the draft Bill, which is printed at page 286. Clause 16 at page 286 of the report says: ‘In conformity to the principles enunciated in the preamble it is hereby declared—(ii) that the land-revenue assessment fixed upon the cultivated land at the time of the Permanent Settlement, was fixed in perpetuity and that it cannot be enhanced by the landholder or reduced by the ryot under any circumstances and for any reason.’ Item (iii) of the same clause says: ‘The land-revenue assessment on waste lands that had been brought under cultivation between the date of the Permanent Settlement and to-day should not be assessed at a rate higher than the one fixed on the cultivated lands at the Permanent Settlement.’

“ I request hon. Members to turn to page 151, Part I of the report. The matter may be a bit dry but it cannot be helped.

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The heading given in that page is 'Statement showing the permanently settled zamindaris, their cultivated areas, incomes and peshkash.' We will take the figures given for the leading zamindari of Vizianagram: Extent of land cultivated in high ground is 24,849 garces; extent of land cultivated in low ground is 54,712 garces; the income on which the assessment was fixed is Rupees 7,16,708; the last heading is peshkash which is stated to be Rs. 5 lakhs. In the remarks column it is stated: 'two-thirds income plus Rs. 22,000 as there are waste lands which can be brought under cultivation.' In this connexion section 2 of the Permanent Settlement must be borne in mind. It says: 'In conformity to these principles, an assessment shall be fixed on all lands to pay revenue to the Government and in consequence of such assessment the proprietary right of the soil shall become vested in the zamindars, etc.' May I ask the Hon. the Revenue Minister whether the income on which the assessment was fixed is Rupees 7,16,708? Is it the contention of the majority members of the Committee that the sum of Rs. 7,16,708 was fixed as the permanent income for the permanent zamindari of Vizianagram? We have absolutely nothing by which we can ascertain whether the rent was paid in kind or in money. We can easily ascertain the rate then prevailing; we know the extent of the land that is cultivated; that is 54,712 garces; the assessment fixed on this extent of land is Rs. 7,16,708; we can easily find out the rate of rent for one garce of land. It was stated that if waram rate was being paid, we would not be able to commute it according to the price-level. Suppose the Vizianagram zamindari realized by way of the share of the crops, some amount which was in excess of Rs. 7,16,708; the question is 'Is it illegal under the Permanent Settlement? Was it unalterably fixed?' This is rather a difficult question to answer. I shall be glad if any of the majority Committee members can enlighten me on the point. I wish to know whether Rs. 7,16,708 was fixed as permanent jumma or whether Rs. 5 lakhs was fixed as permanent jumma. A peshkash of Rs. 5 lakhs was made payable by the zamindar to the Government. I wish to know whether it is the contention of the majority Committee that the only amount that can be received by the zamindar from the tenants is Rs. 7,16,708 and not more. Is it contended that anything that the zamindar realized beyond this amount from the cultivated lands, is illegal and that there was enhancement of rent? If that is the correct position, the Vizianagram zamindari cannot collect more than Rs. 7 lakhs and odd. Of course in the first year of Permanent Settlement, records are prepared with regard to yield of that year and with regard to prices of that year. Was not the zamindar entitled to receive his share of the produce next year and to convert it according to the rates prevailing that year? It is stated that in item (iii) of

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clause 16 (1) of the draft Bill, the land-revenue assessment on waste lands that had been brought under cultivation between the date of the Permanent Settlement and to-day should not be assessed at a rate higher than the one fixed on the cultivated lands at the Permanent Settlement? I have some difficulty to understand this provision, if it is read with other provisions. Clause 10 says: 'Where disputes arise in respect of rates of assessment, the rate shall be determined according to the rates prevailing in the cultivated lands, etc.'

"That is why I said that I am in agreement with one part of the recommendation of the majority report and that I am not in agreement with another part. My question is, what is the recommendation of the majority report? Is it the recommendation of the Committee that a special commission should be appointed to ascertain the rate of rent by dividing the total assessment by the total extent of lands? The waram rate has no place if the permanent revenue is fixed at Rs. 7 lakhs and odd on 54 thousand and odd garces of land.

"Then again, we have got under clause (23) (c) of section 16 ¹ p.m the following:—

'If the prevailing system of land revenue in any particular estate is still continuing on the old waram basis and the ryot demands after the passing of this Act that the waram system should be changed into money system, the commutation prices that should be adopted by the revenue courts shall be the prices that formed the basis of the permanent settlement and not the prices that prevailed on the date of the commutation.'

This is in direct conflict with section 7. If it is said that the rate of rent is to be ascertained by dividing Rs. 7 lakhs by 50,000, then why should there be any section here at all that you must commute it to the rate of price levels? We know the assessment is Rs. 7 lakhs, and we must simply get the area and divide it. Therefore, I say it is unnecessary. That is why I could not understand even the hon. the Secorder of the motion who sought to justify a reversion to the 1802 price level. In fact, I have stated in my minute of dissent that the maximum rate has been fixed up. Then, what is the dispute between the majority report recommendations and my note?"

MR. PRESIDENT:—"If the hon. Member is going to speak at length, perhaps we can now adjourn, and he may continue his speech afterwards."

SRI B. NARAYANASWAMI NAYUDU:—"Yes, Sir."

The House then adjourned for lunch to meet again at 2 p.m.

(After Lunch—2 p.m.)

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, it is necessary for the House to understand that at the time of the

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Permanent Settlement in 1802, almost all the estates were getting rents in kind, especially so in regard to wet lands. Very few estates were levying what may be called money rents. Therefore, it may be taken as a fundamental fact that in 1802 when the Permanent Settlement was made, all the tenants in zamindari areas were paying in kind. Therefore, if now the proposal is to revert to the 1802 level, it means really that you revert to what is called the waram system, which is half-share of the produce. Therefore the question arises whether the proposal is to revert to the waram or half-share produce rate or to revert to the money value of that half-share produce rate, as exemplified in the figures here. I do not know whether I make myself intelligible to the House. The Ramnad zamindari, for instance, even to-day, is practically getting payment in kind, except in the case of nine villages. The gross income of the zamindari is Rs. 1,42,100. My question is this: According to the majority report, is the ryot to pay the converted value? If so, it will be no doubt at the 1802 prices; but what about the present productive capacity, the nature of the crops now raised, etc.? In 1802 there might have been raised gram or some such thing in some of the lands, which practically had no value at the time, i.e., 1802; or the yield might have been very little; and all these things must have been taken into consideration. So, according to the majority report, one proposal may be that having regard to the price levels of 1802, commutation should be made with reference also to the nature of the crops and the productive capacity of the soil. If that is really the proposal, I say then that it is absolutely unjustifiable and is really against the interests of the tenant; it has all along been fought against as unjust. But, on the other hand, if the proposal is that the Ramnad estate should take only Rs. 1,42,000, then it is a different question altogether.

"I think I can bring in an illustration to explain what I say: Suppose in the year 1802 when the Permanent Settlement was effected, the rent derived by the estate was Rs. 100 on an area of 100 acres—that was the value of the produce that was got from that area. If you work on at that rate, it will give you Re. 1 per acre. Now, if the 1802 rate of rent is adopted, not only the rate of rent of 1802 but also the yield of 1802 and the nature of the crop raised in 1802, should all be taken into consideration—and that will be the 1802 rate. If the same 100 acres are to-day assessed at that rate, I say that we will arrive at quite a different figure on account not only of the changed price levels but also of the change in the productive capacity of the soil and the nature of the crops raised to-day. If worked on that basis, I am sure the 100 acres will certainly, according to my calculation, give much more than the Government rates.

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"I think therefore it will be most extraordinary if the zamindars can get a windfall of getting half-share produce on the basis of the 1802 conditions. It is admitted that the difference in price levels between 1802 and to-day is Re. 1: Rs. 2. The 1802 price-level, reduces the share now to one-fourth of the produce. As I have submitted in my dissenting note, this half-share produce was found to be absolutely inequitable and unworkable even with regard to Government areas. That is what is stated in the minute of dissent, at page 353 of Volume I of the report:

'But decisive proof both of the inequality and excess of the new assessment has been since afforded, for when, with reference to the ryotwari assessment, and the collections under it, the lands of these districts were subsequently assessed with the jumma, on the permanent zamindari tenure, the zamindars found it immediately necessary to reduce the *teerwas*, and these reductions in some cases extended to half the land under cultivation—nay, the high jumma assessed on the estates in the Salem or southern division, in consequence of the high ryotwari *teerwas* of Colonel Macleod, which exceeded the settlement of 1202 by no less than 36½ per cent has been the principal cause of the failure of the permanent zamindari settlement in that part of the country; and in the estates of the Salem district which have consequently reverted to the Government, the Board have been obliged to authorize a general reduction of the pre-existing *teerwa*.'

It was then surveyed at half-gross produce.

'Nowhere indeed do the survey rates of assessment appear generally to have stood well except in the Barmahal or centre division, where they were fixed by Colonel Munro, who seems, more than any of the others, to have modified his *teerwas* by the only certain criterion, the *past actual collections*, for his survey assessment exceeded the settlement of 1202 by only 3½ per cent, while that of Colonel Graham was 29½, and that of Colonel Macleod, 36½ per cent above it.'

In fact, at page 275 of the Appendices volume of the report, the settlement of this Barmahal is noted: It will be seen there:

'The whole of the lands was surveyed and valued during the superintendence of Lieutenant-Colonel Read and the greatest proportion of them was under the immediate management of Major Macleod from the period of their cession of Tippec Sultan in the year 1792 and as by the system of management not only the annual rent of each village, but of every individual farmer and field was recorded, the Collector possessed the most complete information which could be obtained for enabling him to form the arrangement and divisions of the country.'

Therefore, every field was surveyed and the rate was fixed.

"As a matter of fact, it will be seen from the appendix, that the permanent jumma, the extent of nanja, the proposed jumma, the average jumma for a number of years and the proposed peshkash are all given. That shows that there have been certain estates which were assessed to money rates prior to 1802. The question is: are those money rates to be reverted to now, according to the recommendations of the majority—these money rates which were fixed on the over-assessment system, according to the report made in 1818; or is relief really going to be given to the ryots who are now paying high rates of rent? With regard to the Kannivadi zamin, which was referred by the Hon. the Minister, the rates there were the rates introduced by Col. Macleod. The zamindar himself found they were high rates and afterwards

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he reduced them; later they again became manoraji rates. Then the question came up before the High Court for decision as to whether the Patta Regulation rates were to be enforced or whether the first rates were to be enforced. As the zamindar was entitled to collect according to the Patta Regulation, the difficulty arose whether the manoraji rates could be given effect to.

“ May I ask the Committee whether the majority recommendation is that the first rates introduced by Mr. Macleod in 1801 should be enforced, i.e., the money rates. There were three kinds of estates, in permanently settled areas, which I have already referred to; and the first of them was that relating to those in which money rates of rent were in existence. What is the position? Is the recommendation only on the basis of the first-rates or is it to be a reversion to the waram system? Is a special commission to be authorized to go and see these lands and assess them with regard to the half-share produce system and fix the money rates for ever, or is it simply to be based on the first-rates, i.e., those based on the yield in 1802? My submission is: it would be an over-assessment. Even supposing that the majority recommendation is that the amount that was fixed at the time of the Permanent Settlement should be taken and divided by the area, what happens? Even then, my submission is that it will be necessary for the Government to introduce what is called Government rates. There is no other alternative. If the position in regard to the Ramnad estate is that they can collect only Rs. 1,42,100, as they did in the year 1802, then the estate will pay a peshkash of Rs. 94,000, leaving a balance of about Rs. 50,000 for the zamindar. If the cesses and other things are to go and the collection and management expenses are also to go, then there is nothing left.

“ What about irrigation works, etc.? As a matter of fact, the question has been raised in the dissenting minute of the Raja of Mirzapuram, that in the Bobbili, Pithapuram, Vizianagram and other estates, if the first principle is adopted, they will have to go out. I think it must be accepted that in those circumstances they will have to go out. They themselves say that there has been no extension of cultivation at all. It is in the report that with regard to these estates figures have been worked out to show that there has been no extension of cultivation at all, so that according to it, we are now asked to believe that in Karvetnagar estate to which I belong or in the Bobbili or Vizianagram estates, there has not been extension of cultivation at all. I cannot accept that contention at all, because I know that in my own village, and I have seen it with my own eyes, and also with regard to villages in Kistna district, there has been extension of cultivation. Of course that is another matter.

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“ But the question really is, if the figures worked out in the majority report are true, we get into one or two positions. The first is, Government rates of rent have to be introduced. That has been accepted according to me. As a matter of fact, I submit it is also necessary in the interests of the community at large, that we cannot have two classes of ryots, one being higher or lower than the other, and always at war with each other, since there will always be political parties setting up one party against another, saying we will give you this favour or that. The only point is, that the ryots in the zamindari areas should be placed on exactly the same footing as those in Government areas and be done with that. In my recommendation, I have also stated that where the rents are low, it should not be increased, and the reason for that is not far to seek, because in the Patta Regulation itself they have stated that the landholder and the tenant can agree together and fix the rent for them altogether and that rent cannot be fixed in the same way as the peshkash that is fixed between the Government and the zamindar. That was what was also done in the many estates in the Kistna district, and that is, rents have not been raised. In some cases, perhaps they might be lower and therefore it is that I recommend that these rents should not be interfered with and that in the case of those places where rents are higher they should be reduced to the level of these places.

“ My next recommendation is with regard to forest areas. Here you have got to make a declaration that the forests belong to the ryots. It is not stated as to ryots of which village must be declared the owners. We have now got all the rights in common. It was said the other day in the Assembly that it was not to be the ryots', that the Government will be in possession or management or something of that sort. Probably, I might be wrong in reading that speech. Whatever it may be, the question is 'who is to have possession or control?' because we cannot now say, which is in the holding of the ryot and which is absolutely outside the holding of the ryot. Of course, it is not in the interests of the ryot, so far as the holding is concerned. It is entirely extraneous, for the terms of reference of this Committee are also to the same effect. The reference is as follows: To report on the conditions prevailing with regard to the utilization of local natural facilities by tenants for their domestic and agricultural purposes. The questionnaire framed are: 'What are the rights of tenants with regard to the utilization of local natural facilities such as grazing of cattle, collection of green manure or wood for agricultural implements? Have the tenants got any inherent right to use them for their domestic and agricultural purposes free of cost? What are the respective rights with regard to the public paths, communal lands and hills and forests and porambokes as between the tenants and the landholders?'

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“ Again, Sir, in all the evidences the question has been raised as to what are the rights of tenants with regard to these forests, not that they should be vested in the community called the village patta. If it is the idea that the village patta owns the forests and continues to hold the forests even to-day, then my submission is, as I have stated in the minute of dissent, the village patta has ceased to exist and to-day villages consist of private owners of property; A, B, C having lands to the extent of 10, 14 or 16 acres, respectively, and the village patta organization has ceased to exist. If it is conceded that it has ceased to exist, in whom does this exist? Is it to go to the villagers in certain shares? In that case, each one will want to have it to the exclusion of the other; and therefore it cannot be given entirely to them. Even in reply to questions put to the witnesses, namely, do you want these things to go into the possession of the village? They said ‘No.’ Because, no village panchayat is free from factions about public property and it will lead to one set of persons having control over another set of persons. Nothing more than that will happen. If it is going to be a matter of debate, the zamindar will say, there is no custom and the ryot will say there is custom. Instead of leaving this matter to a question of debate in courts of law, my recommendation is, suitable provision should be made for giving facilities for grazing cattle and taking free of cost manure and other things. The only other question is: whether the Provincial Government should take it or the zamindar should take it. The ryot has no interest in it, because his only interest is, he must have free grazing—and that is why I have moved my second amendment.

“ My third amendment is with regard to inams. It is really difficult to understand the position and before a House like this I do not know what to say, because it is said, ‘the law is that and therefore we are going to enact like that.’ But, I say, the law is not like that. The Estates Land Act was passed in 1908. The Bill was first introduced in 1905 and in that the agrapharam villages were included, but it did not contain a proviso to the effect that land revenue alone was granted, but not kudivaram; and that was introduced later on. Then litigation was going on between the agrapharamdars and tenants for occupancy and other rights. It came up again in 1934 or 1936.

“ Never mind what the law is, but we should consider what is the real position, taken up by the majority of the committee. It is this, that the Estates Land Act is ultra vires and it comes into conflict with other laws. This question has gone up to the Privy Council. Evidence were given before us by Mr. T. R. Venkatarama Sastri, who was also once the Advocate-General. In the first Bill of 1908, the Hon. Mr. V. Krishnaswami Ayyar took part in the debate and afterwards the Hon. Mr. K. Srinivasa Ayyangar drafted the Bill on the same subject. Successive Advocates-General

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and even the Privy Council have stated that it is not ultra vires. Now the majority of the Committee now suddenly come forward and say that this Act is ultra vires, and therefore we should not have this. This is a legal point. May I ask the Hon. the Revenue Minister to leave this to courts?

“ Again, Sir, the inamdars’ point has been dug up and it is said, the inamdars are fools, they should have raised this point in the civil courts. I ask, why do you want a repeal of this Act, if it is, as you say, really a question of ultra vires? I want you to leave it to be decided by courts. Those Acts dealt with the rights of inamdars and the sovereign, just as the Permanent Settlement Regulation dealt with the rights as between the Government and the zamindars. The right of holding land free of assessment is a right contrary to the common law of the country and therefore the Government said in 1802, those lands shall be set apart and leases were made in order to determine the titles of agrapharam villages and to say who are the people entitled to hold lands free of cost and not. My submission is that, if you say it is based on the question of law, I am entitled to say that it is not at all opposed to the existing law at all. On the other hand, the Act is intra vires, and so the first contention is not really tenable. That is why I said at the outset, in a House like this, on a question of law, should there be any difference as to whether the present law is ultra vires or intra vires—let the Advocate-General come and say, by all means do so, but I throw this challenge—let it be decided by a court of law and let it say that it is ultra vires and we are prepared to take their verdict. I say, Sir, we have got the opinions of eminent counsel like the previous Advocates-General who have not only sponsored the Bill in the past, but also admitted the fact; and now in the face of all that, you say for the first time that this Act is ultra vires. I consider that it is only an excuse for repealing the Act. I ask, why should the Act be repealed? You have defined the relations between the zamindars and the tenant, between the agrapharamdar and his tenants. It is not the first time, when this question was considered. In 1865 and in 1908, the same thing was done, and this was not raised; and even in 1936, this point was not raised. But, to say now, we shall repeal the Estates Land Act, because you consider it ultra vires, is doing a wrong thing. That is my submission.

“ The next point taken up by the majority committee is about the Inam Commission some fifty years ago. The Inam Commission went into the position of inams and they held that the inamdar had the freehold right. With all humility I say what they enquired into was not with regard to rent, but the whole question before the Inam Commissioner then was whether the agrapharamdar was entitled to hold the land without paying any tax to the Government. The question was not whether they held the lands justifiably without paying the State dues therefor.

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Suppose an agrapharamdar was paying rent, the Inam Commission had nothing to do with him; on the other hand, if taxes were not paid for fifty years and suppose the agrapharamdar was in possession of the land for fifty years without paying the tax, the Inam Commission had no jurisdiction and Government had no reversion. The position that was sought to be enquired into in the Inam proceedings was whether it was held by the agrapharamdar without paying rent or what may be called beneficial rent—what is not ordinary rent which was due to the State, but something beneficial. That was the question that was enquired into. But now the majority Committee wanted to deduce therefrom that the position had been adjudged and therefore freehold property was given up and it was wrong in 1908 to have done so. If the position was adjudged, why should there be an Inam Commission to enquire about it? The enquiry was mainly with regard to whether the lands were entitled to be held exempt from payment of tax to the Government either wholly or partly. If the inamdar was held to be in possession and at the same time was paying taxes, there is no use even if he had possession of land, but he must have held the land without paying the tax—they say his title has to be confirmed; it did not matter whether the tenant was in possession or who was the person who was paying the tax. It is stated that the agrapharamdars are not on the same footing as the permanently settled estate-holders. My submission, is the agrapharams and the permanently settled estates are exactly on the same footing, because the relationship between the Government and the others is the same. The permanently settled zamindar pays two-thirds as peshkash, but in the case of agrapharams, the proprietor does not pay anything, or if at all, pays only a beneficial thing. In the case of both, the State demand according to law, has been either curtailed or waived. Therefore, the two things are identical in nature so far as State ownership of property is concerned.

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“That is why we find that the Committee was constituted to enquire and report into the condition in zamindari and other proprietary areas. Proprietor does not mean that he is the owner of the soil. It is only meant in the sense that he is paying some rent either fully or in part. I think I have made myself very clear that the Inam Commission only considered cases where nothing was paid to the Government and such as were paying rent, beneficial rent, were outside the purview of their jurisdiction. The Committee say that these things have been enquired into already and that the position taken up according to the Estates Land Act Committee of 1908 was ultra vires. What is the law on the point and on what basis is such a conclusion come to? Was ever such a finding given by any of the superior courts? Therefore, it is, Sir, that I have been urging that the Committee should have made its recommendations whether the tenants have

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occupancy rights or not. Even this has been refused by the Committee. I should only like to quote from the minute of dissent of Mr. Mahboob Ali Baig in support of what I have stated in my minute. This is what he says:—

‘In conclusion, I wish to state that it was very regrettable that the amendments moved by me urging on the Committee to examine the inams question as a whole and propose legislation therefor, has not been carried. An objection was raised that the tenure in inam villages being different, confusion would result from the mixing up of inams with zamindaris in the same legislation. Although I do not hold that view, I consented to the enactment of separate legislation and requested that proposals for such a legislation be made by the Committee. It is very unfortunate that this suggestion of mine also although supported by four members of the Committee has not been given the consideration deserved and was rejected.’

Apart from the inams that do not pay any revenue, the inams and agrapharams pay an important part of our revenue. They pay a sum of Rs. 7,00,000 as what may be called peshkash. If you are going to adjudge as between Rs. 40,00,000 and 2½ crores why not you do the same thing as with 7 lakhs and probably one crore of rupees. It is not as if we want this to be applied to minor inams. Every one of the witnesses that came before the Committee was asked about the rights of tenants in their villages and we have got full details with us from the Collectors in respect of inams having a rent-roll of over Rs. 5,000. We know that there are more than a million peasants in such inam villages and I am only wondering what justification is there to say that they should be left out of the purview of the legislation to be brought up. It will be seen that the Estates Land Act is not going to be modified but it is going to be repealed and when it is to be repealed, it is but natural that we should ask that the rights that have been granted according to it, should not be taken away and the position should not be left indeterminate to be fought out in courts of law. According to that Act the tenants have occupancy rights and those rights should not be revoked and left to be fought out in the courts of law. No doubt it has been declared that the common law with regard to inams is just the same as with regard to the zamindaris but that position has not been upheld by the Privy Council. Anyhow, I submit that some indication of the lines of legislation regulating the relationship between the agrapharamdars and the tenants should have been given. Even in the Assembly I do not see that any such indication was given and I hope it will be given at least here and we shall know what legislation is to be brought forward and on what lines. Therefore it will be seen why I have given notice of my amendments contrary to what has been recommended by the majority of the Committee

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and I hope will give due consideration to them and judge the matter."

* Sri A. RANGASWAMI AYYANGAR:—" Mr. President, I may begin by stating for the benefit of the House and those outside that what I am stating now on the floor of the House is not the view of the party to which I belong and I have been given the liberty by the leader of the party to express my own views in regard to the matter before the House in view of the peculiar situation which I have been placed in.

" To those who are not in the thick of the matter it may appear that the members of the Committee, the so-called majority and the minority, are in considerable disagreement on the fundamentals of the issue. I may state at once that the impression so created is wrong. Barring the Zamindar of Mirzapuram, all the other members of the Committee agree on the most fundamental issue involved in the case. No doubt, the Zamindar of Mirzapuram, is a class apart and I do not know who is going to espouse the cause of the zamindars in this House. The other eight members composed of six members from the Congress Party and two members of the non-Congress Party—four of them are lawyers—all of them agree and have come to the unanimous conclusion that the ownership of the soil is that of the ryot and that what the ryot pays is not rent but a tax. It is not a small matter for congratulation that four members, all practising lawyers agree on this principle and have proceeded on that basis with a view to solve the tenancy problem of this presidency. They have agreed—two of the practising lawyers that have agreed to this proposition are non-Congress practising lawyers—that the fundamental basis of the tenancy problem is that what the landholder is receiving is only land revenue and that position goes a long way in solving many of the mysteries that have confounded the lawyers for over a century.

" This position has been taken up again and again from 1802 onwards. In 1865, in 1898 and again in 1908, very many persons who espoused the cause of the ryots attempted to take up that position, namely that the ownership of the soil was that of the ryot and wanted to frame legislation on that basis but their efforts for some reason or another had been fruitless and the introduction of the words ' landlord and tenant ' has been responsible for the medley of decisions and the wrong connotation of the respective rights of the parties. No doubt, it has been pointed out from the very early history of the struggle of the tenant that the prevalence of the term ' landlord and tenant ' has been responsible for a good lot of difficulties of the ryots. It has been pointed out by Mr. Crole himself in 1898 and it appears on page 19 of the Addenda that has been supplied to hon. Members from which I think it

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is not necessary for me to quote. If this is firmly kept in mind and it is remembered that the tenant is the owner of the soil, the other difficulties will vanish. If it is remembered that the ryot in the zamindari is on a par with the other ryots, the other things follow as a matter of pure logic. The other recommendations merely follow as a logical sequence of that position. That is what happened at the time of the Permanent Settlement also.

" No doubt the position has not been altogether uncontested. The zamindars have been contending for a long time past that the State being the owners of the lands and they being the assignees of the State's rights therein, the ryots were merely tenants-at-will and so they were entitled to raise the rents as they pleased. This position has been again and again disputed by various legislators.

" What happened in 1802 is that while the State transferred its rights to collect revenue from the ryots, it also took care to see that the ryots were not harassed by any other fresh levy. That is but logical because if it is a taxation nobody except the State has got the power to levy taxation and it cannot be that the Government of the day allowed a *carte blanche* to the zamindars to levy taxation upon the subjects thereby abandoning an attribute of their sovereignty in 1802. The State in 1802 did not do any such thing and that position is clearly brought out by the various speeches made by Mr. Crole which are printed in the addenda that has been circulated to hon. Members. There is no doubt about the fact that the zamindars were not allowed to enhance the rents that were prevailing in 1802. If it was a money rent, they were not allowed to enhance it. If it was a waram rent, they were not allowed to enhance their share from one-fourth to one-third or from one-third to one-half. But if, at any later time, the zamindars wanted to convert the waram rate into a money rate either by agreement or by the act of the State, they could commute it. There was nothing specially mentioned either in any contemporaneous regulation or subsequent legislations saying that the zamindars were compelled to accept the money value that prevailed in 1802 on such computation. There was no statutory obligation on the part of the zamindars to commute only on the basis of the rate obtaining in 1802. That is where the flaw in the findings of the majority of the Committee comes in.

" Now the zamindars have been getting much more than they were getting in 1802. How did it happen? It happened by the rise in prices. No doubt contemporaneous documents of 1802 and subsequent documents lay it down that the zamindars were entitled to a share in the increase. On a matter of construction of the documents of the Permanent Settlement deeds and other documents connected therewith, you cannot gainsay the fact that they were entitled or at any rate they had the right to get the benefit of

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increase in prices, just as the ryotwari tenant was getting the benefit of the increase in prices. This is noted in page 5 of the Addenda:—

‘The proprietary right of the zamindars is no more than the right to collect from the cultivators that rent which custom has established as the right of Government and the benefit arising from this right is confined first to an extension of the amount, not of the rate of the customary rent, by an increase of cultivation; secondly, to a profit in dealings in grain where the rent may be rendered in kind; thirdly, to a change from an inferior to a superior kind of culture, arising out of a mutual understanding of their interest between the cultivator and the proprietor.’

“ And again,

‘ Certain rates were fixed as the maximum teerva on different descriptions of land at the time of the permanent settlement, which rates cannot, of course, be raised so long as the lands remain under the same cultivation, whether nanja or punja, etc., but the same rule does not in the Court’s opinion apply when lands are improved by converting punja into nanja, and nanja into totacal or garden cultivation.’

“ So then, if it is a matter of interpretation of the legal rights of the parties, you cannot certainly say that the benefit of the increased rise in prices is really enhancement. Further the problem does not stop with that. The real question is whether the zamindar is entitled to an increased rise in prices. The Hon. Mr. Prakasam took laborious pains to establish that this is enhancement of rent. I beg most respectfully to differ from him, and I wish to state that this is a windfall for the ryot as well as to the zamindar. But whether the zamindar can get the benefit of this windfall is another matter. This is what political economists call unearned increment. This is a totally different matter. With reference to the exigencies of the State, the present Government may take the view that having regard to the functions of the zamindar, he is only an office holder, for which he was given a particular remuneration in 1802, that he is entitled to no more remuneration than that, and that the zamindar shall not have a share in the unearned increment. It is certainly open to the State legitimately to take that view and deprive the zamindar of that unearned increment. But it is a totally different thing to argue that this is enhancement. I say, why spoil a good case with bad arguments. Why do you entangle yourself in a legal mire; why do you entangle yourself in legal quibbles that the interpretation of the Permanent Settlement is this, that the language of the Permanent Settlement is that and so on? The rights of the State are paramount. Having regard to the political advancement of the country, the present state of the tenantry, the particular office that the zamindar is functioning, the State can very well say, ‘abolish the office because the office holder is not entitled to any vested interests in the Government.’ All the eight members of the Committee came to the conclusion that the zamindar is merely an office holder under the Government and that he simply fulfills an office. Therefore it is open to the Government to dismiss him,

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it is open to the Government to say whether you will pay him compensation or compassionate allowance or whatever you call it. It all depends upon the view that you take on that question. But it is totally unaffected by the legal connexion between the landlord and the tenant. Therefore the 1801 basis, while it is useful to get rid of the zamindar and for assessing the damages or compensation or compassionate allowance, is certainly not a proper criterion when you deal with the ryots as they are.

“ When you deal with the ryots you will have to deal with them on the principle of taxation. If it is a tax, what are the principles of taxation. The ryotwari tenants are subject to taxation under a principle of half-net. Why should the zamindari taxation be fixed on a different principle? After all, the persons who are willing to be taxed have accepted the ryotwari principles of taxation. Therefore I have to recommend this to you: when you are dealing with your own subjects, why do you want to go to 1802; why do you bother yourself and say that the East India Company did this or the British Government did that; why bother yourself the East India Company was a trespasser and the British Government too for the matter of that is a trespasser? If we do this, we will land ourself in a chaotic condition. The East India Company did not do this for the sake of Indians; it did this for its own sake; it found itself in a difficult position; it was not able to govern India; and therefore it sought a rough and ready method of collecting as much money as it could in a lump sum and in a manner that it would catch hold of. No doubt two-thirds of the revenue may be a general principle; but two-thirds was not always the case. The history of the zamindaris shows that if the zamindar happened to be a powerful one the zamindar gave considerably less than two-thirds; but if it was a case of a weak zamindar, he had to pay two-thirds. Therefore the figures that were settled at the time of the Permanent Settlement were rough-and-ready figures not based on any accurate thing. They were based on the karnam’s report. Therefore that was the method the East India Company was forced to adopt for their own sake. At that time things were in an unsettled condition. When we consider the State to be supreme, can we take things as found in a chaotic condition as a standard? How can you adopt that, when the principle of taxation for each estate must be different? There are 1,500 zamindaris, and the principle of taxation in each zamindari is different.

“ Of course, there are several objections to this so-called 1802 principle. In fact, are there any principles at all? Several principles are given in the report. Were all the zamindaris settled on the same basis? For example, the Udayarpalayam zamindari pays only Rs. 600 as peshkash, but the actual rent-roll is enormous; some zamindaris were favourably treated. If you are going to proceed on the amount of peshkash settled in 1802, I wonder how

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you are going to tackle the problem. One zamindari ryot may pay Rs. 20 per acre; while the adjacent zamindari will be paying only two annas per acre. The Hon. Mr. Prakasam was waxing eloquent about the infallibility of the figures. I challenge whether accurate figures will be available for all the zamindaris. Moreover you can get figures only in a lump, that is for the village as a whole. With that, how will you be able to settle the amount for each individual holding in each village. Supposing Rs. 1,500 was fixed as the assessment for a zamindari, may I know how you are going to distribute that amount among the several villages composing the zamindari? Further many villages that were flourishing at the time of the Permanent Settlement have gone to decay, and many that were unimportant then have risen to prominence now. One hundred and thirty years have elapsed since then, I wonder how you can proceed on historical facts at the present day. So far as theory is concerned you can be guided by history. But practicability is another matter. Was any investigation made? Witness after witness on behalf of the ryots, in fact, ryots after ryots, Congress Committee after Congress Committee pressed upon the Committee the desirability of settling the amount of assessment on the ryotwari principle, that is, half net, arrived at after deducting the cost of cultivation and other expenses having regard to the marketing facilities, taking into consideration the past ten years' prevailing price. No doubt the ryotwari area principle was wrongly worked. But I say, witness after witness pressed upon the Committee that they would be satisfied if the ryotwari area principle of assessment was adopted. No doubt the zamindars opposed this. Of course, I as one in the minority accepted this principle as also two members of the Committee who do not belong to the Congress Party. Now I ask, was any investigation made about the 1802 principle as to how it can be worked or how it will work? Was any question put to the ryot about it? Does anybody know as to how the figures of 1802 were arrived at? Mr. Narayanaswami Nayudu said that the figures can be manipulated either in favour of the zamindar or in favour of the ryot. All this shows that the figures of 1802 are unreliable. Therefore, I say, if we adopt the 1802 principle we will be following a will-o'-the-wisp policy.

"Further, once we raise the status of the zamindari tenant to that of the ryotwari tenant, any benefit in future reform that we may confer on one of them will be availed of by both. But if we follow 1802 principle for each zamindari there will be 1,500 principles, and how are you going to benefit anybody by your future legislation? There it passes my comprehension as to who started this idea, and how this idea will be worked. I am not now on the question as to how the zamindars will be affected with these principles. I do not hold any brief for the zamindars.

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My apprehension is that the ryots will not get the benefit of the system, because it is really a thing which the ryots cannot test themselves. If it is ryotwari principle, they can test for themselves. It is not a question of diving into the figures of the records of the zamindars or blue books. Do you think the ryot is equal to the agents of the zamindars in the matter of figures? Therefore I say that this principle of settlement of rent on the basis of 1801 3 p. principle is not proper. I hold strong views on that point. However, it does not affect the general basis of the report. The general basis of the report is that if the ryot is the owner of the soil and that what he pays is a tax and not rent it is open to the State to tax in any way it pleases. It is a matter of detail, though an important one.

"I have already stated that the Permanent Settlement itself was a great wrong done to the people. The only body that sustained loss by the Permanent Settlement is the State and it is high time that the State should set right the wrong. I surmise that if the 1801 principle is adopted, it may be, that we are not directly coming within the teeth of the Permanent Settlement. It may be stated that if we say that it should be on the ryotwari basis, the zamindars will base their objection upon the Permanent Settlement; therefore there is a legal hurdle to get over and therefore to get rid of that difficulty we should adopt the 1801 rates. My own view is that there is no legal hurdle at all in either case, whether you have the 1801 principle or the ryotwari principle as at present; there is no legal hurdle at all. Even in 1802 this question was raised and the East India Company definitely said that the Government did not abdicate its powers to tax or pass regulations for the benefit of the State. The passage is found in pages 1 and 2 of the Addenda. This is what they say:

"But it so happens that such a contingency was clearly foreseen and provided for, towards the close of last century, by the Court of Directors, Lord Cornwallis, the Madras Government in its instructions to Collectors in 1799, and in the permanent sanad issued to zamindars, under Regulation XXV of 1802, the 13th article of which specifically reserves the right to 'enact Regulations for the security, protection, and prosperity of the subjects of the British Government . . . and for the improvement of the condition of the people.' The Governor-General in Council distinctly informed the Madras Government [dated 31st December 1799, No. 8-1-18-(a)], that "the acknowledgment of a proprietary right in the zamindars existing, or those to be created, was not to be allowed in any respect, to affect the rights of the ryots or others, who had hitherto been in any respect subject to the authority of the zamindars, or other landholders; nor was it to be construed to preclude Government from passing any laws or regulations, which might occasionally be deemed expedient, for the protection of the rights of the ryots, or of other persons, or for any other purposes which might be deemed essential for the good Government of the country."

"Therefore, at any time, neither the East India Company nor the Board of Directors held the view that it is beyond the purview of the State to pass regulations for the protection and prosperity of the subjects. Therefore, it is seen that the Permanent Settlement is not affected. It is a question of regulation of taxation of the

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country. If it affects the Permanent Settlement, it is open to the zamindars to cancel the contract and thereby to quit the office of zamindar. Either he must accept the office on the conditions which the State will impose from time to time for taxation, or he must quit the office. Even if the Permanent Settlement is going to be a hurdle which it might be impossible to get over, under the new constitution, there is no power to prevent a local legislature from making laws even if it affects the Permanent Settlement. The only thing that has to be done is, perhaps to obtain previous sanction and I am sure that those who are responsible for making laws for the removal of the distress of the people, will certainly not find it difficult to go through these formalities. Even if it comes to a question of the cancellation of the Permanent Settlement, if the situation in the country requires it, certainly the Congress Government will take the necessary steps to get this formal sanction.

"I have only one more word and I have done. This is a matter on which I entirely disagree with my hon. Friend, Mr. Narayanaswami Nayudu; it is with reference to the question of inams. No doubt, on this question, I have disagreed with the majority report as well. Since we assume that the zamindar is a public office holder, there are certain disabilities imposed upon him by reason of his position as a public office holder in the matter of the purchase of the tenant's rights, in the matter of extending his private property, in the matter of holding bought-in lands and so on; these are some of the disabilities which are imposed upon him by statute in virtue of his holding a public office. In the case of the inamdar no such disability exists, because, at no time was it ever suggested that an inamdar was an office holder or a farmer of revenue, though he got the rights of the zamindar or of the Government either by assignment of revenue or assignment of the village; he at no time occupied a public position, he was never a public servant. Therefore, such disabilities as were imposed upon the zamindar by reason of his occupying a public position ought not to be imposed upon the inamdar and therefore, it is that I say that there must be freedom of contract, competitive rent, freedom to hold freehold properties which are purchased in a court auction, as I have enumerated in the minute of dissent.

"The mistake that was committed in 1908 and 1936 is that the zamindars and the inamdars were clubbed together on the ground that the inamdar is merely an assignee of the zamindar's rights and so on. He may be an assignee of the zamindar's rights but not of his disabilities. No inamdar was assigned all the zamindar's disabilities. Therefore, I say that inams must be differently dealt with. But this is not to say that the kudivaramdar should be deprived of the properties which he might have got by virtue of long possession or by grant or by other methods. Far from that. But the other disabilities in respect of presumption and other things

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which are enumerated in the Estates Land Act of 1936 should not be there. Therefore, I recommend and I agree with the majority report that the 1936 enactment must be cleared out so far as the inamdars are concerned.

"I agree with my hon. Friend Mr. Narayanaswami Nayudu that a separate enactment is necessary for the inamdars alone. The majority report includes certain inams and leaves the rest in the air, as it were; that is to say there would be a lot of trouble in law courts in the matter of excluding or including a certain inam and so on. Therefore, I say that sooner or later an inam village legislation must be attempted. I have also indicated the principles of such an inam legislation in my dissenting minute."

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB
BAHADUR:—"Mr. President, Sir, so much has been said about the legal and technical aspects of this case, that I do not intend to go through them again. But I should like to say that this is a very important and difficult question that has come before this House. Not only Members of the Government, but also every Member in this House is interested in the just solution of this very difficult problem. We should remember that the ancient zamindars have not been created by the Permanent Settlement of 1802. They have been existing for many centuries and have been exercising sovereign and quasi-sovereign rights. There are historical records and inscriptions to show that they have made grants of land to the East India Company. Armogam, a village near Pulicat has been granted to the East India Company about 300 years ago by the Raja of Venkatagiri and the fishing village on which the City of Madras now stands has been given about the same time to the East India Company by the Raja of Kalahasti. That is perhaps why our Andhra friends are claiming Madras for the capital of the Andhra Province. (Laughter.) What I say is that the Permanent Settlement simply confirmed the then existing rights of the zamindars and similarly the sanads that were issued to the zamindars under the Permanent Settlement also did the same. The sanads clearly say that all the forests, waste lands, irrigation works and minerals are the assets of the zamindars. All that shows that it was considered at that time that the zamindars were the owners of the soil. To my mind, Sir, it is very clear that the zamindar is not only the owner of the soil, but also has the right to enhance the rent, as has been recognized by the legislation of 1908, under which any zamindar has the right to enhance rents under certain conditions. Sir, whatever may be the legal position, I think, this House expects the Government to come to a just settlement of this question. The point to be considered is, what is the effect of the report of the Committee presided over by the Hon. the Revenue Minister? Is it possible to give effect to the

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recommendations of the Committee and at the same time do justice to everybody? If you give effect to the recommendations of the Committee what happens is, that the zamindar will not be able to pay even his peshkash to the Government. What is to happen to his administrative charges? What is to happen to him who has been maintaining himself on the income? I think the report will lead us to an impossible and intolerable situation. Sir, it is all right to say that we must satisfy the millions of ryots, but at the same time we must try to satisfy the zamindars also. I do not want that we should bring about the extinction of the zamindars. What is to be done at the present moment? I think only one or two courses are open. First we should adopt a middle course. It is not possible to give effect to the recommendations of the Prakasam Committee, because it will lead us to a very impossible and intolerable situation, a situation in which the zamindars will find that they are not able to pay even the peshkash to the Government. How are you going to meet the situation? It is not statesmanship to say that we are concerned only with the ryots and all that we want is to give relief to the millions of ryots. We should no doubt improve the position of the tenants in the zamindari areas and at the same time we must see that the zamindars also live, and are not destroyed. If such a course is not possible, then the only honourable course is to acquire the zamindaris by means of adequate compensation. I use the words 'adequate compensation' because, we have to take into consideration the income that they get at the present moment. The Hon. the Revenue Minister both in the other House and in this House said this morning that they are getting a gross income of 213 lakhs, of which about 44 lakhs they pay as peshkash. They have to spend about 10 per cent of the gross income that is about 21 lakhs or so as charges for collection purposes. Thus their total net income to-day is about 150 lakhs. Therefore, in any settlement with the zamindars, we have to take this into consideration that they are getting about 150 lakhs to-day as net income. Sir, even if we acquire the zamindaris by means of the money compensation, we should remember the great loss of prestige in the status of the zamindar. To-day he is considered to be a most important person in the district; he is considered to be the leader of society not only on account of the fact that he has been there for centuries, but also on account of the services that he has been rendering to his own ryots by establishing and maintaining educational institutions, schools, colleges, hospitals, child-welfare centres, poor houses, and religious institutions. Under these circumstances, I do not think it will be right to say that we shall give them some compensation. We should give them adequate compensation taking into consideration their present net income of 150 lakhs and also the loss of their status and prestige. Sir, I should like to take this opportunity to plead before Government that the zamindars though

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only about 1,600 in number, are entitled on moral grounds to fair and impartial treatment. With a spirit of give and take on both sides, I think any difficult problem in this world can be solved. And with this spirit of give and take if both the zamindars and the Government could come to some kind of just settlement, I think the House will be glad that we have done our duty both to the ryots as well as to the zamindars. Therefore my appeal to the Government is that they should get into touch with the zamindars and come to a just settlement with them. By doing justice to them they will be raising the prestige of the Government for fair play and magnanimity."

* SRI MEDAI DALAVOI KUMARASWAMI MUDALIYAR:—"Mr. President, I would very much like to thank the Hon. the Revenue Minister and his colleagues on the Estates Land Act Committee for their industry, etc., but then the Premier, speaking in the Lower House, with his ripe experience, had given us a lesson on parliamentary practice that such things are not essential and that a House debating on questions of this nature must do so in a manner useful for further progress. It is no easy thing for ordinary mortals like me to follow the austere example set by the Hon. Premier and whatever wish I may have, the temptation to drop a compliment to the members of the Committee for their industry, etc., becomes irresistible. For, who can withhold them what is their due, when the eighteen bulky volumes present a flattering addition to an otherwise modest library of an ordinary councillor like me, when by the variety of their colours rivalling the richness of the peacock, they afford a pleasing spectacle to the eye? What quotations! what graphs! what charts! There is a majority report; there are a formidable number of minority reports; massive appendices; elaborate evidence; graphic representations; verily it dazes my poor imagination.

"Sir, I am reminded of a saying in Tamil 'They delved at the fountain; and lo! they begot the demon.' கையறுபெட்ட புதம் புதுபெட்ட. Such are the startling findings of this industrious Committee. When we first supported the motion for the appointment of the Committee, we thought it was a genuine necessity and we expected that the Committee would make some tangible proposals for the reform of the zamindari areas. But to-day what do we find? Our good intentions have resulted in a jumble of most reactionary recommendations. The Hon. Prime Minister, while speaking elsewhere, took a timely leaf from American history and characterized the zamindari system as a slave drive. If that is so, Sir, what we would expect of him is to abolish this despicable system and carve out an immortal niche for himself in history as a Madras Abraham Lincoln. But on the other hand, Sir, I am surprised at seeing him helping to perpetuate this slave system. I am surprised at seeing him advocating the creation and addition

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of another tier of intermediary slave drivers or slave owners to the existing number, for, I submit very little of what is now going to be conferred will actually reach the ultimate tiller. It is the cowledar who is going to be the future permanent ryot, helping to slave drive in his turn. It is going to benefit those class of absentee landlords, to whom direct cultivation was an anathema, whose sastras say cultivation is a profession only for the lowclass Sudra, because it means physical pain. It is going to benefit those retired class of rural money-lenders, who by their unconscionable methods, have bought off the ignorant peasantry; in other words, it is going to perpetuate the class which to-day battens on the toilers of soil. These recommendations, if given effect to, will only be setting the seal of legislative approval on a form of organized exploitation of the actual tiller of the soil which has been going on in this country for the past two thousand years. Up till now it was religion that kept up this farce. But to-day the mantle of religion has fallen on politics in this superstitious country of ours and the exploitation is sought to be perpetuated through the political bodies. The sons of the soil have been kept deliberately dumb through all these centuries by means of all the contrivances that religion could devise with a view to perpetuate this exclusive exploitation. If therefore, Sir, to-day I do not condemn this recommendation, I will be proving a traitor to the interests of my people, the actual tillers.

"Sir, the majority Report disposes of certain fundamental points with an air of cocksureness which is given to few committees that sit on such important questions. First, let me refer to the question of the ownership of the soil. This is a question, Sir, over which much water has flowed in the Ganges and the Thames as well, but no decision has been arrived at yet. But now, a little flow, shall I say in the Coom, has ended this much controverted issue. The soil belongs to the ryot. The great Alexander has performed his worthy feat; the Gordian knot is cut, cut asunder. And from what authority is all this derived? None younger than the antiquarian codifier Manu who lived, I think in some B.C. I may tell you for the information of the House, Sir, that this Manu after all, has ceased to command that universal admiration and obedience he once managed to command—at least that is so in the southern parts. He is increasingly suspected to have been a tool in the hand of some single community which aimed at the maintenance of its own super-importance. Whatever that be, Sir, the codes of Manu do not have a universal application in India. I am saying this on the authority of no less a Jurist than Sir Henry Maine. In his book called Village Communities (page 39) he says: 'Complete and consistent in appearance as is the codified law of India, the law enunciated by Manu and by the Brahminical commentators on him, it embraces a far smaller portion of the

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whole law of India than was once supposed, and penetrates far less deeply among the people.' But apart from the limited application of Manu's Code, we must remember that there were diverse schools of jurisprudence among the Sanskrit textwriters who sometimes held diametrically opposite views on question of law. As against one verse of Manu that the land belonged to the cultivator, I can quote ten verses from other authorities that it was not so. Shall I mention the Arthashastra, the Narasimha Purana and the Gautama Sutra to prove that the King is the owner of the soil?

"But to me it appears, Sir, both these theories, viz., that the land belongs to the ryot and that it belongs to the king—both of them are the theories of Aryans in their different stages of conquest in India. When they came first then the individual settlers enjoyed the benefit of ownership as conferred by Manu. That was when the Brahman Raj prevailed. But when the Kshatriya Raj was established, then the King became the owner of the soil. Both these are entirely Aryan conceptions, that arose out of a political change. (Sri Madhava Menon: 'Is the ryot Aryan or non-Aryan?')

"But to the Dravidians, both these theories do not apply and appeal. They were civilized long ago, long before the Aryans knew what civilization was. The Dravidians lived in settled villages and for them ownership in the soil belonged only to the village community. The Dravidian civilization was distinctly a village civilization and it stands even to-day up to Punjab, as a lasting monument of contribution made by these great people. Baden Powell, that eminent authority on Land Tenures and Sir Henry Maine, whom I quoted just before, both have testified to this. Therefore, so far as we in the south are concerned, who have inherited so much from our Dravidian ancestors, how is it possible to admit the finding of the majority Report that land belongs to the individual ryot?

"But of course, our Friend, the Hon. the Revenue Minister 3-30 p.m. would, I know, reply that he has also said that it belonged to the village community. Well, Sir, here it is that I find a lack of clear thinking and existence of much confusion on the subject. I know he has said that the land belongs to the village community for the sake of assigning waste lands to the ryots. There it comes in very handy. But then how is it reconcilable with the individual idea of property stated earlier, unless by defending that by the disintegration of the village community, the land reverted to the individual members that composed it? If that is so, I contend, land must revert to the State and not to the individual cultivator; for it is by the centralizing influence of the State that the villages got disintegrated; secondly on moral grounds, also the

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ownership of the land must revert to the State; for under a centralized State it is the State which discharges the varied functions of society like preservation of law and order, and prosecution of schemes of social welfare. This was therefore one of the reasons why the East India Company claimed ownership in the soil.

"It is said that the Company had no right to give away proprietorship of the soil to the zamindar. They were conquerors and as the 'Bhumeswara' and 'Bhupathi' what could they not do with the soil? They therefore conferred it on the zamindar. As regards the cultivating ryot, they recognized only his occupancy right. But this was not their fault. These real sons of the soil had always been kept in that precarious position to subserve the ulterior interests of an upper strata of society. Therefore after fully recognizing that right, they disposed of land as they pleased. Where is the unlawful act the Company committed? This is expressly stated in the Instrument of Instructions issued to Collectors on the eve of Permanent Settlement in 1799, paragraph 32 reads as follows: . . . 'Distinct from these claims are the rights and privileges of the cultivating ryots who, though they have no positive property in the soil, have a *right of occupancy*, as long as they cultivate to the extent of their usual means and give to the Circar or proprietor whether in money or kind, the accustomed produce.'

"When the cultivating ryot is granted the right of occupancy only, does not that mean the zamindar has the proprietary right to the soil? I can quote copious extracts from the very same Instrument of Instructions to prove that it was proprietorship of the soil that conferred. But the majority report, although aware of all these passages, summarily disposes of the question and there are gullible and interested supporters of such a finding also.

"From this a logical conclusion is derived that all zamindars are merely rent-collecting agents. Because there were many like that in Bengal, and a few like that were created in the Kavelli lands here, can it be said that all the scions of ancient royal families were mere amildars? The great poligars of the south, which as the Committee acknowledge in its Report, Part II, was organized by my venerable ancestor Arya Nathar of historical fame, were not mere rent-collecting units, but strong bastions of feudatory rulers who ruled the country and fought for it against the invaders. The Rajas of Vijayanagar and Bobbili have a glorious history behind them. It has been said that because all of them claim their rights only under the Permanent Settlement Regulation they are all revenue agents. Such reasoning, I am afraid, is even more mystifying than reasoning by parables which is so much in the fashion now.

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"There is one other important recommendation of the Committee to which it is impossible not to advert, however short the time at my disposal. I mean the finding that rents were also permanently fixed in 1802 and that we must go back to the 'customary' rates of 1801. To me this came as something in the nature of a fantastic discovery, but as mystifying and incomprehensible as that of Einstein's theory of relativity. Later, I found, the Hon. the Revenue Minister is too modest to claim originality for this strange discovery and therefore honestly fathers it on the Board's Proceedings of 1864 which suddenly has become 'famous', on one Mr. Hodgson whose unknown report has suddenly become 'magnificent' and on Hon. Mr. Crole and Hon. Mr. Forbes and a host of other Englishmen who suddenly became 'Benevolent.' But I am sure members of this House will agree with me that the Hon. the Revenue Minister deserves at least the encomiums due to an act of second hand discovery whatever that may be.

"Let me analyse this conclusion a little. As a plain man I read a plain meaning into all the State papers, the Regulations including section 9, Regulation XXX. The Instrument of Instructions, the so-called 'Famous' Board's Proceedings of 1864, etc., and yet I cannot feel this interpretation can be borne out. Nearly 140 years of practice is against the interpretation. Nearly the whole of case laws is against it. Evidence is also against; for in no single instance has a witness before the Committee put forward this claim to a reversion of '1801' rates if there is anything like that. To him it must have appeared preposterous to make such a claim. These 1801 rates, I submit, are nebulous, undefinable rates. For there is nothing like a customary rate in India. One-sixth was once the rule; and one-fourth was permitted during war. One needy Hindu Ruler, by an ingenious interpretation, raised his share by demanding one-sixth of the grain after the husk is removed. The Muslim rulers took one-third and later one-half. The Company in the early years took even two-thirds of the gross produce. That being so, where is the customary rent? It has always depended on the exigencies of the State and its power to collect the maximum without killing the goose that laid the golden egg? Further it differed with different crops, different soils, etc. How are they valid to-day, when crops as well as fertility of soil has undergone great changes? How does it reflect the exigencies of the State at present? The idea is absolutely crazy.

"Secondly, the customary rates were not only in money, but also in kind. It was probably predominantly in money in the Northern Circars and Bengal, etc., which were subject to Muslim rule for a longer time and in a more direct manner. But in the Tamil country, the customary rate has always been the grain rate and this is continuing even to-day, as will be seen from the

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evidence volume to this Report. In that case, is it not to this customary grain rent of 1801 that we must revert to, wherever there has been grain rent all along? If that is done, then will the Hon. Revenue Minister and his colleagues of the majority Report realize the folly of their proposal? For as they themselves have pointed out, for nearly 44 years previous to the Report of the Circuit Committee, the renters were rackrenting the peasants and bleeding them to death. It was so under Tipu Sultan's revenue officials. It was on the basis of these exorbitant rents that the Permanent Settlement was framed. That is why many zamindaris defaulted, others changed hands, and a large number reverted to the Government during the period 1800 to 1850, when there was a great fall in prices. It must be remembered here that during those years the zamin ryots saved themselves and were comparatively better off than the ryotwari ryots, because their customary rents were paid in kind and not in cash; because the ryotwari pattadars had to pay in cash in this period, land revenue and cultivation fell to low levels in the period 1800-1850. I am saying all this to show that the customary rents at the time of the Permanent Settlement were predominantly in grain and if for the sake of argument it is assured they were fixed, then it is grain rent that must be taken to have fixed; and if it is to be fixed now it must be this grain rent on some equitable commutation agreed by the parties at present, and not in 1801 prices. The unconscionable grain rents of 1801 have no magic or sanctity about them.

"About the 1801 prices, I must say a word. There are not figures for all the districts. Even in those districts where they are collected, they were based on varying methods. In some it was retail price; in others wholesale. In some it was village price; in others town price. In some it was a monthly average; in others weekly average. The prices were not collected with regard to the quality or quantity disposed of and an index number based on such defective data is absolutely unreliable. It may be a crude index of the general trend. It can't form the basis of a commutation rate. A presidency average based on such data is bound to be even more unrepresentative; for in those days it was common for one district to suffer from scarcity and high prices and a neighbouring district to suffer from plenty and low prices. Until the Committee bring forth accurate prices of 1801 for all the districts concerned, how can they make a recommendation of this nature?

"Sir, the report is a bulky one. It involves weighty and fundamental problems. So I had taken such a long time over it and you can see how much I appreciate the indulgence you have shown me. When I went through the historical documents presented in the Report, it struck me as if the academic world has lost a great archivist and historian in the Revenue Minister; but

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when I turned to the wonderful chapter on currency ratio, I felt it has lost a great economist too, and when I turned to the chapter on case laws and the intricate interpretations, I felt what great sin the Revenue Minister committed against the bar by depriving it of a great legal luminary. Verily, Sir, the Report bears the impress of a versatile genius. Only, in these days of division of labour and specialization of studies, we would have been much more sure of the data, reasoning and conclusions of the Report and would much less critically accept them if instead of one man combining all these functions, there were a scholar in history of land tenures and Professor of Economist, a jurist of acknowledged standing, etc., each separately studying and jointly collecting their conclusions. Therefore, Sir, before it is too late, let the House consider the possibility of appointing another committee which will really inspire our confidence.

"To me it appears as if there is going to be dictatorship of versatile geniuses. I say, this is even more dangerous than a dictatorship by retired officials, who have at least ripe experience to their credit.

"The present recommendations, however, are most reactionary, and let me administer a note of warning that the more this demon of reaction is propitiated the more it craves for, until it shall be satisfied with nothing short of the hot blood of revolutionary massacre. Let us not allow that to take place. Let us effect some real land reform. Let us not make legislation for merely catching the popular imagination. The poor tillers of the soil ask for bread; let us not give them stone. Let us be quick, but not hasty. We are reaping the fruits of one permanent settlement. Let us not make another; for it can be said of a permanent settlement what Shakespere said through the mouth of King Richard III.

'Look, what is done cannot be amended;

Men shall deal unadvisedly sometimes,

Which after-hours give leisure to repent'

Let us not in our longing for immortality, hurriedly catch the shadow, giving up the substance."

* MR. J. A. SALDANHA:—"Sir, I would say that this is a revolutionary measure. I would call this Bill a Zamindari Decapitation Bill. This is also what was done in France at the time of the French Revolution. All the aristocrats and moneyed people were guillotined and deprived of their lands and these lands were distributed among the masses as peasant proprietors. I must say that the intentions of the Government are not good in introducing such a measure as this: I have only to quote what my Hon. Friend the Education Minister said the other day when he presided over the Loyola College sports.

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3-45 p.m. "I shall quote his words as reported in the Press:

"When I accepted the kind invitation of Father Murphy little did I think that on this day, at this very hour the Legislative Assembly of our Province would be discussing the important question of unsettling the permanent settlement, so familiarly associated with the name of Lord Cornwallis whom students of history characterise as one of American shame and of Indian fame.

"But I hope this function will close early enough to give me time to rush back to the Assembly and enjoy the pleasure of having contributed at least one vote more (although it is superfluous) in the fateful decision of to-day, when the death-knell of the historic zamindari system will be sounded in the historic Senate House of our University."

This is rather jocose language, but describes really what is intended by the Ministry.

"When the motion for the appointment of the Committee to enquire into this subject came up before the Legislative Council on the 10th September 1937, I supported the suggestion made by the Rt. Hon. Srinivasa Sastri. He said:

"I should prefer that the Committee is composed of representatives of the various interests, not excluding the members of the legislatures, composed, say, of some members of the zamindari class, some members representing the peasantry, some members representing the more considerable tenants, and one or two perhaps representing the general population. A committee so composed, and, if I may add this suggestion, presided over by a person having judicial qualifications, would be more authoritative and a report signed by them, although it may be divided into majority and minority reports, will have cleared the ground to such a large extent that the legislature could then venture into this very thorny field."

"I said:

"Personally I have no interest in the matter either as a zamindar or a tenant, but I have had some experience as a judicial officer in the Bombay Presidency and also as a member of more than one committee on the Malabar Tenancy Bill. I feel that adequate justice cannot be done to this question by a committee composed of three members of this House and six members of the other House. . . . The wording of the resolution is simply this: . . . But I have got a suspicion that Government want to go further than the apparent text of this resolution indicates. Because one of the objects of the Congress party is to do away with the zamindari system altogether. Therefore I am afraid that in the guise of this resolution they are going further than the words of the resolution actually mean. . . . I want to ask whether the Legislature is competent . . ."

What I predicted at that time has come true. Though the Hon. Mr. Prakasam protested against my 'insinuation' now they openly say that they are going to sound the death-knell of the zamindari system and extinguish the zamindaris practically. On this occasion I support the observations made so admirably by the hon. Member, Sir Muhammad Usman, and by my previous speaker. Sir, we must bear in mind the historical fact that the zamindari system had been existing for a long time in this country and that the zamindars were chieftains exercising very great powers before the East India Company came in and took possession of the Northern Circars and other territory. The British

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officials had been imbued with ideas of feudal proprietorship of the soil existing in England and also in India, and applied them to what had been existing previously in these parts of India. That is what is declared in Regulation XXV of 1802. These zamindars were declared to be proprietors of the soil. 'Proprietors of the soil' is a very big title. It carries the same status and the same rights of proprietorship enjoyed by the feudal lords and owners of land in England and countries governed by feudal laws. So far as the tenants were concerned, they had only a right of permanent occupancy with the liability to pay a fixed rent. I shall later on deal with the technical question what was the fixed rent that was to be paid.

"Now I want to draw the attention of the House to similar systems existing elsewhere. I do not want to go to Bengal. But in Bombay there is the Khoti system. These Khotis were originally farmers of revenue and became proprietors of the soil afterwards. When the East India Company conquered the territory from the Peshwas they found these Khotis there exercising great powers as chieftains. They recognized them as owners of the soil and regulated the relationship between them and their tenants by several orders and regulations. They regulated the rights of the sub-tenant also. Ultimately in 1880, after some 50 years of discussion they passed the Khoti Act. The principles of the Khoti Act are applied to landlords in Colaba and in the island of Salsette of an analogous character. I may mention here that I dealt with several cases as a judicial officer. I have here the records of a case in which the judgment alone runs to about 150 typewritten foolscap pages. Over it came a very exhaustive judgment of the Bombay High Court (I.L.R., 48 Bombay 599), which with other rulings laid down certain principles with regard to the Khoti ryots and their tenants. In spite of all the defects in the system the Government of Bombay have not yet thought of extinguishing this Khoti system as is proposed by the Hon. Minister for Revenue here in regard to zamindars. So much has been said about the views of the two schools of thought which discussed matters at the beginning of the last century. The Hon. Minister for Revenue has been quoting authorities only for one side of the case. I want to read to you some passages from Sir Henry Maine from whom only one passage has been quoted. I will quote passages to show how that great lawyer and historian Sir Henry Maine in his well-balanced views has shown that the zamindars were not such big sinners as Mr. Prakasam wants to make out. I shall read to you one or two passages."

MR. PRESIDENT:—"Will the hon. Member take a long time? If he cannot finish before 4 o'clock I shall adjourn the House now."

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* MR. J. A. SALDANHA:—"This is a very important passage and I want to impress it on the Hon. Minister. At page 156, the passage reads:

"If it be taken for granted. . ."

MR. PRESIDENT:—"I am afraid the hon. Member will take a long time. If so I will have to adjourn the House now. The hon. Member may continue his speech on Thursday."

MR. J. A. SALDANHA:—"I want some more time, Sir."

MR. PRESIDENT:—"The House will now adjourn and meet again at 11 a.m. on Thursday, 2nd February 1939."

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APPENDIX.

[Vide answer to starred question No. 162 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 31st January 1939, page 283 supra.]

Statement showing the proposals for improvement to ports in 1938-39 and onwards.

Serial number and name of port.	Nature of works.	Amount of estimate. Rs.	Remarks.
1 Malpe ..	Hand dredging a channel to wharf No. 4 and constructing masonry retaining walls.	18,500	Sanctioned.
2 Hangarkotta.	Extension of wharf wall and reclaiming land for wharves.	26,200	Under consideration.
3 Calicut	Construction of a third pier	4 lakhs.	
4 (i) Mangalore.	(i) Extension and reconstruction of wharf walls.	2.9 lakhs.	
(ii) Gangolli (Coondapoor).	(ii) Improvements to wharves	30,000	
5 Cocanada ..	(i) Extension of groynes ..	6.95 lakhs.	Postponed.
	(ii) Construction of wharf walls ..	69,000	
6 Cuddalore ..	(iii) Dry dock ..	1.8 lakhs.	
7 Adiram-patnam.	Training walls and groynes ..	4.1 lakhs.	
	Extension of port road to beach	18,000	
8 Masulipatam.	(i) Dry dock ..	1.3 lakhs.	Under consideration.
9 General for all minor ports.	(ii) Miscellaneous improvements ..	2 lakhs.	
	Dredger for dredging open sea bars ..	4 lakhs.	
10 Calinga-patam.	Improvement to road ..	10,000	Proposal not yet received.
11 Bimlipatam ..	Improvement to the stacking platform and approach roads.	2,000	
12 Negapatam ..	Groynes ..	90,000	Sanctioned. Question of funds is under consideration.
13 Ponnani ..	Extending sea wall ..	60,000	Proposal not yet received.
14 Tellicherry ..	Renewing the decking of pier ..	1 lakh.	

THE MADRAS LEGISLATIVE COUNCIL

Thursday, the 2nd February 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, with Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

REPORT OF THE MADRAS ESTATES LAND ACT ENQUIRY COMMITTEE.

MR. PRESIDENT:—"The House will now resume discussion on the Report of the Estates Land Act Committee."

"The hon. Member Mr. J. A. Saldanha has spoken at length the other day."

* MR. J. A. SALDANHA:—"Sir, I spoke for only ten minutes on Tuesday. I shall be as brief as possible. Hon. Members need not be afraid of the number of books I have here; I shall quote from them only a few passages. One preliminary point I might raise is not by way of the question of *ultra vires* or anything of that sort. There are certain factors which make us rather suspicious about the judicial sense of the members of the Committee. First of all, I may tell that two members of this Committee belong to the Congress party who opposed the zamindars at the elections. Besides, it is rather very strange that the Hon. the Revenue Minister who will be in charge of the future Bill, should be the Chairman of this Parliamentary Committee."

MR. PRESIDENT:—"The hon. Member is not, I hope, going to question the composition of the Committee at this stage."

* MR. J. A. SALDANHA:—"I am going to say that this Report is vitiated; I say their conclusions are vitiated on account of these defects. Naturally, people who have to deal with this Report have got some lurking suspicion. Further I may point out that as this measure deals with land revenue, lands and encroachment on the rights of zamindars, it requires the previous sanction of His Excellency the Governor, under section 299 of the Government of India Act; and under the Instrument of Instructions to the Governors, it is necessary that this Bill should be submitted to the Governor-General after it is passed by the Legislature, for sanction. I am sure that these points were borne in mind by the Hon. Minister when he moved for the consideration of the Report. Members of the House should be allowed therefore

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much freedom and as much time as possible to offer their remarks. I am thankful to you, Mr. President, for giving us much latitude in speaking at length, so that when the Bill goes for the sanction of the Governor-General, His Excellency might have our views in print. Therefore, I venture to take the liberty to say as much as possible in as short a speech as possible.

"As I have remarked, Sir, this Bill is of a confiscatory character and very revolutionary; therefore we have to proceed very cautiously. I wish to take as judicial a view as possible with the experience I have had as a Judge, but with due regard to historical facts, the law, justice and equity, and not talk in a partisan spirit.

"The fundamental principles of the legislation of 1802 are turned topsy-turvy in the draft Bill; the person who was considered as a ryotwari tenant now becomes, as it were, a complete owner or absolute owner of the soil; the zamindar becomes only a revenue-farmer. The word 'zamindar' itself conveys that he is the holder of the land, not merely a revenue-farmer. He becomes only a farmer of revenue under the draft Bill. He is to be nothing but an officer of the Government. Thus, the position of the zamindar and the ryot under him are quite reversed. I submit, Sir, that this legislation will be undoing and unmaking history, and exploding legal positions of nearly one and a half century, erected on foundations laid long ago. The Madras Zamindari Regulation No. XXV of 1802, I may safely assert, regularized and legalized those positions in a most solemn manner by a statutory enactment under the orders of the Governor-General in Council and the Court of Directors. It was the result of a long and elaborate enquiry and prolonged discussion between two schools of thought as to the ultimate ownership of all lands vested in the State, and the necessity of legally assigning the ownership of the State to the highest landed aristocracy and protecting the rights and interests of cultivators under them. In support of this assertion I may quote passages from Sir Henry Maine's 'Village Communities.' I shall quote passages which have not been quoted anywhere else. This is what Sir Henry Maine says at pages 156, 157, *et seq*:

'If it be taken for granted that the English in India were bound to recognize rights of property somewhere, their selection of the persons in whom these rights should vest does not seem to have been as absurd as the adherents of one Indian school are in the habit of hinting, if not of asserting.'

Here the Hon. Minister is not hinting but asserting.

'Claims to some sort of superior right over land in fact existed which corresponded to every single stage through which the conception of proprietorship has passed in the Western world, excepting only the later stages. The variety of these claims was practically infinite and not only did not diminish, but greatly increased, as native customs and ideas were more accurately examined. Even when the village communities were allowed to be in some sense the proprietors of the land which they tilled, they proved on careful inspection not to be simple groups, but highly

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composite bodies, composed of several sections with conflicting and occasionally with irreconcilable claims. The English officials solved a problem of almost hopeless perplexity by registering all the owners of superior rights as landowners, their conception of ownership being roughly taken from their own country; but the fundamental question very soon revived under another form in the shape of the second issue disputed between the Indian administrative schools, which is, whether proprietorship in India is to be taken to be the same assemblage of powers which constitutes the modern English ownership of land in fee simple.'

I shall leave the other pages, pages 158 and 159 to be read by hon. Members. I shall, go to page 160:

'This subject is one of much practical importance, and I propose to treat of the more difficult problems which it raises in the next lecture; at present I will content myself with repeating that there seems to be the heaviest presumption against the existence in any part of India of a form of ownership conferring the exact rights on the proprietor which are given by the present English ownership in fee simple. There are now, however, a vast number of vested rights in the country, fully recognized by the English Government, which assume the identity of Indian and English proprietorship, and neither justice nor policy permits them to be disturbed.'

This is what was stated by Sir Henry Maine, a very judicious and learned lawyer and historian who, after his tenure as Law Member of the Governor-General's Executive Council, published his great work on village communities in 1876, long after he went away from India. It underwent several editions; this new edition is of 1890.

"Further he says:

'There is Indian evidence that the forms of property imitated from modern English examples have a value of their own, when reclamation has to be conducted on a large scale, or novelties in agriculture have to be introduced. The zamindars of Lower Bengal, the landed proprietors established by Lord Cornwallis, have the worse reputation as landlords, and appear to have frequently deserved it; but the grants of land originally made to them included great uncultivated tracts, and at the time when their power over subordinate holders was least limited, they brought large areas of waste land under tillage by the colonies of peasants which they planted there. The proprietorship conferred on them has also much to do with the introduction into Lower Bengal, nearly alone among Indian provinces, of new and vast agricultural industries, which, if they had been placed under timely regulation (which unfortunately they were not) would have added as much to the comfort of the people as they have added to the wealth of the country.'

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"Now, Sir, I may just read a passage from this small book called 'The Legal System of England,' by J. E. G. De Montmorency (Benn's Six penny Library Series); I think I should not be ashamed of reading from this book which, although it is so small, deals beautifully with the legal system in England. It says:

'The Wills Act of 1837 dealt with the whole subject, and is still the basis of the present law. It is also necessary to observe that there never has been since the year 1066, and even, it is presumed, since the passing of the Law of Property Act, 1925, there is not, anything in the nature, in England, of absolute ownership in land. The ultimate interest in all land was and is in the Crown. This is the necessary consequence of the feudal structure of the realm, and though legislation in 1662, and again in 1925, has reduced that feudal structure—a noble and

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elaborate structure of society that might have been likened to a vast medieval cathedral in the unity and beautiful purposefulness of its parts—to its bare skeleton, yet the outlines of the structure survive. Every man held his land of the King, and most men also held their lands of intermediate lords, who also were responsible to the King. On the estates of the King and of intermediate lords dwelt not only freeholders, who held their lands of those intermediate lords as well as of the King, but also men who were not freemen but had holdings of land with no legal certainty of tenure.

“Then, I can quote a passage from the book ‘Village Communities in India,’ by B. D. Baden-Powell, to show how far State ownership was adopted in India. At page 144, he says:

‘It may seem strange that in the progress of ideas regarding the State’s dealing with the land in India, it never occurred to anyone to utilize, rather than abandon, the State ownership of the land. It is well known that when land administration first came under the direct control of British officers in Bengal in the eighteenth century, it was a firmly established doctrine that the State was the owner of all land. Mr. James Grant in Bengal, even argued that this was legal and constitutional; and it is not certain whether Lord Cornwallis took this view or not. It is not necessary here to discuss the question as it may be argued from the texts of the Hindu or Muhammadan Law. It is quite enough to remember that long before the eighteenth century, *de facto* the right had been fully established, and is asserted to this day by all the Native States. Lord Cornwallis simply desired to abandon it, substituting the zamindar landlords, whom he found in managing possession of large estates in Central Bengal. These he hoped to see acting the part of benevolent owners, at once securing the State revenues and blessing their tenants by their liberality and kind dealing. . . . Not only so, but when in Bombay and Madras the individual holding was separately dealt with (without the intervention of any middleman proprietor or joint responsibility), and when the supreme ownership of the State was maintained, or at least not formally abrogated, still no restriction was placed on the power of alienating the permanent hereditary occupancy, which for all practical purposes was as good as ownership. It might have occurred to someone in authority to think that the State ownership should be formally retained for beneficial purposes, to prevent the ignorant agricultural classes from losing their lands. The State would, in fact, have retained the *nuda proprietas*—the bare ownership of the soil—while giving all the practical benefits to the village co-sharer or the ryot cultivator; and the effect would have been that the holder could not sell the land which was not his, and moreover, by express enactment it might have been provided that he should not sell (or charge beyond his own lifetime) the occupancy or cultivating right in the holding.’

Now, Sir, the term ‘proprietary right’ has not been defined, and causes a lot of perplexity. But the Madras Legislature which enacted a recent Act, in 1905, I think serves the purpose and explains the position clearly, both of the ryots and of the Government. That is the Madras Land Encroachment Act (Act III of 1905). It reads:

‘1. This Act may be cited as “the Madras Land Encroachment Act, 1905.” It extends to the whole of the Presidency of Madras.

‘2. (1) All public roads, streets, lanes and paths, the bridges, ditches, dikes and fences, on or beside the same, the bed of the sea and of harbours and creeks below high water-mark, and of rivers, streams, nalas, lakes and tanks, and all canals and water-courses, and all standing and flowing water, and all lands, wherever situated, save in so far as the same are the property—

(a) of any zamindar, poligar, mittadar, jagirdar, shrotriyamdar or inamdars, or any person claiming through or holding under any of them, or

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(b) of any person paying shist, kattubadi, jodi, poruppu, or quit-rent to any of the aforesaid persons, or

(c) of any person holding under ryotwari tenure, including that of a janmi in Malabar, or of a wargdar in South Kanara, or in any way subject to the payment of land-revenue direct to Government, or

(d) of any other registered holder of land in proprietary right, or, etc.’

So, all except these have been declared to be the property of the Government. Here the zamindars are recognized as the proprietors just like the Government; we have the words here:

‘of any zamindar, poligar, mittadar, jagirdar, shrotriyamdar, or inamdar or any person claiming through or holding under any of them.’

So, the question is whether ryots holding under the zamindars have any rights over the property or lands they so hold. I do not want to commit myself to any view; I am simply placing these points before the House for consideration of the difficulties that confront us, and for finding out what is proprietorship of the soil and who is the proprietor. There is no such thing in English law as absolute ownership of any land. What the English law recognizes is an estate. The Regulations which established the zamindars’ rights say that the proprietor of the soil is the zamindar. At the same time it is rather strange, and I am rather puzzled, that the term ‘estate’ has not been defined in the Estates Land Act. It is simply said that permanently settled estates and zamindaris are estates. The Regulations recognized the proprietorship of the zamindars, but the 1908 Act simply said: This Act is intended to define the relationship as between so and so, etc. Why it is not laid down that the zamindar was the proprietor of the soil, is a mystery. As I said, the Land Encroachment Act was passed in 1905 and the Estates Land Act was passed in 1908; therefore, I think there was a deliberate intention to recognize the zamindars’ rights. The Land Encroachment Act stated that Government were the owners of all public roads, streets, etc., but they also said that they were not the owners of certain lands held by zamindars, etc. Therefore, I consider the Land Encroachment Act—although it has not been much referred to, I think it has not been referred to at all in the Report—is a sort of *Magna Charta* to all holders of property.

“According to the Report of the Committee, the aim of the authors seems to be to give the ryots in zamindari tracts the same rights as the ryots in ryotwari areas; but it really goes further, as I shall show later, and gives higher rights to the zamindari ryots than what the Government ryotwari-holders now possess. What is ryotwari, has been described by several writers; but the most important thing to be borne in mind is old Standing Order No. 25 of the Board’s Standing Orders, which has recently been re-numbered as Standing Order No. 28. According to it, the ryot is treated as proprietor of his holding of the land; but at the

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same time, so far as minerals and mines are concerned, it is provided that he can work the mines provided he pays separate assessment or royalty. It also exists in England. It is due to the fact that British-Indian Statute law and the English law recognize the King as the overlord, the highest lord of the land. He is entitled to royalty. Therefore, complete proprietorship of the soil is not given to the ryots, but at the same time, Regulation XXV of 1802 gives the right to mines to the zamindar, and no royalty is to be paid to the State because the zamindar is—I hope I have made myself clear—taking the place of the Crown; he has simply to pay a quota of the revenue. Otherwise, he has the same rights as the King, over zamindari lands.”

MR. PRESIDENT:—“It is nearly half an hour, Mr. Saldanha.”

* MR. J. A. SALDANHA:—“I shall take only ten minutes more. I have got very little more to say.”

MR. PRESIDENT:—“There are so many other members who are anxious to speak.”

* MR. J. A. SALDANHA:—“I think we were told that we can proceed till to-morrow.” (Laughter.)

SRI B. BHIMA RAO:—“A time-limit may perhaps be placed, Sir, for every speech.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“I wish to submit, Mr. President, this is an important matter and we in the Opposition are in hopeless minority; we are only very few members here, and I hope you won't grudge to give sufficient time to the minority; even if one member takes one hour, I think you will allow it.”

* MR. J. A. SALDANHA:—“Therefore, I shall confine myself to one hour, Sir.” (Laughter.)

MR. PRESIDENT:—“That was his suggestion; I have not given my ruling on it. You can go on for another ten minutes or so.”

* MR. J. A. SALDANHA:—“Sir Henry Maine, quoting Manu, says in page 296 of his ‘Village Communities’ that the ryots use the lands adjacent to their own for purposes of grazing and wood-cutting but that they did not claim them as their own. The right of granting it to others vests in the chief or the village headman. As such I contend that such rights automatically vest in the zamindars and not in the ryots. But I fear the majority are giving rights to the zamindari ryots far beyond any that are

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enjoyed by Government ryots in the British territory. If we are giving them any right, it must be borne in mind that those rights ought not to exceed any that are being enjoyed by the ryotwari-holders under the British Government. But, on the contrary, the majority think of giving the ryots the right to the lands up to the heavens above and deep down below. One may wonder why they are giving such rights when such rights are not enjoyed by the ryots under the British Government. When they are making such very generous recommendations with regard to others, I would ask them why such rights, even the limited rights that the ryots of the South Kanara were enjoying hitherto, have been cut down. If the Minister for Rural Development were here I would have asked him that question and would have appealed to him that such rights, if granted in the zamindari areas, should also extend to the ryotwari areas of the Government, especially to the South Kanara district. Even authors of such repute as Sir Henry Maine and Baden-Powell have always recognized the rights of the ryots of South Kanara.

“Finally, Sir, there is another point and that is that this Committee wants to undo and unmake history and make new history. They say that everything in the past, except in so far as it suits them, is wrong. How, I wonder, can history be wrong if facts are accurately stated and interpreted? The Regulation of 1802 has given the right to the soil to the zamindars. You cannot unmake history, Mr. President. On the contrary, you should learn from history that when results of historical facts were sought to be undone, different measures were adopted. I would only cite the case of Ireland. Great injustice was done to the Irish people by their lands having been taken away by the English landlords. Not only were they conquered but their lands were taken away from them. It was an initial error but how was it made good? Even the Conservative Government of Great Britain decided that in the matter of restoration of such lands compensation should be paid to those whose rights had been extinguished. And the dukes, lords and other aristocrats who owned lands in Ireland were paid compensation. You can follow that example. You can no doubt pass a Decapitation Bill and take away the rights of the zamindars. But you should also see that compensation is paid to those whose rights have been disturbed. I appeal to the Hon. the Minister for Revenue—himself a lawyer—not to forget the laws of evidence, estoppel and limitation relating to the ownership of property vesting in a person according as he enjoys it under certain conditions for twelve years or twenty years as the case may be. It is not as if the rights that you are now recommending to be taken away have been enjoyed by them for only twelve or twenty years. They have been enjoying the rights legally for nearly 150 years and in fact even before with the deliberate acquiescence of the State.

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"As to increase of rents, I may assert that the zamindars have done no more than what the British Government have done. Regulation II of 1802 required proposals for the increase of revenue and proposals were of course submitted by Collectors and such increase went on from time to time. We see that in South Kanara people are paying nearly three times as much revenue as they paid in 1802. When this was the case in British ryotwari areas, it was followed by the zamindars. Even if the zamindars were wrong, I am only asking why they were tolerated for such a length of time without being shown their place in the economy of the land. Viewing things against a historical background, I should appeal to the Hon. Minister that what is required is that there ought to be a re-adjustment of relationship as between the zamindars and the tenants, if any re-adjustment be needed, and not a wholesale confiscation as is sought to be perpetrated just now. It is imperative that the condition of the ryots should be improved and we should not be so unreasonable as to think that the zamindars would not submit to some sacrifices especially when the welfare of the tenantry is involved, a tenantry which is the food growers of the nation and which does contribute to the welfare of the country. But we should not do injustice, as rights have grown for more than a century; and in giving some relief to the tenantry, principles of equity and justice should be borne in mind. That is my appeal to the House. The Bill that is appended to the Report does injustice to a class of people; it is confiscatory. I believe it is an injustice which we should not do and which this House is not capable of doing."

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, I may at the outset submit to the House that I do not propose to enter into all the details of the various matters so exhaustively discussed in the Report before us. The Committee by a gigantic effort has accomplished the Herculean task of collecting an incredibly large amount of material which is an inexhaustible source of information, almost an encyclopædia of which the contributors may legitimately be proud. I do not agree with many of the conclusions arrived at by the majority, but that does not in the least prevent me from offering my congratulations to the Hon. the Minister for Revenue and those who must have helped him in this gigantic undertaking. The records supplied to us in the 18 volumes, as you know, cover 6,000 foolscap pages of closely printed matter and deal with issues of a very complicated nature. It was not in the least possible for me to study all these papers, though more than two months have been given to us; it would perhaps take four or five months for anyone who wanted to make a thorough study of these documents. I do not pretend to have made such a study and I do not therefore propose to go into the various issues, but would content myself with making a few general observations at this stage."

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"Nor do I think that a detailed discussion is called for now. The Bill that is submitted by the Committee is only a draft Bill intended for the information of the Legislature. It is not yet introduced. That responsibility rests with the Government. They may make changes before introducing it in this House or in the other; they may not introduce the Bill at all, or they may introduce the Bill in its present form. The issue will then be clear and specific and it will be more convenient for us at that time to tackle the Bill clause by clause and give expression to our opinions on each clause. We are more concerned with the Report now and with a general discussion thereon."

"Some of the recommendations of the Committee are not clear enough to enable us to express any definite opinion. Mr. Narayanaswami Nayudu, a member of this House and who was also a member of the Committee, says at page 353 of the Report:

"The real question, however, is what was permanently fixed as against the ryot? Before stating my ideas in the matter, it may perhaps be more advantageous to find out and know what is the majority report on this matter. With the greatest possible attention that I can give to the majority report and with the utmost respect for it, I find it difficult to know exactly the position in the report."

Again on page 354 he says:

"The third class of villages are villages the lands in which were paying a share of the produce or a fixed grain rent prior to fasli 1210 but in which money rents were introduced subsequently and are at present existing. That is by far the most numerous of the villages under the Permanent Settlement. I am absolutely unable to understand what the recommendation of the majority is in respect of the lands in these villages."

Mr. President, you can realize our difficulty when you find that a member of this Committee itself was not able to understand clearly what the recommendation of the majority of the Committee in this particular respect was; it must naturally be more difficult for those who have not attended the meetings of the Committee. I am saying this just to show how difficult it is for us to follow within the time at our disposal what exactly the Committee meant in certain matters dealt with in the Report.

"Before making my observations on the recommendations made by the Committee, may I respectfully submit that the Committee appointed by the two Houses is not exactly the kind of Committee that is wanted in a matter like this? Members of this House or the Assembly belong to one party or other. Their minds must have long ago been made up by themselves or by their party leaders; and when we remember that so far as the majority party in the present Legislature is concerned, discipline is its essence, we can understand that they must vote according to instructions, even though any member holds views different from those of the party. I do not impute any partiality to any member of the Committee. I have the greatest respect for them but it is difficult to

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get over the impressi-on that when party politicians are appointed as members of a Committee in a matter like this, it would be difficult to expect that anything like a detached consideration could be bestowed upon the problems on which they are asked to express their opinion. It is only an independent Committee, consisting of outsiders who do not belong to any of the political parties in the country, such as for instance Judges of the High Court, retired or in active service, and also highly placed permanent officers of the Government who have had sufficient Revenue experience, that can make a dispassionate and impartial recommendation. Unfortunately on this Committee no such member is to be found. When it is a Committee of the House or of the two Houses, naturally it is impossible to secure such members to serve on it.

"The Report is of course not unanimous. Five out of nine members from the majority of one and have converted the Report into a majority report. The remaining four have submitted dissenting minutes. And these dissenting minutes contest almost all the important recommendations made by the majority. Mr. Mahboob Ali Baig, in his dissenting minute, observes that the vested rights of zamindars cannot on principle be summarily done away with and that compensation must be paid to them if they are deprived of such rights (page 34). Again he says that 'there is overwhelming evidence adduced on behalf of the ryots that the present situation of the ryots will be considerably met if ryotwari rates are introduced in the zamin areas,' and he adds that 'the zamindari ryots will get considerable relief and, as they stated before the Committee, they would be satisfied with this relief for the present.' (Page 342.) At page 343 he says that all whole village inams should be treated as estates, and that the chapter dealing with this matter in the majority report was 'the most disappointing chapter,' and that it was based on a 'fundamental error.' At page 345 he says, 'My view with regard to hills and forests is dependent upon the view I have taken that the conditions prevailing in the ryotwari areas shall be made applicable, as far as possible, to the zamin areas till such time as zamindaris are eliminated by payment of compensation for the rights that the zamindaris have been enjoying in hills and forests.' Mr. Narayanaswami Nayudu in his dissenting minute would allow mineral rights to remain with the proprietor (page 351). He also says that no case has been made out for the change of law as regards inams. The zamindar of Mirzapuram naturally enough goes the whole hog and objects to all the main recommendations of the Committee. It will thus be seen that the Report before us is not only not unanimous but contains very divergent opinions on the most vital issues. Whatever Mr. Rangaswami Ayyangar spoke yesterday, all those who heard him can clearly see that he was entirely against the recommendations of the majority report. As

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he said the only reasonable course open to the Hon. Minister is to abolish the entire zamindari system and pay such compensation which any reasonable body would give them.

"Before I proceed further, I may assure the House that I yield to none in my desire to help the zamindari ryot as much as the ryotwari ryot. Both need great help just at this juncture. The fall in prices of commodities produced by them has created a great depression from which it has not been possible for them to recover. I am therefore strongly of opinion that rents in various cases have to be reduced to a reasonable extent—to an extent that it might be said to be fair rent. Provision should be made for the grant of remission in lean years. Zamindars should be compelled to make improvements in irrigation facilities. Forest grievances should be redressed and the zamin ryot should be placed on a par with Government ryot in matters pertaining to forests. Survey of lands in every estate should be ordered; the joint patta system should be abolished; care must be taken to see that the village officers do not give any trouble to the ryot in the matter of kist collection; the distraint and sale procedures must be changed. These and similar reforms are absolutely necessary and I for one heartily and most willingly support the demands of the ryots in these directions.

"The recommendations of the Committee, however, are of such a revolutionary character that it would not be possible for me to accept them *in toto*. The zamindars have enjoyed certain rights for over 130 years and the Committee by one stroke of the pen wants that those rights should be cancelled. What is the reason? Is it solely on account of the desire to improve the position of the ryot, or is it due to the political creed of the members forming a majority in the Committee? It seems to me, Sir, that the wedge of communism, driven so cleverly into the body of our social structure and polity by the Debt Relief Act, has further received by this Report some more hammer blows, so that it may not take long for the entire disruption of that polity and the disturbance of the existing social order.

"The majority report says that the ryot is the owner of the land. That is so in Government villages. Can it be so definitely and unreservedly—mark the words, Mr. President—stated in the case of zamindari ryots? Does the existence of the zamindar, the intermediary, make no difference? This is not to say that the zamin ryot is not the owner of land at all. The zamindar has been recognized by the Permanent Settlement as the proprietor of the zamindari area. The Permanent Settlement Regulation of 1802, the instructions given to the Collectors under that Regulation, the Patta Regulation, XXX of 1802, various Regulations passed about that time, like Regulation IV of 1822 and the Revenue Recovery

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Act of 1865, the Estates Land Act of 1908 and the decisions of the courts of justice in this country for the last 137 years have all recognized the zamindar as the proprietor of the land. But to-day we are asked to believe that all these things are wrong, that the learned judges, the experienced administrators responsible for these, have all committed a blunder. This, it seems to me, Mr. President, is too big a pill to be swallowed by any responsible man.

“ Throughout his speech and in many portions of this Report, the Hon. the Revenue Minister relied upon two documents and the speeches of two gentlemen—the documents to serve as his Vedas and the two gentlemen to serve as commentators thereof (Laughter). Regulation XXV of 1802 and Regulation XXX of the same year are the Vedas, or the Upanishads, if he so pleases to call them (Laughter); and his commentators, Bhashyakaras or Sutrakaras (Laughter) whatever he may call them, are Mr. Crole and Mr. Forbes. Now if you make a close study of these two documents, that is, Regulations XXV and XXX and also the two speeches, you will see that they do not in the least support the statement made by the Hon. the Revenue Minister. I contend that these very documents very clearly disprove the two main propositions on which the Hon. Minister lays emphasis. The first proposition is that the zamindar is a mere rent-farmer, a public official, an agent like the agent whom you meet with in Madras going from house to house and collecting rent; and the second proposition is that the owner of the land is the tenant, and not only that, that the rent has been fixed permanently and unalterably and for ever under the Permanent Settlement. Both these propositions are disproved by the very documents and the very speeches on which the Hon. Minister relies.

“ Let me now get back to these speeches and Regulations. First let me take the Regulations. Singularly enough, in the Report at page 50, the majority members quote a portion of Regulation XXV—in fact half a sentence—and then they quote the preamble of Regulation XXX, and by some magic performance they want us to read this half sentence quoted along with the preamble of another Regulation. Now I would like to place before this House these two Regulations and show how they differ from the contention raised by the Hon. Revenue Minister. At page 82 of the Appendices volume, the preamble of Regulation XXV of 1802 runs thus. I do not wish to trouble the House by reading the whole of it; I shall only read the relevant portions, but should my attention be drawn to anything else, I shall be only too glad to read it. This preamble only shows that before the British took charge of this part of our country, the previous rajas, the *Sarkar*, as they used to call them, used to make demands upon zamindars, princes and chieftains according to their needs and not on a fixed basis. The servants of the Company discovered this, and found such a

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system inconvenient not merely to the zamindar and their tenants but also to the Sarkar itself. And moreover, it was just then that the English had got power, so they did not know how to consolidate it; they did not know exactly their own rights and that is admitted by these commentators. In order that there may be something definite, they passed this Regulation XXV to settle the relations between the zamindar and the Sarkar. That Regulation has nothing to do with the tenants. That must be made clear, and therefore they stated that the amendment of peshkash should be definite and unalterable and for ever. I shall now read the sentence; or rather, perhaps to avoid any mistake, I had better read from the beginning:—

‘Whereas it is known to the zamindars, mirasidars, ryots and cultivators of land in the territories subject to the Government of Fort St. George, that, from the earliest until the present period of time, the public assessment of the land revenue has never been fixed; but that, according to the practice of Asiatic Governments, the assessment of the land revenue has fluctuated without any fixed principles for the determination of the amount, and without any security on the zamindars or other persons for the continuance of a moderate land-tax; that, on the contrary, frequent inquiries have been instituted by the ruling power, whether Hindu or Muhammadan, for the purpose of augmenting the assessment of the land revenue; that it has been customary to regulate such augmentations by the inquiries and opinions of the local officers appointed by the ruling power for the time being; and that in the attainment of an increased revenue on such foundations, it has been usual for the Government to deprive the zamindars, and to appoint persons on its own behalf to the management of the zamindaris, thereby reserving to the ruling power the implied right and the actual exercise of the proprietary possession of all lands whatever; and whereas it is obvious to the said zamindars, mirasidars, ryots and cultivators of land that such a mode of administration must be injurious to the permanent prosperity of the country by obstructing the progress of agriculture, population and wealth and destructive of the comfort of individual persons by diminishing the security of personal freedom and of private property; wherefore, the British Government, impressed with a deep sense of the injuries arising to the State and to its subjects from the operation of such principles has resolved to remove from its administration so fruitful a source of uncertainty and disquietude, to grant to zamindars and other landholders, their heirs and successors, a permanent property in their land in all time to come, and to fix for ever a moderate assessment of public revenue on such lands, the amount of which shall never be liable to be increased under any circumstances.’

“ Now, Mr. President, on page 50 of the Report, the Committee ingeniously enough does not quote the whole of the last sentence, but merely picks out a clause of it. It says on page 50:

“ The last clause to the preamble in Regulation XXV of 1802 runs as follows:—

‘And to fix for ever a moderate assessment of public revenue on such lands the amount of which shall never be liable to be increased under any circumstances.’

“ What is it that is fixed? The unusual feature is that that portion is not quoted and then they go on to tell us:

‘To understand the full meaning of these words, we must refer to the preamble of Regulation XXX of 1802 that was passed on the same date.’

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"What has this got to do with the other one? I shall presently refer to it. What I want to submit in this connexion is this. By what stretch of imagination can it be suggested that the last sentence here has any connexion whatsoever to any relations between the landlord and the tenant? This is intended, as its name implies, as a Permanent Settlement to fix the relations between the Government and the zamindars. Now, Mr. President, the words 'proprietary title to the land of the zamindar' are the words used there. Very many commentators have been cited from the year 1802 right up to the year 1898. These wonderful gentlemen from England who had come here as the Company's servants, who did not know anything more than how to make more money out of the commodities they sold, they are the authorities who are cited and we are told that these wonderful gentlemen thought that the zamindar was not more than a rent-farmer, tax-gatherer, an agent, an official! These are the authorities. How far they are right, I shall presently explain.

"Sir Henry Maine has been quoted by Mr. Crole himself. I have to refer to Mr. Crole himself a little later. But, how did Mr. Crole quote Maine? Mr. Crole quotes what Sir Henry Maine said in his 'Village Communities.' Mr. Crole's speech is given in full in the Addenda to the Appendices supplied to us. I am quoting from that speech:

'The assumption which the English first made was one which they inherited from Muhammadan predecessors. It was that all the soil belonged in absolute property to the sovereign and that all private property in land existed by his sufferance. The Muhammadan theory, and the corresponding Muhammadan practice, has put out of sight the ancient view of the sovereign's rights.'

Now Mr. President, the curious theory put forward, this theory of ownership of land belonging to the State, to the King, whoever he may be, or the sovereign, is a mistaken one; that the ancient Hindu rajas never had such rights, that the Muslims assumed that right and that the English Government officers fell into the mistake; that the Muslim rulers were not right in their demands and therefore, the whole thing has no basis and that it is based upon a false theory: all this is wrong. What does it matter for our purpose, I would like to know. Whether the British were right or wrong in their assumption that the King was the full owner, whether the Muslims were right or wrong, whether the Mogul Emperors were right or wrong, the fact remains that the British were the conquerors, and, as a conquering power, they had the power to dispose of the land. We cannot question as to what right they had to dispose of the lands. They had every right when they gave full proprietary rights in these lands to the zamindars and they were entitled to do it. I beg to submit any arguments of a previous theory of what Manu said—Manu has said so many things, fortunately we do not follow all of them

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to-day; otherwise, perhaps I might have no right to remain here—will not hold good. Let us leave all these alone. The fact remains that the British were the conquerors and the British had the right to dispose of the land as they liked; and they disposed of it in this way, namely, granting these zamindaris.

"Now, with regard to the zamindaris, there seems to be a misapprehension in many quarters, in spite of the many statements in this House by hon. Members, that it was the Permanent Settlement for the first time that brought these zamindars into existence and therefore they were only officers of the Company and mere agents to collect rents. These very papers clearly show and history tells us that some of these zamindars were long before in existence as rulers of the soil, long before the British set their feet on Indian soil. In those very reports of these great notorious Company officials, they themselves admit that some of them were exercising criminal and civil powers, and to call them mere agents to-day is, I submit, absolutely incorrect.

"Let us get back to the other Regulation, Regulation XXX, otherwise called the Patta Regulation. It is intended to define the relations between the landlord, that is the zamindar on the one hand, and the ryot on the other. That system continues to this day, because, pattas and muchilikas are essential in order to enable the zamindar to collect his dues. It became necessary at the very outset, because most of these zamindars—whenever there was a marriage in the house of the zamindar, or when the Sarkar wanted more money from the zamindar—took care to collect as much as they could from these tenants probably with the help of the karnam or the village officers, because there were no pattas or muchilikas or any accounts. Even to-day these things occur. I do not know whether many hon. Members are aware of these; I have known zamindars who send chits to their Diwan to send Rs. 5,000; this may be required to purchase a horse at the race course or for any other purpose—with that we are not concerned. The fact remains that at the time before the British took charge of the country the exactions were undefined, arbitrary and changed from time to time.

"Let us have a look at the Regulation and see if it supports in the least the view taken by the Hon. Minister to the effect that the rent payable by the tenant has been fixed, or even that the tenant is the owner of the soil. The first proposition now before the House is whether the zamindars are mere agents and whether the owner of the soil is the tenant. The second is that the rent payable by the tenant to the zamindar was fixed so early as 1802 and that it was fixed by these Regulations. I contest all this. All these papers and all these documents really support my contention and not that of the Hon. Minister. Now let us have a look

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at this. The preamble which was quoted on page 50 of the Report does not contain a word about fixing of the rent. On the other hand, I have just now read to the House the preamble to Regulation XXV which settles the relations between the zamindar and the Government. The Report clearly states that the rent is fixed for ever; but no such thing appears here. I have carefully read the preamble and that is why I take it that in the majority report they coolly quoted that half-a-sentence from the other preamble of Regulation XXV and say that it must be read with this. I submit that apart from the mere fact that there was a definite unalterable statement in Regulation XXV, stating that the peshkash to be paid by the zamindars is fixed for ever and in perpetuity, you do not find a single word in this preamble or any clause which purports to show that the rent that might be payable by the tenant is fixed and unalterable. On the other hand, Mr. President, the very fact that this Regulation provides for an annual patta is proof positive that it was intended that it must be left to the option of the tenant on the one hand and the zamindar on the other to fix the rent from time to time; if the zamindar is not willing he will send out this man; if the tenant is not willing to pay the rent which the zamindar demands, he will clear out and go to another village, if necessary. Let us have a look at this Regulation. Section 12 of the Patta Regulations says:

'Pattas executed for one year shall be renewable at the expiration of the fasli, but shall be considered in force until renewed. Unless pattas be renewed within two months after the commencement of the ensuing fasli, they shall be considered in force and binding on the respective parties throughout the fasli, provided such delay may not have been produced by the actual refusal of either party to execute the engagement.'

"It is a contract from year to year between the landlord and the tenant that is contemplated in this. If it really does mean that the land belonged to the tenant and that the rent payable to zamindar was fixed for ever and in perpetuity, then there is absolutely no need for these pattas and muchilikas. In the Government villages when once a settlement is made, whether it be thirty years or any period, when once the rate is fixed in settlement no other account is kept, the village karnam's account is the only account that is maintained. Why is not that procedure followed here? In the case of the zamindars from 1802, right up to this date, pattas and muchilikas must be executed every year, and the intention of this Regulation is clear as crystal that no such thing as a permanent settlement of rent was ever contemplated by the authors of this Regulation.

"Again, Mr. President, my Hon. Friend, the Minister for Revenue, relied upon, I believe, sections 7 and 9 of this Regulation. I will read them and leave the House to say whether by any stretch of imagination it can in the least be suggested that this section 7 helps him in arriving at the conclusion to which he wants

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the House to come. Section 7 says, 'Proprietors or farmers of land shall not levy any new assessment or tax on the ryots, under any name or under any pretence; exactions other than those consolidated in the patta, or otherwise authorized by the Government, shall, upon proof, subject the proprietor or farmer to a penalty. . . . Well, the very object of this Regulation is this that the tenant should enter into engagements with the zamindar as regards the terms of his occupation of the land. But these zamindars were the ancestors of the present zamindars and they never cared for these engagements and they wanted something more from the tenants than what they were entitled to under the engagements. In order to prevent that, this was introduced. 'You are entitled only to that much which your muchilika gives you and nothing more, and if you collect anything more than that, you will be liable to fine.' To say that this is fixing the rent permanently is more than I can comprehend.

"Let us come to section 11. I do not know why section 11 is relied on. The Hon. Minister may be thinking of section 9. Let us read section 9: 'Where disputes may arise respecting rates of assessment in money or division in kind, the rates shall be determined according to the rates prevailing in the cultivated lands in the year preceding the assessment. . . . That is where there is no agreement. Disputes can only arise where there is no patta or muchilika exchange. The zamindar may say, 'Give more.' The tenant may give very little. This can apply only for one year. Next year, he may exchange the patta or apply for new terms or he may succeed on the death of another tenant. Therefore it is they say for that year the rent must be that which was fixed during the previous year. Let us not forget it. This was passed in 1802 so that the previous year was the year which was taken for peshkash and other things. It is so in the Estates Land Act. To-day also we have got that. Where a new tenant comes in either by accident or by the death of somebody and he takes his place, whatever that may be, to say that section 9 would help the construction is something incredible to me. In Regulation XXV, they have put in black and white and in so many words, definitely and unequivocally and boldly that this shall be the peshkash fixed for ever. If the same was intended with reference to rent payable by the ryot, what prevented them from putting it in? Both were issued on the same day and both were prepared by the same officers; why was one clear and why was not the other clear? That one argument is quite sufficient.

"I will only refer, Mr. President, to the remaining sections of that Regulation. Section 13 says: 'Where estates or parts of estates may be sold or transferred for the liquidation of arrears of rents or revenues due to the Government, such pattas as may have been granted by the former proprietor shall cease to have effect.'

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Now that is another clause which clearly shows that the tenant cannot claim to have any vested interest in the land at that time; because this clause says, if, by transfer or sale, the peshkash is not paid and the Government has brought the estate to sale, it is not open to the tenants in such cases to say, 'We have a patta from the previous zamindar.' If the zamindar was not the proprietor, how can it be said that the patta is not binding upon him beyond the year for which it was intended? This clause says that beyond the current year, it is not binding. It shows that it is open to the new zamindar to take him as his tenant or not. It is open to the zamindar to fix his own terms. This clause clearly puts that. Under those circumstances, Mr. President, to say that these Regulations support the tenant is unsustainable. Let me not be misunderstood. It is not that I want the zamindar to be the proprietor, it is not that I do not want the tenant to have the right. Historically speaking, it is not for them to say that. One can very well understand why this new device is introduced. I think the cat was let out of the bag by the Hon. the Minister himself. This is a ruse to cover the eyes of men who want to look at all things squarely. They know full well that there are difficulties in interfering with the Permanent Settlement. The matter was represented in the Select Committee of the two Houses of Parliament. There were passages there; and what is more, in the instructions given to the Governors and the Governor-General, there is a clause saying that where any legislation affects the Permanent Settlement, the Governor should not give his assent to it, but must send it for the consideration of His Excellency the Viceroy; and in the Instructions to the Viceroy, there is a similar clause to the effect that he cannot give his assent, but must reserve it for the pleasure of His Majesty. Not knowing what the Secretary of State might recommend to His Majesty, you wish to get over the difficulty by saying that we have not touched the Permanent Settlement. By a clever device the majority report wants to get over this hurdle and wants to show there is no hurdle at all. There it is staring now at us. As Mr. A. Rangaswami Ayyangar honestly pointed out, be honest and I will join with you, abolish the zamindars straight, give them compensation to be determined by an impartial authority. That is an honest course.

"Mr. President, I shall now refer to Kallukapattas. Since I used the word 'Vedas,' I will come to Bashyakaras, the Hon. Messrs. Crole and Forbes. Now what is it that both these gentlemen have told? They tell us that all those that preceded them were wrong. They unearthed some report, some communications to the Government at Home and some communications to the Viceroy. They are all gentlemen who had come from England, not as big officers as at present, but as respectable merchants whose

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one eye was to make themselves called Nawabs, as they were at a later stage. They tell us that Muslim rajas were wrong, as if these gentlemen with their six weeks' knowledge in India knew more than the Moguls! It suited them to say these things and they said it.

"Before we come to that, let me quote a few passages from Mr. Crole himself. I would like to quote the sentences first and comment later. He says:

'The Governor-General in Council distinctly informed the Madras Government . . . that "the acknowledgment of a proprietary right in the zamindars existing, or those to be created, was not to be allowed in any respect, to affect the rights of the ryots or others who had hitherto been in any respect subject to the authority of the zamindars, or other landholders."

"What does it show? It shows that the proprietary right of the zamindar is clearly recognized. It does not say that there is any proprietary right in the tenant. Again:

'Lord Cornwallis charges these evils so far as they exist (and we think, with great justice) upon the old system, as a system defective in its principles, and carrying through all the gradations of the people, with multiplied ill-effects, that character of uncertain arbitrary imposition which originated at the head. He therefore very properly contends that reform must begin there; and that in order to simplify and regulate the demands of the landholders upon their tenants, the first step is to fix the demand of Government itself. I trust that I am not making myself wearisome to the Council.'

"I too trust I am not making myself wearisome to this Council just now:

'But on an intensely serious occasion like the present, when the Council is asked to do what, under normal conditions, ought to have been done 100 years ago.'

"Let it be remembered, Mr. President, that this is a speech which Mr. Crole was making in the Legislative Council in the year 1898. We were students at that time, but we knew something about what was happening at that place. But it is unnecessary to refer to those matters. What does Mr. Crole say here? He says that 100 years ago the matter should have been clinched, the matter should have been settled, the matter, namely, of fixing the rates permanently. The rates or the rents which the tenant has to pay to the zamindar should have been fixed 100 years ago. Does it not mean that all these 100 years it has not been done and that Mr. Crole is there coming forward and telling people and the Government, 'This ought to have been done 100 years ago.' We have not done it; let us do it now. A clearer proof is unnecessary to show that during all these 100 years, Government have not done their duty. The Government have failed to fix rates. The tenants' rates should be fixed. Just now my friend stated that for hundred years they have not done it. He is trying to do it. You can have our co-operation only in a straightforward manner and not in this round about manner of seeing the nose like this

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Mr. President, after all what did he do? Like Uttarakumara he had not the slightest hesitation to make up his *prathigna*. He says: 'Though my predecessors have not done it, I will do it to-day. Let this Council pass it to-day. Where is this Bill of 1898?' It shared the fate of all the Bills and documents. It was left to Mr. Forbes to do the trick, though he failed to do his bit. That which both Messrs. Crole and Forbes failed to do, it is given to the present Minister to do. If he takes courage in his own hands and says, 'I have got the right, the State has got the power,' we can do it and we will do it in a straightforward manner, not by denying actual facts that have taken place, not by forgetting the whole history of centuries, not by forgetting decisions of the courts of the highest jurisdiction in this land. I hope the nation is not so very blind.

12.30 p.m. "Mr. President, it is unnecessary for me to refer to the speeches, in the same strain, of Mr. Forbes; but his speeches are of no avail; they are of no more avail than Mr. Crole's speech. There is the statute passed by the Legislature of this country on the speeches made by Mr. Forbes. There is the Act of 1908 which was piloted by Mr. Forbes. What became of the various things which he mentioned in his speech when it came to a question of the bed-rock of actual decision and when the statute was framed? He had no other alternative but to frame the legislation in the manner in which it has been framed and as it stands on the statute-book to-day. What does the Act of 1908 say? Every section of that Act recognizes the zamindar as the owner of the soil and that the zamindar had a right to enhance the rent in certain circumstances, had a right over forests, etc. Therefore the argument that Mr. Forbes's speech helps us, and not his actions and the statute which he got passed in the Legislature, is a thing that does not hold water.

"Now, Mr. President, I shall summarize what I said about the Regulations. I have read these Regulations carefully and find no warranty for the assertions of the Hon. Minister (1) that the zamindar is only a tax-gatherer, and (2) that the rent on the land was fixed for ever. The preamble of Regulation XXV says that the Government 'has resolved to remove from its administration so fruitful a source of uncertainty and disquietude, to grant to zamindars and to the other landholders, their heirs and successors, a *permanent property in their land* in all time to come, and to fix for ever a moderate assessment of public revenue on such lands, the amount of which shall never be liable to be increased under any circumstances.' By no stretch of imagination can this sentence be interpreted to apply to rents payable by tenants. The Report quotes only the latter part of this sentence and is thereby entirely misleading.

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"In Regulation XXX of 1802 there is no reference to the permanence of the rent payable. Neither section 9 nor section 11 relied on by the Hon. Minister, nor for the matter of that any section therein, fixes an unalterable rent. The whole object of Regulation XXX is that rent should be fixed by agreement. Section 9 applies only to cases where by accident such an agreement was not in existence. Section 11 lays down that amounts over and above those mentioned in the agreement should not be collected. It is inconceivable that that section should be interpreted to mean that rents should not be revised or enhanced from time to time. I may add that it is also very significant that while the preamble to Regulation XXV clearly made the amount payable by the zamindar to the Government permanent and unalterable, there is no such statement regarding the rent payable by the tenant to the proprietor, either in the preamble or in the various sections of Regulation XXX. On the other hand, section 12 prescribes that pattas executed for one year shall be renewed at the expiration of the fasli. This one provision is enough to prove conclusively that the intention was that the rent and other terms dealt with in the Regulation are liable to be altered. Otherwise the karnam's accounts would have sufficed. Section 13 prescribes that the patta granted by a previous proprietor shall not be binding on a new proprietor except till the end of the current fasli. Both these sections indicate that the pattas and muchilikas are renewable and as such their terms are variable. And this is inconsistent with any intention of fixing the rate of the rent for all time to come; for in the latter case, there is no necessity to renew the agreement.

"Now, Mr. President, a Permanent Settlement which I have just now referred to, recognized the zamindars, chieftains, rent-farmers, etc., as proprietors. In the sanads granted to them and the various instructions given to the Collectors of the districts, they were invariably described as proprietors. The proprietorship thus recognized carried with it several rights, such as enhancing the rents, ejectment at the will of the zamindar, grant of waste and vacant lands to the villagers or to outsiders, right to minerals and ownership of forests, etc. The right of ejectment at will and the right to enhance rent were recognized by courts at one time. But they have since been negatived, especially by the Act of 1908. The tenant cannot now be ejected except for failure to pay rent. His rent cannot be enhanced except once in twenty years and that only on specific grounds such as rise in prices. The right to forests, the mining rights and the right to grant vacant and waste lands still continue to be exercised by the zamindar. It is on matters like these that the zamindari ryot differs from the Government ryot.

"Now the zamin ryot has certain rights in the land. To that extent he is the owner of the land. For instance, he has the

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occupancy right. He cannot be ejected except when he fails to pay his rent to the landlord. He can alienate the land by mortgage, sale or gift *inter vivos*, he can leave it to another by will. If he dies intestate it goes to his legal heirs according to law. No one can interfere with these rights. As I said a little while ago, rights in property may consist of various parts. The ryot has the rights that I have just now mentioned. The proprietor or the zamindar has got his own rights, namely, the right to recover rent, right to forests and the administration thereof, and also to such produce in it as may be available. This is no doubt again subject to such customary rights as may have been enjoyed for a long time by the inhabitants of the villages. The proprietor has some mining rights, but the Committee says that the mineral rights in waste lands do not belong to him. As Mr. Narayanaswami Nayudu observes in his dissenting minute, 'it is really difficult to understand or to reconcile the position taken by the majority in the report. On the one hand, the control and the right of distribution of waste lands is admitted to belong to the zamindar, while on the other hand, the mineral right is predicated in another way.' Be that as it may, it is undoubtedly a fact that the tenant to-day has certain substantial rights (most of which have just now been mentioned) in the land in his occupation. It is an equally indisputable fact that the zamindars too have their rights in the lands in their villages, which were greater some years ago, but have now been reduced to some extent. It is the simultaneous existence of some rights in the tenant and of others in the zamindar that has caused the confusion in understanding as to who is the owner of the land. And the majority in the Committee want to solve the problem by cutting the Gordian knot by declaring that the tenant is the owner of the land and the zamindar is only a tax-gatherer and no more.

"The Report refers to the definition of 'property' as given by William Paley who defined property in land to be the power to use it to the exclusion of others. On this basis the majority report says that the land is the property of the ryot and that the zamindar is a mere farmer of rents. The majority urge that what the Permanent Settlement gave him was only the right to collect rent and no more. The Hon. the Premier is reported to have gone a step further and compared him to a house agent whose duty is to collect the rents for the owner. As has already been pointed out, this observation is irreconcilable with the Permanent Settlement and other Regulations, contrary to a long series of judicial decisions of the highest tribunals, and inconsistent with long enjoyment of rights for nearly a century and a half. Paley's definition is no doubt correct so far as it goes; but as has been noticed by another author, 'the precise meaning of property or ownership is different in every culture, varying according to the traditions and the relative social status of those who enjoyed those privileges.' In the case of zamindari land, property

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in land seems to be a collection of rights, some of which are enjoyed by the zamindar and some by the ryots. I have already mentioned these respective rights. It is now proposed in this Report that the zamindars should be deprived of their rights excepting the right to collect a certain fixed rent. Is it right? Is it fair? Is it impossible to improve the condition of the ryots without expropriating and destroying the zamindars? As quoted above, Mr. Mahboob Ali Baig has pointed out that the zamindars would be satisfied for the present if their rents are so reduced as to be on a par with the land revenue rates obtaining in the adjoining Government villages. Why cannot this be done? The majority of the Committee realize this, but they want to get over this easy and reasonable solution. They say, 'There were others (tenants) who requested that they might be put at least on the level of the neighbouring Government rates. This was said in ignorance of their rights declared and admitted at the time of the Permanent Settlement. Owing to the distance of time, they did not know that the land revenue assessment (rent) had been fixed permanently. On the other hand, they believed that they were liable to pay enhanced rates of assessment. Therefore the demand for the adoption of the neighbouring rate was not made with full consciousness of their rights and liabilities. It was demanded almost in a spirit of despair, because they believed that no redress was forthcoming from any quarter in spite of their agitation. We should not therefore take the proposal made by them in the course of their evidence as a considered or a correct one.'

"Mr. President, the ryots must be protected against themselves. It appears as if the tenants had no rights all these 150 years. It will be seen that almost in every case, some of the eminent lawyers which Madras has had the privilege of producing, took part and safeguarded the interests of the tenants. I beg to submit that this is merely an insult to the intelligence of the ryots, an insult to the whole legal profession of which the Hon. the Revenue Minister himself was a great luminary in those days. He appeared in hundreds and thousands of cases and never did he think of advising the tenant, or the zamindar for whom he was appearing in so many cases, who would have abided by his advice, if he had given him any advice. Not only the Hon. the Revenue Minister, but so many eminent gentlemen belonging to the Bar, such as Sir P. S. Sivaswami Ayyar, Mr. P. R. Sundara Ayyar, the late Mr. V. Krishnaswami Ayyar and a host of others who were espousing the cause of the tenants in law courts, never thought that the tenants had anything like a fixity of rent according to the Permanent Settlement Regulations. They never thought that the Patta Regulation gave the tenants a fixity of rent. Now, Sir, I would submit that it is too much to ask us to believe that there is any right of that kind to the tenants according to those Regulations.

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12-45 P.M. "In spite of all that the Hon. Minister has said, I should like to ask one question in this connexion. It is said that this is all done for the purpose of saving the ryot; he must be saved from himself; he must be protected against himself. And that passage which I have just now read from the Report contains these sentences and it shows the amount of anxiety which the Government possess for the welfare and future prosperity of the ryots. But what becomes of all this sympathy when the Government ryot is concerned? The Hon. Minister grew eloquent—in fact my friend Mr. Rangaswami Ayyangar said that he 'waxed eloquent,' and that is perhaps a more appropriate term in this connexion—and said that the zamindari ryot was poor, miserable, had nothing to eat and was completely immersed in the ocean of debt. May I ask the Hon. Minister in all seriousness whether he believes that the zamindari ryot is in a worse position than the Government ryot and that the Government ryot is not indebted to as great an extent as the zamindari ryot? Two hundred crores have been estimated as the debt under which the people of this Province are groaning and I challenge the Hon. Minister to say whether it is not a fact that out of this two hundred crores, 150 crores are to be paid by the Government ryots. Why then all this sympathy for the zamindari ryots and none at all for the Government ryots? Are they not also your children; are you not responsible for their prosperity also? Are you responsible only for the zamindari ryots' prosperity? Why do you not start with giving redress to the Government ryots? Perhaps it is easier to be charitable at the expense of others. You may say, 'Thousands of zamindari ryots are there; if I help them now, my votes are secure and my return next time will be assured.' I do not think it is your view, but it is capable of that interpretation. Only the other day my friend Mr. Samiappa Mudaliyar moved a resolution asking for a reduction of 30 per cent in the Government land revenue. Then there was one solid block standing against the resolution. The road roller running at 30 or 50 miles speed crushed the resolution. I know the difficulties of the Government and that was why I myself did not vote for the resolution, if I remember right. But I ask again, why this partiality for the zamindari ryot? The Government could have begun the thing with greater confidence with their own ryots; the matter is in their hands. But I know they won't do it. Their wonderful policy of Prohibition is going to cost them four crores. Then they must find money for supporting the spinning associations, their charkhas and so many other moral, religious and honest convictions. Meanwhile the poor Government ryot has to starve as much as the zamindari ryot and still the Government would not help him. An explanation is necessary from the Hon. Minister with regard to this. It is no use telling me that the Government are just getting information and so on. I say it is easier to do that first and come to this next. As Mr. Mahboob Ali Baig said,

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'Reduce the revenue due from the Government ryots first to whatever extent you may consider possible and then come to the zamindari ryots.' I am not asking for a reduction of 30 to 40 per cent, but I am sure you can reduce the rates to some extent. What is worse, this Government have not given the Government ryots even that amount of relief which the Interim Ministry gave them. The Interim Ministry abolished these frequent periodical settlements and fixed the revenue at a certain rate. They reduced the demand by Rs. 75 lakhs permanently. But somehow those papers have not seen the light of day. The Ministers went out two days after they came to this decision and even this decision has been put forward as a ground against them. The Marjoribanks Committee Report has not seen the light of day. While the Hon. the Minister was perfectly at liberty to refer to that report, my hon. Friend Mr. Narayanaswami Nayudu was ruled out on a point of order raised by a legal luminary on the other side to the effect that as the report had not been placed in the hands of hon. Members, it could not be referred to here. So, Sir, whatever comes from one side is all right, but something coming from here is quite different."

MR. PRESIDENT:—"How long will the hon. Member take to finish his speech?"

DR. SIR K. V. REDDI NAYUDU:—"If you will allow me till ten minutes after 1 o'clock, I will finish."

MR. PRESIDENT:—"The hon. Member can go on till 1 o'clock."

DR. SIR K. V. REDDI NAYUDU:—"Till ten minutes after 1 p.m., Sir."

THE HON. SRI C. RAJAGOPALACHARIAR:—"If he omits the personal references, the speech will be brief and he will be able to finish by one o'clock."

DR. SIR K. V. REDDI NAYUDU:—"Well, Sir, they are not malicious; there is no ill-will intended. They are intended just to meet the arguments put forward in the best possible way. I will ask my hon. Friends to take my remarks in that sense and rest assured that there is absolutely no personal ill-will in them."

"I was asking, Sir, whether it was right to attempt to destroy these zamindaris wholesale, without paying any compensation to them and whether it was impossible to improve the condition of the zamindari ryots without expropriating and destroying the zamindars. Mr President, I think I have made it very clear in my speech that I do not question the right of the State to take away existing rights of property; but when the State claims to be a democratic State, it provides for compensation to be paid to those

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who are so deprived of their rights. Our Land Acquisition Act is based on that principle. When the land of a private citizen is to be acquired for any Government purpose, may be a purpose which will benefit the whole community, the Government has to pay to the owner the entire market value plus ten or fifteen per cent. It is only in totalitarian States that the need for payment of compensation is not recognized.

"Nor do I dispute the right of the State to reduce the rent payable by the tenant to the zamindar. It is in the interests of the State and the nation that the actual cultivators of the soil should have a contented life, should indeed be prosperous. It is only then that one can expect the ryot to devote his energies for the improvement of his lands and cultivation and thereby increase the production from his lands. That means increase in national production and so in national wealth which alone will increase the resources of the State. To achieve this end the State will have to help the ryot in various ways, one of which is to reduce the burden of rent, if that is called for. It is on this account that provision was made in the 1908 Act limiting the right of the proprietor to enhance rent. But in exercising this right of reducing the rent payable by the tenant to the zamindar, care must be taken to see that it is not reduced to an absurdly low level, or to an extent that would cause unreasonably serious injury to the zamindar. The proposals in the majority report cannot in the least be said to satisfy these conditions.

"Now, Mr. President, I would like to say a word for my intervention in this debate. I hold no brief for the zamindars. I have no interest in them and I am under no obligation to any one of them. On the other hand, a number of my relations, in fact, several thousands of them, are zamindari tenants. They will no doubt be benefited by the proposed legislation, though I am afraid that the reduction of rent alone would not lift them sufficiently high from the mire of depression into which they were driven during the last decade. A rise in the prices of commodities produced by them alone can save them. I am myself a zamindari tenant and I stand to gain myself by this legislation. Why then do I object to the present proposals? It is because I feel that this is a communistic measure—expropriation of proprietary rights without compensation. If this Bill is passed into law, it will add the weight of precedent to similar confiscatory measures in future. If we agree to this now, we will be precluded from objecting to any such future legislation. My community which is 90 per cent agricultural, may at any time be adversely, perhaps disastrously, affected by future communistic legislation. Many of them have lands of their own, however small their holdings may be. Their attachment to land is pathetic and what defence will

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they have, if it is sought to distribute their lands to the landless poor by some communistic legislation which might hereafter be brought, if once the principle of the legislation proposed at present is accepted?

"To-day it might appear to them that only other people's lands are being affected and that they are benefited to that extent. But when the principle is extended and when it is said that no one should have more than ten or fifteen acres and that the balance should be distributed to the landless poor and the depressed classes and others for whom we have been expressing so much sympathy in this House, then will they feel that they are in the position of the Russian kulaks? What happened to the kulaks? At first when Lenin came and introduced his land reform, the bigger landholders were deprived of their lands which were divided among the smaller ryots. The ordinary ryots were very pleased indeed. But when joint or communal cultivation came, these very kulaks were deprived of their lands. Villages where the people had something to eat and sometimes something more even to export were asked to be satisfied with half the produce and in many cases with one-fourth of the produce and the rest was exported to Moscow or some other city. We have read history and we know how many crimes were perpetrated and how many people died of starvation. It is said that more people died of famine than during the War before 1918. What is the guarantee that we have now from the Government that the same will not be the fate of this land? Here you are driving the thin end of the wedge. You gave one blow at the time of the Debt Relief Bill and now comes the second blow. The rest of the blows may not be given by you, but it will be no consolation to me if you tell me that you will not be communistic. There are others who will take your place and events are showing who they will be. (Hear, hear.)

"I would like hon. Members opposite to try and realize the natural consequences of their proposals. The election of Mr. Subhas Chandra Bose four days ago as the President of the Indian National Congress indicates the drift towards socialism. The Congress left wing has rallied round him. The pathetic appeal of all the leading members of the Working Committee has not saved the right wing. Mr. Subhas Chandra Bose has won on a clear-cut issue—left or right—and the left has won. Even the Tamil Nadu Congress delegates could not resist his influence—the influence of socialism. (Hear, hear.) By the proposals in the majority report, you will, in effect, only be strengthening that influence perhaps much against your own conviction."

MR. PRESIDENT:—"The House will now adjourn for lunch and meet again at 2 p.m."

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(After Lunch—2 p.m.)

* SRI P. PEDDI RAJU :—“ Mr. President, Sir, we have been discussing this question all these days and the points that are being discussed by several Members of the Opposition are about the interpretation of the Permanent Settlement Regulation, several Despatches and several Rent Acts. My submission to this House is this. It is admitted on all hands that in the interest of the public, if we are to undertake legislation, this Council or the Legislature is perfectly entitled to do all that is possible for the benefit of the public. So, the questions whether the Permanent Settlement or the Regulations passed in those days give a right to the zamindar to enhance the rent or whether he is the proprietor of the soil, are all questions which are not necessary for us to discuss.

“ It has been admitted for a very long time that the condition of the peasant in this Presidency is too uncertain and that he needs considerable amount of relief. Even hon. Members like Sir K. V. Reddi Nayudu have stated that the condition of the ryotwari tenant is hopeless and that he needs considerable relief. If that is so, the fact that the condition of the zamindari tenants is much worse, must also be admitted. If that is the basic principle on which we have to go, we must certainly pass some piece of legislation. What is the legislation that we have to undertake to remedy the difficulties of the ryot? Of course, as the hon. Member, Sir K. V. Reddi pointed out, it is not sufficient if the Government undertake legislation only as regards the relation between the zamindar and the tenant. The Hon. the Revenue Minister promised even last year that he is considering the methods by which the Government ryot also must have some relief; I am sure that along with this legislation he will bring in a Bill to give considerable amount of relief to the people in the ryotwari areas also.

“ As regards the amendment of my hon. Friend, Mr. Narayana-swami Nayudu relating to the inamdars, I wish to point out that it is not the policy of this Government and the intention of the Report that inamdars and aghahamdars should altogether be eliminated. No doubt the Report says that the Estates Land Act of 1908 and subsequent Acts relating to them should be repealed. It means that there will be no law on the statute-book for the present, to deal with the relationship between the aghahamdars and their tenants. When the Government are going to pass some legislation regarding the relationship between the landholders and the tenants, I am sure the Government will consider the relation between the aghahamdars and tenants; such a legislation will also be placed on the statute-book simultaneously with the Estates Land Act. The question is different so far as inams are concerned.

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The Committee was practically prevented from considering that question in connexion with this Report. It was stated that that matter should be enquired into separately. If I understand correctly the proposals contained in the Report, I think, Sir, that the Government will bring forward inam legislation simultaneously with this legislation.

“ Sir, I want to offer a few remarks about the general results of this Report. First of all, I am surprised that my hon. Friend, Sir K. V. Reddi Nayudu, should protest against this Report. I do not know how he says that this Report is bad. I do not know how he says that we are expropriating the rights of the zamindars, that some compensation should be given to them and that confiscation without compensation is unjust. I am surprised at his remarks because we must remember the time when the inam legislation was passed in the year 1935–36. At that time it was admitted on all hands that the inam legislation was confiscatory but no compensation was provided. The Viceroy had to intervene and the Provincial Government thought that one year's rent was sufficient compensation for the inamdar. My hon. Friend was the Head of the Administration then.”

DR. SIR K. V. REDDI NAYUDU :—“ The Government did not fix one year's rent as compensation; they fixed a certain amount which was reduced by the amendment moved by Mr. C. R. Reddi on behalf of the Congress.”

* SRI P. PEDDI RAJU :—“ All that I am referring to is the way in which my hon. Friend has dealt with this legislation and Report. I am not talking of the then Government; I am talking of him; he was the Governor of Madras then, and he said that no compensation need be paid and that the rights of the inamdars can be confiscated. I do not see any reason why the rights of the zaminadrs should not be confiscated, if it is in the general interest of the public. I may also mention that when the inamdars wanted to wait on deputation when he was the Governor, he did not agree to receive the deputation. I do not know how my hon. Friend sympathizes with the zamindars now

“ One other matter which my hon. Friend referred to is that this Government is going to protect the ryot against his own interest. In this respect, Sir, I may say that the ryot does not know his own rights; the ryot is ignorant; the ryot has not got the help of people to assist him. The zamindars have always got very eminent vakils and advocates who would expound their cause; they have protected the rights of the zamindars. It is a pity that the poor ryot cannot afford to protect his own interest; he cannot advance his own cause; he cannot have counsel, employ advocates for all time.

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"In this connexion I would draw the attention of this House to a portion of the speech made by the Hon. Mr. Crole when he introduced the Bill of 1898. He says:

'But most unfortunately far too great reliance was placed on the continued recognition by those concerned of the common law proprietary right in the soil possessed by the ryot in the Madras Presidency. No harm resulted in the south, where the intelligence, education and independence of the people are in marked contrast with the backwardness, the Boeotian stupidity and the craven subservience without mark the Telugu ryots of the Circars. In the former tract, the proprietary right of the ryot remains absolutely intact, and has been appropriately described by Mr. Justice Subramania Ayyar in 1884 thus: "In zamindaris also all the ryots have been in this part of this Presidency recognized as kaniyatchi (settled) ryots, except in regard to pannai lands of the zamindar."

"Later on he says:

'These have been the causes of the inroads which have been made during the last thirty years or so upon the ryots' means, and of the usurpation of his property in the soil. The cupidity of the zamindars has led them not only to enhance rents by 200 and even more per cent but to pave the way for still further increases by reducing the ryot to the position of a mere tenant-at-will. He is, in many parts, at present scarcely distinguishable from a serf, and it is not too much to say that the exactions of the zamindars are limited only by the fear of violence, or of wholesale desertion and emigration.'

"Just before this period there was famine in the Northern Circars. The Hon. Mr. Crole had gone to those famine-stricken places. After seeing those places he remarked:

'When I was travelling in the Godavari during the late famine, a zamindar applied to the Collector for police protection against his ryots who threatened to burn the palace. The reason was exasperation at a further increase of rent. Again, since 1871, "rebellions" as they are locally termed, by ryots against zamindars have periodically occurred in Kistna for the same reason. There are likewise other oppressive acts which aggravate the evil. Improvements are not allowed to be made; wells must not be dug; the tree planted by the ryot belongs to the zamindar, and so on. I was so impressed with the wretched condition of the zamindari ryots in Vizagapatam during the late famine,

There are several other observations made by him after what he saw in his tour in the Northern Circars at that time. This will show that the condition of the ryots at least in the northern part of the Presidency was so helpless that on many occasions the ryots in the Vizagapatam district and the Ganjam district had to leave their lands and go to Rangoon or settle themselves in the southern districts, in the Godavari district, etc. My hon. Friend knows that the population in the Northern Circars, especially in the Godavari district, has increased by about 10 to 15 per cent on account of migration from the Vizagapatam district; the ryots had to leave their lands and come away to our districts, and work as coolies. This is due to the enhancement of rents and the restrictions imposed by the zamindar on the ryots. The ryot was unable to pay any enhanced rate of rent; he had to leave the land; he had to leave his village and migrate to some other place. Is this state of things to continue? Even now in the present twentieth century, I know that a large number of people have been migrating

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from the Vizagapatam district to the southern districts and to other places. They have no food to live upon. Even under present conditions, they are not able to pay the rent due by them. There has been rack-renting; there was considerable hardship caused by the zamindar to the ryots. This is the best time when the Government should come forward and give some relief to the tenants, lest they might continue to migrate.

"One other point which my hon. Friend referred to is the exchange of pattas every year. It was there, because of the Act of 1908. I may also submit to this House that this exchange of pattas and muchilikas in zamindari areas is found in the Government areas also. Up to the year 1900, the Government have been issuing pattas every year. The same patta will have to be presented to the jamabandi officer at the time of the jamabandi. Any changes made in it will have to be signed by the jamabandi officer. After the year 1908 the annual exchange of pattas and muchilikas has not been going on, at least so far as my district is concerned. I do not know what is happening in other districts even now. There is no right attached to the issue of these annual pattas; and there is no necessity for annual pattas.

"After mentioning all these points, I will now state what is the idea of the Government in having appointed this Committee to go into the matter and report and in undertaking the necessary legislation.

"My submission is that quite apart from the interpretation 2-15 p.m. to be put on the several statutes or on the several speeches made by hon. Members and on the several despatches, the present Government is obliged to do something for the benefit of the ryot population. In this connexion, Sir, I want to quote the Bombay Premier's speech made recently: he said:

'The present Government is pledged and irrevocably pledged to the improvement of the poor in this country. We want to ensure for every man in this country sufficient food and clothing, a decent education and some form of healthy work, which will make him a useful citizen and a happy man. All our efforts are directed towards this end, and whether or not we offend against other theories or doctrines, we will continue to work in this direction. It is not enough for us for the total wealth of the country to be increased. It is also necessary that the poorest in the land should have a larger share of it than they do at present. No theory or doctrine can, in our opinion, be sound to keep a large proportion of the population in want, discontented and unhappy.'

I submit, Sir, that although the previous Governments had been saying something similar to this, they never carried out their expressed opinions. I submit that this House, representing the general electorate and the general public, should carry out the mandate of the public, and that must be the policy of this Government, as also of this House. I think every one of us, representing the general public as we do, has come here with a mandate from the general public, that we must do something for the benefit

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of the tenant, whether it is the Government ryotwari tenant or the zamindari tenant; and if we do not do this duty, I think it will be amounting to a failure of duty on the part of this Government, and if they cannot stand on their legs, they will have to be driven out.

"In this connexion, Sir, may I draw the attention of this House to certain things that happened in the Legislative Council at the time of the passing of the Madras Estates Land (Amendment) Act of 1934? I would draw the attention of this House to the fact that Mr. Sami Venkatachalam Chetti introduced a Bill to amend the Madras Estates Land Act, not in terms similar to this, but a much moderate measure. He wanted that the zamindari rents in the Presidency should be brought on a par with those prevailing in Government ryotwari areas. That Bill, however, was not allowed to be introduced in the Council. At that time, the Hon. the Raja Sahib of Bobbili was the Chief Minister, and the Ministry with the help of the zamindars and in collusion with the Government of the day, did not permit that Bill to be introduced in the House. I would only draw attention to the warning given at that time by the late Mr. Munuswami Nayudu, when this Bill was not allowed to be introduced in the Council. He said that though he had got all his sympathies for the zamindari tenant, yet he was a moderate by himself, and he could not but say that if the Bill was not introduced at that time, a Government would come later on, elected by the people, who would introduce legislation which would uproot the zamindari system altogether. That was the warning given by him at that time. He said: 'It was my privilege to put forward the views of a moderate representative of the ryots in the Council, and I hope that the Government would realize the situation before the extreme section of the representatives of the ryots took the field in the future.' Sir, those were prophetic words, and I am not sorry that the zamindars have over-ridden the wishes of the public at the time and have not allowed the Bill to be introduced then and as foretold by him (Mr. Munuswami Nayudu), the present representatives of the ryots in the Legislature have come here with a mandate which they cannot disregard or disobey.

"I think, Sir, this Government constituted as it is, must obey the mandate and must carry out the pledges that they have given. When Mr. Sami Venkatachalam Chetti introduced his Bill, the Raja of Bobbili was pleased to remark that the introduction of the Bill was a political and election stunt. Mr. Chetti warned the Government at the time and said that what 'to-day the zamindars were unwilling to yield with grace would to-morrow be taken from them by force.' It was not necessary that a communist Government should come for that purpose. Even a Government headed

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by the Raja of Bobbili would be compelled to resort to such a step. The members of the Justice Party, calling themselves a democratic party, should not let themselves be dragooned and jockeyed into buttressing the rights of zamindars. Mr. Chetti was criticized by the then party in power that the Bill was an election stunt. He took up the challenge, and the results of the election showed that Mr. Chetti's prophecy was correct. So, Sir, I say this Bill is not a revolutionary or communist measure. The Government are not to sit here as a Government unless they carry out the pledges given by the members of the Government party when they stood for election. The main election pledge was this: it was thought at the time of the elections, that so far as zamindari ryots were concerned, the Government or the persons who took up the Government, would try to reduce the zamindari rents, and we all know the results of the election. So, I say, Sir, that quite apart from the theory of the legal intricacies contained in previous Acts or Bills and other things, it is the duty of this Government to come forward, even without a report such as this, and say 'we would reduce the rents in zamindari areas,' and they must do something for those ryots, by way of fulfilling their election pledges.

"Apart from that, Sir, I would refer to a few instances in order to show that even the report as it is, is justified by many past despatches and memoranda received and the Government Orders previously passed on this subject. Of course we lawyers, whether in this Council or in the Assembly, can put forward any amount of interpretation of the statutes or of the speeches made in the past, and it is a wonder that at least all the vakils on this Committee have agreed on the interpretation of the Permanent Settlement Regulation. I am glad of it, and though my friend Sir K. V. Reddi challenged the Ministers and everybody else to show that the interpretation of the Permanent Settlement Regulation is different and stated that we need not go to the Privy Council or to the High Court or to the opinions of Judges, he also appealed to this Council to judge this question. And this Council, Sir, in order to judge this question, need not look into the interpretation of sections or clauses of any Bill or enactment or of the Permanent Settlement Regulation. It is quite enough if the House takes into consideration the present conditions of the ryots and the members ask themselves: what are we to do here as representatives of the ryots? That is the thing that we should do, and not look into the wording of the provisions. Why I am saying all this is this: when the Justice Party passed the Inam legislation, when they said that the Privy Council decisions were wrong, when they said that the High Court decisions were wrong and that everybody was wrong, and said that they were going to set right all those wrongs and bring in a measure, I think

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the present Government are equally justified in saying that the Privy Council was wrong, the High Court judgments were wrong and all judicial decisions were wrong, and that we have to be guided by the necessities of the case and the interests of the general public.

“ Now, Sir, so far as assessment rates are concerned, there was a time when the Madras Government had recommended to the Home Government, i.e., the East India Company, that thirty per cent of the gross produce should be collected as Government assessment. The Home Government overruled that proposal and stated that the right of the Government to land revenue was not even to the whole rent, but only to a share of it, and it was called rent. Lord Stanley, the Secretary of State, i.e., after the Government had been assumed by the Crown, re-affirmed the same principle and remarked: ‘ The right course would be to take a fixed proportion of the net but not the gross produce. The tax was to be so fixed as to leave a liberal margin for miscalculations.’ When the late R. C. Dutt proposed 20 per cent of the gross produce, the Government of India replied by saying that the imposition of 20 per cent of gross produce would result in the imposition of a greatly increased burden on the ryots. The weight of these authorities has established the principle that the method of apportionment of assessment with reference to gross yield would introduce uncertainty and inequality. The Government themselves said that 20 per cent of gross produce was too high, and that the method of assessment should not be with reference to gross yield, but should be with reference only to net yield. In Board’s Proceedings No. 542, dated 6th December 1900, the Board said that the ratios of land revenue to gross produce would have ranged from 4 to 9 per cent of dry crop lands and $8\frac{1}{2}$ to 13 per cent of wet lands in the previous decennium. And so, the idea of Government regarding assessment with reference to gross produce would have made the condition of the ryots wretched. So, any idea of fixing a certain percentage of either the gross or net produce would result in considerable hardship both on the tenant and on the landholder. We would therefore have to take the general welfare of the public, so far as relations between the zamindar and the tenant are concerned; and so far as relations between the Government and the ryotwari ryot are concerned, we will have to take the necessities of the ryot in the first instance. No doubt with regard to the necessities of the Government, Government also must be carried on, and they have the reserve right to tax, and whenever necessary, they will do it. I can straightaway suggest that if the Government are still anxious about the welfare of the ryots, they cannot afford to be doubtful about carrying out the recommendations of this Report. They probably think sometimes that if they give this relief to the zamindari tenants, the Government

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tenants will at once say they must also have some relief, and so there will be some trouble. I say, both of them must be placed on a par in this respect, and if the Government ryot has to pay more now, the rate in his case will have to be reduced. He must be placed on the same footing with the zamindari ryot, not because the Government ryot is paying more now, but because the zamindari ryot should pay the same rate—that must be the condition on which they should proceed. And, if the Government at any time want to levy a further tax, the Government must always be ready to tax both the zamindari tenant and the Government tenant. In yesterday’s papers I found a statement to the effect that the Bombay Government have got an idea of taxing avocations. I do not know why the Government here should not have recourse to that method; there are other similar sources which Government can tax, consistently with the welfare of the public.

“ So far as ownership of the soil is concerned, as I said, I do not care for the learned investigations made previously; irrespective of those investigations, I say it is quite fit for this Government to say that the ryot is the owner of the soil and he is entitled to pay a small rent consistently with the necessities of the State.

“ Then, Sir, one of the points which has not been dealt with by my friends is with regard to the question of porambokes in zamindari areas. The zamindars have been claiming the porambokes as if they were their personal property, that they have rights to the soil, etc. Sir, I think I won’t be irrelevant if I mention one or two cases which I came across in one zamindari. There is a road which connects a village to the main road. There is a panchayat established by the Government. The panchayatdars spent Rs. 20,000 and laid a little metal on the existing road. The zamindar brought a suit against the panchayat and asked them to remove the metal, saying the road was his private property. Unfortunately, the subordinate court in our district passed a decree saying that the zamindar was the owner of the soil and so the metal on the road must be removed. In the same village, there is a water-tank around which the whole village runs. The panchayat wanted to repair the tank at a cost of Rs. 8,000; but the zamindar brought an injunction and the court granted it. If that is the state of things, I do not know why people should say that the zamindar has got any right at all in the porambokes. I may also mention one other case. In one of the zamindaris, there is a natural drain flowing and there is a second-class road passing across that drain. A bridge was constructed there by the district board for the benefit of the public; the zamindar brought a suit for the demolition of the bridge saying that the bridge was a trespass on his lands, i.e., it was constructed over the drain which belonged to him. This suit is now pending. Are not these

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instances sufficient to establish the right of the public as well as of the Government to say that all communal porambokes should be vested in the Government for the benefit of the public?

"Then again, Sir, as regards repairs to irrigation sources, the maintenance of irrigation sources, etc., I am sorry the Report has not been what it ought to be. The Report says that the zamindars are bound to maintain the irrigation sources. Certain provisions also have been made in this respect in the draft Bill. The Estates Land Act of 1908 and the subsequent Act of 1935 already contain several provisions in this regard; and I wonder whether the Government have ever seen any case being brought before the officials, and found out whether it is possible for the ryots to contest the matter and get the repairs done.

2-30 p.m. "I appeal to this Hon. House on behalf of the zamindari tenants that the irrigation sources should also be taken under the control of the Government and they alone should maintain them. As regards the question of cost, there is some provision in the draft Bill that an irrigation fund is to be maintained; but I submit that the responsibility of spending should not be made over to the zamindar but should be taken up by the Government themselves. Otherwise, I feel that there would be no relief. From the evidence tendered before the Committee you find that practically nothing has been spent on irrigation works in the Presidency by the zamindars in the past. If any zamindars had improved them, they must naturally have increased the assessment in that particular area. The responsibilities laid down under the Estates Land Act are too insignificant and too insufficient and meagre and I submit that the provisions relating to the repairs of irrigation sources should be rendered more satisfactory in the draft Bill.

"I do not want to take up much of the time of the House and go into all the elaborate details put forward in the Report. I do not want to go into the Government records, the other records relied upon by the Committee or the law upon the subject. I want only to request the Government that they are bound in the light of the evidence that they have taken to undertake legislation and to proceed with it as early as possible."

* SRI T. C. SRINIVASA AYYANGAR:—"Mr. President, Sir, when this Committee was appointed I never thought that it would be going into an investigation of the historical conditions and legal antiquities and the sovereign powers of successive Governments which held sway in India with regard to land rights. Nor did I think that the Committee was going to enquire whether the successive generations of administrators and judicial officers have misunderstood the rights and obligations between the landlord and tenant and that it would be left to a Committee appointed in the year 1937 to discover the true meaning and purport of the

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Permanent Settlement in 1802 and the expressions used in the enactments that came into existence then. In the varying conditions of the zamindaris difficulties were experienced both by the ryots and the landholders in the matter of the exercise of the rights and enforcements of the obligations, and in the matter of the provision of irrigation facilities. It was expected that the Committee would primarily go into those conditions, take stock of the legitimate grievances of the ryots and bring forward proposals as to how to redress them. These are matters calling for urgent attention and proposals in the way of ameliorating the conditions of the ryots would be welcomed by everybody concerned. You are presented with a huge report, a tremendous report with a mass of documents in which the theoretical aspect of the rights occupy the foremost place and the practical difficulties and troubles which beset the people have not received that attention in constructive proposals necessary for their proper redress. The investigation and the report have involved a prodigious labour and the gratitude of the House is due to the Committee. But it is somewhat difficult to understand exactly the recommendations on the practical questions involved. What is the use of discussing whether the Settlement Regulation of 1802 gave the zamindar any proprietary right at all and if so what right; after the lapse of over one and a quarter of a century, during which the zamindars have been dealt with as having at least the melvaram right. I am glad to note that the Hon. the Revenue Minister has relied on Sir Subrahmanya Ayyar's judgment in the 20th volume of the Indian Law Reports, Madras Series. His dictum is that in the case of agricultural land in this Province, there are two interests, the kudivaram and the melvaram, respectively, vesting in the ryot and the landlord and that these two interests represent real interests and each forms a fraction of the proprietary interest in the soil and both together make up the full proprietary right in the land. It is not that one alone is the proprietary interest. This is the foundation upon which all judicial decisions have been given and it is equally the foundation upon which Mr. Crole, whom the Hon. Minister quoted extensively in the Report as well as Mr. Forbes, rely. It cannot be said that the Permanent Settlement Regulation which speaks of proprietary rights did not give the zamindar any right whatever in the soil. The rights given to the zamindar by that Settlement is a real right, partible, heritable, alienable, and these transactions have been recognized in law. If the Settlement never gave or recognized any property in the zamindar in the soil it would have said so. The settlement was between the zamindar and the Government. It did not prejudice the rights of anybody else or could deal with the rights of the others, viz., the rights of ryots. Certain people even in the beginning of the

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last century relying on the unqualified expressions in the Permanent Settlement Regulation and in the Sanad began to put forward extravagant claims for full proprietary right to the detriment of the rights of others. Seeing the danger and the abuse of the Regulation, Government promptly came forward with Regulation IV of 1822 declaring that the Permanent Settlement Regulation of 1802 did not take away the rights of any body else or give the zamindars more rights than they were entitled to or than what the Government could give them. Obviously ryots' occupancy right in the soil that is the kudivaram interest could not be interfered with and the Settlement was not intended to interfere with that. But subject to that, the zamindars had the proprietary interest known as melvaram right in the occupied lands and the full proprietary rights in the unoccupied lands, and immemorial waste, etc. Due to a decision of Mr. Collet in Vizagapatam, in 1864, who held that the ryots in zamindaris were merely tenants like the tenants of English landlords and that they had no right in soil, representations were made apparently to the Government and the Board of Revenue enquired into the matter and passed proceedings to safeguard the occupancy right of the ryot. Later the Madras Rent Recovery Act—Act VIII of 1865—was passed. The Act was no doubt substantially a processual law. But there are some provisions which are of a substantive nature. Section 11 was attacked as an unfortunate intrusion. The Hon. Minister the Revenue Minister appears to feel that section 11 improperly enabled the landlord to make their own contracts for rent, and assign waste lands on their own terms. He referred to the definition of landholder in that Act and said that the definition referred not only to the zamindars but also to holders of land under ryotwar settlements and observed that the rules regarding the rent contained in section 11 could not all of them apply to the zamindar landholders. The Hon. Member's contention is that in 1802 there was not only a permanent settlement between Government and zamindar, but also a settlement permanently fixing the rent to be collected by the zamindar from the ryots. He referred to the Patta Regulation and the Karnam Regulation, which were issued in 1802, and sought to base the said contention thereon. Sir, I am afraid, his contention is untenable and the reasoning is faulty. There is nothing to support the interference of any such settlement from the regulations. Some of the zamindars were previously ruling princes, and by virtue of that capacity had the right to fix or alter rates of rent. After the loss of sovereign rights by the Permanent Settlement, the late sovereign princes, became mere landlords, without any such power on their part. In consequence, the rates of rent prevailing prior to the Permanent Settlement, became naturally the standard rent, and the zamindar could only

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get them or such other rent which by a valid contract supported by consideration they could get. Any two subjects of the Crown can enter into valid contract regarding rent. It is a misconstruction of the regulations to say, that the zamindars could not arrange in appropriate cases their own terms for rent. A close study of the principles underlying the rules in section 11 of Act VIII of 1865, would support what I have stated. The courts have uniformly interpreted the section equitably. Even before the enactment of Madras Estates Land Act, the courts decided against the zamindars' attempts to tax the improvements of the ryots.

“Due to increase in population, and various other causes, competitive rents gradually came into existence in certain parts of the country and in some zamindaris. The landlord could freely acquire by surrender or by purchase in rent, sales, etc., the occupancy rights in holdings and thereby consolidate both the rights in themselves. This enabled the landholders in certain parts of the country to fix their own rents by assigning waste lands, and bought-in-lands. There was also in some parts of the country the continuance of the old claim against occupancy rights. The condition of the ryots economically could not in these circumstances, be very prosperous.

“The need for legislation was felt. The Government placed on special duty select officers to gather materials and frame appropriate proposals for legislation. One such attempt was the Bill of 1898, introduced by Mr. Crole, and the later attempt was the Bill of Mr. Forbes, which received an exhaustive consideration from both sides, and eventually became law in the Madras Estates Land Act—Act I of 1908.

“It was thought proper to omit from this law, the intermediate 2-45 landholders of various gradations *inter se* and also the holders of P.m. land under ryotwar system. This act deals principally with the rights and obligations between the ryot and the immediate landholder. This enactment was acceptable to both parties, the ryot's position being improved in many respects and certain necessary remedies were conferred on the landholder also. There is no use condemning the Act altogether. The ryot's right to use and enjoy the land in his holding in whatsoever manner he liked, was secured, provided the land was not made unfit for agricultural purposes, or tended to reduce the value of the land substantially. The aggressive assertion in some quarters of absolute right in the soil was knocked on the head once and for all, and permanent occupancy right to the ryot was declared by various provisions made in the Act; one of which was that agricultural tenants, holding ryoti land on 1st July 1908, were declared to have occupancy rights, whether they previously had such a right or not. By this it ought not to be understood that permanent occupancy right

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was denied by all the zamindars everywhere. In the southern districts of the Presidency we are not familiar with this assertion of absolute title. There was a tacit recognition of occupancy rights. The difficulties in some of the zamindaris in the south was how to secure the tenant and prevent them from migrating to the neighbouring island of Ceylon, etc. The Act gave some further advantages to the ryot, in the matter of a preferential right to effect improvements. When the ryot had improved the land at his expense, the benefit of the improvements was assured to the ryot, by provision being introduced against taxing the same in spite of custom or contract to the contrary. Rights were conferred on the ryots in regard to new trees in the holding. Ejection of ryots for alleged perversion was hedged round by stringent conditions. Acquisition of permanent occupancy rights was facilitated. The definition of old waste was attacked as being a monstrous thing. I agree. Few were able to understand and the application has not been easy. It is noteworthy that the provision regarding old waste was the result of the policy to prevent the assignment of any and every kind of waste land, on any terms of rent as the landholder liked. That purpose has been achieved. The definition itself was dropped by a later enactment.

"In the matter of rent, the Act discountenanced agreements fixing terms as the parties liked, where ryoti land was assigned for cultivation, except in certain very limited class of cases, and by introducing a presumption in favour of ryoti lands. The Hon. the Revenue Minister attacked the provision for enhancement of rent as being against the principle of Permanent Settlement. The landlord and tenant being owners of definite interests in land, it is only proper that in appropriate cases, the landlord should have a right to claim enhancement, as the ryot for similar reasons are enabled to claim reduction of rent. No enhancement is allowable in the case of varam or crop-war rent. Illegal exactions or additions to rent were prohibited.

"The duty of the landholder to keep the irrigation sources in proper condition was put on a statutory basis and the ryots were enabled to apply for the repair in case of landholder's negligence. The enactment was substantially a beneficial measure.

"In the working of the Act, certain difficulties were experienced; like all human endeavours, where remedial measures are taken, time and experience dictate periodical revisions. The Act was amended by later legislation. If further experience demands improvements and changes, the effort should be to discover in what respects difficulties should be avoided, facilities should be introduced, and re-adjustment effected, but not to seek to introduce revolutionary changes, of a confiscatory character. Manu

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has been dug out from his long rest in the grave, and is placed on a pedestal in the twentieth century to proclaim to the world, that he at least rightly conceived the idea of land rights. It is mentioned that his idea was followed during the reign of the Hindu Rajas, and that it was during the Muslim rule, that the State claimed proprietary right in the soil, and that the British who took over from the Muslims, did not understand the rights correctly. It is further asserted, that the proprietary right vested only in the cultivator, that the State had no proprietary right, and that what the State got from the cultivator, was revenue and not rent, and that the zamindar could not get anything more than what the Government itself could have got. The zamindar is said to be no more than a revenue collector.

"These are untenable and unfounded theories—can I call them wild theories. These are against the clear provisions of the regulations and the successive later enactments and are also against the accepted notions consistently held and acted upon for centuries during successive periods of administration. The struggle right through, has been how to secure the occupancy right without disturbance to the ryot and not to deny altogether any right to the zamindar. If he was merely a tax-gatherer, and had no right in the soil, how is that position reconcilable with the provisions in the various enactments and course of decisions. Regulation IV of 1822 would be wholly out of place and not called for. What is the evidence upon which the interpretation was based? Was any expert evidence let in or called for by the Committee with reference to this aspect? None. Language used on certain occasions should be interpreted with reference to the context. When it was mentioned in certain documents, which were intended to secure permanent occupancy rights to the ryots, that the zamindar was no more than the assignee of the revenue of the Government, and that he could not claim proprietary right, it must only be to point out that he could not claim absolute right, and that his right should only be subject to the permanent occupancy right of the ryot.

"There is no substantial difference between Mr. Crole and Mr. Forbes. Both rely on Sir S. Subrahmanya Ayyar's and Sir T. Muthuswami Ayyar's dicta regarding the kudivaram and melvaram interest.

"As mentioned already, there being two interests in the land—melvaram and kudivaram—and they being owned respectively by the landholder and the ryot, the question would be what are the incidents which legitimately go with them respectively and what difficulties arise in their enjoyment. Ordinarily, difficulties may arise in direct or indirect interference with the ryots in their raising crops as they like, commercial or agricultural, in the

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absence of adequate facilities for irrigation, in the manner and method of collection of rents, and in certain zamindaris, in claiming certain customary payments, in the want of provision for gazing or for collection of manure. These require and demand investigation so that proposals for adequate redress may be framed. It is difficult to assume that wholesale abuses exist or rack renting has prevailed on a vast scale. But a perusal of the report leaves an impression as if by unfair increase of rent, there have been substantial augmentation of zamin revenue.

"The report gives some data connected with the zamindaris of Bobbili, Pithapuram, and Ramnad, for showing that the extent of cultivation has not much increased from what it was at the time of the Permanent Settlement, but the income of the zamindar has increased several times. Therefrom the conclusion is drawn that the increase in revenue must be due to the increase in the rent. Sir, I do not profess to know the conditions in each one of these zamindaris, but of one zamindari, I can speak with some knowledge, viz., Ramnad. It is worth examining the information given in the report to see if the conclusion can be correct, taking as an illustration—Ramnad. I do not hold a brief for any body. I desire to rely on the information in the report and on such information readily available to the public. The first question is whether the extent of cultivation in it has not appreciably risen since the Permanent Settlement. The report gives the extent of cultivation at the Permanent Settlement and the extent of cultivation in a fasli a few years back. May I ask whether the latter extent is not for the unalienated portion of the zamindari as it is enjoyed. It is common knowledge that after the Permanent Settlement, some smaller zamindaris have been carved out of Ramnad and separately registered and a large number of villages have been alienated by gifts, endowments and perpetual leases. Obviously, the cultivated extents of the later separated portions which must have been included in the cultivated extents of 1802, would not have been included in the cultivated extents of the zamindaris now given for the recent year. In the zamin village in which I was born, several hundred acres went out of cultivation owing to the inrush of sea water and several more hundreds of acres of dry sandy waste lands have been reclaimed and brought under cultivation. Similar things have taken place in other coastal villages. Extension of cultivation in many inland villages also would be in the experience of all. Taking all these things into consideration, I beg to submit that the data furnished in regard to this zamindari requires revision. Regarding the conclusion of the increase of rent, 2 or 3 things which the report itself mentions, may be considered. It is admitted that the rate of rent for dry lands in this zamindari compares very favourably with that in the Government tracts. Waram prevails

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in respect of wet lands and there is no alteration of the rate at all. The rates for garden crops is said to be higher than the dry rate but it is not stated that the garden rates were introduced after the Permanent Settlement. In fact, garden rates which prevailed prior to the Permanent Settlement, are the rates even now. The one-third waram for the dry crops which existed at the time of the Permanent Settlement was commuted into the money rent in the first quarter of the last century and those rates have continued even now. So, there cannot be any increase in the rates of rent, and no additional imposition of rent or improper addition to rents are said to have been added to the rent at any time.

"The net income of the zamindari at the time of the Permanent Settlement is mentioned in the reports as 4,90,000 and odd rupees and the income in a recent fasli is stated to be 13,00,000 and odd rupees. The disparity appears to be big. But, Sir, I am afraid there is again an error somewhere in the information. It is a well known fact that when this zamindari of Ramnad was leased recently, i.e., a century after the Permanent Settlement, the lease amount fixed was about 8,00,000. The amount of income of 13,00,000 and odd given in the report cannot be the income proper belonging, in personal right to the zamindar. The income of the numerous devasthanam and the chatram villages must have been wrongly taken into account and 13,00,000 and odd must have been given. The hon. Members can see that the extent of cultivation is an under-estimate and the amount of income is an over-estimate. The conclusion that the increase in the income was due to an increase in rent is inaccurate and untenable. Was the attention of whoever it was that supplied the information, drawn to the purpose for which the figures were required? Was he informed that these figures were required for the purpose of comparison and contrast to see what was the increase in the income due to and whether the same was due to the extension of cultivation and if not, to either increase in price of grains or to any additions to rent or to both. In the absence of data carefully collected, and sifted, any conclusion would be erroneous. I do not know whether in the case of the two other zamindaris referred to in the report the data are correct or incorrect.

"The reference to garden rates in the report requires consideration. It appears to be assumed that the rate for the garden crop, being higher in amount than the rate for dry grains, must partake of the character of enhancement. That view is superficial. The rent or revenue system is ultimately traceable to the rajabagam, viz., a share of the produce, whether the produce be paddy, a wet crop or grains which are dry crops or certain valuable products like tobacco, chillies, potatoes, etc., which are known as garden crops. The price of tobacco has always been much higher than certain other garden crop or dry grains. A collection of waram for these garden crops must have been a daily

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task. Most of the garden crops are in their nature rapidly perishable. Experience must have taught the necessity for commutation of rent in the case of garden crops. Taking again Ramnad as an illustration, I can say that the waram for garden crop was commuted into money rent based on the value of each crop. A specific money rent appropriate for each crop came into existence. This was somewhere in the 18th century. At the time of the Permanent Settlement, the rent system was crop-war, money rent, for garden crops—one-third waram for dry grains and half waram for irrigated paddy. Harvest operations for dry grains were found to be a prolonged and cumbrous process and convenience suggested again commutation. This time the commutation was not as per different kinds of grains, but one single consolidated rent for all kinds of dry grains, subject to the pre-existing crop-war money rent for garden crops. This was in the first quarter of the last century. These two sets of money rent for dry crops and garden crops are the old rates. Garden rates are not an enhancement of the dry rent. In litigations in which this matter was agitated, as if it was an enhancement, the matter was investigated and the enhancement theory was found against. That the garden rates were pre-existing rates and subject to them the money rates for dry lands came into existence later on, can be found by a reference to a judgment of Sir Sankar Nair in a case reported in (1911) 1 Madras Weekly Notes, page 26. An attempt at an enhancement indirectly in respect of unirrigated paddy crops on dry lands during the time of the lessees was knocked on the head by the same decision. I claim to know something of the case as I am a ryot in that zamindari. Sir, I am not a zamindar nor do I wish or hope to be a zamindar myself. (Laughter.) Eminent counsels were engaged by the parties and the civil courts upheld the justice of the ryots' contention. The rates in the two classes of crops mentioned represent the value of the waram. If it be considered that the existence of a large number of items of rent crop-war is an inconvenience, it would be a case for investigation as to how best to make an average and fix a consolidated rent, which can be done only by appointing competent and experienced settlement officers who should go into the matter and do the needful in an equitable manner.

"Then there is the question of the maintenance of irrigation sources in a proper condition. It is a matter of considerable importance."

MR. PRESIDENT:—"As the hon. Member is not very audible, will he speak through the microphone?"

* SRI T. C. SRINIVASA AYYANGAR:—"I am not accustomed to it. Next time I will train myself. (Laughter.) I will raise my voice a little.

"Sir, this portion of the subject is very important. The proper maintenance of the irrigation sources is vital to both, the

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ryot as well as the zamindar. No landholder with a sense of self-interest, not to mention the duty he owes to the ryots, can afford to neglect the irrigation works. The indifferent way in which these irrigation sources were maintained proved the insufficiency of the obligatory force of custom on the landholders, and it was thought necessary to enact specific provisions and the Estates Land Act introduced provisions to oblige the landholders to duly maintain and in cases of neglect to enable the ryots to get the needful repairs done. There are also provisions partaking of the character of penalties for neglect. In ordinary cases, and in cases of small zamindaris these provisions would perhaps be sufficient, but in cases of very large zamindaris, I feel certain that other facilities also are required. In flat and level tracts, where rainfall is not plentiful, irrigation is largely by a system of artificial tanks of a connected character. The rivers of rivulets supply in times of flood most of these tanks by channels; some rivers and channels feed many tanks situated in different proprietary areas. With the best of intentions, the landholder of one area cannot by himself effectively put these sources in good condition, without the co-operation of the other proprietors. Complications and costly litigations result. There must be power reserved either in the Government or in the collector to enable these difficulties to be got over in any scheme of comprehensive repair without prejudice to existing rights and with a right to levy contributions from all concerned and provision for efficiently carrying out the repairs. There is a small extract from Turner's letter in the report ascribing this fault in the irrigation repairs to the negligence of the previous landholders of the zamindari. It would be interesting to know, in connexion with this, a part of the prior history of the zamindari. I presume, this Turner's letter must have been about the time of the great famine of 1876-77 or some time thereafter. He was for some years in the management of the estate under the court of wards. The court of wards came into the management of the estate a few years after the Rajah's adoption was recognized by the Privy Council. The litigation occupied some years previously. The litigation was due to the then policy of the Government—the policy of Lord Dalhousie refusing to recognize the adoption made by the then Rani. What motive there would be for any proprietor, much less a female proprietor, threatened, with the extinction of the zamindari by the refusal to recognize the adoption to spend vast sums on irrigation sources. The neglected condition of the irrigation sources, of this big zamindari, must have been substantially due to that. After the adoption had been recognized by the Privy Council, a farseeing collector then in charge of Madura, appears to have reported to the Government, that it was due to the Government to enable the zamindar to reclaim and improve the zamindari by adequate help. A court of wards administration ensued; the earlier repairs were

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washed away by the floods of 1877 and the later repairs restored the prosperity of the estate. Apart from these individual cases, Sir, it would be obvious that in the general interests of the agricultural population, it is the duty of the Government to have a liberal policy of help in this matter.

"Then, Sir, a word with reference to waste lands. Who is the owner of these waste lands, which are not in the holding of any ryot. In the ayan tracts, the waste lands are owned by the Government and are at the disposal of the Government and assigned for cultivation, for a consideration and in some cases for distinguished services or for special reasons. What is the effect of the Permanent Settlement in regard to waste lands? The regulations clearly contemplate extension of cultivation and augmentation of the revenue of the zamindar. Leave alone for a moment, the theory that the zamindar is an office holder, rent collector, middleman or what not, or his claim that he is the absolute proprietor of the soil occupied or unoccupied. To the Permanent Settlement, the zamindar and the Government were parties. The Government's right to the waste land must in any view have passed to the zamindar. Did the Government retain or reserve any right or power in respect of waste lands? No. That is not the contention. Be the rights of the cultivators, however much, in the lands in the holding, it cannot be denied that the zamindars have the right to assign waste lands for cultivation. It may be that the zamindar ought not to be allowed to rackrent, in assigning waste lands. The possibility has been very largely curtailed by the Estates Land Act and if there are abuses still, it would be a matter for redress by appropriate provision. I cannot imagine that there has been wholesale rack renting. I ask how many zamindars have done that, and have acted oppressively. In almost all the important zamindaris in the south, the normal rate of rent prevailing for occupied lands in the holdings, are adopted ordinarily when waste lands are assigned. I may also state that in most of the zamindaris in the three southernmost districts with whose condition, I am somewhat familiar, the zamindars did not take advantage of the provision for enhancement of money rent legally available to them under the Estates Land Act. Similarly, the provisions contained in Chapter XI for fixing rates of rent, do not appear to have been taken advantage of. In a few of the zamindaris, remissions are usually given. In one big zamindari in the south a customary obligatory remission exists in that when lands in the holding could not be cultivated, for no fault of the ryot, no rent is claimable. I mention these to show that while the zamindars have got like any other person, their self-interest yet they have not been unmindful of the condition of their ryots and that they have been acting generously. It is easy to exaggerate the difficulties and draw a dark picture.

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"Now, Sir, in the press and elsewhere, it is widely stated that the total revenue collected by the zamindars would be about 2 crores, and that the peshkash paid by them to the Government is only about 47 lakhs or thereabouts and that the huge difference represents either a loss to the Government or what is being improperly taken from the ryots. The policy of the Permanent Settlement and the preamble to that Regulation intend in unmistakable language and expect that by an extension of cultivation, and by facilities of market, transport, and the rise in prices, the zamindar's income would rise. In view of that, obviously, a high ratio of the zamindar's income then was taken to fix the permanent peshkash. It was not intended that at the time of the Permanent Settlement, that the zamindars should have a fixed income and no more from their zamindaris. Sir, it is not the peshkash alone that the zamindars pay to the Government. There are a variety of cesses payable by them and the total of the extra payments must come to several lakhs, and they are in addition to the peshkash. From the income, the zamindars have to bear the cost of keeping the irrigation sources in proper condition, pay the establishment, and meet litigation charges, etc. If any case is to be built upon the disparity between the income and the peshkash, information would be necessary on the heads of expenditure, obligatory charges, etc. No such data are available and no charge of oppression or increase of rent can be sustained.

"Therefore I feel, Sir, that the labours of over a year and a half of investigation by the Committee, have not yielded adequate useful results. The theoretical discussion regarding the ownership of the soil and the ambitious and futile attempt of getting over the obvious interpretation of the regulations, have occupied a disproportionate attention. On the practical questions, the report and the separate minutes divulge very sharp differences of opinion. My friend Mr. Rangaswami Ayyangar said that the zamindar was nothing but an office bearer that he can be dismissed, and if dismissed he must go and can have no grievance. Wild theories. I am sorry to have used the expression wild theories. I shall correct myself and say that this again is an untenable theory.

(A voice; why this mild expression.)

"Then you may call it wild theory. For nearly a century and a half, successive administrations and continuous legislation, acquisition, devolution, succession, and transfer of rights, have gone on the footing that the zamindars have rights in the soil. While the report was expected to remove the difficulties, there are new difficulties started.

"Let me say a few words on the proposals made in the report. Forest lands are to be vested in the village communities. Do such communities exist? It is a thing in the books and not in actuality.

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Therefore, the assertion that forest belongs to the village communities, is again untenable. I understand the Hon'ble the Prime Minister putting forward another reason that the hills and forests should be the property of the State. In the matter of money rents, the rent prevailing in 1801 should be taken to be the standard. Is it the rate or the amount? What about any alterations of rent in those cases where for valid and proper consideration, fair contracts between the landlord and the ryot, changed the rates of rent, and those changes were acted upon for a long number of years? What about waram? The waram rate has seldom anywhere changed. Till now, each party has had the advantage of the rise or the disadvantage in the fall of the price, wherever waram has been prevailing. To say that the rate of waram would be preserved and that the money rent which would take its place by commutation should be fixed on the price level of 1801 is something which passes comprehension.

"The substance of the proposals comes to this. The right of property in the zamindar would disappear; his right to have waram with its privilege of converting it into the current price goes; the mineral right which is the zamindar's to-day, is to be taken away from him. The hills and forests would become the state property. His obligations would, however, remain. He has to pay the fixed peshkash, and the cesses, he may be assessed with, and bear the cost of the irrigation works, not to mention the charges of the management of the estate. It is said that Permanent Settlement is not to be in any way interfered with. It is clearly taking away the rights assured and settled in 1802 and acted upon ever since. I challenge my Hon. friend there, to point out in the jurisprudence of any civilized country from Iceland to Antarctic, if in a contract, one party thereto can take away the rights, retaining, as ever, the obligations on the other party and yet assert that the original contract is left intact in substance.

"One word more with regard to hills and forests. I come from one of the southern districts, which is bounded on the west by the western ghats. On some of the hills and on the slopes, of this range, are situated some zamindaris, whose proprietors are known as palayagars. In dealing with the origin of the zamindaris, Mr. Crole says (page 4 of the addenda to the Appendices to the report that has been supplied to the members of the House):—

"There were also, however, Hill Chiefs or Poligars and one principality at least, namely, Ramnad. They were of different extraction and formed a distant class. But after they had been reduced to submission, in the period following the extinction of the French power in the South of India, etc., etc."

To this class belongs the Zamindari of Bodinayakkanur, Doddapayakkanur, Thevaram, Ayyakudi and a host of others, almost from the Palni parts down to the Cape Comorin, and if the hills and forests are not to belong to these zamindars, and are to be taken

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away from them, may I ask what is left to them and how are they to pay the peshkash; are these zamindars expected to go to Malaya and other places, earn and come back and discharge their obligations here? I can understand provisions being made that forests should not be denuded thoughtlessly, as the preservation of the forests are a necessity in the interests of not only the particular zamindaris, but also in the interest of the people living in the plains. The zamindars would be very glad to co-operate with the Government in any scheme by which the Government bring in a measure for forest administration. I am glad to learn that the zamindar of Sivaganga has agreed to have his forests administered on the lines of the Forest Act.

"Sir, to adopt the recommendations of the report, would lead to expropriation of rights, and would not tend to harmonious or agreeable reform of the economic condition of the zamindari ryots. The proposals cannot substantially improve the economic condition of the ryots though they may go some way. Many rural and cottage industries which gave off time occupation to the agriculturists and dependent members of their family, have vanished. Population has increased, pressure on the soil has grown. The economic condition has deteriorated. Investigation not only into the practical difficulties in the matter of rents, collection thereof, is called for, but also in the matter of rural industries. The proposals in the report are disappointing."

3-30
p.m.

* **MR. D. M. REID:**—"Sir, this House has a reputation for brevity and clarity in its speeches and active despatch of business. The long and very notable speeches full of wisdom from the numerous and distinguished Members of this House indicate the very great importance with which they view this subject which has been placed before them. I might say, I think, that this debate for the last three days is looked upon not only by this House but by every individual in the Presidency as of very great importance. It would be foolish for me to attempt to repeat the legal and constitutional arguments which have been put very fully, and to which, no doubt, the Hon. Minister for Revenue will reply at length.

"I wish to put the view of the constituency which I represent here and my own. I must say that the outstanding feature, to my mind, as has been said by many people on this side of the House, is that this measure is an expropriatory measure of the rights of property without compensation. The word 'confiscatory' was used by my hon. Friend over there. I must repeat the same expression quietly and without any heat and in the same humility since I am speaking in an atmosphere where there are 15 inches guns all round me booming. At the same time I am proud to be able to say that I am taking part in the great traditions which this country

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possessed in the past. It is as if I can see the palanquin, I can see the elephant and I can see Mahabalipuram in all its glory. I can see all the things that led up to the history of this great country. But the point that I would like to urge is that the vast millions of people who lived in this land in the past have saved their sense of the rights of property. The glory of this great country, in spite of centuries having gone by, is that the property right has remained undisturbed in spite of wars, tumults, violence and death. The glory of this country is in its idea of property, and India is a great example to the whole world. I say quietly and soberly that India is a great example to the whole world. People may come and people may go. They may buy and make money or lose money. I do not wish to take much of the time of the House in dealing with this point but as every one knows, in spite of the greatest insecurity and troublous times in which we live, I feel confidence in what the country will come to. I do hope that it has a very steady future, probably sounder than that of any other country in the world. If there are attempts to make violent advances in directions which would be indicated to us by what we call the left wingers who seem to be actuated by the ideals of communism, and if on account of that, advances are made too quickly, then there will be a disaster to this country. I see the Hon. Premier is taking notes and he sees the whole line of argument which has been already put. I merely ask him to note that this House takes this matter very seriously. The hard-working and industrious people of this country ought not to be undermined by upsetting the very ideals which they have long cherished.

"Now, in regard to land, what should be the first crying need? The first crying need is clearly its prosperity. Everything should be done for the prosperity of the agriculturists. That is why I have been wondering for some time when we should hear from the Hon. the Prime Minister something with regard to an active agrarian policy. Agriculture is overwhelmingly the greatest industry of this country and of this Province. All prosperity depends upon the prosperity of those who cultivate the land. Those of us who live by trading, buying and selling and by manufacturing or investing money or whatever it might be—all these depend upon the prosperity of the agriculturist. That is the foremost important thing to every one of us, and that is why I ventured to intervene in this debate. I venture to suggest that there is no real policy and no progress whatever in the state of agriculture in this country, and I will not say who is to blame. How can real progress be achieved? The Government are entitled to come forward and show us how it can be done. What has been proposed to be done for improving the health of the people? Very notably the Public Health Bill which is going to be signed shortly by His Excellency the Governor has been brought to success by

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the Hon. the Leader of this House, and I feel sure that when it becomes an Act it will be greatly beneficial to the people of this Province. Similarly what I would submit is that a more steady and more useful agrarian policy is that which is called for at this moment to put this country as a really efficient and agricultural country on the map of the world. How can it be achieved? How has it been achieved in other countries? Many countries of the world have slept through centuries inefficiently dealing with land on account of the ignorance of fertilizers and ignorance of everything connected with agriculture and doing exactly as their forefathers did. We cannot blame them, because it is not necessarily wrong to do as the forefathers did. It has been said: 'Honour thy father and thy mother and thy days may be long upon the land which the Lord thy God giveth thee.' That is very true. But we should start where our fathers left and not just go along and 'wrap our talent in a piece of leather' until we die and show it unchanged when the time comes. That seems rather biblical, but I notice that the Hon. the Prime Minister understands me very well.

"How is progress in agriculture achieved in other countries? Not by destroying the landowner, not by destroying the hereditary influence of the big man of the district. It is exactly the opposite. Great advances in agriculture and in the prosperity of the people have been achieved by the example of the great landowners and those who held large estates. Now I suggest another method and this may be a pet theory of my own, but I believe it was originally suggested by a Director of Industries some years ago. I believe that we shall make no progress in the prosperity of agriculture in this country until education is really applied to it and until the brains of the people are put into the essential source of all wealth—land. Therefore I am of opinion that it would be wise and sound, if the Government would see their way to do it and if the Education Minister could be persuaded to agree to it, that every graduate should spend six months actually working in the field before he takes his degree. I may be borrowing other people's phrases, but I think it will be a sound policy and I am sure my hon. Friends on the Government Benches will understand that I am speaking very sincerely in saying what I am saying. Those two things, the influence of the hereditary status of the landowner—to borrow the phrase of my hon. Friend, Mr. Srinivasa Ayyangar, in his very eloquent speech—and education properly applied would seem to be a far better means of helping agriculture than a 'confiscatory measure' of this kind. I admit that the zamindari and the ryotwari systems are by no means perfect, but as has been said on this side of the House it will be far better to get into touch, proper touch and consultation with the zamindars for an extensive and active policy which was put very eloquently by my hon. Friend

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Dr. Sir K. V. Reddi this morning. I know that after what has happened in the last fortnight in this and the other House the zamindars will be very ready to co-operate with the Government in any way they can and in anything that may be suggested. It is not for me to keep the time of the House any longer, but this is a most serious matter as it affects the essential rights of property and I think there should be no expropriation without compensation."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. President, the debate, as Mr. Reid has just now said, is most important as the subject is one which concerns millions of people. He is right in drawing the attention of the House to the fact that people all over the Province have turned their attention to this and the other House during the last few days. The debate in this House particularly has advantages. There is a quieter atmosphere and there are very learned and experienced people who are not disturbed by the gallery and who can calmly advance their arguments and positions without disturbance. There is no doubt whatsoever that the speakers have made great contribution to the subject. The Government will not be so stupid as to imagine that they will not benefit by what they have heard.

"The hon. Member, Mr. Dalavari Kumaraswami Mudaliyar, referred to Aryan and Dravidian origins even on the question of the ownership of the land which has been so much debated upon in this connexion. If I understood him rightly, he seemed to claim that according to the Dravidian school of jurisprudence the pattadar was the owner and that it was the Aryans who disturbed that good state of things and brought the king's right over the land along with their Aryan language, culture and customs. He seemed to deplore the loss of the ownership of the land which the pattadar has suffered on account of the Aryan settlement, conquest or invasion whatever you may call it. But I had hoped that as a sequel to that argument he would plump for the ownership of the land on behalf of the pattadar. But suddenly he shifted and turned the other way about and he was more emphatic than any Aryan could be in denouncing the claim of the pattadar to the ownership of the land and all that I heard thereafter was pure Aryanism though I had hoped to hear Dravidianism. Inconsistency is not a vice by itself and we may have been allowed by him to revert to Dravidianism. According to him, the Aryans were culprits in this matter. But he appeals to the Government to hold on to the offence and not to go and commit a second offence, because I suppose, two wrongs do not make a right. Aryans are to blame for the state of things that exist now, but Aryans cannot be given permission to correct the state of things. They should be compelled to let things continue as they are. I do not think, Sir, that that line of argument is a great contribution to the debate. The hon. Member will excuse me if I

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say so. On the other hand, this cry of Aryan and Dravidian, this inverted Hitlerism if I may so call it—because Hitlerism there is 'Down with Non-Aryans' and the cry here is 'Down with Aryans'—is going to help neither the world nor the zamindar nor the pattadar.

"Passing on to pleasanter things Sir Mahomed Usman made an appeal, a fine and noble appeal. He saw that everybody had been saying that the zamindars had been bad and oppressive, and his generous heart rose to the occasion and he made a fervent appeal to the people not to forget the good things that the zamindars had done. I do not think that the zamindars can get a better advocate than Sir Mahomed Usman. He pleaded for justice; he said he asked for nothing more. On behalf of the Government I may assure him that they are not going to reject that appeal for justice whatever may be the consequences or the cost. He pointed out all that the zamindars would suffer if a measure of the kind proposed were to be brought. He pointed out all that the zamindars had done. He took us into their private budgets and showed that they were getting so much and that they were paying so much and supporting so many institutions. He asked: what is to happen to them? Are they to be turned into the streets? Is the whole class to be destroyed, he asked. A noble attitude, but it will not do to present that attitude only to one class of people. I would beg of him to turn that same pity, consideration and plea for justice to the pattadars also, to the tenants—if you may so call them, or to the ryots. What about *their* budgets? Of course they do not maintain a school which you can specifically call a ryots' or pattadars' school as you can say with reference to a school maintained by a zamindar that this is the 'zamindar's school.' But let me remind the House, Sir, that all the schools in this Province are maintained by that class. The pattadars whether in the one area or the other are maintaining schools and fine hospitals and constructing and maintaining beautiful roads and bridges. All this the pattadar is doing without our remembering it. But who examines his family budget? If the same consideration and meticulous attention to details which member after member showed to the receipts and disbursements of the zamindar were shown also to the receipts and disbursements of the pattadars, what shall we see? Nothing but tragedy, not now to be threatened but tragedy which has been suffered all these years. Therefore while I appreciate Sir Mahomed's appeal for justice and consideration, I want him to apply that all round and to remember that the budgets of the pattadars also deserve some consideration.

"Now I will take the House into a very rough method of calculation in this connexion. The hon. Member, Mr. Reid, explained and emphasized the importance of the agriculturists in

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this country. Take a small proprietor who is admitted to be the owner and about whom there is no legal quibble whether he is the
4 p.m. owner or another is the owner.

(At this stage Sri V. V. Jogayya Pantulu took the Chair.)

"A proprietor in a non-zamindari Government area cannot possibly hope to get more than half the produce of the land. The other half goes to cover the labourer and the bullocks. The actual cultivator takes half and the other half goes to the so-called owner who has to pay the Government kist. This is what is called varam rate. This is the arrangement throughout the Government area. According to the interpretations put by my learned friends, Mr. T. C. Srinivasa Ayyangar and others, the arrangement of 1802 was to give one half of the gross produce to the zamindar and to leave the other half to the pattadar. What is the meaning of this? It means that every pattadar under the Permanent Settlement of 1802 was reduced to the position of a mere labourer on the land without any ownership of the land. If Mr. Srinivasa Ayyangar owns any land in a ryotwari land, he allows the peasant to take half the gross produce for maintaining himself and his family and the bullocks that work on the land, and he can claim as owner, only the other half. According to his interpretation of the position, in 1802 under the Permanent Settlement, the entire mass of peasant proprietors, the pattadars were reduced by a stroke of the pen to the position, of ordinary non-owning labourers taking half the produce and the zamindar was allowed to take the other half, and divide it between himself and the Government. Under this arrangement, there is nothing left for the pattadar, except merely to work on the land and take his wages; yet we find that they live and they think the land is their own. Why? Because in those days, though inequitable arrangement was ordered, what was called corruption or dishonesty went to the assistance of the real owner of the land. The ryot was saved from terrible oppression by the generosity or dishonesty of the surveyors and the karnams. Had they assessed the yield legally and put down the assessment properly, the ryots would have resisted stoutly to save themselves from disaster. The karnams reduced the assessment and valuation of land.

(At this stage the Hon. Dr. U. Rama Rao resumed the Chair.)

"The pattadar thus managed to live in spite of this most unjust and inequitable arrangement. People might say the karnams were not honest, the assessors were not honest, the surveyors were not honest; they undermeasured the yield and undervalued the crops. But let nobody imagine they did wrong; they were God-fearing people who knew that they should not ruin the ryots; otherwise, it would have been the most terrible tyranny in the world; there would have been rebellion, disorder and confusion; people would have run away after a few years, if they had done

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in that way. They fixed the yield justly, commuted the value of the grain and put it down in fixed money rents. The produce of the land was thus divided between the zamindar and the tenant in the year 1802. It is not right for anybody to say now, 'let us exactly divide the gross produce, let us take the prices of 1939 and let half go to the zamindar and the other half to the ryot.' According to my construction of the matter, he would then be merely a labourer on the land without any ownership to the land; he takes merely wages and that too poor wages. An analysis of the position would show the utter impossibility of the situation, the utter impossibility of thus interpreting the things, and trying to pass laws now on such an interpretation.

"In reply to the noble appeal which Sir Mahomed Usman made on behalf of the zamindars, I would ask him to reverse his look and turn to the pattadar. That is what Mr. Prakasam is asking the House to do; he is asking the House to see that 'here is a monstrous position and asks the House to devise means to correct the position'. He has suggested ways. If any other has a better solution, let him put it forward.

"I do not want that Sir Mahomed Usman should imagine that the Bill or the report is brought forward for oppressing or doing injustice to anybody or for confiscating anybody's property. Mr. Narayanaswami Nayudu went into the details of the case; he plunged into the findings of the Committee; he plunged into the report; he asked, what is the meaning of this, tell me; what is the meaning of that, tell me; he said 'it was very doubtful to solve this and that very difficult problem'. I submit, accept the general principles of the report and the Government promises to consider every difficulty and solve every doubt. There is ingenuity enough in man to solve these doubts and difficulties, once you settle the main terms. The main terms of the Committee's report should be considered. Don't try to show that here is a valuation of a piece of land which is wrong; there, the acreage in a particular zamindari, may be wrong. You can pick holes that way. But that is not the way to examine a report of this kind. Every petty figure need not be correct; every figure may be revised, if you like. But the principles are the main things; doubts and difficulties can be solved. Mr. T. C. Srinivasa Ayyangar says that the extent of acreage has increased in some place. What does that matter?

"The question is about the essentials of the report; that is the main thing; what are the essentials? The first thing is the ownership of the land. It is true that it may seem to be a mere quarrel over words; it looks like that on the surface; but it is the fundamental thing. Various Members well equipped with knowledge and experience have, one after another, taken up this question of ownership and they have spoken vigorously. They fought, if I may use a wild phrase, tooth and nail, over the ownership of the land on behalf of the zamindar. There must be some object in this; they were not merely fond of disputation; they could not

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have wasted time. They thought it was important to claim ownership in the land for the zamindar. Sir K. V. Reddi Nayudu is not a zamindar and he remembers and reminds us constantly of the numerous pattadars who are his friends and relations. He claimed to be disinterested in his advocacy for the zamindars. He lost himself in so much fervour and emphasis, when he claimed the ownership of the land for the zamindar. He is not a mere theorist; there must be, I feel, something very important behind this claim for the ownership of the land on behalf of the zamindar.

"Therefore I must be excused if I attach great importance to it and reiterate my case that the zamindar is *not* the owner of the land. He cannot be the owner of the land; he cannot claim it. Ownership of the land is no mere phrase; it is not a thing that can be made by Judge-made Law or Legislatures. It is in the consciousness of the people. Member after member have spoken here and if there is any zamindar here whom they represent, I would ask that zamindar to come to a field and face to face with the pattadar and tell him 'this is my land.' He dare not do so. In the consciousness of the zamindar there is a confession that he is *not* the owner of the land. Put zamindar and the pattadar face to face and let the one or the other claim the ownership of the land. I am prepared to stand by that challenge; I am prepared to stand by the answer. Dare the zamindar tell 'this is my land, not yours?' On the other side, the pattadar will dare to say 'this is my land, not yours.' Yes, he dares to say so without any difficulty; with the Bible in his hand, he will say this is my land, not yours. But the zamindar dare not say that. He would put down the Bible and take up the Rent Recovery Act and say he is the owner of the land. He can, by exposition of the law through highly-paid lawyers, plead for his cause and argue in some foreign language. Let any one of the gentlemen who spoke so eloquently, go to the countryside, go before the peasants and say that the zamindar is the owner of the land and not the ryot. They dare not do it. Therefore, Sir, I say, the question of the ownership of land can be solved by the consciousness of the man who claims it. The zamindar is not the owner; the ryot is the owner; the pattadar is the owner. So, I say it is vain to plead that the zamindar is the owner of the land.

"Then, there is the question of the whole hog or nothing at all. Member after member said 'do something, something more comprehensive but do not try this; it is a very difficult thing.' I thought this fallacious advice would end with the other House; but here also the same point was raised; 'don't take up the zamindari areas; take up ryotwari reform first, then come to the zamindari area.' Why, I should like to know. I do not think it is wrong for anybody to begin anywhere. I ask the question why I should begin where you point out; we may begin where we like; there is nothing wrong in it.

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"There is an essential reason, however, why the zamindari question should come up first. Because if a ryotwari proprietor or pattadar—to avoid a controversial term—pays heavily, he pays himself, because it is spent on the State. It may be wrong; then, it may be re-adjusted. The tax may be lowered; the tax may be increased. The ryot may have a just claim for re-adjustment; but even while the tax is not lowered the tax is spent for the ryots. You may re-adjust the public expenditure. You may say, this is wrong, that is right. The Legislature that consists of men whom the ryot has sent sits here and adjusts things. But what about the zamindari pattadar? He pays and it goes to the private purse of the zamindar. It does not flow back to the pattadar. The zamindar is only to pay a fixed amount settled in 1802 to the State. Anything that is wrongly taken from somebody, if it is proved to be wrong, is an extortion. Anything that is wrongly taken from the pattadar in the zamindari area is by every definition an extortion and therefore must be stopped. Anything that is wrongly and unjustly taken from the pattadar in the Government area, assuming that it is wrongly taken, is being spent in the Government area and for the people concerned. And therefore I say there is every reason why we must first stop the one before we stop the other, even if it were not impossible to do the whole thing at one stroke. But is it possible to do the whole thing at one stroke? Can we have one legislation and one report for the whole thing? Was this point argued at the time when the Committee was appointed? Did hon. Members raise this objection then? Did hon. Members say, 'Why appoint this Committee? First deal with the ryotwari areas and let us take up this question afterwards.' It did not then strike them as wrong and inequitable to take up this question. But when the report is produced and a particular verdict is placed before the House, member after member on the other side rises and says that this is not the first thing that should be taken up and urges that the other thing should be taken up first. If the decision had been the other way about, no question would have been raised. I say, Sir, it is not fair. This is a very old enemy of all reform. If I ask a man to do one good thing, he says that there are so many other good things to be done. This enemy of all reform comes up in new clothing whenever we try to do anything specific. I did not want to interrupt hon. Members while they were speaking about ryotwari areas, but I submit, Sir, that while the House is asked to deal with one question it is quite irrelevant to raise the issue whether other injustices are there or are not there. Man's limited energies should be used to overcome difficulties one by one. If his limited energies are to be applied effectively, they must be directed towards particular reforms one by one and he must not lose himself in the bog of universal theory and universal reform.

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"Now, Sir, the ownership of land in the pattadar is the one essential, fundamental point which the Committee asks the House to accept. The second thing is that the settlement of 1802 was a Permanent Settlement in the truest and fullest sense of the term and not merely in a partial sense. That is the second cardinal principle which the Committee asks the House to accept. The Permanent Settlement of 1802 was not merely a Permanent Settlement for the zamindar in relation to the Government, but it was a Permanent Settlement for the pattadar also in relation to the Government and, to the extent to which it was alienated to the zamindar, in his relationship to the zamindar also. The claim made by the Committee on behalf of the pattadar is that the settlement must be treated as permanent in regard to the pattadar also. Now, if this is admitted, all other difficulties can be subsequently solved. Can that not be admitted? The claim is that in 1802 fixity was the main aim. That fixity was the aim is seen in crystal clear terms in every line of the documents in connexion with the Permanent Settlement. Fixity was the aim and it was repeated *ad nauseum*. Then what kind of fixity is the question. Sir John Shore and Lord Cornwallis argued with one another on this point. Sir John Shore said that they were taking up the question of the fixity of the zamindar's obligations and not the question of the fixity of the pattadar's obligations, that it was not a good thing that they were doing, that if they were so fond of it, they might do it for a few years only and that they might see later on. Lord Cornwallis said that they were fixing it all round, that what they were taking was only the first step, that it must not be imagined that because they were taking the first step they were ignoring the second step, that the whole thing was one transaction, that everything was going to be fixed and that since they must begin at one point they were beginning with the zamindars and that Sir John Shore might agree to the proposals. This is the substance in plain english of what passed between Lord Cornwallis and Sir John Shore across the waters. It was on the basis that there was going to be fixity all round that Permanent Settlement was accepted. Otherwise Sir John Shore would have won and Lord Cornwallis would have lost. I say now that Lord Cornwallis is estopped from complaining when we say that there was fixity not merely for the zamindar but also for the pattadar. If Cornwallis is estopped from complaining, his successors also are estopped from complaining and all the zamindars are estopped. It is wrong now to interpret the Permanent Settlement as having intended fixity only on one side without any fixity on the other. It would be a gross mistake; it is no good advocacy for hon. Members to plead in that manner. Fixity should be accepted all round.

"Then the question arises and clever lawyers put forward a second line of defence. They ask, what is this fixity? They accept

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fixity if it was a money rent that was fixed in those days and they agree that they cannot alter it. Mr. Srinivasa Ayyangar has given some evidence on this subject now. He referred to the zamindars in the south and said that they had not raised the money rents that were fixed in the old days in 1802, that they have stood by the Permanent Settlement and that to that extent we should appreciate them and be grateful to them and that we should not tar everybody with the same brush. That was Mr. Srinivasa Ayyangar's plea. Sir, the object of the Committee is not to tar anybody with any brush or to distribute praise or blame. Whether they are zamindars of the north or zamindars of the south, it makes no difference with regard to the proposals of the Committee. We are not distributing titles between the two. If that were the case we should certainly show better appreciation of the southern zamindars who have not chosen to enhance their rents, who have understood the meaning of the Permanent Settlement correctly from the very outset and who have known their limitations very well. Now this evidence shows that the 1802 rates were fixed if they were fixed in money. So far it is admitted from all that I have heard in the course of the debate in the other House as well as here; and from all that I hear of the reactions among the lawyers outside the House, I can say that it is practically admitted that if money rates had been fixed in 1802 it was a breach of the Permanent Settlement to enhance them subsequently. That is clear ground.

"Then the question is with regard to grain rents. Grain rents are of two kinds. In this connexion it is admitted easily that if the quantity of grain had been fixed at that time that quantity cannot be enhanced now. That is also easily granted. What is contended is that in a number of cases where a share was fixed, where this monstrosity of half a share was fixed, they say that it should continue now and that this half gross produce should be given to the zamindar. That was the Permanent Settlement, they say, in the case of a large number of lands, that there has been no commutation in those cases and that the pattadars continued to pay that share. The lawyers plead on behalf of the zamindars that they are entitled to half the gross produce and that it is not proper to give them the value of the half gross produce calculated on the prices of 1802 or any date earlier than 1938. The claim is that fixity can go only so far as the share fixed in grain is concerned and that the zamindar is entitled to take the full value of the share, i.e., half the gross produce according to the 1938 prices. If that theory is correct, I say there would be a monstrous result. But the lawyers say that a thing may be monstrous but that if it was the legal result of a certain thing, then we must stand by it. I would submit, Sir, that it is not law but only hard-hearted legalism. It is not law, as I shall presently show. Law can never be interpreted to mean an

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absurdity. That is an essential maxim in the interpretation of law. If any legal application of a rule leads in the process of interpretation to an absurd consequence, my friends the lawyers must know that they have made some mistake somewhere. That is the caution which all good jurists have given from time immemorial in respect of the interpretation of law. But you may ask, 'Is it an absurdity? It is not absurd for the zamindar to take one half of the gross produce.' I am trying to meet that case now, for, Sir, the lawyers are strong, they are clever, able and influential. They have got time, they have got all the books and they can quote them and argue and shape public opinion. Therefore it is as well that I explain why that interpretation is most absurd.

"If it is conceded that in respect of a large portion of the lands that are in the zamindari areas the rents had been commuted and the dues to the zamindar had been fixed in money and that only in respect of some lands here and there there is the obligation for the payment of a share of the produce, what is the consequence according to this interpretation? In the same zamindari in the same district land A pays a fixed commuted money value, because you admit the law to be that and the next man pays varam according to the prices prevailing in 1938, according to the interpretation of the lawyers that the pattadar should pay to the zamindar according to the prices prevailing now. What is the consequence? One rupee here and three rupees there; two rupees here and four and a half rupees there. Is this a conceivable thing? Can it not be described as absurd? It would certainly be absurd. Then what shall we do? It is asked: 'Are there not differences in property? There is a rich man here and there is a poor man next door; one man gets Rs. 4,000, another Rs. 1,000, a third Rs. 100, a fourth Rs. 15, while a fifth is in debt. Inequalities are there and let us allow inequalities here also, because property is sacred.' I admit that the argument looks all right; one wrong explains another wrong. But it does not in this case. Because there was no such thing as property created at that time. Here I go back to the ownership theory, to the question whether the pattadar is the owner of the land or not. Here I want the House to think for a minute and exactly analyse the position with reference to the grants made to the zamindar. Much of the confusion in this controversy has arisen on account of the assumption that the zamindars were given property by the grants or the gifts or the sanads whatever they may be called. They were not grants of property. That is why I said that the zamindar was an officer who was appointed for the collection of revenue. That was why I referred to the old documents. I am not putting forward an ingenious revolutionary theory to-day. I said so in January 1938 before one could have dreamt of this Committee's Report. I am only reading from the documents of 1802 and of

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that period and showing that it was an office. I read the documents in the other House and these quotations have been reported and I need not take the time of the House now with those quotations. They were definitely described in terms as holders of an office. It does not depend merely on a phrase like that. I am depending on the actual substance of the transaction.

"If the Government gave a small piece of land or even if the Government gave a vast tract of land to particular grantees, by 4-30 p.m.
all means you are entitled to it as long as the institution of property lasts, as property given to the grantee. You can say that it is a grant of a property, it is the grant of land and it is a grant of estate and you are entitled to call it vested rights or vested property. But, what was done in 1802? It was not the case of a jaghir being given for services rendered; it was not a gift of land to a man on account of his scholarship; it is not a gift of land given to a man for his goodness, for his philanthropy or for what he has done to humanity. It was a system of land tenure that was invented and was enforced throughout the whole of the Province. It was a law that was introduced and was to be applied to every inch of the soil of the Province. You cannot apply laws that apply to particular items of property to the whole system of administration which was the Permanent Settlement. If in 1802, a particular estate had been created or a particular jaghir had been conferred, then I can understand all these arguments as to ownership of property and sacredness thereof. It would be a sad mistake on the part of members of this House to make and it is a sadder mistake to be committed by lawyers if they do not distinguish one from the other and if they imagine that 1802 transactions did confer property on certain individuals. I say once more it was a system of tenure, it was a system of administration that was introduced throughout the whole Province like the ryotwari system. Is the ryotwari system a grant of property? Is the Excise law a grant of property? It is an administrative direction and so also this is a part of the land laws of the country. It is a different question whether it was wrong or right. The point was that Lord Cornwallis prevailed upon the powers that then ruled the country to accept the system of laws for the Government of the whole of the lands of the Province and out of that I submit, you cannot create vested property to which the laws of individual property should be applied. It is a great mistake of jurisprudence, of legislation to accept that as a basis of our procedure. It was an entire universal system of administration and the Legislature was entitled to alter it from time to time. Take what it was that was then done and then look at what I am putting to the House. What was done when the Rent Recovery Act was passed? Did they discuss about the question of the vested rights? No. Did they ever think that by the changes effected, they were disturbing vested rights? No. There was no question of vested

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rights. They changed the law of tenure and the relationship between the tenant and the zamindar. Then what happened in 1908? What was the basis upon which they proceeded? They took it for granted that they were entitled to alter the relationship between the landlord and the tenant. Again let us take the 1935 Act. What does the schedule of the Act say? There is a definite provision authorizing the local Government to change the law with reference to the relationship of the landlord and the tenant. Land laws can be changed. Therefore, it is that I say that it is not right to interpret the sanads given in 1802 as if they were titles to land. As a matter of fact, nobody had a title to the land. Even the alienor had no title; the only title they had was to make laws with regard to the relationship which was to subsist between the zamindar and the tenants.

"If for meritorious services rendered by a soldier property of this nature had been given, it is lawful for his descendants to come and say that the laws of property ought to be applied to that property and it would be confiscation if his rights are taken away. But it is not so. In this case, it is a re-adjustment of the land law and a re-adjustment of the duties of the holder of the office who accepted his functions according to the universal prevailing law. It is only an accident that the zamindari system did not spread over the whole of the Province and that is it that has caused the present confusion. If people at the helm of affairs had not changed their minds, and if the whole of the Province was under the zamindari system, would people say that this was a vested right and it is confiscation to change anything? It would have been impossible to carry on the Government if they said so. The mere accident that the zamindari system had been stopped half-way and that two different land tenures came into being, that accident has created a confusion and has given enhanced value to the system that prevailed in the zamindari areas. It is not property and therefore, there is no question of confiscation and there is no question of expropriation. On the other hand it would be confiscation, it would be expropriation, if, unmodified and unaltered, the existing half share of the produce at the current prices were allowed to be taken by the zamindar. I admit that the proposals are drastic; but what serious maladies are tackled without applying drastic remedies? It is impossible to have soft, sugared pills for curing serious diseases. But after all these proposals are revolutionary only in the sense which I will presently explain. Take the reduction of salaries; the particular gentlemen who were affected by it called it revolutionary. There is no doubt about the fact that they considered it to be revolutionary. Take the Debt Relief Bill. It was considered to be revolutionary and to be drastic and we did it. Take again the Prohibition Bill. It was the most revolutionary legislation. Drink did exist certainly for the last one hundred years and more and if

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Kautilya's Arthashastra is to be believed, it existed even in those days though I for my part consider that it is wrong to read a regulation for a royal city as though it were a regulation for the whole country. Suddenly in 1937 we passed a legislation saying that not a single shop should be opened. No doubt it was revolutionary; but what is the object? The object was not revolution. The object is the welfare of the country. So also is the case with regard to the debt legislation. It was not done for political motives. It was done purely for the welfare of the country. Take again the case of reduction of salaries. The object is not to take vindictive measures against the public servants. There again it was the welfare of the country that prompted it. So also while we were dealing with the question of opening the temples to the excluded classes. For thousands of years the temples were not open to the excluded classes and shall we for that reason not open up the temples and admit them there? We did it. But, what was the idea? We have been guilty of revolutionary ideas but only in this sense: the motive has been the welfare of the people. In all these things we appealed to an essentially conservative and ancient sentiment as I shall explain one by one. In the case of the debt legislation, we appealed to the very ancient principle that interest should not exceed the principal. We were revolutionary but we depended upon that principle, that conservative and ancient principle that it is wicked usury to collect more than the principal by way of interest.

"So also with regard to this question. From time immemorial, it was recognized that the pattadar should be treated not harshly but justly and equitably; it was also recognized that he was the owner of the land. Why did we take up this year 1802? It was not because the Committee was partial for antiquarian research. It was not because of that that we went back to the year 1802. We said 'Let us not do anything revolutionary, let us have some firm stand, based on some ancient conservative principle; here is the thing that the zamindars rely upon; let us take it and examine and see what it says; if it is fixed there, let it be fixed; it is just and equitable.' It is not a desire to indulge into antiquarian curios that we went back to that year. It is a desire to stand on firm conservative ground that made us to adopt that year. If the 1802 arrangement is a permanent one to which we should be bound and if they say it is a good thing, what did the authors of it say? Did they not also say that the pattadar should not be made to pay more and that is the essential conservatism on which this revolutionary proposal is based. This, I submit, is the essential basis of all our proposals.

"As regards the question of money rents, I submit I have shown fairly satisfactorily that it would be far too absurd to allow the money rents of 1802 to remain fixed and still allow the varam rate to be converted at current prices. It is far too absurd

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to be permitted by law. It is not a grant to be argued in that way. It is a system of tenure that we introduced in 1802 and which we must examine on that basis. Absurdities may be there; inequities may be there in the case of the institution of private property, but it cannot be allowed in the case of the Government dealing with its citizens and this inequity cannot be permitted. Even mathematically friends are making a mistake. They think that it is the same effect that it produces on the tenant and the zamindar if prices vary. I submit it is not. The zamindar gets half the produce according to the Permanent Settlement and the tenant gets the other half. But out of that half the tenant has to pay for the labour, for the cultivation expenses and other things and, mind you, the zamindari tenant is not on the same footing as the ryotwari tenant. He does not get from the zamindar by way of agricultural aid as much as the ryotwari pattadar gets from the Government. I especially want Mr. Reid to look about and see the exact and the actual state of affairs; if he does, I am sure he would not be making the confusion he does. He is making a confusion between the big landlords for instance of Canada or Australia and the big landholders of Bobbili or Vizianagram and of the other zamindaris in South India. Let me repeat. The zamindar is a gentleman dependent on the receipts of money. He has nothing to do with land. He does not furnish a single plough to the tenant; he does not furnish a single bullock to the tenant. He has nothing to do with them. If there is disease among the cattle, it is the Veterinary department that has to come and look to it; the zamindar has nothing to do with that. He does not carry any research in regard to the seeds or grains or manure. I have read the romance of the wheat area in Canada; I know something about it. The farmers of Canada work strenuously and employ scientific men; they have made researches and have discovered a new variety of wheat which can stand the frost, and this has enabled them to extend the area of cultivation 10 miles further north and thus increase the production of wheat in that country. Who did it? Not the Government of Canada; nor was it the zamindars, so to say. Who discovered that this particular seed or that particular grain can be raised and in which particular place; or who discovered that this particular seed or that grain can withstand frost, cold or heat? Not the zamindar. Did they conduct any scientific research? No. Of course, there are some good things they do. I do appreciate their instinctive worship of learning and culture; I do appreciate their traditions and the glory of their houses. I respect their culture. There is no difficulty about that. But the zamindars do not take any interest in the land themselves. They leave it to the pattadars. These must be remembered. The zamindars do not bear the expense of cultivation, or any expense in the special improvements or research work. The ryot has to pay everything himself. He has to pay for his clothing, for that of his wife and

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sons; he has to pay for the bullock and plough; if his plough breaks, he has to repair it and he has to pay the blacksmith—and all this expenditure he has to bear.

“ Here is the mathematics I shall take you through as the prices are enhanced from 1802 to 1938. Whereas increase in prices brings increase in money value to the zamindar without any deduction, so far as the pattadar is concerned the minus side of his life—the expenditure for food, clothing, price of bullocks, of medicine, in fact for everything—grows at the same time. A is the gross produce. A is divided between the zamindar and the pattadar. The pattadars' half of A gets subtracted; there is a big B , and that grows with the rise in prices; and thus, his portion is becoming smaller and smaller. When prices grow thrice, the cost of living of the pattadars family has grown from 1 to 3, and all that has to be subtracted from that same half A . So mathematics is not *even* between the two parties; a rise in prices hits the pattadar hard; that is why he is in a hard-put state. If prices rise only in regard to grain, and not in regard to bullock, wood or anything else, travelling included, but only in regard to grain, then I can understand the zamindar and the ryot can divide, and you will not be doing anything wrong in that. We divide it and it is evaluated according to the price of 1938. What about minus B ? The very half- A of the pattadar in 1802 was equal to B . That was just enough for maintaining himself and his family. To-day, too, that half- A is the same. Therefore the B , which has risen according to the price level is growing bigger thus: A minus $B-1$, A minus $B-2$, A minus $B-3$, A minus $B-4$ and so on, and say, to-day it is A minus $B-5$. How is he to live then? His budget is a minus balance. That is why the agriculturist, I mean, the pattadar is in a minus condition to-day.

“ But let me here come to hard facts. You say, the zamindar too is in a minus. Yes, I grant it; but for quite different reasons; not because of rice in price in essentials but because he has increased his wants. Whose fault is it? Is it the fault of the pattadar, or is it the fault of the zamindar? If the zamindar to-day is in a bad condition, it is because he has needlessly increased his wants and lives beyond his resources and has made life difficult for himself. Therefore I say, if the zamindar too is in a minus condition, it is due to different causes. If prices rise, even this rise in the number of wants of the zamindar grows imperceptibly. Some might say: it will not do for me to suggest that they should not spend on this or that; they have to maintain a standard of life. Yes, I ask, what is this standard? In the beginning he had a bullock cart, then a horse cart, then two horses, then he wants a spare horse, that is, a horse for his wife and children, then a new invention which says, fut, fut, fut (laughter) which can go without horsegram, grain or food; and now things are grown costly;

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one car is not enough for a decent family; and now horses are used not merely for driving, they are used for different purposes. (Laughter.) Thus life has become too complicated. I am a Minister and I have accepted a salary of Rs. 500; and suppose I live on Rs. 5,000 scale, I can't blame the Finance Secretary for giving me only Rs. 500. When I take a job on a particular condition I must live only up to that. There is no use saying 'my father was the chieftain of land, or my grandfather was a Raja, and so I want a palanquin to go about and I want a throne to sit upon, even as my grandfather did.'

"This leads me to another thing. It is said that these zamindars were not merely farmers of revenue. Reference was made to their ancestry; they were chieftains. Sir Mahomed Usman referred to that subject in a proper spirit. I am not mitigating the appreciation in that respect, if I take it up for another purpose. They were chieftains, Rajas, kings, let us say. But did a king have ownership in land? Did a chieftain have ownership of land? Did a fighting soldier have ownership of land? No. The king did not own any land; a chieftain did not own any land; they did not claim ownership in land. And all the greater reason why the zamindar should not claim ownership of land; all the greater reason why the zamindar should not increase his expenditure, and all the greater reason why the zamindar should reduce the rent!

"Yet another point was raised. It was said: 'it was not one-third or two-third gross assessment; but it was because he was a king; it was because he was a chieftain. The Permanent Settlement was made in his favour, because he was a ruling chief.' I admit, some of them were chosen in that way. I am not talking of an altogether fictitious state of things. Suppose I had ruling power in this country; I find a Raja powerful, and I defeat him; I find the Raja useful in collecting revenue and the Raja is made collector of revenues. The collector after 100 years or so says 'I was once a Raja, now I must be made a Raja; can he be made a Raja? No. A prince may become a collector, but a collector cannot become a Raja. The owner of a property may become receiver by an order of court; and very often the court appoints the owner himself as the receiver so that the property may be best administered. But that does not give the owner rights of ownership; he cannot act as he likes; he has to act according to the orders of the court. So, in the same manner with regard to Rajas who were appointed collectors of revenue. The history of the zamindari has nothing to do with their personal rights. That is what has been clearly stated. A portion was read by Mr. T. C. Srinivasa Ayyangar; he read in a hurry that portion. Whatever the ancient polygars might have been, at the

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time of Permanent Settlement they have been reduced to one form, irrespective of the fact whether they were kings, farmers, or polygars. A, B and C were picked up and asked to take up this farming of revenue. The terms were the same. The method of settlement may be anything, but the terms of settlement were the same for all the classes. There is no use of reading to confuse the House; the history and origin might be different; but in 1802 they were all settled on one understanding and under a single set of terms. It did not matter in the least what the origin of the chieftain was. Therefore I do not think there is any difficulty in accepting the position which the Committee puts forward. As I said at the outset, let not difficulties and doubts confuse the issue. This is not the stage when we should analyse the figures and the particular evidence given before the Committee; the principles must be accepted.

"And, Sir, very hard things were said in the course of the debate. It was freely suggested that the proposal is a ruse and a trick, that this is meant to deceive; in fact, everything else was said, only the unparliamentary term was avoided; but the unparliamentary thought was not avoided. (Laughter.) It was suggested that this was a falsehood, it was a political motive. References were made to the voters and so on. I give the lie direct to this. It was not political motive that really guided this Committee. It is wrong to say so. Never mind myself. The author of the report, the Chairman, the hon. Mr. Prakasam—I want the House to accept my statement—has not the slightest notion of political motive in this transaction. It is unfair to oneself to say that there is political motive, political plan, behind this report, because I know the enormous opposition it has raised. It does not make for political security to do so. There is no politics in it. Is it vindictiveness, malice, hatred and all that? That is to say, 'is it that Mr. Prakasam and his ilk do not like something, and so, here is an opportunity to punish it.' Nothing should be farther from the truth. Mr. Prakasam has nothing but pity, true pity for the poor; it may be right or wrong; but please do not suspect motives. It is the same pity, the same careful consideration and the analysis that member after member directed to the zamindars that Mr. Prakasam has directed to the poor, on account of the history of his own life and the condition of the peasant he has seen—not that others have not seen them—and he has now produced the net result of what he has seen in the shape of the report. His recommendations may be good, bad or indifferent. But for God's sake, let us not attribute an imaginary and false motive to his conduct. It is pity and unqualified pity for the poor that alone can explain the revolutionary proposal, if it is revolutionary. A man who wants political security will not propose revolutionary things. Let me say that. A man who wants to be vindictive will not propose things

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which will produce so much opposition. He can easily say: no zamindar will have extension of time to pay peshkash; it will not be postponed; let him sell it out. Has he done it? No. Where is the room for imputing motives? It is far easy to deceive in other ways than produce this solid report, if deceit is the intention. Is it not open to Government or to Mr. Prakasam, in his particular part of the Government to create all kinds of difficulties to the zamindar? Has he done so? No.

“On the other hand, Sir, let us now for the moment imagine, nothing is to be done by us. Suppose we withdraw. We do not want any legislation. We leave things as they are. Sir Mahomed said, ‘They are getting so much money, they are having a form of decent income, let them have it. Let us not do anything.’ Will the zamindars carry on? Suppose, Sir, to-day a challenge is thrown forward. We do not propose to do anything and the zamindars are allowed to remain just as they are. Will they not ask for police help, will they not desire law and order to be preserved? Why do they expect these things from the Government? They know that it is impossible; they know that the ryots cannot carry on their business, that the zamindar cannot recover his dues; that there is no peace in the zamindari areas. Now, I do not say that I am going to use this as a lever, but I want you to judge the real substance of the position. The zamindars cannot carry on without extra assistance in the shape of law and order from the Government maintained by the ryotwari pattadars. The Government have to maintain all the forces necessary for law and order which is paid for by the ryotwari pattadar and that law and order is to be given to the zamindar in order that he may collect what he promised to collect himself and to pay to the Government without any trouble in 1802. What is the object of the Permanent Settlement? The Company’s Government agreed to this; why? They sold the country in 1802; why? Because, they did not want the bother of collection, they wanted the zamindar who was a more powerful man to collect on the spot and to give that to the Company, without any trouble.

“To-day, the position is reversed. The zamindar wants the Government to collect for him. If Lord Cornwallis were here now, if the zamindars told him, ‘Lord Cornwallis, please collect this rent for us,’ what would Lord Cornwallis have told them? He would have said, ‘My dear friends, did you not promise in 1802 that as you were great people, influential people, you would collect for me? Now how can you ask me to collect? Did you give me a Permanent Settlement or did I give you a Permanent Settlement?’ (Hear, hear.)

“That is the position in which the zamindaris are to-day. Do you want legislation? Do you want reform? You cannot for ever live on the help of the police, you cannot for ever live on the punishment of the magistracy. You want a contented people.

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You want an arrangement which is human, which is practical, which is equitable. And we have to give this. We say, ‘Well cut down your expenses, and take only that amount of revenue to which you agreed in 1802. You cannot have more. Or, if you want to revise the whole thing, by all means ask us that the whole thing should be scrapped.’ But you do not ask for that. It is easy enough to put up difficulties or to suggest like Mr. Narayanaswami Nayudu did, that the whole zamindari system should be abolished. The whole thing cannot be scrapped like that. It is merely an answer. Mere argument does not make reform. We, therefore, say that if you claim the rights that are transferred to the zamindar, you must be circumscribing yourself to the rights which were alienated. You cannot ask for anything more. The amount was fixed and you cannot ask for the compensation and propose that some lands should be fixed and some lands should be raised to three times or four times the net revenue. That is impossible. Therefore, this Committee says, it was a fixed tenure and it should be fixed correctly. It is possible that in some cases you might have difficulties in assessment and it is easy to say what it is not possible to discover. We are not doing that now. We are not imposing anything now. We accept the position on general principles. If it is accepted, and after that if the difficulties are so great that nothing can be done, nothing will be done. But, the difficulties cannot be so great. Mr. Prakasam is certain that the difficulties are not great. Therefore, the Committee wants that the principle should be accepted and that the House should not be confused by talk of confiscation. The House should remember that it is not a question of particular lands here and there, it is not a single grant, it is land tenure for the whole country.”

The House then adjourned to meet again at 11 a.m. the next day.

THE MADRAS LEGISLATIVE COUNCIL.

Friday, the 3rd February 1939.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

The House met at the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

REPORT OF THE MADRAS ESTATES LAND ACT ENQUIRY COMMITTEE.

MR. PRESIDENT:—"The House will now resume discussion on the Report of the Madras Estates Land Act Committee."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir I crave your indulgence for a few minutes more to-day. I was stressing, Sir, yesterday the difference, the essential difference, between the principles of the interpretation of an isolated grant or gift of property and the principles of interpretation that should be applied to a whole system of administration of land revenue. The two things are wholly different and the narrow construction that should be applied to the interpretation of a gift or a grant of an isolated kind does not and cannot apply to large measures of administration intended to cover the whole country, which, if we understand aright the Permanent Settlement of 1802, was the intention of the framers of those regulations.

"It has been argued—I think by Sir K. V. Reddi—that in the preamble to the Permanent Settlement Regulation it was not expressly indicated that the payments on the part of the tenants or the ryots were to be fixed, and what was fixed was only payment by the zamindars to Government. I did not expect that such claim could possibly be made when along with the same regulations which gave the title to these zamindars, regulations were passed which gave distinctly fixed specific shape to the rights of the pattadars as recognized by the Government. I am referring to what has been repeatedly referred to—the Patta Regulation of 1802. If the other thing was the regulation for the zamindars, this is the regulation for the pattadars. Neither should be considered less important than the other. Now I wish to draw the attention of hon. Members to the preamble to the Regulation of 1802. If the analytical notions of artistic legislation of the legislators of those days can be understood by us at all at this distance of time, I claim that they were perfectly right and consistent with their own ideas in putting one preamble in one regulation and the other preamble in other regulation. Now in the Regulation of 1802 which dealt

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with the ryots, let us read the preamble. It says: 'It being advisable that the existing indefinite mode of dividing the produce of the earth, and of accounting for the customary ready-money revenue, should be abolished to the end that cultivators and under-tenants of land may have the benefit and protection of determinate agreements in their dealings with superior landholders and farmers . . . ' Can anything be clearer than this language? Once for all it condemns the system of yearly indefinite division of the produce of the earth and of accounting for the ready-money revenue by that process. The plain fact is that they were tired of disputation and corruption and so on and they wanted a determinate system of collection of money from the tenants or the ryots by the zamindars, whatever you may call them, and it was for that purpose that the 1802 laws were enacted. This is to my mind perfectly clear and we cannot close our eyes to one preamble while reading the other preamble.

"Then Sir, much stress has been laid by the hon. Member whom I referred to, particularly on the fact that the pattas of the ryots were to be exchanged yearly. I think, Sir, Mr. Peddi Raju conclusively answered it by referring to the practice prevailing even under the Government, and Government do not claim the ownership of the land in those areas. Apart from that, common-sense must govern us. Yearly patta and muchilka do not create yearly contracts. What do the regulations say? You shall give a patta every year. What does it mean? Surely there cannot be any question of agreement if one party is bound to give patta every year. It is something like saying that the High Court shall give a sanad to every pleader every year. It does not mean that it is a yearly contract. It is wrong to assume and say that when an obligation is laid down, the patta is an yearly contract. It is something like telling the two parties: 'This is the land to be divided; you have extended cultivation so much more; you are trying to have garden so much. It has been measured now and this is the amount you have to pay father, son and purchasers of property.' It wants to fix relations between themselves and the zamindars and it is for that reason it is an yearly act. It is a custom. It may not even be laid down in a preamble. It is this according to the customs of the country. Patta and muchilka were exchanged between the peasants and the zamindars. From that no argument can be drawn that the tenants' position is a very uncertain tenure.

"Then, Sir, I crave the attention of hon. Members once again to what Sir K. V. Reddi read—section 7 of the Patta Regulation of 1802. He put a very curious construction upon it. The language is very simple. Clause 7 says: 'Proprietors or farmers of land shall not levy any new assessment or tax on the ryots, under any name or under any pretence; exactions other than those contemplated in the patta, or otherwise authorized by the Government

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shall, upon proof, subject the proprietor or farmer to a penalty.' Let us leave the penalties aside. Proprietors or farmers of land shall not levy any new assessment or tax on the ryots. It has been argued that no new forms of taxes may be levied on the tenants, that the prohibition was only against the zamindar levying new forms of taxes, but that the zamindars are free to enhance old taxes, that he may go on increasing the land tax, which they took so much trouble to settle under the Regulations of 1802. This construction may look plausible to the mere lawyer, but I want human minds to be directed towards it. If the law went to the extent of saying that you shall not levy any taxes, because they assume every tax was fixed and could not be increased, the zamindar having been tied down to the non-enhancement of land tax, he might have recourse to subterfuges and levy taxes under new names. That was prohibited by clause 7 of this Regulation. The Regulation therefore laid down what has been considered to be a principle from which *a fortiori* you can draw the inference that enhancement has been ruled out altogether. If a particular authority or officer or institution is prevented even from introducing a new tax, it means clearly that they had already disposed of the old tax and they should not be increased. Otherwise there is no meaning in this prohibition. If the man could increase and go on increasing the land tax, where was the necessity for him to go in for a new tax under one name or another name? There was no necessity for them to lay down the rule that you cannot levy a new tax. New tax becomes leviable by a greedy landholder only because he has already been prevented from increasing the tax that has been admitted to be lawful. That is the meaning that should be given to section 7; and the construction put by Sir K. V. Reddi or attempted to be put by him that a new tax may not be levied is a childish construction. Excuse me for saying so. It would nullify the whole proceedings, it would nullify the preamble and the objects of the regulation under clause 7 altogether.

"And then, Sir, lawyers, pure and mere lawyers again . . . (Dr. Sir K. V. Reddi: 'Children') I said the construction is childish. I go further in saying that Sir K. V. Reddi cannot believe that this construction is right. It is possible to argue, but it is difficult to believe oneself in such a proposition. Then, Sir, it was said and I think here is the most important detail in the whole debate. People are arguing that fixing of rent means and is interpreted to mean only this much, namely, half the produce is the share of the zamindar; this was fixed, not the money as the Prakasam Committee wants the valuation. Now, I want to know whether this thing can stand any examination. Let us apply our imagination for a moment. If what was fixed is only this half-share, was it conceivable that this could be increased? Supposing this regulation was not passed, is it the idea of hon. Members that it is possible for the zamindar to take more than half of the produce of the land? Is it imaginable that they could take

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three-fourths or two-thirds? It is impossible. If anything was fixed, it is the amount that should be paid and not the share. The share was already of Himalayan proportion and it would not be possible to increase it by any construction and therefore the idea and interpretation that this Regulation of 1802 merely prevented the zamindar from increasing by two-thirds or three-fourths or seven-eighths is again, I submit, a childish interpretation. What was fixed therefore was something else and not this monstrous and already huge proportion of one-half. This is exactly what I read: 'It being advisable that the existing indefinite mode of dividing the produce of the earth . . . That was what was fixed. Therefore let us see like people with common-sense what should have been done. Reference was made to the claim as to why 1802 should be taken up as the standard. If I remember right Sir K. V. Reddi said why 1801 was referred to in 1802 and asserted that we cannot now be referring to 1801 as the starting point for this measure. That argument looks plausible. But let us examine it deeper. What was then claimed was the amount of assessment. It was not in kind and therefore was not left to be measured every year again on the threshing floor. So the amount was fixed. How can it be fixed? They took the previous year's average price, i.e., of 1801. If every year we have to go back to some other previous year, what was the use of all these Regulations? The kind of interpretation suggested by Sir K. V. Reddi Nayudu, if put, would mean that we will have to pass a Regulation every year, that is to say, in 1802 one, in 1806 one, 1807 one and so forth. Surely that was not the object of making laws at that time. When they wanted to fix the money value of the rent payable at that time, they wanted to ascertain the average price of the previous year and fix the money value of the rent for all the years to come. Now let us refer to the payments made in 1801. The payments were made according to certain known standards and fixed standards. It is not as if after the payments were made in 1802 that standard comes to a termination. That interpretation cannot be accepted. I therefore submit that 1801 is something sacred and that is the right construction which has been put by the Prakasam Committee.

"Sir, I admit that laws can be changed at any time. Nobody denies that right. You may change the law, if you like, every year or you may not do it. But what was fixed in 1801 would have been made applicable if the law was not changed in the interval. It is said that this increase in rent which is now said to be illegal was not considered so by great lawyers—a series of names of gentlemen have been mentioned here, the names of very respected and able lawyers—and that if they did not discover this, it is not open to the present Committee to discover it. This is not a thing which has been discovered now. Every time, when this question was taken up, it was discovered and it was claimed and it

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was put forward. These things were discovered by Mr. Crole, Mr. Forbes, Mr. Hodgson and a host of other people, who had something to do with the history of this legislation. They discovered it each time, but their good intentions were overcome by certain other methods. What we say is we shall not be so bamboozled now. We claim our interpretation with regard to 1802 as the correct interpretation, and that is the principle on which the Committee has proceeded with their recommendations. Is it not as if we are saying that we have discovered this as Columbus discovered America? Even in the case of discovery of America by Columbus, years afterwards it used to be said that the thing looked as if it could not have been discovered by Columbus. It is said, 'It is so simple; it is not as if nobody else could have discovered it.' But I submit that simplicity is not an argument against discovery. It is not a wrong interpretation that is put on it. I cannot accept any other interpretation which does not carry out this object, viz., that the amount fixed should never be altered.

"Now I come to the last point, viz., that the principles of interpretation that should be applied to isolated grants cannot be applied to a whole system of grant of land tenure. This was anticipated in clause 13 of the sanad that was given to every zamindar. This can be found quoted in the subsidiary appendix volume that has been circulated to hon. Members. The 13th article reads thus: (page 2 of the Addenda to the Appendices to the Report):

'To enact Regulations for the security, protection and prosperity of the subjects of the British Government . . . and for the improvement of the condition of the people.'

Of course, I hope, it will not be argued that the word 'subjects' does not refer to the pattadars in the zamin areas and that they are not the subjects of the British Government, but only the subjects of the zamindar. Therefore, it stands to reason, I submit, that the interpretation that the Government have put is the only correct interpretation that could be put. Sir, these laws which everybody wants to be corrected must be corrected. It is open to the Government to change them. The cry that this is confiscation and expropriation must not be raised."

* SRI RAO BAHADUR M. RAMAN:—"Mr. President, much has already been said on this subject and it is rather difficult to deal with this subject that has been so thoroughly dealt with in all its aspects such as political, economic and philosophical. I shall therefore be content with making my observations briefly on a few points, stating my personal views on the subject discussed. I must in the first place congratulate the Committee for the amount of work turned out in the time at their disposal. A large volume of literature on the subject is now available as a result of their arduous work, and whatever may be my opinion about their conclusions, I admire their courage in attempting to overhaul the whole problem.

[Sri M. Raman] [3rd February 1939]

"The economic condition of the ryots, their poverty and their unemployment, brought about by periodical famine and occasional devastation by floods and by the general economic depression and the low price of agricultural produce, all these have reduced the ryots to a deplorable state of want and penury. Agriculture is a poor industry in any country and as Lord Rosebury once said, 'From the beginning of time agriculture had been in a state of complaint. It is the necessary condition of a trade or calling which is at the mercy of every whim and humour of nature. It is impossible to put any limit to the afflictions which in the ordinary course of nature harass the agriculturist; when he has an abundance prices fall, when prices rise there is nothing to sell.'

"In this Province the ryots suffer also from the evil effects of small holdings. We have a large number of pattadars cultivating lands of less than 1 acre earning about Rs. 20 to Rs. 25 a year—about Rs. 2 a month for a family to get on. With this they must find their food, clothing and innumerable other expenses—social and religious. They are not able to stand any further strain due either to natural causes or to oppressive treatment by the landlords. In trying to remedy poverty and misery do not go entirely on the wrong track as is suggested in the Report.

"There are on the other hand the zamindars and big landholders who are losing touch with the ryots owing to the political condition in the country. In the olden days, and in many cases even to-day the zamindar took greater personal interest in their villages and identified himself with everything that was useful. The ryots looked upon the zamindar as a friend and relied upon him for help and advice. There was therefore an atmosphere of mutual love and harmony. Individual appeals for help or redress of grievances received personal attention, and although poverty and misery did exist, there was less discontent. It is this discontent that is being made use of by the political parties.

"The Committee was constituted with a view to enquire and report on the conditions prevailing in zamindari and other proprietary areas. The enquiry naturally started with a bias in favour of the ryots. We have, however, a mass of evidence in the volumes that accompanied the Report, and much more in the numerous judicial pronouncements and legislative enactments of the past one hundred and forty years. With the help of these let us judge the case fairly and come to a definite and just decision as to how to remedy evils that undoubtedly exist.

"The numerical strength of the respective parties should not be allowed to affect the nature of our decision. Our Sastras have indeed laid down that an individual can be sacrificed to save a village and a village to save a country and so forth. But that course is intended only in desperate situations. The present is not such a desperate position as to require drastic attitude even if we believe in that Sastraic maxim.

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"The legislators have the task of determining the policy for a legislation, understanding the situation for which a change is asked, not only from the point of view of the group which may be asking for it, but from that of other groups which may be affected by it.

"The first and most important question for consideration is whether the rent has been fixed for ever by the Permanent Settlement of 1802. It is very clear that what was fixed permanently was the peshkash. Rent has not been unalterably fixed. From the wording of the Settlement Regulation and from the subsequent practice and various decisions this is clear.

"Restrictions against arbitrary enhancement were, however, introduced in the Act of 1908. According to the system of dividing the crop between the landlord and the ryot the rent is not liable to enhancement. The ryot is protected and enhancement could be only on strictly defined lines. It is not liable to revision for a period of twenty years, and the only ground for doing it is a rise in the price of the staple food-crops in the taluk; and it is also subject to a maximum of two annas in the rupee. Improvement carried out at the expense of the landlord or an increase in the productive power of the land by fluvial action would permit of enhancement. There are other safeguards to prevent unfair enhancement in excess of the value of the waram of the village.

"There is also provision for the reduction of rent on certain grounds such as a fall in prices not due to a temporary cause. There was therefore no permanency but a reciprocal provision for enhancement and reduction. I should not be understood to say that there are no illegal exactions in spite of these restrictions. I refuse to believe that the present rents are in all cases fair rents. They are often very excessive. I think, however, that a drastic legislation is not necessary to put down irregularities, as this could be done by ensuring the strict observance of rules that already exist.

"The Committee seems to think that enhancement effected even on the lines of the provisions in the Estates Land Act of 1908 should be declared illegal. There is no justification for the wholesale disturbance of the existing arrangements by going back to the rates existing before 1802 which, by the way, are for various reasons difficult to be ascertained. There are several factors to be taken into account such as changes in the value of money. The Committee is not prepared to accept the level of rates in the neighbouring ryotwari villages. There is no justification for departing from the principles laid down in the Act of 1908. Enhancement of rent by mutual consent not due to coercion cannot also be objected.

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"A reversion to the rates of 1802 will, in all probability, spread discontent among the ryotwari pattadars, if the same rate is not adopted in respect of their lands. The neighbouring ryots, often the same ryot holding both zamindari and ryotwari lands, will not easily put up with a meaningless difference in rates where conditions are exactly similar. A retrospective commutation on the basis of the rates of 140 years ago is unlawful and unreasonable.

"If the whole scheme of things settled by previous enactments and supported by judicial decisions and acted upon for over a century is to be unsettled now, does not a question arise whether the peshkash itself should not also be altered?

1-30 a.m. "I wish also to submit that there is evidently an underlying idea that the large increase in the income of the zamindar points conclusively to an illegal levy of rent. As I said already, there are cases requiring redress. There are several other reasons however that were mainly responsible for this increase. The cultivation of new lands is one. There is hardly any doubt in my mind, from what I know of the three largest zamins in the Province, that cultivation has been very largely extended all these years. In the Madras Presidency, in 1855, the area cultivated in the ryotwari tract was 12½ million acres; in 1898 it was 21½ million acres—an increase of 172 per cent. There is reason to believe that there was similar increase in the proprietary estates. During the survey of the estates large areas of encroachment were discovered. This was the case in all the zamindaris that I know of. Speaking about the Vizianagram Zamin, where I had knowledge of almost all the ten tanas, the extent of encroachments was very great. I remember that when I was in charge of the survey there about 34 years ago, I noticed in the village of Narava near the Waltair railway station an inam which was sixteen acres according to the inam deed but where 120 acres were being actually cultivated by the man. One hundred and four acres had to be cut off. This was not an isolated case either. And these lands will naturally swell the zamindar's income.

"The other important question is that of the proprietary right in the soil. In the proceedings of the Legislative Council of India, Volume 2 of 1852, page 638, Mr. Elliot said that 'the meaning of the term "proprietor" according to the intention of the Regulation of 1802, was to be gathered from Regulation XXV of that year, which set out by affirming that the Government was the virtual proprietor with whom a permanent settlement of the revenue should be formed, in virtue of which settlement it was declared that the proprietary right of the soil should be vested in them. In point of fact this was the case now under ryotwari settlement in many of the Madras districts. They had been included in the Permanent Settlement and had fallen back to Government by failure of the persons with whom the settlement

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was formed. It was a fallacy besides to regard the ryots generally as proprietors. They were not so *ipso facto* in many parts of the country.' In Baden-Powell, Volume 1, page 504, it is said, 'Looked at with reference to the practical position actually held I do not think that any one who dispassionately considers what influence and hold over the land and the ryots the zamindar really had in 1789, will hesitate to conclude that it was right to call him landlord provided the subordinate rights were adequately secured.'

"When the question of rent, occupancy right and other matters are settled, the question of proprietary right becomes one of mere academic interest. The two main parties in the ryotwari area are the Government and the pattadar. In estates there is one more besides, viz., the zamindar who takes the place which the Government occupy in ryotwari areas, the Government remaining as sovereign power. Government have in fact two distinct status, that of the sovereign ruler and the landlord. This latter status passed on to the zamindar.

"By singling out our attention to some undoubted features of the farming system we can argue that the zamindar was originally only a revenue farmer and an official; on the other hand, by doing the same in respect of other features, we can with equal justice, argue that the zamindar was nearer a landlord in the English sense than anything else. But we cannot and ought not to ignore facts and legal decisions and time-honoured custom of over a century and begin to revise what has been settled and quietly accepted long ago. Such a revision is dangerous in principle and will lead to endless trouble.

"Grant in his political survey of Northern Circars declared in unmistakable terms that the proprietary right of the soil vested solely in the sovereign ruler. Similarly, Sir Henry Maine also thought that the State was the undoubted proprietor of the soil. It is beyond doubt that by the Permanent Settlement and other Regulations of 1802, the Government's idea was to transfer to the zamindar the proprietorship which the Government previously had.

"Baden-Powell says:

'It does not seem to be correct to presume that the zamindari institution is of comparatively recent origin. In Akbar's Aini Akbari there are allusions to zamindars even in Akbar's time. Indeed the term was then used as synonymous with *bhumi* evidently indicating the natural proprietor of the *bhumi* or soil. So the zamindari institution is an ancient one. No doubt the British created some new zamindars on the ground that the proprietary right of the soil vested in the Government and could be so settled.'

"The zamindars in those days exercised civil and criminal powers and had the power to award capital punishment subject to a report to be made to the Emperor. The fines and other amounts collected went into the private coffers of the zamindar. This was the case during the Moghul period.

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'Under that Government the position of the ryot was also secured. The zamindar could not at pleasure eject a ryot out of his land. The claim of the cultivator for protection was always recognized by the Government.

'The Directors of the East India Company observed that to prevent ryots from being improperly disturbed in their possession or subjected to unwarrantable exactions would be clearly consistent with the true practices of the Moghul Government under which it was a general maxim that the immediate cultivator

mark the term

'of the soil duly paying his rent should not be dispossessed of the land he occupied. And added that subsequent enquiries in the southern parts of India have confirmed these observations. As remarked in page 161, paragraph 383 of V. Report, we should not expect under a despotic Government fixed principles or clear definition of the rights of the subject here he is referring to the zamindar. but the general practice of such a Government when in favour of its subjects should be admitted as an acknowledgment of their rights.'

"The zamindar is not thus a mere collector of revenue receiving one-third for remuneration.

"Lands relinquished by the ryot reverted to him; when a ryot died intestate the property reverted likewise to him. When zamindari lands are acquired by Government the zamindar is also paid the compensation. He has also to repair irrigation channels. In ryotwari areas the ryots pay cess but in the zamindari area half the amount is paid by the zamindars. All these facts cannot be easily brushed aside.

"Sir, I shall now very briefly dwell upon the condition of the zamindars before the Permanent Settlement and the circumstances that led up to it and its significance. I submit that this is a very important portion, especially as many people think that the reason for the Permanent Settlement was something else.

'Besides the Rajas, chiefs and ancient grantees who had a real hold over the country and already spoken of as zamindar, other classes of persons were employed as farmers and the same name and the same designation came to be applied to them also. The old Rajas were already established in their rights to take a share of the produce besides having a more or less definite claim to all waste lands and certainly the unquestioned right of bringing it under cultivation for which purpose he made grants or located his own tenants. He had also tolls and dues of all kinds for traders and artisans. His estate was of course hereditary and probably if it was that of a Raja or greater chief the custom of primogeniture was established.'

"At the Permanent Settlement sanads were granted to these and to the new kind of proprietors.

"It is worth while to enquire the immediate object of the Permanent Settlement. During the later Moghul rule there were no fixed principles for the levy of exaction from the zamindar by the Government. The zamindars in North India were becoming restless and were giving trouble. To put a stop to this the Permanent Settlement was decided on."

SRI L. SUBBA RAO:—"Mr. President, may I know if a written speech is permissible? I think it can be taken as read."

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MR. PRESIDENT:—"How long will you take, Mr. Raman, to finish it?"

* SRI RAO BAHADUR M. RAMAN:—"I request the President to give me twenty minutes."

MR. PRESIDENT:—"But you have already taken twenty minutes."

* SRI RAO BAHADUR M. RAMAN:—"I do not know why there should be a special request to avoid reading in my case, especially when so many hon. Members have been reading their speeches. Because I had to quote from books, I had to prepare my speech."

SRI L. SUBBA RAO:—"My point was only about the reading, not about the time taken."

MR. PRESIDENT:—"It is an important subject that we are discussing, and it is better that Members make notes and use them during their speeches."

* SRI RAO BAHADUR M. RAMAN:—"I am not going to take more than four or five minutes more, Sir; at least for the benefit of my friend over there, I shall cut short my speech. The Government thought it fit to fix the peshkash so that whatever balance was left might go to benefit the zamindar and the cultivating tenant. It is clear that Government did not attempt to determine the respective shares to be appropriated by the zamindar and the cultivator. That was apparently left to be decided by the zamindar himself.

"The sanad reads partly as follows:

'You shall be at full liberty to transfer without the previous consent of Government or any other authority to whomever you may think proper either by sale, etc., your property right in the whole or any part of your zamindari. Such transfers of yours shall be valid and recognized by the courts and offices of Government.'

"As would be gathered from what I have already said the zamindari was an ancient institution but its origin was shrouded in oblivion. The Permanent Settlement clearly laid down certain privileges and duties and the sanad involved a kind of solemn agreement by the Government transferring to the zamindar especially those newly created, proprietary rights which the Government believed it possessed. Is it within the power of the legislatures to materially alter the character of the Permanent Settlement and to go back on what the sanads conferred? And this without any compensation. It is not only altering the character but actually striking off the Permanent Settlement from the statute book if the legislation proposed is carried out.

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"Eminent European and equally eminent Indian judges of the High Court have decided these questions times without number. I cannot admit that these are of no value and the Judges did not know what they were doing.

"We cannot also ignore the Act of 1908. By introducing legislation on the lines of the majority report the effect would be to set at naught the Permanent Settlement of 1802.

"If after all it is decided that legislation is essential, a committee might be formed of judges, jurists, experienced statesmen and representatives of parties—a committee in which the parties concerned will have perfect confidence. The legislation should be based on well-defined economic programme calculated to bring greater prosperity to the actual cultivator, instead of benefiting thousands of non-cultivating pattadars, merchants, lawyers and rich men in towns who take no interest either in the routine of cultivation or in the development of the lands, whose one aim is to squeeze out the maximum amount from the man who cultivates their lands.

"Reading the report carefully one is forced to think that the evidence and arguments for the plaintiff are over but that those for the defence is yet to come. Except for the dissenting minutes of the Raja Sahib of Mirzapur there has been hardly any attempt to show the other side of the case. I must not fail to say that documents favourable to the other side seem to have been ignored. Mr. Hodgson's report is referred to but what about the orders passed thereon by Board and Government?

"Legislation on the lines of the majority report would benefit the pattadars who are now the real power in the land, whose votes decide the life of Governments. You are however ignoring the actual cultivator, thousands of whom are not pattadars and are powerless. There are again thousands of agricultural labourers who derive no benefit—not even the indirect benefit from an improvement in the condition of their master, of the cultivating tenants. This will thus mark the beginning of a fresh trouble rather hard for solution.

"I must add here that the poverty of the ryots and the consequent indebtedness are not confined to the agricultural industry, nor are they confined to the zamindari ryots. Admittedly there is oppression and irregularity here and there, but these minor matters do not require for their remedy such a violent measure. Let us not use a steam engine to kill a fly.

"Yesterday the Hon. the Premier threw out a challenge to take a ryot to his field along with the zamindar and asked if the zamindar would dare say that it is his field. What about another challenge this time to the ryot to say to whom the village belongs?

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To the zamindar the field is one in his own village just as to the ryot the field is one in his occupation. To use a parable the link belongs to the chain and the chain to the surveyor.

"Whatever you do, let it be for the lasting good of our people and our country; let it bring peace and contentment."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, the ryot in zamindari areas as well as the ryot in ryotwari areas is proverbially too poor for many reasons and circumstances. He is not able to pay his assessment annually and regularly to the Government in Government areas and to the zamindar in zamindari areas, because of the fact that he has to pay heavy rates of assessment in both the places. He is not able to realize even the amount he invests for raising the particular crop, with the result that he has to go and borrow money from time to time, and the lands are therefore sold and resold; history bears eloquent testimony to this state of affairs. It is true, Sir, that the rate of assessment in some zamindari areas—but not in all—is really very high, when compared to the rate of assessment paid in Government areas. The ryot is driven to the painful necessity of filing suits very often whenever there is a dispute with regard to rents; therefore, the ryot in the zamindari area becomes more and more poor. I do admit that the Hon. Minister for Revenue has taken up this question very seriously and he has come up before this Council with the report of the Committee that was constituted to investigate and submit a detailed report on this question. But it is an accepted political principle, Sir, that it is the duty of the State to give maximum happiness to the largest number. I ask, what is the number of ryots in the zamindari areas and what is the number in the ryotwari areas; I ask, in what proportion is the number in zamindari areas when compared to the ryots in the ryotwari areas?

"This matter has been pressed on the floor of this House many a time; I think Mr. P. J. Thomas brought forward a resolution requesting the Government to appoint a committee of officials and non-officials to investigate and submit a report with regard to the present land revenue system in the ryotwari areas. Again, my hon. Friend, Mr. Samiappa Mudaliyar, brought forward another resolution to say that the assessment in ryotwari areas should be decreased by 33½ per cent. The present condition of the ryots has been placed before the House by hon. Members on many occasions; when they discussed the budgets many hon. Members have pressed again and again the question of revising the present land revenue system with regard to ryotwari areas. The other day I put a question to the Hon. Mr. Prakasam whether the Government were prepared to reduce the assessment this year, having regard to the present famine conditions in very many districts in the Province. I asked him also whether the Government would be prepared at least to postpone the collection of kist to the month

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of April. My Hon. Friend, Mr. Prakasam, said that the Government could not undertake to do any such thing. As a matter of fact, the Collector of Chittoor issued a circular in December asking village officers not to collect kist in the month of December; we were under the impression perhaps we would not be troubled until April. After the Pongal festival, the Collector issued orders, 'Pay the kist not only for January but for both the months of December and January in one instalment.' That is the state of things that is prevailing in the ryotwari areas.

"The Government issued instructions not to collect assessment from persons who pay below Re. 1, pending final orders of the Government; but we now find that the amount from a large number of such persons also has been collected. I am bringing all these points to the notice of the House not because I am against reducing the assessment in zamindari areas, but to show how the ryots in ryotwari area also are suffering, though they are under the direct and immediate control of the Government. All parties have agreed that the present land revenue system in zamindari areas requires and demands immediate and thorough overhauling. I entirely agree with the Hon. Mr. Prakasam that the rates of assessment in zamindari areas are high and that they deserve immediate reduction; that is a question beyond dispute. But the question is whether the present proposal of calculating the rate according to the method that prevailed in 1802, is right. If we look at the history of the land revenue system, we find that it was the village community that owned the land during the Hindu and Muhammadan periods and the earlier part of the British period. In the beginning there was joint cultivation and subsequently individual ownership cropped up and all the lands which were hitherto under joint management became separated and the joint management system was abolished. During the Hindu period the rate was one-sixth. During the Muhammadan period it was one-third and it became 50 per cent gross by the time the British people came into power, i.e., when they introduced the Permanent Settlement system. At the time of the Permanent Settlement half the produce was taken by the tenant and half was set apart as the amount payable to the ruler. The Crown assigned its rights, title and interest to collect that money in favour of the zamindar in consideration of the zamindar paying two-thirds of the revenue. From this we find that half the gross produce is the share of the ryot at the time of the Permanent Settlement. Then the question that present itself is, whether half gross produce that has to be paid now as rent by the ryot is justified on the ground that it had been so in the past at the time of the Permanent Settlement. As indicated in Chapters I and II we are told the rates prevailing at that period were far in excess of what in normal conditions, a settled Government was entitled to receive. Therefore the half gross basis that was adopted for the determination

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of the Government's demand must work a great hardship to the ryot if that should be adopted at the present moment. Generally in those days the ryots were paying the revenue in kind. There are at the present moment some zamindaris where waram rate is prevailing. There is no justification for commuting the waram rates into money rates at the price prevailing in 1802. The assets basis that has been proposed as one of the bases is very difficult to conceive. There is no principle involved in the method.

"In calculating the rate of rent the Report depends upon the figures supplied at the time of the Permanent Settlement and there is nothing to show that these figures are the correct ones. Interested parties could have easily manipulated figures to support their interest and cause. Again I think there is nothing to show that they have measured the various hills and dales, the forest areas and the streams and arrived at the correct area of that portion of the estate that was under actual cultivation. Now we are told, Sir, the area under cultivation in Vizianagram is less by nearly one lakh of acres. The Report says that in 1801, 58,497 garces of land were under cultivation. To convert this into acres they multiplied 58,497 by 10 and odd and thus arrived at the figure of 625,000. That is to say, it is contended that one garce of paddy was taken to be the yield from 10 acres and odd whereas we are informed that is not 10 acres as it is calculated now but it is only 2 acres of wet land or 4 acres of dry land. Which figure is correct then, there is nothing to show. There would be no trouble, Sir, if the area either under cultivation or waste was shown in the accounts of Permanent Settlement in acres but it was shown as garces in some estate and 'thumu' in some other estate and so on and so forth. I am told, in some zamindari areas the rates would be 2 or 3 rupees per acre, and in some it will come to Rs. 20 or 25. The villages which were prosperous at the time of the Permanent Settlement have decayed and disappeared and new villages have sprung up where waste lands were brought under cultivation. To find out the exact area under cultivation at the time of the Permanent Settlement is too difficult and practically impossible.

"I am afraid many complications may crop up in working out this scheme. I am of opinion that prior to 1802 there was no distinction made between the ryots who happened to have become zamindari ryots and ryots who were outside such area. And even now we cannot differentiate between the burden of the zamindari and that of the Government ryot in the matter of paying public revenue with any degree of justification, for, all are liable to be equally taxed. And so to me what appears to be the most natural and most reasonable thing to do is to place both the zamindari ryot and the ryotwari ryot on the same footing. If that is done there will not be any ground either for the zamindari

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tenant or the ryotwari tenant to agitate. This, I believe, is supported by the bulk of evidence tendered on behalf of the ryots in zamindari areas. I heartily endorse the recommendations made by my hon. Friends, Mr. Rangaswami Ayyangar and Mr. B. Narayanaswami Nayudu, i.e., 'that all the zamindari areas be compulsorily surveyed and on principles analogous to and identical with those under which ryotwari areas have been settled taken in conjunction with the recommendations of the Marjoribanks Committee Report, the rates fixed on such survey and settlement should be fixed for ever.'

"I think it is quite desirable that the work of collection of rent should be in the hands of the Government even in zamindari areas. If that power is given to the zamindar, I am afraid no love will exist between the zamindar and his tenants. The village officers must be entirely under the control of the Collector and subject to his orders; the Government may, if necessary, take 10 per cent of the collections towards their expenses and pay the remainder to the zamindar. This will also give necessary facilities and help to the ryot; it will be in the interest of both the ryot and the zamindar. Otherwise I am afraid there will be no co-operation or real love between the zamindars and the tenants.

"With regard to forest laws, a large number of hon. Members in this House have stated that the Government must give facilities to the ryots in Government areas to get grass, firewood, green manure and wood for domestic and agricultural purposes from reserved forests free of cost. You know, Sir, that the Government said that it is not possible in the present circumstances to grant such facilities to the ryots in the ryotwari areas. But, however, I feel that all the powers with regard to forests should be given entirely to the village concerned. I would say that the ryots really require all the facilities which I have referred to, if they are to conduct their agricultural operations successfully and profitably. The ryots must have the freedom to get all the necessary wood, grass and leaf manure from the forest, which they require for agricultural purposes. They must have also the privilege of grazing their cattle freely. The forests in general should be in the hands and control of the zamindar and the Government should have supervision over and above the zamindar as they have over village panchayat forests in Government area. With regard to Government forests, they have village panchayat forests. The Sub-Collector or the Collector of the district periodically inspects the forest areas that are under the control of the village panchayats. The Government may reserve such powers here in the zamindari area also.

"Again, Sir, with regard to survey of zamindari areas, I asked the other day the Hon. Minister for Labour and Industries whether it is not possible for the Government to establish land

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mortgage banks in zamindari areas; he said he could not do so, because the zamindari area is not surveyed. I think it is but necessary that the zamindari areas should be surveyed with the result that the Government can give more facilities to the ryots by opening land mortgage banks. Sometimes the ryots are made to pay not only for the lands they cultivate but for those which are under others' management. There are a number of instances where such mistakes have occurred. It is therefore very necessary that the lands in zamindari areas should be compulsorily surveyed.

"Sir, I wish to raise one point which has not been touched at all in this report. In the zamindari areas, there is what is called 'maintenance allowances paid to the members of the zamindar's family. That is to say, the zamindar is compelled to pay certain amounts to some of his close relations; such amounts are based upon the income derived from the estate. Under present conditions, it becomes a liability on the estate; suppose the income of the zamindari goes down to a large extent. Now the question is whether the zamindar is bound to pay the sums originally fixed or not. I wish to point out that the Committee has not fixed the proportion of the amount to be paid to the relations of the zamindar. I would suggest that the Government should consider this question also to avoid litigation in future.

"Sir, I have not heard anything from the Hon. Mr. Prakasam and the Hon. Premier about the inam villages; inams have not been included in the observations of the Committee. I would suggest that, in spite of the area concerned, whether it is an inam area, or a zamindari area or a Government area, there should be only one class of ryots. For the sake of convenience and in the interests of the ryots, it is better if this proposal is given effect to. I only wish to impress upon this House that the ryot in zamindari area, or ryotwari area, cannot be placed on a different footing from the ryots in an inam village."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"Mr. President, Sir, let me first of all congratulate the Committee on this monumental work they have turned out. One might or might not agree with all the conclusions arrived at, but every one must pay his compliments for the untiring patience and industry shown in producing this report. The authors of the Report have unearthed so many documents which would not have seen the light of day in the ordinary course of things. And Mr. Prakasam has made out a very strong case that the rent was fixed in perpetuity once and for all in the year 1802; a case which if, before this Report, anybody had put forward before a court of law or before any gathering, would simply have been pooh-poohed. He has made out a very strong case which could ordinarily be called an unarguable case before a court of law. It might or might not be correct, but the

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fact that he has made out a strong case for the fact that the rents were fixed in perpetuity once and for all in 1802 must be borne in mind. After all, by discovering and bringing forth so many ancient documents and Government records, he has proved that at least what was intended by the Permanent Settlement Regulation was that the rent or land revenue must be fixed in perpetuity. I personally do not believe that the conclusion is correct, so far as the interpretation he has put upon the Patta Regulation of 1802 is concerned; but I do believe, after reading the Report, that the framers of the Regulation meant it to be fixed in perpetuity, although at the same time, on a reading of the relevant sections of the Patta Regulations or the Rent Recovery Act, one cannot say that there is sufficient ground or an unimpeachable ground to say that rents were fixed in perpetuity. I do say that the courts were correct in their interpretation of these provisions, because they had only these statutes before them; they did not have the reports of the speeches of the Hon. Mr. Crole or of the Hon. Mr. Forbes or any other documents, which even if they had access to, they would not have been entitled to take into account. Neither had they the Revenue Recovery Bill of 1865, nor were they expected to go through the various stages of a Bill after its introduction in a legislative body up to the time it emerged from the Select Committee and was passed into law, or even to find out how a member who sponsored the Bill made his speeches at all those stages. They had only the relevant statutes before them, and on the materials placed before them, they came to the conclusion which in their opinion was correct. I really believe, Sir, that the wording in those relevant statutes alone does not warrant the conclusion which the Committee has come to, viz., that the rents were fixed in perpetuity. I shall not, however, endeavour to prove to this House how my conclusions in this respect were correct or how I differ from the conclusions of the majority report; because, in my opinion, it will be a futile task. Such a thing can be done only before a court of law. What are the essential requisites that go to make up a correct decision in a court of law? First of all, the Judge must hear you without any prejudice; he must have a clean open mind and must be open to conviction up to the last moment. But in a legislative body where we have party discipline, where we have our own settled prejudices and convictions, how is that possible? I am not finding fault with members on this side or of the members on the other side; I am just stating matters which are facts. When once we are on the forum of a legislative body with settled convictions and settled party discipline, it is futile on the part of anybody to argue and try to show that the conclusions of the majority report with regard to fixing the rates of rent in the year 1802 in perpetuity was wrong or was incorrect. Therefore, I leave the matter at that point.

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"Sir, before I go further, I may say that I do believe that the strongest point in favour of the majority recommendation in the report to the effect that rents were fixed in perpetuity in 1802, is the fact that the peshkash which the zamindar is paying to the Government is fixed in perpetuity. That is the strongest piece of evidence in favour of the majority recommendations. That is a very relevant factor to be taken into account in deciding the question whether rent was fixed in perpetuity in 1802 or not. Personally, I am also inclined to think that the rent was fixed in perpetuity; but as matters stand to-day, having regard to previous statutes, I do not believe that the rent was actually fixed in perpetuity. Anyhow, I shall now take up other points and return to this point later on, if necessary, in greater detail.

"Sir, so far as the Permanent Settlement Regulation is concerned, I do believe that the East India Company sold away our rights in perpetuity for a paltry sum. It must be noted that the zamindari areas cover one-third of the whole Province; and what are they paying? They are paying to the Government about Rs. 47½ lakhs by way of peshkash. And as against that, the rest of the Province covering about two-thirds of the whole area, pays about Rs. 6½ crores by way of land revenue. Is it fair, is it just, is it equitable? This fact staggers anyone who wants to tackle this problem. Perhaps the East India Company, placed as it was in the year 1802, considered it expedient to sell away or mortgage our rights once and for all for such a paltry sum. Perhaps the circumstances then prevailing justified such action on their part. Perhaps they themselves were not sure that they were going to be the permanent rulers of this country, as they are to-day. They were only a company then, and the country was then very unsettled. There were no roads and no means of communication as you find to-day. Many lands were lying uncultivated. Taking all these facts into consideration and also the fact that many of the zamindars might have helped the Company or the then Government in one way or another—as in the case, for instance, of Udayarpalayam, in which case only a peshkash of Rs. 600 had been fixed—they fixed the peshkash at a permanent figure of Rs. 47½ lakhs. This is the amount we find to-day in the Budget Memorandum—a very paltry sum, considering the area they cover and also considering the fact that the rest of the Province pays about Rs. 6½ crores by way of land revenue. In my opinion, that might be a very good ground, Sir, for trying to find out ways and means to see that the Permanent Settlement Regulation itself is repealed or to see that the zamindars are made to pay a larger amount by way of peshkash to the Government. I expected, Sir, in the ordinary course of things that this Committee, when dealing with this question of redressing the grievances of the zamindari ryots, would suggest definitely

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the repeal of the Permanent Settlement once and for all, or at least see that the zamindars were made to understand that they must contribute their full quota if they wanted to continue as zamindars and form part and parcel of this Province. If they wanted maintenance of law and order, if they wanted any help or amenity from the State, they must be prepared to pay their due share of the revenues to the State. They cannot merely try to have all the benefits for themselves, without taking their due share of the liabilities. Sir, I expected the report to say something about the repeal of the Permanent Settlement Regulation, or at least to suggest to the Government to take the necessary steps to apply to the Secretary of State or to the proper authorities concerned, to see that the Permanent Settlement Regulation was modified.

“ And even taking it that the Permanent Settlement Regulation is unalterable or that it is impossible now to get the permission of the Secretary of State or the proper authorities to cancel or modify it, I expected the Committee in the ordinary course of things to have recommended a tax on the agricultural income of these zamindars, rather than go into abstract theories with regard to the ownership of the soil, etc., which we find in the report. Unfortunately, the Committee has plunged into these abstract theories as to who is the owner, who has got the right, whether rents were fixed in perpetuity in 1802 or not, whether it could now be gone back upon or not, whether the varam rate could be commuted as per price levels in 1802, whether there are enough materials before us to fix the rates of 1802, etc. As I said, Sir, it would have been much better for the Committee to have straight-away said: ‘ This Permanent Settlement Regulation is the most inequitable piece of legislation that has been enacted; as successors of these people who were at the helm of affairs at that time, we are not going to be bound by it; we will take steps to cancel it, or we will try some other means by which the zamindars can be taxed, say on the basis of their agricultural income.’ That is the position that should have been taken by the Committee or even by the Provincial Government as it stands to-day. That would have been the safer course to adopt, without raising unnecessary troubles.

“ Anyhow, as matters have taken a different turn, let us examine the present position. What are the recommendations of the Committee? The Committee has stated that the ownership of the soil is in the ryot, that the rent was fixed in perpetuity in the year 1802, that the ryot is entitled to forests, hills, etc., that the ryot is entitled to mining and quarrying rights, he is entitled to irrigation rights, etc. Personally, I might wish that whatever is possible for the betterment of the ryot must have my support; I will be the last person to do anything which will hinder or retard any step suggested by the Committee for the amelioration of the zamindari ryot. Still,

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in my opinion, it looks as if because the zamindar has not dealt with his own ryots fairly and squarely in the past, because he has been oppressing them heavily and rack-renting them, according to the Committee, no justice should be done to him. In my opinion, the Committee has thereby given a handle to the zamindars and other vested interests to say that the Report was made by men who have settled convictions, who have got prejudices of their own and who did not want to do justice as between the zamindar and his tenant. Otherwise, Sir, what does it mean?

“ First of all, let us take the conclusion that the rent was fixed in perpetuity in the year 1802. Did any ryot or did any ryots' association come before the Committee and say that the rent was permanently fixed in 1802? Did any ryot claim that he was entitled to forests and hills? It may of course be very easy for the Committee to say that the ryots were ignorant of their rights. As against that, I may say that it is not as if the ryots were ignorant of their own rights; they knew their position well; it might be that they did not have all the legal talent, but they knew all their rights. I shall give certain facts by way of illustration to show that by putting the case at the highest possible pitch in favour of the ryot, the Committee, in my opinion, has damaged its whole case. If the Committee had been within its limits and said: ‘ Very good, the ryot is the owner of the soil,’ I shall assume it for the time-being; although to me, as I said, that question is most academic, because the ryots have certain rights already defined in the Estates Land Act, and therefore the question whether he is the owner or not is merely an academic question. Anyhow I shall assume for my present purpose that to-day the ryot is the owner of the soil. Why should you go into the other question whether rent was fixed in perpetuity in 1802? Why not try and find out and work out an ordinary practical solution as to which would be the fair and equitable rent to-day? Would it not be more convenient? 12.15 p.m.

“ I will take the items one after the other to show how the members of the Committee, I mean the majority of the Committee, have placed their case at a very high pitch. Now, let us take the question of forests and see what are the groups of questions relating to the forests which the Committee itself has framed. On page 261, group VI, question No. 7 (a) says: ‘ What are the rights of tenants with regard to the utilization of local natural facilities such as grazing of cattle, collection of green manure or wood for agricultural implements?’ Nobody has any grievance with regard to that. They may or may not have rights, for it all depends on certain circumstances and considerations; and I am willing to accept the findings of the Committee in regard to that. Question No. 7 (b) says: ‘ Have the tenants any inherent right to use them for their domestic and agricultural purposes free of cost?’ This

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is also all right. But in regard to question No. 7 (c) it is stated 'What are the respective rights with regard to the public paths, communal lands and hills and forests and porambokes as between the tenants and landholders?' This question is no doubt very good. Please note the words 'as between the tenants and the landholders.' As regards the earlier part of the question relating to public paths, communal lands, etc., it is no doubt a very relevant question. Of course in regard to communal burial ground, communal porambokes and other things, we are willing to accept the recommendations of the committee. But, with regard to hills and forests, they are also clubbed along with communal porambokes in the question. Taking it for granted that they are also communal land, the question is in respect of the respective rights as between the tenants and landholders. The question naturally assumes, when it was framed, that the landholder had certain rights with regard to forests and hills. Now, let us see, what the finding of the Committee is on this matter. No doubt the question was innocently framed and I take it that it is a very good question. The Committee says that the landholder has absolutely no right with regard to forests, no right with regard to hills, but the ryot has got absolute right over the hills and forests. I will here read only a few sentences from page 262 as to what the Committee say:

'Our finding on this after consideration of all the recorded evidence and the complaints heard from the various individuals and also associations, is as follows:—

"As regards clause (c) they have undisputed rights over all the public paths, hills and forests, porambokes—not a right derived from the landholder, but one which they and their ancestors had been enjoying. Their rights are all historic matters."

The whole thing has been put in a nut-shell with regard to these forests and it is found at the bottom of page 262. The Committee say:

'There is no question about the right of the ryot to porambokes, hills and forests and forests produce, etc. This right must also be declared in unambiguous terms in the new Act.'

They have put their finding in the draft Bill on page 283 in clause 4 (11) (a) in the following terms:

'Subject to the provisions of the Madras Forest Act of 1882, ryots are hereby declared to have proprietary right to the soil in all forests and to the customary rights of grazing, taking green leaves for manure, and cutting wood for domestic and agricultural purposes,' etc.

I want to know whether the ryots claimed any proprietary right over the soil in the forests before then. Then why should you put their case too high? Were they ignorant of their rights? This, I think, is doing injustice to the zamindars. Perhaps there is no one to sympathize with the zamindar; he does not deserve any sympathy; it may be so. But, merely because he has rack-rented the ryot, he has oppressed them, because of all these things,

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do you mean to say that he should be denied justice? Certainly not. If you do that, you will be committing the same sin he was committing, viz., that because of his vast influence, and wealth he was oppressing the tenant and rack-renting and was not caring for the welfare of the tenant. If you as members of the Legislature, because of the strength of numbers you are going to do injustice to him, you will be committing the same sin; and simply because you hold power and influence . . ."

MR. PRESIDENT:—"The hon. Member must address the Chair."

* S. K. AHMED MEERAN SAHIB BHADUR:—"If it is being said that because you have got numbers, you can pass any legislation and if you are going to enact a piece of legislation which will not be doing justice to the zamindar, you will be committing the same sin, as I said before, which they perhaps were doing before."

"I shall proceed further with that clause. Sub-clause 11 (b) says:

'The landholders shall have no right to the soil and shall have no right to prevent the ryot from enjoying the natural facilities stated above.'

"Sub-clause 12 (a) says:

'In waste lands and forests, ryots shall have the right to mine and to quarry and to excavate any mineral wealth or gravel or clay in the ground vertically beneath his holding subject to the condition of paying royalty to the Government under the Mines Act.'

"I do not know whether any ryot put forward any claim with regard to mineral, or quarrying rights so far. The ryot may be entitled to be the owner of the soil and perhaps may be the owner of the sub-soil also; and I am willing to take it for granted for the purposes of argument that he is the owner of the soil. But how can he be the owner of the adjoining forest? He may be living two or three miles away from the forest and did he ever enjoy it as owner? Yesterday, the Hon. the Premier said with regard to the ownership of the soil, 'What is the use of all these legalities and proof as to ownership of soil? The best evidence and the best proof as to whether one is owner or not, is the mental consciousness that one is the owner of the soil. Let any zamindar go to a village, and let any pattadar at the same time go to the village; I challenge the zamindar to say that a particular land belongs to him.' He said that the zamindar would never say that the land belongs to him. On the other hand, the ryot will say, 'This is my land.' When he said that that is the best proof to know whether one or the other is the owner of the land, I put the same test to him so far as the forest is concerned. (The Hon. Sri C. Rajagopalachariar: Do you admit that?) While I am willing to say that any ryot will say so to-day with regard to his own holdings, I want to know whether he said so at any time before that the forest belonged to him? Never mind the ryot not

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bringing forward any such claim. What about the Government themselves? Have they said since 1802 that the forests were theirs? Did they say that the hills belonged to them? I can understand the ryot being ignorant of his rights, but I can never imagine the Government being ignorant of their own rights. This is not only putting it like this, but they want to be positive and make it very effective by saying that the landholder shall have no right to mines or quarries that are under the surface of the land in possession and enjoyment of the ryot in his own holding; that he shall have similar rights to mine and to quarry mineral wealth or stone, in his own private land. If, however, any decision is required, I think all decisions go to the effect that the zamindar is entitled to the forests and hills. And, if any decision of the Privy Council is required, I think 40 Madras, 886, I mean the famous Urlam case, decides the point. After that, subsequent decisions show that when villages were given permanently to the zamindars, not only cultivable land was taken into account, but all the rest of the land also was given to him in perpetuity. As a matter of fact, the judgment of the Privy Council quoted on page 419 says:

'It does not follow that all which is not brought into account in fixing the Jumma or peshkash is excluded from the grant. On this footing many things of great importance to the enjoyment of a zamindari would not pass by a zamindari grant, for example, waste land, farm buildings, tanks, or in the present case, irrigation channels.

So, Sir, I do think that this is going too far so far as the forests are concerned.

"Again, Sir, the report seems to be coloured by prejudice by the fact that the zamindar is a man for whom no sympathy ought to be shown; he is doing havoc; he has been ill-treating the tenants and exacting illegal levy and so nothing can be done for him. That, I think, is not a very desirable course to adopt. I can never for a moment sympathize with the zamindar; I can never sympathize with them in their illegal exactions; I know their ways of life are not at all conducive to the welfare of the country. But, that is no reason why we should be unjust to them. I do not want to allow them to continue in the same position in which they are to-day. But please try to do justice to them. I will take one or two illustrations to show how this Committee has been unjust with regard to the zamindars.

"Let us take the question of irrigation. What are the recommendations of the Committee on the matter? Since their recommendations are put in a nutshell in the draft Bill, I shall read the clause relating to that. It is clause 4, sub-clause (10), page 283 of the Report:

'(10) (a) Landholders are bound to keep in a state of repair the public irrigation works which were in existence at the time of the Permanent Settlement or which have been subsequently constructed and which have been in use for irrigation at any time.'

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"That is no doubt very good.

'(10) (b) Landholders are bound to construct new irrigation works for helping the cultivation, without claiming enhanced land revenue on that account whenever circumstances demand.'

"So, a duty is cast upon them not only to maintain the existing sources of irrigation and keep them in good order, but they are also bound to construct new works. But, what is the incentive for them to do so? They must be prepared to spend their money and not collect or earn anything out of that. Is it possible? So, what is the use of putting in such a provision in a State document. Do you hope that any human being, the more so a zamindar, can do such a thing without getting any additional remuneration in return for the amount he spends on such works?

"The same thing is put in sub-clause (20) (page 292) where they have made the position very clear. It says:

'Nothing contained in this section shall entitle any landholder to raise the land revenue upon any land in consequence of additional value imparted to it by any work of irrigation or other improvement executed at his own expense; or where additional value has been imparted to any land by any work of irrigation or other improvements executed at the expense of Government, and where the landholder has therefore been required to pay an additional sum to Government.'

"Sir, is it not the elementary principle of fairness and justice that when you expect one to do some work upon which he should spend some money, he should expect some return out of it? Are not Government doing the same thing every day, that wherever they construct any new work or dam, they levy some special water-rate? For instance, there is the Periyar dam where special water-rate is charged for those using the water in that area. I think it is the same case with regard to the Mettur dam also. So, it is a matter of every day occurrence. So, it is fair and equitable that when you expect the zamindar to do something, he must be expected to get something in return for the amount spent by him on such works.

"The Committee has held that the rent or land revenue was fixed in perpetuity in 1802. I am willing to admit for the purpose of argument that it was so fixed in that year in perpetuity and I am not against it. It must also be borne in mind that all the zamindars were not receiving their rent in money. Many of them were getting their rent in kind and even to-day that system of payment continues in Ramnad and some other estates. If rents were fixed in perpetuity and as per the Patta Regulation they were compelled to give pattas fixing the rent once and for all. I take it also that that the estates in which the waram rates were in existence should also continue under that system in perpetuity. If that waram rate was fixed in perpetuity and if they are continuing that waram rate till now, they are entitled to that waram or grain share of produce. If that is so, how is it that you now say that they are not entitled to the grain share but only to the

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money value of that grain and that too at the price level of 1802? When yesterday the Hon. the Premier was dealing with this question at length, I thought that he would convince me; but I should say with great respect to him that after bestowing very careful attention to his speech and his arguments, I was still unconvinced about the stand taken by the Committee on a point that was worrying me. We have to remember in this case that the waram rate continues up to now and he only takes that particular portion of it which was fixed at the time of the Permanent Settlement without any regard to the price levels. He has the benefit of rise in prices and suffers if there is to be a fall in prices; but all the same, he only takes that share of the produce that was fixed in perpetuity in 1802. If the price levels fall below those of the year 1802, he takes the risk and he does pay the peshkash according to the stipulation in cash. That is a concomitant and necessary evil or advantage of fixing the rate of rent in waram. When that is so, how in fairness and justice can we say—I am not now trying to show its legality or otherwise—that the waram rate fixed in that year should no longer be paid in kind but that it should be commuted compulsorily and that too at the price level of 1802? How can such a position be held to be fair and equitable, let alone the question of enforcing it?

“ I shall deal with further instances in the Report to show that they have been one-sided in very many respects. While on the one hand they have said that the rent was fixed in perpetuity, they have also made some provision for backing out of that position if it would help them. I would just read from the last paragraph of page 232 of Volume I

‘ On the view taken by us with regard to the fixity of the rate of land revenue at the time of the Permanent Settlement, we shall recommend to the Legislatures to proceed for the present on the basis of cash payment. If the rate of land revenue fixed permanently at the time of the Permanent Settlement is taken as the basis, that will give relief to the ryot to a very great extent. It may be that a time may come when the prices may fall below the pre-settlement level and the situation may have to be examined then afresh. But it is not likely to come up so soon.’

“ Though they have said that for the present rents were fixed in perpetuity and unalterably, they have also said that if the price levels fall below that of the year 1802, they would consider the question of giving some relief, of making some reservations and creating some loopholes so as to afford some provision to back out if the need arises. Further I will refer to the next page and they begin by stating that such a contingency is not likely to come up so soon.

‘ When the land revenue assessment is fixed moderately on the basis of the pre-settlement rates and further enhancements are prohibited and the ryots’ ownership to the soil is also re-affirmed, the prospects of the ryot and the country will certainly be very bright. Although

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money system had been adopted from the time of the Permanent Settlement in place of the sharing system, there are still some estates such as Ramnad and parts of some other estates in the Presidency where the sharing system of 1802 is still continuing.

‘ When the rate of land revenue payable upon the land to-day is declared to be the same as the rate that had prevailed in the year before the Permanent Settlement, the ryots who have continued under the sharing system until now, many suddenly change their minds and demand conversion of the waram rates into money rates. When such a demand is made, the question arises what prices should be adopted for commutation purposes, whether the current prevailing rates or whether the rates that prevailed in the year preceding the Permanent Settlement.

‘ We are of opinion that when the question of conversion of sharing system into money system arises, the prices that should be adopted for purpose of commutation are prices prevailing in the year preceding the Permanent Settlement, it is only on that basis that the sharing system should be changed into the money system. The rates so fixed must be declared to be permanent and unalterable rates.’

“ In this connexion, I also share the opinion expressed by my hon. Friend Mr. Rangaswami Ayyangar with regard to the increment in rent as a result of increase in prices. In section 30 of the Madras Estates Land Act of 1908, certain provisions have been laid down for the enhancement of rent. One of the conditions on which the rent could be increased is the increase in the price level and this is subject to the condition that it must not exceed annas two in the rupee. Though exception has been taken to it, I do believe and I do say that that is a very correct position, that it is a very correct provision and a very moderate provision too. Section 30 speaks of enhancement only when the rent has been fixed in money and it does not speak of increase in rent where payment of revenue or rent is paid in kind. Section 30 is quoted at page 105 of the Report and I invite the attention of hon. Members to it. There is no question of enhancement of rent at all in cases where the sharing system is in vogue. So what does it show? It shows that the rent was fixed with reference to the price level of the particular year and it had a bearing on the conditions existing at the time; and if the prices increase, naturally the zamindar is entitled to the increase. If such a provision were not there, he would have never agreed for the conversion of share into money rent. If he were told at the time that once he commuted it into money rate, he could never increase it in spite of the fact that price levels may go up, he would never have agreed for a commutation at all. He agreed on this basis only, that is, that if the price levels go up, he would have a proportionate increase in his rent. That is why that section definitely lays down that in a case where money rent is paid, increments in rent can be made under certain conditions, of which the rise in prices is one, because the money rates were fixed with reference to the particular price levels of the particular years when the commutation was agreed upon. Of course there must be the other corresponding provision for reduction also if the prices

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go down, and the ryot must under such conditions have the benefit of reduction also; that is provided for in the Estates Land Act. With reference to this section, the Hon. the Revenue Minister contended that there should not be any such provision and that it was wholly wrong. Even assuming that the rent was so fixed, the ryot can only say, 'I will give my quota, my share of the produce;' but he cannot say that he would only pay it in money and that too at an unalterable rate."

THE HON. SRI T. PRAKASAM:—"I said, Sir, that the Estates Land Act made provision for two classes of ryots."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"The Estates Land Act made provision for two classes of ryots; but I think if I remember right, he took advantage of the provisos to that section; I will presently read them:—

'Provided that if the rent be permanently payable at a fixed rate or rates, it shall not be liable to be enhanced under this clause on the ground of a rise in price;

'Provided also that no enhancement under this clause shall raise the rent by more than two annas in the rupee of the rent previously payable for the land.'

2-45 p.m. "The Hon. the Revenue Minister wants to read into it the meaning that the proviso refers to the permanent fixing of the rent, that it does apply to the permanently settled estates and that therefore the interpretation put upon it by the courts was wrong. I think I am right in trying to put in my own words what the Hon. the Revenue Minister meant. Sir, I must say with great respect that there is no warrant for the interpretation that the rates were fixed in perpetuity. The whole question is whether the amount was fixed in perpetuity or not. But if you take it for granted in the beginning and then begin to argue, you are simply begging the question. What you should do is to prove that the amount has been fixed in perpetuity; and the Hon. the Revenue Minister has adduced nothing to show that the rent was fixed in perpetuity. Anyhow, Sir, I do not think that the contention of the Hon. Minister stands to reason. For when once a rate of rent, which is fixed in terms other than money, is to be commuted into money value, it must be commuted only at the price level existing to-day; also, it stands to reason that once there has been such commutation in money, it must also be liable to increase or decrease according to the price level, as otherwise it may be causing hardship to one party. It may be advantageous to the ryot and disadvantageous to the zamindar to-day or *vice versa* tomorrow. You cannot compel one party to agree to such commutation that can never be altered under any circumstances whatsoever, irrespective of the price level.

"There is another thing to show that the Committee has been rather one-sided in its recommendations. Take clause 16,

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sub-clauses (6) and (7) of the draft Bill, at page 288 of the Report, Part I. In one breath they say the rate is fixed unalterably, and in the next breath they want to regulate the payment of the rate. That is what they say:

'The ryots shall regularly pay in all seasons in the current coin of their respective Provinces, the amount of the permanent assessment fixed on their lands; the remission of land revenue which has been occasionally granted according to the custom of the country on account of drought, inundation or other calamity, etc.'

"Now, Mr. President, mark the words 'remission on account of drought, inundation or other calamity.' If you want to be logical, if you want to stick to one thing, you should stick to it once for all, irrespective of the fact whether it works for good or bad; you should not claim remission on account of drought or inundation or other calamity. I for one am against such a thing. There is a solemn pledge that the ryot will give only a particular sum, and that he will pay only that sum and nothing more. If that is so, why should he get also remission on account of drought or inundation? This shows that the Committee has taken an one-sided view of the question. So the best thing seems to be to take a fair account of all the things and fix the revenue as is done in ryotwari areas. That will be doing justice. At the same time ask the zamindars whether they are willing to pay more than 45 lakhs, and if they do not agree, tax them heavily or get the necessary permission and cancel the Permanent Settlement. That seems to me to be the only logical and fair way of dealing with the problem."

MR. PRESIDENT:—"May I know how much more time the hon. Member wishes to take?"

* S. K. AHMED MEERAN SAHIB BAHADUR:—"I have finished my speech."

* MRS. MONA HENSMAN:—"Sir, after the conclusive arguments and the logic of the weighty reports and references that have been made, I hesitate to rise to my feet. I am not going to make what in the opinion of this House has been counted a speech up to now. But I would like to crave your permission to offer a few general remarks about this Madras Estates Land Bill, as it seems to me, from the point of view of the general public. And in considering this Bill, we do feel that congratulations must be offered to those who sat on the Committee, to those who have been inspired by a real desire to help the ryot and to uplift those who up to now have not had their point of view heard. We have every sympathy with the principles of this Bill, and feel that this is a logical sequence of the Agricultural Debt Relief Bill; and we hope that many other Bills that will rectify wrongs done during the last century and before, that will also follow in this House and in the other House. But as has been said this morning, and as has been

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said during the course of this week in this and in the other House, there have been many Bills and many Acts that have tried to be equally fair, or have tried to see both points of view. And although the date 1802 has become so familiar to us this week that we almost feel we were born at that time (laughter), we still have a suspicion about the permanent values of that date. A few years before that very date, we remember, a man called Edmund Burke was preaching the gospel of expediency, and he was also speaking to those who had the right to do what they maintained. But there was no point gained, national or otherwise in a policy that wished to take in all that was its right, wished to take up to the limit of its power, but would give nothing to the other side. I am not sure whether from the point of view of tradition in our country, tradition, even if it be only of 100 years standing, that has grown up on the point of possession of land in the zamindari area—in that one-third of this Province—whether considering that tradition, it would not be expedient to take into account the law of compensation at this time when certain arguments have been brought forward in this House in favour of this point of view. A compensation may not always be valued in terms of rupees, annas and pies. There are other forms of compensation, for instance, this question of endowing the zamindari ryot with the forests and the waste lands. Presumably when the Government come to consider its own points of reform, that is, its own forests and waste lands with a view to the ryotwari tenant, perhaps the ryotwari tenant will be allowed to follow suit, and perhaps these will become the undenied possession of the ryots who belong to the rest of the province—two-thirds of the whole province, that is not under zamindari control. Until that time, it may be expedient to have a certain amount of notice given, or perhaps a certain amount of leeway of time or financial control allowed until a form of compensation that has to be decided by the Committee who have to go into the matter very carefully is made public and passed into law. I have every confidence in them, and I believe, that this Committee when it is set up will look into the matter with far more skill than those of us who may perhaps venture to make suggestions from this side of the House. I do feel that when we think of compensation there is a good deal to be said on the zamindar side of the question, and even if it takes the form of delaying the action of the Act for another three to five years, it is only fair, so that various adjustments and re-adjustments may be made. Then again there are various ambiguities. We have seen that even courts of law have found the Permanent Settlement of 1802 ambiguous; and we will have to see in future that these ambiguities, with education and propaganda, do not lead the Government ryot to feel that he is behind hand in the privileges that are allowed to the zamindari ryot. We have to see also that the zamindari ryot does not ask why, if complete possession is to be given to him, he should have to pay rent for what is going to be

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his. For those of us who are living in areas where we have been paying ground-rent it may seem quite simple; but to the zamin ryot, who is to hold complete possession of the sub-soil and soil and the land round about this, it may seem strange that Government should demand rent from him. I feel that that is again an ambiguity. There are several other points also which should be settled. Finally I ask, if there is any money accruing to Government from any such measures as this, measures that certainly aim at helping the ryot and developing the agricultural prosperity of our country, that this money should not be left in the general budget; for as often happens in our private budget, when we set apart money for any purpose in a common purse, we find, when the real need comes, the whole money is gone. And it would be a great example for private and public administration, if money that may come to Government in this way should be earmarked, or put into a separate part of the budget for agricultural relief for such times as are now coming to us—perhaps when we do not have sufficient rainfall and there is famine in many districts. I feel if some of these suggestions were followed and if this Estates Land Bill is changed to suit this point of view, it would be doing bare justice to both sides; and it would really be a Bill which will work for the welfare of the people, because everything that helps the citizen and develops land will lead to national wealth."

MR. PRESIDENT:—"The Hon. the Revenue Minister will 1 p.m. now reply."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"When are we going to adjourn, Sir?"

MR. PRESIDENT:—"We will adjourn at half past one."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I thought you were going to allow some more speakers. I thought that the House will rise at 1 o'clock and I could take my opportunity after lunch."

MR. PRESIDENT:—"How long will the hon. Member take for his speech?"

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I will not take more than ten minutes."

MR. PRESIDENT:—"You may speak now."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I thank you, for allowing me to speak now, Sir."

"Mr. President, Sir, at the outset I wish to state that I am neither a zamindar, nor an inamdar, nor a ryot under a zamindar, nor opposed in the elections by a zamindar or by a zamindari ryot, and therefore I think I can take a detached view. I admire the laborious work turned out by the Committee, and particularly

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by its Chairman. The zamindari ryots could not have had a better champion than the Chairman of the Committee to champion their cause. I have no doubt that the Hon. the Revenue Minister will evince the same zeal and enthusiasm and try to ransack all the available old records in the Record Office in the cause of the ryots in ryotwari area if and when they take up that question. Sir, the Hon. the Prime Minister told us yesterday that they have started the reform with zamindari ryots, and the question relating to the other ryots will be taken up in due course, and that others need not tell him from where he should begin the reform. True, Sir, others cannot tell him from where he should begin, but may I, in all humility, request him to show his usual quickness in deciding matters, and acting up to that decision, in regard to the land revenue reform relating to the ryotwari ryots also, without taking any further time over it, in view of the fact that they have already taken nearly two years over that matter. Sir, my hon. friend, Sir Kurma, told us yesterday, that he was aware of the difficulties of the Government and that was why he did not vote for my resolution relating to the reduction of land revenue. If I remember aright, he absented himself at the time of voting. For whatever reason he absented himself at the time of the voting, Sir, I wish to state that we are not unaware of the position of the Government. But I would ask, Sir, who is responsible for this state of affairs. Surely we, members sitting on this side of the House, are not responsible for it. The other day, if I understood him correctly, the Hon. the Prime Minister stated that the correct procedure for framing a budget is to settle the expenditure item first and then to think of the receipts. Yesterday, Sir, he found fault with the zamindars for having adopted the same procedure and said that they should have budgeted their expenditure with reference to their income. Sir, various points of view have been put forward in regard to this report. I am neither a lawyer nor an economist, and therefore it will be presumptuous on my part to discuss the legal or constitutional point, but I would place only a layman's point of view. Sir, the hon. Member, Mr. Narayanaswami Nayudu, a member of the Joint Committee, says he is not able to understand definitely what the majority Committee's recommendations are. The hon. Member, Mr. T. C. Srinivasa Ayyangar also says he is not able to understand. Such being the case, how can we, laymen, understand? The straight question put by my hon. friend, Mr. Narayanaswami Nayudu, was not answered, but he asked us to agree to the principle. What is that principle? If the principle is to give relief to ryots with equity and justice to everybody concerned, I have no doubt that the House would unanimously agree to it, but if it is injustice to some, paying off old scores to some, and discriminatory treatment against some, I, for my part, will refuse to give my consent. I hope the Hon. the

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Revenue Minister in his reply will state what exactly the majority report is, and what is it that we should approve. I shall make myself clear.

"Let us take the case of an estate containing 600 acres, of which 300 acres were cultivated and paying grain rent and 300 acres were uncultivated in the year 1802. The total value of the produce is Rs. 600, of which the ryot's share is Rs. 300. The zamindar should collect his share of the produce and pay 200 out of it as peshkash to Government. This works out as an assessment of two rupees per acre per cultivated land if the Permanent Settlement fixed Rs. 300 as the assessment on the 300 acres. Is it the recommendation of the majority that it should be declared that the total assessment for the whole 600 acres had been fixed unalterably for ever, at the rate of Rs. 2 per acre, or whether Rs. 200 has been fixed as the permanent assessment and the zamindar left to collect a rent not exceeding the share of the produce which the ryot was paying in 1801? The second question asked by Mr. Narayanaswami Nayudu was whether, when the grain rents were commuted to money rents subsequent to the Permanent Settlement, what is the proposal of the majority Committee? Is it to go back to the share of the produce or the rate which will be arrived at by dividing the area of cultivation and the amount realized in 1801? These questions have not been answered so far, though put directly.

"Is it the view of the majority to leave the decision of the rates to the commission which may be appointed, so as to enable them to vary the rates in various estates according to the loyalty of the zamindars to the party in power, as it was stated to have been fixed in ancient times? If this is the principle in the report of the majority, which we are asked to endorse, I am sorry I cannot give my support to such a principle.

"Sir, Hon. the Prime Minister asked us not to impute motives. True. I don't for a moment attribute any motive to anybody in the Committee. I wish to read a few passages from the report and from the minutes of the Committee and leave it to the House to judge whether there is justification or not, to form an impression that the majority of the Committee had already settled views in many matters which were therefore hustled or rushed through the Committee, and some members have ultimately changed their views in regard to the question of compensation or purchasing the rights of the zamindars.

"In page 1 of the minutes of the Madras Estates Land Act Committee, this is said:

'The Committee resolved to appoint Mr. T. Viswanatham, Parliamentary Secretary to the Hon. the Revenue Minister, as the Secretary to the Committee.

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'A draft communiqué and questionnaire intended to be issued to the public and prepared by the Secretary of the Committee, was then taken up for consideration. The Zamindar of Mirzapuram, suggested that the members may be given a couple of days time to go through the questionnaire. In deference to his wishes the meeting was adjourned to the next day at 2 p.m.'

'Then in page 5 we see that the various dates have been fixed for the Committee to sit in various places.

"In page 7 of the minute, it is said:

'The Zamindar of Mirzapuram and Mr. Narayanaswami Nayudu enquired whether the reports from the Collectors were received.

'Mr. B. G. Holdsworth, Revenue Secretary to the Madras Government, who was present at the request of the Committee, informed them that he had addressed the Collectors for information regarding the zamindaris with a rent-roll of over Rs. 10,000 and inams with a rent-roll of over Rs. 5,000 on 11th December 1937 and that he expects the information to be furnished after two months.

'Mr. Narayanaswami Nayudu and the Zamindar of Mirzapuram favoured waiting and postponement of the tour till the information from the Collectors was received. Mr. Rangaswami Ayyangar preferred to have the tour in the summer vacation, although he would come earlier, if so desired.

'The Committee resolved to abide by the programme already fixed.'

'In page 8, about the question on the 'proprietorship of the soil'—

'THE CHAIRMAN:—Who is the proprietor of the soil to-day, it may be of no consequence.

'THE SECRETARY:—Some suits regarding the ownership of the soil are pending still in respect of communal lands in the courts. There the zamindar contends that he, being the owner of the soil, is entitled to the subsoil while the Government is only entitled to manage them.'

"Then I see in page 10:

'SRI V. V. JOGAYYA PANTULU:—Prior to this Act, the British Government had a false notion that it was the owner of the soil. The Provincial Government can say that it is the owner of the soil because it is the people that are governing themselves.'

"In page 11:

'THE SECRETARY:—So far as security is concerned they are in the same position as ryotwari tenants. Government expenditure in respect of revenue courts will be reduced because there will be no more litigation. Zamindars can be compensated by issuing bonds. A popular legislature is the security for the zamindar. The Government will give the security.'

"Then in page 61:

'The Zamindar of Mirzapuram pointed out, that, if those rates were fixed, 99 per cent of the zamindaris would be wiped out. The tenants in zamindari villages were much happier than those in Government villages; the latter have to pay bribes to several persons; he wanted the Committee to do justice to both parties; he did not like either the zamindars or the tenants to be involved in litigation. If an agreed legislation was put forward, it would be in the interests of the zamindar and the tenant. This Committee should not go into the legal aspect of the question.

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'The Chairman replied that this Committee was not going to decide either law or fact; it would formulate the law.

'The Zamindar of Mirzapuram suggested that the question might be referred to the High Court and its opinion taken.

'The Chairman stated that the legislators were going to consider whether the High Court decisions or the Privy Council decisions were right or wrong; they were going to lay down the law; if the decisions of the courts were wrong, they were going to lay down the law which the courts should follow.'

"In page 62—I am reading this only to show that the members of the Committee thought at one time that it is just to purchase the rights of the zamindars—it is found:

'THE CHAIRMAN:— . . . If they are not able to agree, each one of us is at liberty to write his minute of dissent. Sri B. Narayanaswami, I do not think we are justified in putting the questions in the form of a resolution. In fact you were the most prominent among the members of the Committee, very able, very intelligent to raise point after point; and all of them were discussed once, twice, thrice, and even more than that; and after that, about the conclusions you have your difficulty; he has got his difficulty; and the other gentleman has got his difficulty even now. There is no prospect of coming to any conclusions from the trend of discussions. For each suggestion somebody must sit down and work out the implications.

'SRI B. NARAYANASWAMI NAYUDU:—We shall discuss some other point to-day and shall take up this matter to-morrow.

* * * *

'THE CHAIRMAN:—I shall ask the proposal of each member even now and let us discuss each one of the proposals after lunch.'

MR. PRESIDENT:—"What is the idea of the hon. Member in reading all this?"

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"Some members of the Committee originally thought it better to purchase the rights of the zamindars and then afterwards they have changed their minds and then wrote that the zamindars have no right even for that. That is why I am reading this:

'SRI B. VENKATACHALAM PILLAI:—Let us take the 1802 rate.

'SRI V. V. JOGAYYA PANTULU:—I would adopt the 1802 rate.

'SRI M. PALLAM RAJU:—Let us adopt 1802 rate or purchase the estate if possible.

'SRI B. NARAYANASWAMI NAYUDU:—Yes, I too will have 1802 rates or purchase the estate on the basis of present rentals.'

"Then only one point with regard to the minutes of the proceedings; in page 64:

'The Chairman said that they could not do as Mr. Biswanath Das of Orissa had done; there they had no enquiry and had come to some decision; here they had gone into the matter for over a whole year and they had to decide the case upon its merits. The Committee was anxious to consider any proposal put forward by the members.'

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"Sir, further, whenever it is convenient, the Committee quotes with approval the views and decisions of European Judges; and whenever it is inconvenient, it says that such views and decisions are not worth consideration, because the Committee says European Judges are not fully conversant with our land systems. It is also strange, as my hon. Friends, Sir K. V. Reddi and the Zamindar of Mirzapuram, put it, that the Committee should consider that the ryots do not know their own needs or rights, and that the proposals made by them in the course of their evidence should not be taken as a considered or correct one. But the Premier seems to go further, and in his attempt to define the respective rights of landholders and tenants, wants to appropriate for the Government the forests, hills, etc., in zamindari areas. I am not able to understand how the Government can come in now to claim the forests, hills, etc. Further I am sure that if the ryots are asked to choose between the Government and the zamindar, they would certainly choose the zamindar in preference to the Government, in regard to control over forests, hills, etc.

"I am not in favour of the appointment of any other Committee as desired by my hon. Friend, Dr. Thomas, or the hon. Mr. Saldanha, but I would suggest that the proper method of arriving at a just solution of this complicated question is to appoint a European officer with definite instructions to gather complete materials relating to this problem within a specified time, say, three months. He should be asked to place all such materials before a tribunal which may be constituted by the Secretary of State, consisting of the Chief Judge of the Federal Court and the Chief Justices of the Madras and Calcutta High Courts. This tribunal should be requested to give its findings upon the materials furnished to it by the special officer, say, within another three months, which findings must be binding upon all parties. Then the Government may formulate definite legislation on the basis of the findings of the tribunal. It should not be difficult for the Government to place on the statute-book this land reform law within as short a time as possible. Sir, if this proposal of mine is accepted, it will save the Government enormous delay and litigation in case the validity of the legislation is challenged, as I am sure it will be challenged, if the legislation is to be passed in the present form.

"I quite agree with the view of my hon. friend, Mr. Narayanaswami Nayudu, with regard to agra-harams, but the Hon. the Prime Minister has not thought fit to reply to it. I hope the Government position will be clearly stated at least now."

SRI B. NARAYANASWAMI NAYUDU:—"When are we rising for lunch Sir?"

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MR. PRESIDENT:—"We will rise for lunch at half past one."

SRI RAO BAIADUR N. R. SAMIAPPA MUDALIYAR:—"We are making laws and regulations for every day."

MR. PRESIDENT:—"What? If the House wants to adjourn even now, I have no objection. But, the House wants to adjourn only at half past one."

* THE HON. SRI T. PRAKASAM:—"Sir, I must thank all the hon. Members of this House for the way in which they have approached the subject which has been before them for more than two days now. They have been so good that they did not mind the time taken over this having regard to the importance of the subject. Much heat has not been put into this discussion although some strong expressions were used by some hon. Friends. We, on this side, do not mind the strong language so long as there was no malice or bitterness behind, as had been stated by the hon. Sir K. V. Reddi in reply to the Prime Minister. Lawyers, experienced lawyers, have approached the matter from the legal point of view and also from the view point of fact to the best of the information which can be laid within the short time at their disposal. I am anxious, Sir, that, even at this stage, the hon. Members who had read into this report and the recommendations of the majority political bias and the communism of Moscow should dismiss from their minds the prejudice or the bias which they may have in their minds, at least at the last stage, when I shall be taking them through certain facts which shall dispel all the wrong ideas which gathered in their minds on account of the imperfect understanding of the facts primarily and the law next. If facts are ignored by the best of the judicial tribunals, no correct law can be laid down by them in any court from the lowest to the topmost, either in this country or in any other country in the world. If those who are charged with the duty of acting as tribunals or as arbitrators or as legislators should allow their judgments to be warped by prejudices, communal feelings, provincial feelings or racial feelings, they do not deserve to be tribunals or legislators or arbitrators. It is a sacred duty with which they are charged, and they will be failing in the discharge of their duties if they do not do justice without having any prejudice in their minds about any matter. Lawyers particularly, whether they argue in a court of law or the legislature, are expected to be posted with facts and then apply law to the facts that are found to be correct and they will be failing in their duty if they ignore facts and attempt to quote law. They will be failing in their duty if they ignore facts and present aspects which are not supported by facts. They will be failing in their duty if the law is in one direction and if they do not refer to law, but say all decisions have been in one direction and there has been a misdirection made in this report on that ground. That is why

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I am anxious that all hon. Members should go with me through these pages. I shall be brief, Sir, as far as possible, and examine whether the opinions delivered by them here are based on facts, whether the opinions delivered by them are supported by law. They are the best judges to know law; they are the best men to understand facts also. Others who are not well-versed in law, who are not trained in the matter of trials of cases, hearing evidence and giving judgments upon them, they are not expected to go into all these matters so well as these hon. legal members are expected to do. I am therefore anxious, and still I have got great hope, that in this last effort that I am making I will convince them, and I will be able to convince, provided they do not keep anything of a political bias or any other bias in their minds.

"I will be the first man, Sir, that if there should be anything newly introduced by this Committee in a vital matter like this and if it is pointed out that there is a wrong conclusion arrived at, to withdraw and correct the mistake at any stage. That is why I am pleading with confidence that the hon. Members who have addressed this House on this subject on vital matters have not yet known the facts. The facts found in this report and the law as has been interpreted in this report were placed in their hands not to-day at the last moment but more than two months back. Time had been given to all hon. Members to examine these chapters, to study the facts, to go through the decisions quoted by the landholders and come to some conclusion. I have no quarrel with the hon. Members of this House for their not having been able to go through all the details of this report even within the two months' time allowed for this discussion. I do not expect them, Sir, to go into all these details to the same extent to which we the members of the committee had been directed by this legislature to go into. But at the same time for trained minds it is not difficult to take even one volume, this Part I, which gives the report proper, to look into the summary given in the last chapter, and from that go back to the previous chapters and lay their finger on the facts disclosed there, on the legal decisions relied upon by the landholders, on the facts given with regard to the decisions and the interpretations given to those decisions. I expect the hon. Members of this House to do all that. I do not wish to make any observation which may be misunderstood. The question of honesty was raised by one hon. Member of this House."

At this stage the House rose for lunch to meet again at 2-30 p.m.

After lunch.—2-30 p.m.

* THE HON. SRI T. PRAKASAM:—"I was just referring, before you adjourned for lunch, Sir, to the question of honesty referred to by one of the hon. Members of this House. The honesty

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of some of the greatest of men had been at stake during the last 150 years in respect of this subject of landholders and the ryots. I shall come to that at a later stage after endeavouring to place certain facts and figures before the hon. Members who have spoken on this matter contesting in all seriousness the correctness of the vital position. Fixity of tenure and fixity of rent were the two vital matters that had been declared and confirmed under the Regulations, Permanent Settlement Regulations of 1802. In spite of all that has been said in both the Houses, at the last moment even these two positions have been denied, not only by the landholders or by their avowed representatives, but also by some of those who said that they had nothing to do with the landholders, that they were not landholders, that they had no interest in the landholders and what they were saying was only in a dispassionate and detached manner, and that they came to the conclusion that neither the fixity of tenure nor fixity of rent were contemplated at the time of the Permanent Settlement. These were the statements made by some hon. Members of the House. I have already dealt with this subject when I opened the debate and I do not wish to take hon. Members again to the same portions. It was the duty of hon. Members to have taken this reference and explain that it was not correct. An attempt was made by some to refer to some of those provisions to explain their attitude. And it was argued that what was said by the Hon. Mr. Forbes at the time of the Estates Land Bill and what was said at the time of the discussion of the Madras Tenancy Bill of 1898 by Mr. Crole have become Vedas and those people have become Kalluka-Bhattas and Bhashyakaras. Strange way of looking at things! I started—instead of going to the very rock-bottom of the question, and instead of going to the ancient history or what was prevailing 130 years ago—from the top. The Hon. the Premier has got his own inimitable way of explaining either fact or law. He started, after hearing so much on the other side, from the very bottom of it. He started with the correspondence between Sir John Shore and Lord Cornwallis and explained the whole thing. Even after hearing and even after knowing all that has been going on in connexion with this subject, those were the expressions used by the hon. Member who has filled high offices, who knows law and who has got much experience and much record to fall back upon. This is the way in which hon. Members have approached the subject. Not only one or two hon. Members have expressed themselves in this manner, but there are others who have followed them and these people are eminent lawyers arguing to-day cases in law courts. Even such people have followed that hon. Member who began in this strain. They followed him up although they did not use the same expression used by that august personage.

"Sir, besides the speeches of Mr. Crole and Mr. Forbes, I would like to place before hon. Members of this House evidence

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to show that it is not the wild imagination of the Hon. Mr. Crole or the Hon. Mr. Forbes who were no doubt mere birds of passage that came here to earn money—which fact has been discovered by the hon. Member who spoke yesterday—that supports the Government's position, but that very fountain-head of Government, the Court of Directors themselves support our position. Sir, the whole history relating to this subject has been placed before you; not wild inferences but facts have been placed before you, and yet this is the way in which generalizations have been made. I would request hon. Members to note what the Court of Directors wrote some 54 years after the Permanent Settlement was established in this country to the Government of Madras. Referring to the Permanent Settlement Regulation and referring to fixity of tenure and fixity of rent for ever, this is what they wrote. I am now referring to page 240 of Part I of the Report. This is what they say in the last few lines of paragraph 2 on that page:

'Apart from this, in a famous despatch sent by the Court of Directors, London, to the Government of Madras, dated 17th December 1856, it was stated as follows:—

'(1) The condition of the ryots changed for the worse rather than improved for some years after the Permanent Settlement for though the State had fixed for ever its own demand on the zamindars the latter could take as much as they liked from their tenants. A whole series of laws known as "Tenancy Acts" had to be passed before all the advantages of the settlement reached the ryots.'

That is the first paragraph, and the second paragraph reads:

'(2) The right of the Government is not a rent which consists of all the surplus profits after paying the cost of cultivation and the profits of agricultural stock, but a land revenue only, which ought, if possible, be so little assessed as to leave a surplus to the occupier whether he in fact let the lands to others or retained it in his own hands.'

In two short passages which the Court of Directors wrote from London they compressed the whole idea which they had in their minds. They pointed out what the relationship between a landlord and a tenant is and what the nature of rent that is being collected by a landlord from a tenant is. Then they explained also the relationship between a landholder and a ryot and the nature of land revenue. Land revenue is not rent. Rent is that which the landlord could collect from his tenant, and he could increase it as he liked. But the rule with reference to land revenue, in this particular case, whether it was permanently settled or not, as understood by the Court of Directors, was laid down by them and they say that land revenue should not be exorbitant, should not be oppressive and should not be beyond the power of the ryots to pay. It must be so little assessed that he should be able to pay it without any trouble and without any burden. That is land revenue; whereas rent is quite a different matter with regard to which the landlord can make as much profit

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as he likes. In the first paragraph which I have just now read they have made the position clear, that even though the Permanent Settlement had been made so long ago, what was intended by the authors of the Permanent Settlement Regulation by way of protection to the ryots had not been given to him without trouble. A series of land tenancy Acts had to be passed in order to protect the rights of the ryots. Therefore you find words to the effect: 'Our demand has been fixed for ever unalterably and permanently. In spite of our doing it, this wretchedness is going on in this country and to give protection as intended by us we had had to pass so many laws. How do you explain the position?' That was the question put by the Court of Directors, not by Mr. Crole and the 'Bashyakaras,' not by Mr. Stokes who has become a passing bird with the hon. Member. Without explaining this position, it was left to an hon. Member here to indulge in the language in which he indulged. What is the answer to this? I do not wish to take hon. Members again to the bottom of the whole thing, to the Collectors' instructions and to the correspondence between Sir John Shore and Lord Cornwallis. The Hon. the Prime Minister has dealt with those matters. The Collectors' instructions I have also dealt with in the beginning. They said to themselves: 'The mischief was done at the top, that is to say with the Government and its land revenue, because we were not able to fix it permanently without giving room for variations and fluctuations. The mischief started there. So let us take it at the top between the Government and the landholder. Let us first fix our demand on land revenue. This is the first step. Let us take it. After taking that step; let us fix the relation between the landholder and the ryot whom we are handing over to the hands of the collection agents of ours.' That was how it was done. What has been stated in the Collectors' instructions and the State documents, not one of these things has been taken on hand by hon. Members who have made general speeches at the last moment. They were expected to examine those things, not merely the statements made orally here or in the other House. Every document for and against a particular view-point has been put into their hands in the form of appendices. In the report itself passages have been quoted *en bloc*. Are the landholders assignees of land revenue or not? Are they or are they not collectors of land revenue? Is it or is it not true that the land revenue due to the Government before the Permanent Settlement was fixed in perpetuity unalterably? Is it or is it not true that after fixing it permanently and unalterably, it was divided into three parts, two parts to be paid to the Government by the landholders as peshkash and the third part to be taken by the landholder himself as remuneration for the services that he agreed to render? These are the questions. When that is so, to get up and argue without reference to facts and figures, simply to cut

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off an argument and defend in a general way—is it right, is it the way in which the duty should be discharged on the floor of this House in a matter of this magnitude and importance?

“Now I shall take hon. Members to another authority not so old as 1856. 1856 is too far removed from us to-day. The hon. Member said that a long series of decisions had been given in favour of the landholders and that a long course of legislation had recognized the vested interests of the landholders. Then, is it not the duty of hon. Members to take those enactments and decisions, and point out at least one enactment or one decision in which the landholder's interest has been recognized, asserted and affirmed, in which it has been decided that the landholder was not a rent collector but the owner of the soil, that he was a man of high dignity and position and that nobody should cast a slur on him by calling him a collector of revenue? Defenders ought to fall back on authorities to say that. I shall give a reference which I did not give at first when I quoted the despatch from the Court of Directors in 1856. I shall take hon. Members nearer to our period, very much nearer to to-day. I will ask hon. Members to look into that passage and then revise their opinion, and at least in their own minds withdraw the words which they have used. It would not hurt us; those words did not hurt us. For when expressions like that are used, it makes us re-examine the position. It is our duty to go into the bottom of those things and see whether we have done anything wrong and whether we have deserved those remarks. If we deserve those remarks we must withdraw from that position. On the other hand, if we are right in our view we must place that before hon. Members again to enable them to withdraw what they have said. Sir, privileges are given in this House to be used under your control and within certain limits. But when privileges are abused without any regard to facts, and strong and unparliamentary expressions are used, of course it would be the duty of persons affected by them to ask for their withdrawal. But I deliberately did not wish to do it. I wanted that to be put on record. I wanted that to be tested. If we have done anything wrong, if there is anything to show that what we have done amounts to dishonesty, that must be established on the floor of the House and not only on the floor of the House, but also before the bar of the public who are represented by the Members of this House.”

DR. SIR K. V. REDDI NAYUDU:—“I never used the word ‘dishonesty’.”

* THE HON. SRI T. PRAKASAM:—“‘Are you honest’—this was the expression used.”

DR. SIR K. V. REDDI NAYUDU:—“It does not necessarily mean ‘dishonesty’.”

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* THE HON. SRI T. PRAKASAM:—“I take it from the hon. Member. It would not affect me; it did not affect me in fact and that was why I did not ask the hon. Member to withdraw.”

DR. SIR K. V. REDDI NAYUDU:—“I used it in one sense and the Hon. Minister is importing a different meaning into it. What can I do, Sir?”

* THE HON. SRI T. PRAKASAM:—“Sir, may I request the hon. Member to verify another fact? Probably he was a Minister of the Government or an Executive Councillor or a witness before the Joint Parliamentary Committee. This has been referred to already by other hon. Members of this House. This is the latest utterance not by Mr. Crole or Mr. Forbes but by the authors of the Report of the Joint Parliamentary Committee. I will present that statement to those hon. Members who have been saying that the landholder is not a collector of revenue but the owner of the soil. I would like to draw the attention of hon. Members to that passage—paragraph 372 at page 218 of the report:

‘We have considered whether similar provision should be made to protect the rights of zamindars and others who are the successors in interest of those in whose favour the Permanent Settlement of Bengal, Bihar and Orissa and parts of the United Provinces and Madras was made at the end of the 18th century. Briefly the effect of this Settlement was to give a proprietary right in land to the class described as zamindars, on the understanding that they collected and paid to Government the revenue assessed on that land, which was fixed at rates declared at the time to be intended to stand unaltered in perpetuity.’

There is one sentence in which the unalterable character of the rates of rent have been mentioned and the status of the landholder has been defined as a gentleman appointed to collect the land revenue. In what year was this? 1935.

“I have submitted already that there was no right vested in the landholders under the Rent Recovery Act of 1865 making him anything more than what he had been made under the Permanent Settlement Regulations XXV and XXX of 1802. And that position was confirmed by Mr. Forbes, understanding of it. Then I submitted, Sir, that under the Estates Land Act no new right was created in favour of the landholder and no right was taken away from the ryot. Before examining some of the provisions from a different standpoint, I would like to place before hon. Members of this House the state of law from the beginning until now as tested by courts of law, how they interpreted it, how they understood it and how they declared the rights of the landholders and ryots, in the hope that hon. Members who have been declaring that the landholders were carrying with them their ancient rights, status and position and that they were not mere rent collectors but that they were owners of the soil, may re-examine the position. I submitted already that there was a judge by name

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Collett before 1863 and that that judge for the first time interpreted Regulations XXV and XXX of 1802 in the way in which the hon. Member, Sir K. V. Reddi and other hon. Members who followed him have attempted to interpret to-day in 1939.

3 p.m. " Judge Collett said that the language of those sections applied only to that particular year and that it would not apply to what happened after that particular year. There was no proprietary right in favour of the ryots. That is how that judge interpreted it. At that time, Patta Regulation was still in force. It was not repealed; it was repealed only by the Act of 1865. The Government of Madras got upset with this extraordinary decision given by that judge, Collett. At once they called upon the Revenue Board to look into the matter, to investigate it and to place materials before them to enable them to introduce a Bill for protecting the rights of the ryots. It was then that the Board investigated into the whole matter; they started from the date of Manu who had been buried long ago and who was dug up by us, as stated by Mr. Srinivasa Ayyangar. It is not we, the members of the Committee, who have dug out Manu, rightly or wrongly, for good or bad. Manu was dug out by those Englishmen who were in charge of the administration of this country, either as Members of the Revenue Board or as Members of Government. They started from Manu; they examined all the authorities, and held that the ownership of the soil was in the ryot and not in the landholder; that finding was accepted by the Select Committee which I referred to already. It was on that basis that the Rent Recovery Act was passed. The Rent Recovery Act was interpreted by the Hon. Mr. Forbes as not having taken away any right vested in the ryot and as not vesting any new right in the landholder. Collett's decision was given before the Rent Recovery Act was passed.

" After the Rent Recovery Act was passed, there was the Chockalingam Pillai's case reported in 6, Madras High Court Reports. In that Chockalingam Pillai's case, the same arguments were followed by the learned Judges. Chockalingam Pillai's case was not a case between a zamindar and a ryot, but it was a case of inamdar and tenant. That was wrong decision given for the first time after the High Court was established. That decision disturbed the state of affairs for some time. Then came the Fakir Muhammadan's case; it was decided by the High Court newly established in the place of the Sadar Adawlat Court. There was a mistake made in that case. The rights of the ryots had been doubted but that case was quoted as a decision of the Law Courts. I am requesting the attention of hon. Members of this House to the series of cases which ultimately went up to the Privy Council, in order to show that the right as declared by that buried man, Manu, was re-affirmed and recognized subsequently by others. I shall refer to those points briefly.

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" The first case in which the matter was dealt with after Chockalingam Pillai's case, is the Fakir Muhammad's case—1 Madras, page 205. After those two cases, the matter came up before the High Court with Judge Muthuswami Ayyar; he was a man of the world; there were no Barristers in those days; there were no B.A., B.Ls., Advocates and Lawyers in those days. Sir Muthuswami Ayyar was an ordinary clerk as the Hon. Premier told us. That man became a Judge and he became a protector of the rights of the ryots. He was presiding after the misdirection given in this matter in those two cases, 6 Madras High Court Reports and 1 Madras I.L.R., 205; 5 Madras, 163, is the case in which Justice Muthuswami Ayyar and Justice Turner delivered judgment. They examined these decisions; they questioned the correctness of these decisions. The next case was 9 Madras, page 175; there is another case at page 285; there they laid down the rule in favour of the ryot; I shall refer to these cases which are all extracted in one page. They laid down the rule for the first time. Then in I.L.R., 16 Madras, page 227, Justice Muthuswami Ayyar and an English Judge laid down the rule that the landholder was an assignee of revenue. Where is 16 Madras and where are we? These gentlemen were free to say that, by a long course of decisions, the rights of the landholders have been declared and affirmed. I ask hon. Members to look into the matter and to examine the position; the rule has been laid down there for the information of hon. Members of this House and for the public outside. After 16 Madras, there came the leading case 20 Madras, 299, in which Justice Sir Subrahmanya Ayyar and an English Judge delivered judgment. They examined the whole position; they reviewed all the previous decisions and referred to all the authorities. They considered the question from the administrative point of view, from the point of view of the Government. Then they laid down the rule. Mr. T. C. Srinivasa Ayyangar casually stated that Sir Subrahmanya Ayyar held that the zamindar was melvaramdar only and that kudivaramdar was the ryot. Melvaramdar is the person who is entitled to collect revenue and take it. Kudivaramdar is the person who is entitled to stand on the soil, work on the soil and produce the crop not only for his own benefit but also for the benefit of the rest of the world who would be arguing cases here and outside also. After 20 Madras, 299, case, I draw the attention of hon. Members of the House to the case in 23 Madras, 318. This is the case of Chikati Zamindar *versus* Ranasooru Dhora and others. This case is in favour of the ryots. Then we come to the Privy Council case reported in I.L.R., 45 Madras, page 586.

" There is a chapter in the report in which all these decisions are reviewed. All these troubles were anticipated, having regard to the fact that troubles were created at every turn during the last 138 years. These are cases not quoted by Members of the

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Committee for the first time; these were cases quoted by the landholders in their long memorandum prepared very carefully. It is from these cases, the comment was made and the facts given in the chapter. Hon. Members who have seen a large number of decisions, have stated that the rights are vested in the landholder. It is not this communistic Committee that has raised all these points. Those who made such statements should, in fairness, examine these questions and they must now state whether, what is stated by the Committee in the report, is drawn from their imagination or supported by authorities quoted by themselves. I do not blame the landholders; they, poor men, depend upon lawyers; they ask for advice; they ask for interpretation of decisions. They were told that these authorities would help them; that is why they have referred to these decisions in their written memorandum. It was the duty of this Committee which was appointed by the Legislature, to examine these decisions, to place the truth before the Legislature to enable hon. Members to know the truth in the matter.

"There is one other case which I wish to refer to; it is I.L.R., 13 Madras, 60, at page 178 of the report, Part I. There also they held that the presumption was in favour of the ryot. At page 179 of the report, there is Chockalingam Pillai's case; in the former case.

"After discussing the decisions of Calcutta and also of the Privy Council, Justice Muthuswami Ayyar on a review of all the previous cases, held that there was no presumption that every zamindari ryot was a tenant of the field and it would be monstrous to hold that every tenant in a zamindari to be a tenant-at-will, and further held that the zamindar was not entitled to evict a ryot until he proves that the right of the tenant was not one of permanent occupancy."

3-15 Justice Wilkinson agreed with this view. That case went on the p.m. basis of presumption, and that presumption was declared in favour of the ryot.

"The next case I referred to was 16, Madras. In the last paragraph at the bottom of the same page, we find—this was the case relating to the estate of Kassimkota:

"Mr. Justice Muthuswami Ayyar and Mr. Justice Wilkinson held in this case there was proof that the duration of the holding was at least 120 years and that in such cases it was not unreasonable to hold that the onus of showing that the tenancy commenced under the plaintiff or his ancestors rested on the zamindar and that until he showed it, the zamindar may fairly be presumed to have been the assignee of the Government revenue and the tenant made liable to pay a fair rent and entitled to continue in that possession as long as he regularly paid it (the rent). As regards the yearly muchilika the learned judges held that there was nothing in it inconsistent with the ryot's contentions and that it should not be inferred from the exchange of pattas and muchilikas under Act VII of 1865 that such terms would entitle any court to draw any inference that the holding of the tenant was a tenancy from year to year."

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"The next case, 20, Madras, which I referred to, had a very exhaustive judgment, and the Committee have taken only the important portions. What has been stated by the Committee in this report has been characterized as revolutionary and expropriatory; it was stated that the ownership of the soil is in the landholder himself and that the tenant is a man who must go away the moment notice was given to him. Let hon. Members look into this case and see for themselves whether what the Committee has stated in the report is revolutionary and expropriatory or not. Mr. Justice Subrahmanya Ayyar and Mr. Justice Benson laid down the rules as follows (page 180):

'A ryot cultivating a land in a permanently settled estate is *prima facie* not a mere tenant from year to year but a owner of the kudivaram right in the land he cultivates.'

'They explained how wrong analogies had been drawn on the basis of section 106 of the Transfer of Property Act which embodies the English rule . . .'

Then in the middle of that page, I refer to some of the authorities quoted by the learned Judges of the High Court. In the last big paragraph, you will find:

'In the course of the discussion the learned Judges held that the English rule could not be applied to India because there was absolutely no ground for holding that "the rights of the ryots in zamindaris invariably or even generally had their origin in express or implied grants made by the zamindar".'

And the learned Judges of the High Court quoted the Board of Revenue as an authority, Sir:

'In the language of the Board of Revenue which long after the Permanent Settlement Regulations were passed, investigated and reported upon the nature of the rights of ryots in the various parts of the Presidency, whether rendered in service, in money or in kind and whether paid to Rajas, jagirdars, zamindars, poligars, muttadars, shrotriyamdars, inamdars, or to Government officers, such as, tahsildars, amildars, amins or tanadars, the payments which have always been made, are universally deemed the dues of Government. (See the Proceedings of the Board of Revenue, dated 5th January 1818, quoted in the note at page 223 of Diwan Bahadur Srinivasaraghava Ayyangar's Forty Years Progress in the Madras Presidency. See also paragraphs 75 to 78 of the exhaustive observations of the Board as to the relative rights of zamindars and ryots in the Board's Proceedings of the 2nd December 1864 appended to the second report of the Select Committee on the Rent Recovery Bill, 1864, V. Madras Revenue Register at page 153.'

Sir, these are not the words of the Committee, of the majority members, whose opinions have come in for so much comment. The Committee has simply quoted the words of the learned Judges reported in Law Reports, 20, Madras. And those learned Judges did not draw from their imagination, they were not Bolsheviks or Communists, they were examining the common law of this land and were trying to do justice between man and man at that time.

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To-day, ignoring all these things, without looking into them and without studying them, to get up all of a sudden and say it is revolutionary, that there is a communistic smell in it, there is Moscow smelling in it, that there is danger coming from the north-east corner, and clouds are gathering—is that the way in which a subject of this nature should be approached by hon. Members of this House?

‘See also paragraphs 75 to 78 of the exhaustive observations of the Board as to the relative rights of zamindars and ryots in the Board’s Proceedings of the 2nd December 1864, appended to the Second Report of the Select Committee on the Rent Recovery Bill, 1864, V, Madras Revenue Register, at page 153. Therefore, to treat such a payment by cultivators to zamindars as “rent” in the strict sense of the term and to imply therefrom the relation of landlord and tenant so as to let in the presumption of law that a tenancy in general is one from year to year, would be to introduce a mischievous fiction destructive of the rights of great numbers of the cultivating classes in this province who have held possession of their lands for generations and generations.’

This is the language of the High Court. They quote also other authorities:

‘In support of the view that there is no substantial analogy between an English tenant and an Indian ryot, it is enough to cite the high authority of Sir Thomas Munro. Writing in 1824, he observes: “the ryot is certainly not like the landlord of England, but neither is he like the English tenant” (Arbuthnot’s “Selections from the Minutes of Sir T. Munro,” Volume I, page 234). And why is this so? It is for the simple reason that the rights of ryots came into existence mostly, not under any letting by the Government of the day or its assignees, the zamindars, etc., but independently of them.’

The right to the soil is defined there. Those who grew eloquent over the question and those who were talking that there were no decisions in support of this point, let them look into these now and they will find the answer themselves. Then they continue:

‘According to the best native authorities, such rights were generally acquired by cultivators entering upon land, improving it, and making it productive. As observed by Turner, C. J. and Muthuswami Ayyar, Judge, in *Sivasubrahmanya versus The Secretary of State for India*, I.L.R., 9 Madras, 285. Manu and other . . .’

They quoted 9 Madras case, which I referred to already. In what terms have they referred to it? Hon. Members may mark it:

‘In *Sivasubrahmanya Ayyar versus the Secretary of State for India*, I.L.R., 9 Madras, 285. Manu and other Hindu writers have rested, “private property on occupation as owner.” And in *Secretary of State versus Vira Ravan*, I.L.R., 9 Madras, 175, the same learned Judges pointed out “according to what may be termed the Hindu common law, a right to the possession of land is acquired by the first person who makes a beneficial use of the soil.” Hence the well-known division in these parts of the great interests in land under two main heads of the melvaram interest and the kudivaram interest. Hence also the view that the holder of the kudivaram right, far from being a tenant of the holder of the melvaram right, is a co-owner with him. Sir T. Munro puts this very clearly. He says: “A ryot divides with Government all the rights of the land. What-
ever is not reserved by Government belongs to him. He is not a tenant at will, or for a term of years. He is not removable, because another offers more”’.

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That is with reference to the question of enhancement of rent—

‘(Arbuthnot’s “Selections from the Minutes of Sir Munro,” Volume I, page 234. See also *ibid*, page 253.) No doubt, the view of the majority of the Judges (Morgan, Chief Judge, and Holloway, Judge, Innes, Judge, dissenting) in *Fakir Muhammad versus Tirumalachariar*, I.L.R., 1 Madras, 205, was different. But in *Secretary of State for India versus Nunja*, I.L.R., 5 Madras, 163, Turner, Chief Justice, and Muthuswami Ayyar, Judge, stated that they saw strong reason to doubt whether the view of the majority in that case was right.’

Again, in the same page, third paragraph, we find—

‘They further held, “there can be no hesitation in replying to this question that in essence there is no difference between a ryot holding lands in a zamindari village and one holding lands in a Government village (Arbuthnot’s “Selections from the Minutes of Sir T. Munro,” Volume I, page 254), and like the latter ryot, the former ryot, in the absence of proof of contract or of special or local usage to the contrary, is entitled to occupy his lands so long as he pays what is due, and if he should commit any default in this or other respect, until he is evicted by the processes provided by law.”’

What greater authority can be placed before the Members of this Honourable House? It is not a case of to-day. I will be coming presently to a more recent case where every authority has been reviewed. So long back as the time of 20, Madras, they held that the zamindari ryot was in the same position as the Government ryot with regard to ownership of the soil. What is the position of the Government ryot and what has been his position? The Government ryot is a freeholder. His only obligation is to pay the tax due to the Government. In 20, Madras, it was held that the zamindari ryot was in the same position as the Government ryot, his only obligation being to pay that revenue which was called rent at that time. It was a misnomer to have called it ‘rent’ at the time. In 23, Madras, which I referred to just now, in the concluding portion, at page 182 of the report, it is stated:

‘Nor is the fact that the zamindar is the owner of the kudivaram right as well as the melvaram right sufficient to shift on to the ryot the burden of proving that the tenancy is not one from year to year. In order to discharge the onus which is on him in a case of ejectment, the zamindar must do more than merely show that the land when it passed into the hands of the ryot was at his disposal, as relinquished or as immemorial waste land. He must show that the defendant’s possession is inconsistent with the *prima facie* view that it is held under the usual and ordinary form of holding prevalent in the zamindaris.’

So, in 23 Madras, what was stated in 20 Madras was reaffirmed. Then the Privy Council case is referred to at page 182. I have not brought the Law Reports here, because it is not necessary to refer to them in detail; after all, this is not a court of law before which we are arguing. We have put all these things in the report, so that hon. Members may have these extracts from the cases before them.

“Coming now to 45 Madras, at page 182: this case also was one between the inamdar and his tenants, but the Privy Council were called upon to review the authorities not only with reference to the inamdar but also with reference to the zamindar from out of whose estate the inam came out. It will be found that what is

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stated by the Committee with regard to these important matters has received the approval of the Judicial Committee of the Privy Council also. At page 182 of the report, I request the attention of hon. Members to paragraph 3: On the construction of the inam lands, the learned Judges held as follows:

'In the present case, the grant itself does not convey in express terms the kudivaram to the grantee. Nor does the term inam, an Arabic word meaning "a reward" give any indication of the intention of the donor, even if he had the right to bestow it on the donee.'

and this is the rule laid down by the Privy Council:

'*Prima facie* a zamindar or poligar is a rent-receiver; or to use the language of section 4 of Act I of 1908, he has the right to collect the rent from his tenants. *Prima facie*, his right of direct possession of the lands is confined to his "private lands" and the old waste land; it does not extend to "ryoti land."

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What is the meaning of the passage that is quoted from the decision of the Privy Council? That decision relied upon section 4 of the Estates Land Act I of 1908? What does that section say? That section says that the only right which the landholder has got under this Estates Land Act is the right to collect money from the ryot; he is not entitled even to possession and he cannot take possession of the land which is with the ryot. He can only claim possession in the land which can be called his private land. In regard to ryoti land, he shall have no right to possession even. This is what section 4 of the Estates Land Act says: 'Subject to the provisions of this Act, the landholder is entitled to collect rent in respect of all ryoti land in the occupation of a ryot.' That is the only right which the landholder possesses under the Estates Land Act; and this section 4 was the subject of interpretation by the Judicial Committee of the Privy Council. There they held that the landholder is only a rent receiver. He has no right even to possession and that the only land to which he can lay claim to possession is his own private land. So, Sir, those who have been contending that a long course of decisions has created rights in favour of the landholder, or has recognized the rights of the landholder, must look into these things to understand the plain meaning of the plain words therein.

"After laying down the above proposition, the Privy Council proceeded to lay down the following rule relating to cultivating ryots specifically:

'The place of the cultivating ryots in the agricultural economy of Southern India is thus described in a Proceeding of the Board of Revenue of Fort St. George (Madras), dated 5th January 1818:'

Sixteen years after the Permanent Settlement Regulations were passed, the Board of Revenue had to deal with it and interpreted and explained the whole position and that was quoted by the Privy Council as authority in this matter. What is that authority?

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They quoted the Board's Proceedings relating to cultivating ryots which runs as follows:

'The universally distinguishing character, as well as the chief privilege of this class of people, is their exclusive right to the hereditary possession, and usufruct of the soil so long as they render a certain portion of the produce of the land, in kind or money, as public revenue; and whether rendered in service, in money or in kind, and whether paid to Rajas, jaghirdars, zamindars, poligars, muttadars, shrotriendars, inamdars or Government officers, such as tahsildars, amildars, amins, or tanadars, the payments which have always been made by the ryot are universally termed and considered the dues of the Government.'

That is land revenue and not rent in the English sense. That is the position held by the Judicial Committee of the Privy Council in regard to the rights of the cultivating ryot in Southern India.

"Then, they reviewed the whole of the Estates Land Act in order to ascertain the relative position of the landholder and the ryot, the inamdar and the ryot. The Estates Land Act was examined by the learned Judges of the Privy Council and after examining the whole thing, they laid down that it was a processual law passed to enable the landholders and others who come within the definition to recover moneys due to them. Beyond that nothing else was conferred upon these persons by that Act. The only right that was conferred on the ryots was the right to acquire occupancy right. This is what is stated in the last paragraph of page 182:

"Referring to the scope and objects of the Estates Land Act, the learned Judges of the Privy Council held as follows:

'In declaring the rights of the occupancy ryots and emphasizing the distinction between the landlord's "private lands" and the "ryoti lands," the new Act affirmed the old customary law that had always been recognized by the British Administration. Apart from rules relating to procedure and the jurisdiction of the Revenue Courts, it created one new right in order to settle the constant disputes between landlords and tenants which had been going on for nearly a century; it gave occupancy rights to all ryots in occupation of lands within an "estate" at the time of the passing of the Act. It also gave some security to non-occupancy ryots in the enjoyment of their lands. In other respects, generally speaking, it declared and gave statutory recognition to existing rights and status. One important feature of the Act is worthy of the note; it throws into relief the component parts, which, from immemorial times, go to constitute a village; first, the lands in the direct cultivation of the proprietor (called by various names); second, lands occupied by tenants or ryots; and third, old waste lands over which by custom the landlord possessed certain specific rights now crystallized in the statute.'

"Now, Sir, where are the rights about which hon. Members have been speaking so much; where were the rights vested in the landholders and where were the rights recognized or confirmed in favour of the landholders by any judicial authority? Here is the exposition of the whole law and fact by the highest Judicial Tribunal. They dealt with the question in a straight manner and in no way indirectly. Although the case was between an inamdar and a tenant the whole question was examined by them: and they laid down what the Estates Land Act did with regard to conferring of any rights. Where is the law, where is the statute

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under which, hon. Members were saying, that long course of decisions were like this and like that? I ask, where is the long course of decisions which recognized any of these rights? On the other hand, it has been pointed out to hon. Members just now, that the whole thing has gone the other way. Section 4 of the Estates Land Act—sections of the Act have not been worded very happily, and sections 7 and 9 of the Patta Regulations have not been reproduced bodily—is so confusing that it became difficult for those who were called upon to interpret this section, to decide cases in a proper manner. Beyond that, there is nothing even in the Estates Land Act. The Hon. Mr. Forbes spoke like an honest man and whatever he spoke is to be found scattered in this corner and that and I referred to his speech when I opened the debate in this House. I am now placing before you all these materials to show that there is nothing new in what the majority of the Committee have stated. It is said that the majority of the Committee approached this subject with a prejudice. As lawyers practising in courts of law, having come into touch with so many clients and with their outside knowledge, they ought to weight their words and examine the whole thing. Of course, I do not object to their examining it; I do not object to their comments; on the other hand, I thank them for the way in which they have approached the subject and expounded it to the best of their ability and for having given me an opportunity to place all these things before them so that they may correct their views.

“ This Privy Council case in 45 Madras was followed in another case of the Privy Council reported in 52 Madras. They referred to some one or two cases in 41 Madras, 1012 and 43 Madras. That case, 41 Madras, was disposed of on the basis of presumption; there was no decision either way; and 43 Madras, page 166, also was disposed of in the same manner on the basis of presumption. After these two cases were disposed of like that, the matter came up before the Privy Council in 45 Madras which I have just now referred to and the passage relating to that has been placed before you, Sir. These two decisions were referred to there. They pointed out how they were to be distinguished. In those cases, they went on the basis of presumption. In 45 Madras, they examined the whole thing, went into the rock-bottom of the question, starting from the beginning and going to the end; and then they stated what the respective positions of the landholder and the ryot were. They explained what the position of the landholder was within the meaning of section 4 of the Estates Land Act. This is the case law. Then reference has been made to another case in 44 Calcutta, page 841. I shall not trouble you or the hon. Members of this House to go into the Calcutta decision and examine it side by side with this, because in Calcutta the relationship between the landholder and tenant is quite different from what it is here to-day. Not only to-day but even from the date of the Permanent Settlement until now, the

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relationship between the landholder and the ryot in Madras is quite different from the relationship of the landholder and the tenant in Bengal. In Bengal there is what is known as the sub-infudation system, and according to that it is not only one person who is a tenant, because there are what are called ‘ patridars ’ and ‘ sub-patridars ’ of whom there will be sixteen, seventeen or eighteen between the original landholder and the cultivator himself. So, that has been thrown out as not applicable to Madras, not by one authority but by all possible authorities, some of which have already been referred to by me.

“ Now, Sir, I have placed before hon. Members of this House 3-45 what the case law is on this subject. I have also placed before p.m. them the statutory law. From both, it is clear that it is the right of the ryot that has been established and not the right of the landholder.

“ Now, I would like to draw the attention of hon. Members to certain facts in order to remove the doubts that might still be lingering in the minds of hon. Members with regard to rent. Dr. Sir K. V. Reddi Nayudu read sections of the Permanent Settlement Regulation and certain sections of the Patta Regulation and he has discovered from the Permanent Settlement Regulation that peshkash has been fixed unalterably. He asked why they did not use those very words in the Patta Regulation, if it was their intention that the rates of rent which the ryot had to pay to the landholder were also to be fixed unalterably. Then the hon. Member wandered from section to section. The Hon. the Premier has dealt with all the points that have been raised during the course of the debate and I do not think it is necessary for me to dilate upon them, for when he puts a thing to the House, he puts it in such a way that even the man in the street could understand it and he does not indulge in any interpretation of the language used, but puts forth the truth, the truth that is the basis of all justice and that is expected to be laid before a court of law. It only now remains for me to follow it up in order to clear the doubts in the minds of certain hon. Members. Hon. Members seemed to ask, ‘ What is it that was settled at the time of the Permanent Settlement? ’ It just reminds of the question a person put to another after hearing the full story of Ramayana. He asked, ‘ I have heard the whole story; but how is this Sita related to Rama? ’ The question put by certain hon. Members reminds me of that question. They ask, ‘ What did this Permanent Settlement settle; we are unable to understand what the Majority Committee Report means; do they mean that the demand of land revenue of the Government was fixed or do they mean that the rate of rent was fixed permanently and unalterably. We are willing to admit the report of the majority in the matter of fixing the land revenue demand of the Government permanently and unalterably? ’ Mr. Narayanaswami Nayudu among others has

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stated the case both on the floor of the House as well in his Minute of Dissent on page 353, paragraph 4; after discussing the relationship of the tax-payer to the zamindar, the hon. Member comes to the conclusion—I must thank the hon. Member for raising the point—that the Government's demand on the zamindars was fixed permanently for ever and on the other hand the zamindar's demand on the ryot was alike fixed permanently for ever. On these two points the hon. Member agrees with the majority findings of the Committee. I shall have to take him from this point to show that doubts in his mind if there are any, could only be on points of detail. I shall show to the hon. Member where the trouble started in his mind and on what wrong premises the trouble was started. He agrees as I have stated, that the amount payable by the zamindar to the Government on the one hand and the amount payable by the ryot to the zamindar on the other hand were fixed permanently for ever. If he agrees on both these two points, I am unable to understand what his real difficulty is and I shall take him through certain passages to show to him where he started his mistake and how he is not able to come out of it. When these two things are admitted, when the first step which was referred to by the Hon. the Premier, of fixing the land revenue irreversibly was finished, it was easy to take the next step and thereto the hon. Member says, 'I also agree that on the other hand the zamindars' demand on the ryot was alike fixed permanently for ever.' What is the zamindars' demand? After first ascertaining this amount, the amount due to the Government as land revenue, this assignment came from the Government to the landholder. I shall explain the process briefly. 'The amount of land revenue is fixed and we give our promise and word to the ryot and we say, we have fixed this permanently and we give our word that we will not alter this amount hereafter' and then they assigned to the landholder the right to collect this irreversible amount from these unfortunate men and we say to them 'Here are the men in respect of whose land revenue you have been given the right to collect but you should not collect anything more than that.' If, on both these things, the hon. Member agrees with the Committee. I wonder what the other difficulty is that is troubling him."

SRI B. NARAYANASWAMI NAYUDU:—"I raised them in the Committee."

* THE HON. SRI T. PRAKASAM:—"I know that the hon. Member raised the points both in the Committee, in the Minutes of Dissent and in the House as well and that is why I am taking up his minute of dissent to examine the position taken up by him. But after these two points have been agreed to, I do not think that there is any other upon which he could differ from the Committee; if there is anything, it could only be on matters of detail.

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It is not as if every detail put forward in this report by the Committee—and the Hon. the Premier has explained it very lucidly—is to be meticulously examined and it is not as if after an examination, a searching examination, this is going to become law to-morrow. Points of difference in points of detail there would be; but if there is an agreement upon these major and fundamental issues, there need, I submit, be no further difficulty. After signifying his agreement on these two points, his trouble starts from the sixth paragraph and he proceeds up to page 355 explaining the points raised by him. I do not want to read through the pages but to quote him:

'This is the crux of the whole matter. What was the limit placed by the Permanent Settlement and the Patta Regulation as the demand on the ryot? Was it merely the rate of rent or the proportion of his rent on the total demand of 1802? To my mind the Permanent Settlement was not intended and did not fix the State dues of fasli 1210 to be the maximum demand on the cultivated area, but what was fixed by the Permanent Settlement and the Patta Regulation was only the limit of the maximum rates of rent.'

I agree with the hon. Member so far as the first part of it is concerned, namely, that the Permanent Settlement was not intended and did not fix the State due for fasli 1210 to be the maximum demand of the cultivated areas and it was not the contention of the Committee. No doubt, that was the testing year and that was the year that had to settle the whole matter; but they did not want to take the rate that prevailed in that particular year alone when they wanted to settle the rate for fasli 1210. They went back for a number of years; they took into account some normal years and even some famine years also and worked out the figures and then they fixed the average rate and that was entered as the dowe rate which the karnam under Regulation XXIX of 1802 was called upon to enter in his register and maintain as the record of rights for the future. The hon. Member was mistaken in thinking that the Committee imagined that the rate as it prevailed in that year 1802 was the rate that was taken into account for future guidance. I shall read the next part of the sentence:

'What was fixed by the Permanent Settlement and the Patta Regulation was only the limit of the maximum rates of rent.'

What was settled—he may put it in whatever manner he likes—were the rates of rent and not the maximum rates of rent. What was settled at the time of the Permanent Settlement were the rates of rent. The amounts on the cultivated area were ascertained and I may make the position clear to the hon. Member and also . . ."

SRI B. NARAYANASWAMI NAYUDU:—"The maximum amount divided by the extent of the area gives the rate per acre."

* THE HON. SRI T. PRAKASAM:—"The hon. Member solved that difficulty for us in the Committee. I shall just refer to it. We had a discussion about it and we got our doubts cleared and

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the hon. Member himself placed it before us and we adopted his amendment and made it a part of the report itself. I have not forgotten that and I am re-stating it because he has raised it. The case has been stated in such a manner by the Hon. the Premier that I need not follow it. But yet in view of the speeches that have been made even after clear exposition of the case by the Hon. the Prime Minister, I feel compelled to refer to it. All these are authorities, not any inference drawn by me, not anything imagined by me or by any member of the Committee.

4 p.m.

"And so it was made clear even at the time of the Permanent Settlement that the rates of rent were settled; they took care to say that it was not the amount on the cultivated area, as the cultivated area might be varying in extent as new lands are brought under cultivation. So they said, the rates of rent were settled. And what is this rent? It is defined in the Patta Regulation. It is not merely money rent. There are four kinds of rent defined in it. Firstly, village rent, that is, rent payable by the village as a whole; secondly, rent payable in cash or money; thirdly, rent called grain rent; and fourthly, a division of the produce with regard to what may be brought under cultivation hereafter. All these rents, whether it was village, cash, grain rent or even a share of produce—all these rents, and their rate were fixed permanently and unalterably; and it is on this basis the whole of the Patta Regulation started. It stated that the patta tendered by the landholder should contain the name of the village, the extent of the land, the period of the kist and the amount of the rent. It is only after these things are settled that the money value was ascertained and fixed and the pattas and muchilikas were exchanged. Sir K. V. Reddi wants us to put a different meaning on sections 7 and 9, and it takes away the breath of us all and the public to hear it. Can there be a Regulation passed year by year? And he was arguing that section 9 of the Patta Regulation relates only to cases which do not come under sections 7 and 8. Although I confess it is a foreign language and although I do not claim to be a professor, at least I lay claim to know enough of that language as to understand it. I say, these rents were ascertained and settled once for all at the time of the Permanent Settlement. The Hon. the Prime Minister has put the whole thing in such a homely style and very clearly that the division in produce was fixed and that there is a difference between the grain rent and rent by division of produce, so that I do not think I should dilate on it. Grain rent was fixed on the same average basis as money rent was fixed. Division in produce was intended to apply not to cases in which rent had already been fixed. Division in produce applies to waste lands that would be brought under cultivation in future. With special regard to the classification of soil, etc., all these things were fixed at the time of the Permanent Settlement; in fact, everything was fixed then, and nothing was left out—even with regard to waste lands that might be brought under cultivation thereafter. I shall just take the House through the

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clause relating to a division in produce. At page 104 of the Appendices Volume, you will find it under clause IV.

'Fourth.—Pattahs for the division of the produce of land shall be drawn according to the form prescribed in clause three.'

"And what is this clause three? It is as follows:—

'Third.—Pattahs for village rents shall contain the name of the village, the extent of the lands therein, the amount of the rent per annum, the period of the kists, which proprietors or farmers of land shall be compelled to adjust according to the time of reaping or of selling the produce of the land, and the coin in which the rent is to be paid.'

"Then I shall continue clause four:—

'Pattahs for the division of the produce of land shall be drawn according to the form prescribed in clause the third: but in lieu of the money rent, such pattahs shall specify the extent of the land, which the under-tenant, under-former or ryot may engage to cultivate, and the rate of the cultivator's share of the different kinds of grain cultivated and produced.'

"I shall also read the clauses, five and six:—

'Fifth.—Pattahs for lands on which a money rent is assessed shall, in addition to the items described in clause third, specify the rate of assessment on such lands, according to the land measure in use, and the rents on each description of land or grain, as the usage may be.

'Sixth.—Pattahs for lands charged with a grain rent shall, in addition to the items prescribed by clause third, state the specific quantity of land occupied under this description of rent, the specific quantity of grain to be rendered, and the species of grain.'

"All these will show that everything was worked out from village to village and nothing was left out. So the whole scheme of the Patta Regulation was to abolish, as was pointed out by the Hon. Premier, the old fluctuating and varying system of land revenue and to ascertain and fix it once for all as an unalterable thing. There, Mr. Narayanaswami Nayudu agrees; he agrees that the rates of rent have been fixed. One difficulty he has raised: 'what about the commutation of produce; why do you say, the landholder is not entitled to commute according to the prevailing price levels?'"

SRI B. NARAYANASWAMI NAYUDU:—"That is not the point I raised."

* THE HON. SRI T. PRAKASAM:—"If he has not raised it, other hon. Members have raised it. I am glad, Mr. Narayanaswami Nayudu says, he has not raised it. So far as that matter is concerned, it has been explained by the Hon. the Premier, and I need hardly add anything to it except to draw the attention of the House to certain passages to show the object of the fixation of rent—whether it was by way of division of produce or by way of grain rent or cash. I shall read paragraphs 76 and 77 at page 243 of the Appendices Volume:—

'76. In disposing of their property in the lands, Government transfers to the constituted proprietor the seigniorial rights which they exercised in their capacity of general landlord but the exercise of those

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rights being tempered by the extended views of the Government, considers in its political capacity of sovereign, the inferior inhabitants derived from the care and the interest of the Government, a positive degree of security against the abuse of power. We presume that in framing the regulations for the new internal constitution of this Government, security will be provided under distinct definitions for the rights, prescriptions, immunities, and customary advantages of the lower class of people.

'77. One of the most important objects of the solicitude of that class is the warum (or share of the crop) a subject which appears prevailed for the last six years ought in our judgment to be confirmed according to the Dowle of Fusly 1210 as the standard for decision in cases of dispute;

"This was stated three months before the Permanent Settlement Regulations were passed. The Permanent Settlement Regulations were passed on 13th July 1802, and this report was signed in April 1802 by the Special Commission appointed for settling these rights and other matters in what was called the Jaghir, that is now represented by the Chingleput district.

"Referring to the waram rate, the object of fixing this thing permanently is first explained. Then they give a second reason for fixing this waram rate in the manner in which they have done on the average basis. This is what they say:—

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p.m.

'One of the most important objects of the solicitude of that class is the warum (or share of the crop) a subject which appears prevailed for the last six years ought in our judgment to be confirmed according to the Dowle of Fusly 1210 as the standard for decision in cases of dispute; being the rates on which the value of the jagheer has been calculated in fixing the permanent jumrah. We do not recommend these rates of warum from an entire conviction of their invariable equality, but, because we think it will be highly expedient to enable the proprietors of land to enforce a fixed and known rate of division; without which the means of cavil on this point are so abundant as to be capable of involving every proprietor of land in inextricable disputes with his tenants; and consequently to depreciate the value of land. Possessing the power of enforcing a fixed rate of division, the proprietor will retain the option of relaxing the exercise of it, and will consequently be enabled to afford encouragement to industry and to repress the litigious spirit, which too generally distinguishes the lower order of our Indian subjects. The inhabitants will find protection in the Courts of Judicature from the oppression of the proprietor, but unless some defined rule be fixed, the proprietor would be continually harassed by obsolete claims of prescriptive "mamool".

"The second paragraph is, Sir, a very significant one. Paragraph 78:

'We have also another reason for recommending the warum entered in the Dowle of Fusly 1210; we consider that it may promote the object of commuting the contribution in kind for a money payment which we hope will ultimately prevail notwithstanding the difficulties to be surmounted before it can be introduced.'

"They anticipated it. When they fixed it they were thinking of those people who still insisted upon having this waram rate business for some time in the near future. 'We think,' they say, 'they may convert this, and they should convert this into money rates, which will be more beneficial for the ryots. And, in order to enable them to do it, in order to enable them to commute this into cash, we are fixing these things, this share in the crop in

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an irreversible manner.' That is what has been explained in the way in which it had been done. These are two objects with which it was done. Then the rate was fixed, the value was fixed, the peshkash value was fixed and the peshkash is paid in cash from that date until now. It is a simple rule of three. So many hot arguments were advanced that we should follow the interpretations of sections by the Privy Council and the High Court. In all seriousness if the House should say, 'interpret these sections alone and do not go anywhere else,' I would only be glad to look into that portion. But we know that this is not a committee appointed, by the High Court or a judicial committee. This is a committee appointed by the hon. Members of this House representing the nation to-day. They wanted us to go into this question, and decide who has got the ownership of the soil, and what the rights of the parties are with regard to the forest, irrigation sources, and fair and equitable rent. In the course of our investigation, when we went into the matter, when we found there that the fair and equitable rent had no limit, we went back to Estates Land Act of 1908, but we found it has gone behind the Rent Recovery Act of 1865; when we reached 1865, we found it had gone much further beyond that source. All the things we went into have been placed before the hon. Members of this House. To argue like a lawyer, who could argue and interpret a particular section and on a particular issue either for the plaintiff or for a defendant with regard to a certain particular claim, that is not the thing that we were asked to do here. If it was the instruction to us that we should not travel beyond, certainly we would not have gone beyond our power. If we had not been asked to go into all these questions with regard to the ownership, with regard to fair and equitable rent, if any limitations were placed with regard to the jurisdiction or the scope of our recommendations, even then, I think, we will be failing in our duty, if after discovering what we had discovered in this, we did not place them before the hon. Members of this House to enable them to do true justice to-day.

"I will now make an attempt to show to the hon. Members of this House, by drawing their attention to certain pages which were not referred to by me before, that it was not the peshkash alone that was fixed permanently and unalterably, but it was both the peshkash and the balance that were assigned to the landholder for remuneration, that were fixed permanently. I would request the attention of the hon. Members of this House to the Special Commission Reports and to the Statements of Account attached to these reports. To understand how this permanent settlement arrangement was arrived at by ascertaining the demand of the Government land revenue first and then dividing it into two-thirds and one-third as between the landholder and the ryot, I would take hon. Members into these pages for a few minutes. Appendices Volume, page 260; this is a Statement of Account attached to the Special Commission Report relating to the Western Poliams

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of Venkatagiri, Kalahasti, Bommarajupalayam, Sydapore. I would request the attention of the hon. Members of this House to the entries in the various columns of the statement. Column number 1, Gross beriz of the zamindaris. Amounts are given there in star pagodas. No. 2, Deduct amount of alienated lands shrotriyam inams. This is also given in star pagodas. No. 3, Gross collection of revenue by the accounts taken by the Collector from those given by the zamindars themselves. That is gross revenue. Net revenue from the same source, column 4. Column 5, Value of lands allowed to amarum and cuttabaddy peons on Military tenure exclusive of items included in column (4) resumable at pleasure by the Poligars being included in the gross Beriz. No. 6, Total of the two preceding columns of net revenue in money and service lands. Column 7 is important. Aggregate amount of the Military establishment including column (5) according to the Collector's statement. No. 8, Present peshkash paid to Government by the poligars. Column 9, Total of columns 7 and 8 being the amount of present peshkash Military charges disbursed by the poligars. Then column 10. I am afraid it is somewhat tedious, but all the same you will find that the thing is important. After stating all these things, after giving the gross collection of revenue, net revenue, peshkash, etc.—the amount is given there in star pagodas—finally this is given: 'Surplus remaining to the zamindars deducting column (9) from column (6) from their own acres.' That is the surplus remaining to the zamindars from the total gross collections after paying the peshkash. The arrangement was completed, the amount was settled, the total gross collection was entered, and then and there the other amounts were shown, and after paying the peshkash, the amount that remains as balance was the surplus and that is to belong to the zamindar. It is taken from the zamindar's own account. The Collector says that.

"Next you may refer to page 278 of the Appendices Volume, paragraph 22. They have made the position clear here. Referring to the arbitrary system that prevailed before this permanent settlement of the proprietary system that was brought into existence, the word 'proprietor' had been commented upon in the same manner in which Judge Collett interpreted it. But that is not the meaning in which it is understood. There were two systems: the arbitrary system that preceded the permanent settlement and the proprietary system which followed it. Under the proprietary system, the rights of the ryots have been secured. The pattas have been introduced like the sanads as between the landholder and the Government. In these pattas the rents fixed permanently and unalterably were entered and these pattas are referred to in this paragraph. They say that the rents entered in the pattas shall remain in force not only for the particular year, but also for the future. That is why I wanted to draw the attention of the hon. Members here.

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the two former qualifications however will not avail without the increasing exertion of the latter in no respect therefore does the arbitrary system resemble that of the proprietary system except in the rule of granting Pottahs to the cultivators, the one is pregnant with abuse and uncertainty perpetuating poverty. The other precludes abuse in the administration of the revenue, differs comparatively perfect security, and opens a prospect of progressive wealth to the body of the people but is unnecessary to occupy the time of your Lordship in Council by a discussion on these points as the regulations provided for the security of the rights and privileges of the proprietors and cultivators and it will be conditions of sale that the Pottahs granted by the Collector shall be valid so long as the holders pay the rent of the fields therein specified.

This is the language used there: 'The pattas granted by the Collector shall be valid so long as the holders pay the rent of the fields therein specified'—not patta for the particular year that will be extinguished at the end of the term, but the rents that were fixed will remain there so long as the holders pay the rent specified therein. That is what is stated in paragraph 22 of the Special Commissioner's report here. There is a reference here to the regulations. This Special Commission's report is dated 27th August 1802. The Patta Regulation and Permanent Settlement Regulation were passed on 13th July 1802. After they were passed, on the 27th August, this report was signed and the documents or title-deeds in which the rents are fixed and entered, will entitle the holder in that particular area to be the owner so long as the rents fixed and entered there were paid.

"Then I request hon. Members' attention to page 281 to the Government Order on this Commission's report as printed there.

"The next Commission's report is the report of the Commission for Vizagapatam first division—page 282. On page 288 in paragraph 6 of the Government Order you will find the direction given there: 'His Lordship in Council for the reasons stated by you directs that the collection of the nuzzers on mirasi maniams may be entirely abolished and the holders of these maniams exempted from the payment of nuzzers.' The report in some form or other, recommended the abolition of nuzzers so long back. But that has appeared in the Estates Land Act, section 25, in what is called the premium charged on waste land while returning the same to the persons entitled to them. The next Commission's report is for Masulipatam, first, third and fourth divisions—page 317. That is the statement attached to the Special Commission's Report. I am not troubling the hon. Members of this House with regard to the references made already. What is written here in these columns must enable hon. Members to dismiss from their minds all doubts that might still be lingering that it is only the peshkash that has been fixed permanently and not the rent which the zamindar was asked to take. I have shown what is stated there, in regard to the western palayams that the surplus should go to the zamindar, the other two-thirds having been taken away for peshkash. This refers to Masulipatam first, third and fourth divisions. On page 318, there are the following columns: column (2) gross revenue by the

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Committee of Circuit. Column (3) deducting sayar as estimated by the Committee of Circuit. Column (4) gross revenue, the result of the Collector's investigation. Column (5) gross revenue deducting sayar. Column (6) one-third for charges of income remaining with the zamindari. Column (7) two-thirds of the gross revenue deducting sayar.

"What more conclusive proof can be placed before the hon. Members of the House that it is not a mere imagination, not a flash that has been cast here. The whole thing had been worked out. How long have they been working? Did they sit in a corner and make a site estimate? The basis for the calculation of the settlement of these rates permanently at the time of the Permanent Settlement was the accounts that had been prepared for a number of years by the Circuit Committee. You will find them here according to the Circuit Committee's estimate, then the Collector's estimate and then the Revenue Board's estimate. All these were examined. Wherever they have been found to be based on wrong principles, they were dismissed. Then they were finally fixed—two-thirds for the peshkash and one-third towards the remuneration of the zamindar. What more proof is necessary? It was not the peshkash that was fixed permanently, but it was the revenue that was fixed permanently and unalterably. You will find the same thing with regard to the southern palayams. It is not the gross produce that is shown in the accounts there. There they deducted the expenses and the net amount is shown. We never wanted to submit to the hon. Members of the House in this report that the basis of gross produce was adopted throughout the whole Presidency or the basis of net produce was adopted throughout the whole Presidency. Net produce was adopted in certain areas in the south and the gross produce in the northern districts and variations were according to the loyalty of the landholder to whom the right to collect the revenue was assigned. This is given in Part II at page 215. There are three columns at the bottom: (1) General rule for the zamindari settlements in the Northern Circars. (2) To Government. Two-thirds of net assets—60 per cent of the gross. (3) To zamindar or poligar one-third of the net, 40 per cent of the gross. I will request the attention of hon. Members to these few items here because they have covered almost all the estates under general heads:—

General rule for the zamindari settlement in the Northern Circars.	To Government. Two-thirds of net assets—60 per cent of the gross.	To zamindar or poligar one-third of the net—40 per cent of the gross.
<i>Pollam Settlements.</i>		
Ceded districts permanently settled, 1802.	80 per cent of collections	20 per cent of collections and 10 per cent of future increase.
Tinnevely permanently settled large estates.	54-57 per cent of computed assets.	46-48 per cent of computed assets.
Tinnevely permanently settled smaller estates.	41-49 per cent of computed assets.	59-51 per cent of computed assets.
In seven cases	60 per cent of ascertained gross resources	40 per cent of ascertained gross resources.
Madura permanently settled—Ramanad.	66 per cent of average gross collections on average of six years.	34 per cent of gross Collections on average of six years.

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General rule for the zamindari settlement in the Northern Circars.	To Government. Two-thirds of net assets—60 per cent of the gross.	To zamindar or poligar one-third of the net—40 per cent of the gross.
<i>Pollam Settlements—cont.</i>		
Permanently settled Dindigul, six pollams.	66 per cent of survey valuation.	34 per cent of survey valuation.
Not permanently settled but unaltered since 1802.	70 per cent of survey assessment on cultivation of fasli 1212.	30 per cent of survey assets on cultivation of fasli 1212.
Chittoor Pollams not settled permanently as per Proclamation, dated 1804.	40 per cent of the melwaram or Government share (calculated on the decennial settlement from fasli 1221 to fasli 1230).	60 per cent of melwaram.
Kangundy permanently settled.	60 per cent of assets in 1800.	40 per cent of assets in 1809.
Poonganoor permanently settled.	88 per cent. of average revenue from fasli 1234 to fasli 1240 (Sunnud granted in 1860), supposed to be equal to 67 per cent of value.	17 per cent of average revenue at time of settlement, supposed to be equal to 83 per cent of value.
Salem Pollams not permanently settled and Western Pollams permanently settled.	Ancient peshkash confirmed without reference to assets.	Not calculated for the settlement.
Coimbatore Pollams not permanently settled.	70 per cent of assets in 1808.	30 per cent of assets in 1808.

"So let there be no mistaken impression anywhere that the Committee did not place all the facts before the Legislature. All the facts have been examined from every aspect and they have been placed before the House. So far as the division of the rate of peshkash and the amount which should be taken by the landholder was concerned, they have been fixed up. There was one system adopted throughout, but in some places there were special variations for special causes. They have all been dealt with in the report. The reasons given by the Government also have been placed on record here.

"Some point was suggested about the landholder being entitled to enter into mutual agreements and claim enhanced rates of rent. (Sri B. Narayanaswami Nayudu: 'That is an old theory.') Yes, that is an old theory. I may explain it here. This mutual agreement or contract was referred to only with regard to waste lands, that is, extended cultivation. This could not apply to cultivated lands. Landholders shall be free to enter into agreements with the persons to whom land is given for reclamation and development at lower rates of rent, lower than those fixed permanently at the time of the settlement on cultivated land. That means a contract that was excluded from the scope of the Permanent Settlement; an exception was made with regard to the waste land, when it had to be given at lower rates to encourage those who would work on the soil and develop it from time to time. That was the only contract that he could enter into with the cultivator with regard to waste land. He could give the land to-day at Rs. 5 an acre and the next year by arrangement he could take Rs. 10. If the cultivator brings this one acre of land under cultivation and shows an increased produce, he could enter into another arrangement for the next year or he could claim a share in the gross increased produce.

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4-45 P.m. "On this some stress was laid by saying that some freedom was given to the zamindar with regard to the enhancement of rent though it has been fixed permanently and unalterably according to Permanent Settlement Regulation. As my hon. Friend Mr. Narayanaswami Nayudu would put it, it is a very old matter. But nobody can contend so if once it is shown that everything was fixed permanently and unalterably. I refer in this connexion to what was stated by Mr. Hodgson at page 550 of the third volume of his report. At pages 552 and 554 he has worked out the figures for the net produce that the cultivator should get. At the end of page 556 in his report referring to the Dindigul Paragana the three conclusions which he drew are these:

'First.—That no zamindar proprietor (or whatever name be given to these persons) was entitled by law, custom or usage to make his demands for rent, according to his convenience; or in other words

'Second.—That the cultivators of the soil had the solid right, from time immemorial of paying a defined rent, and no more for the land they cultivated.'

—a defined rent and no more for the land they cultivated. Those were the words used. Rent was defined in perpetuity and no more than the defined rent should be demanded by the zamindars for the land the ryots cultivated. Then he says:

'This right is inherent in all the cultivators, from the most northern parts of India to Cape Comorin. I shall have occasions hereafter to show how the right came to be more or less of value in different parts of the India Empire.'

"In paragraph 37, page 556 of the same volume, he says:

'The proprietary right of zamindars, in the Regulations, is therefore no more than the right to collect from the cultivators that rent which custom has established, as the right of Government; and the benefit arising from this right is confined first to an extension of the amount, not of the rate of the customary rent by an increase of cultivation . . .'

So mark the words 'not of the rate of the customary rent.' So, the only way in which the landholder under the Permanent Settlement is entitled to extend the amount fixed by the Permanent Settlement is by bringing in more waste lands under cultivation and adding that amount which will be derived according to the permanently fixed rate on the lands so brought under cultivation to the amount already fixed for the lands that were being cultivated at the time of the Permanent Settlement. Thus you will see that 'the benefit arising from this right' is confined to an extension of the amount by the money that will be payable on waste lands on account of their being brought under cultivation, and not to an increase of the customary rate. Similarly it is also stated there that the zamindar is entitled to an extension of the amount on account of 'a profit in dealings in grain, where the rent may be rendered in kind,' and also thirdly on account of 'a change from an inferior to a superior kind of culture arising out of a mutual understanding, etc.'

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"Therefore, from the above, it is clear that so far as the land is concerned, it was the land that was assessed and it was the land that had to bear the burden and not the crop as it has been demanded by the landholders in the north, west and southern districts in their respective places.

"Then Mr. Hodgson's report refers to the methods adopted with regard to the survey of the fields and the classifications made and also the tarams and the rates that were fixed permanently.

"Then, Sir, the Karnam's Regulation was not referred to. It is a most important Regulation which should clear the doubt of any one as to the arrangement made at the time of the Permanent Settlement. It starts by saying:

'The revenue payable to Government from the estates of proprietors of land being fixed for ever and courts of judicature being established for protection of the said proprietors in the enjoyment of their lands free from all other demands than those of the permanent assessment on the part of Government and the practice of soliciting, etc., etc. . . . have no longer any direct object.'

and they continue:

'The Government has in consequence deemed it to be expedient to abolish the several officers heretofore maintained for the purpose of detecting or of preventing such concealment, with the exception of the office of karnam. But the office of karnam being still of great importance to the preservation of the rights and property of the people,'

not that of the landlords.

'it is expedient to provide for the continuance of that office on an efficient establishment, for the purpose of facilitating the decision of suits in the courts of judicature, etc., etc.'

If you refer to section 9 of the Patta Regulation, you will find the same thing. According to this Karnam's Regulation all the old establishments that were in existence for the purposes of preventing fraud were dismissed by one stroke of the pen. They said 'no longer is this establishment required, because we have fixed the rate according to Permanent Settlement; if there is one man, it is enough; what he has to do is to maintain an account in the following manner.' That is what they said. Then clause 13 gives the various duties that were enjoined upon the karnam and for what purpose? To maintain an account to show the extent of lands that were brought under cultivation and the rates that were fixed, grain rent or money rent. All this he was called upon to enter in his accounts. The preamble to this Regulation says 'he has to maintain an account in case of disputes.' That means, in case of disputes it is this man that should produce this account and whatever officer is called upon to decide such cases, he has to decide them on the basis of the accounts produced by the karnam.

"Now, Sir, I have placed all these facts with a view to enable hon. Members of the House to see that nothing was left in doubt

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at that time. So far as the doubt of my hon. Friend, Mr. Narayanaswami Nayudu is concerned, viz., that the framers of the Permanent Settlement Regulation started on a wrong basis in that the rates prevailing in fasli 1210 were adopted as the basis, I have shown that it is not the case and that the average of the rates of last two or three preceding years were taken as the basis and that the whole thing was done on that basis; that pattas were introduced and that the amount due was entered there. These pattas were not mere ordinary memoranda. But here the patta that was given is a document which is as good and as sacred as the Permanent Sanad which was given to the zamindar. It was said that the words 'unalterable' and 'permanent' occurred in the sanad and it was asked why such expressions were not used in the pattas also. I would submit, Sir, they were used in another form. The reason for their being used in another form was the fact that there was yet waste land remaining to be brought under cultivation after the fixing of the permanent rates of rent. Whereas the lands that had already been under cultivation prior to the Permanent Settlement could have been, and had been, brought under the Permanent Settlement, the waste lands that had yet to be brought under cultivation after the Permanent Settlement could not have been included in the Permanent Settlement and that was why these words were not used in the pattas that were given to the ryots. This point is made clearer still in section 9 of Patta Regulation relating to disputes in regard to rent. According to that section the only thing a Judge has to do is to call for the records of 1801, i.e., fasli year 1210 and see what the amount that has been fixed according to Permanent Settlement is. He must also see that it is the defined rent and not any other thing which the landholder may have acquired under cover of agreements, or in printed forms, or which might have come into force after the prices have risen.

"Then, Sir, something has been said about my hon. Friend, Mr. Rangaswami Ayyangar. My hon. Friend Sir K. V. Reddi was very much in love with Mr. Rangaswami Ayyangar and he (Sir K. V. Reddi Nayudu) quoted a paragraph from what Mr. Rangaswami Ayyangar has stated in his minute which has no bearing on the matter under discussion. He asked 'Are you honest; why don't you take Mr. Rangaswami Ayyangar's advice?' Sir, whether I am honest or not, it is a different matter. I shall only ask the Hon. Knight to take note of what Mr. Rangaswami Ayyangar said just above that paragraph. I have read this already, but the hon. Member perhaps did not hear it or did not read it."

DR. SIR K. V. REDDI NAYUDU:—"I did hear the Hon. Minister. Only I was in love with one part and the Hon. Minister was in love with another part of it."

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* THE HON. SRI T. PRAKASAM:—"I shall read this once again. I do not wish to bandy words with the great gentleman. Paragraph 4 runs as follows:—

'Coming to the question of what is a fair and equitable rent, i.e., revenue, we have seen that the zamindar who has got his peshkash fixed on the basis of the proportion and of the price level prevailing in 1802 cannot now complain if the same principle is now adopted in respect of the portion of the revenue to be retained by him. That is to say, the ryot is in justice and equity bound to pay not more than the share of the produce he was paying just before the Permanent Settlement commuted at the then prevailing rates of prices, on a calculation of which the peshkash had been fixed. This is the recommendation of the majority of us.'

On the other hand, the hon. Member, Mr. Narayanaswami Nayudu in the passage which I have already read to the House has left the things in a somewhat general way. He has said: 'If this is the thing that was settled at the time of the Permanent Settlement, I agree with the majority.' Again in another place he says, 'If this is the thing that was settled according to the Permanent Settlement, again I agree with the majority.' Only he has said it in the way which this other hon. Member of the Committee has written. Here he has put it in much stronger words than the majority of the Committee did. He tells the landholder: 'You landholder, you have been paying peshkash without any alteration until now; is not the ryot also entitled to say that his portion also should not have been enhanced?' He lays down the whole thing, but only he wanders into another street altogether and says that Government rates should be adopted. Here again, Sir, I must request the attention of hon. Members to the exact position. The hon. Member says:

'This mode of settling rents may be said to be correct from a purely theoretical point of view and the zamindars may not possibly raise the objection that any rights created under the Permanent Settlement are sought to be altered. But from a practical point of view, several difficulties are bound to occur. In working out the aforesaid principle the difficulties of the settlement officer will be great and numerous; the method of settlement new and familiar. A wide exercise of his discretion is inevitable much to the prejudice of the ignorant and poor ryot who has no resources or materials to check the vagaries of the officer.'

This is the opinion of Mr. Rangaswami Ayyangar. But we are working a Government here. We are working with a system here. We are working with Government officers who are called experts. Can we go on the basis mentioned by the hon. Member and say that we cannot check the vagaries of the settlement officer? If this Bill should become law, we will have to appoint settlement officers and ask them to go into this question. Are we to call them inefficient men? Are we to throw away the whole thing and agree with the hon. Member because according to him there may not be gentlemen who will carry out the settlement operations honourably and honestly? We should not abandon it. That is the sort of reasoning of the hon. Member, Mr. Rangaswami Ayyangar. Then all of a sudden he becomes an extremist of extremists and says that he is against the Permanent Settlement altogether and that it must

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go root and branch and that they must have a universal basis upon which the ryots of the Government land, the ryots in the zamindari and the ryots of Malabar—all these people could be put on a proper basis. Only the hon. Member had no idea of the Malabar land tenure. He was imagining and dreaming that he could produce a universal basis for adoption with regard to the whole ryot population of the Madras Presidency. Sir, Malabar tenancy is different and is to be dealt with in a different way altogether. That should be investigated separately and legislation should be undertaken separately.

“ Mr. President, I suppose you won't mind if I go on for some time more. I should like to finish the thing to-day.”

MR. PRESIDENT:—“ If the Hon. Minister will take a long time, we shall adjourn now and continue the discussion to-morrow.”

* THE HON. SRI T. PRAKASAM:—“ I would like to finish the discussion this evening before we adjourn.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ ‘ This evening ’ has a wide meaning.”

MR. PRESIDENT:—“ The Chair knows it.”

* THE HON. SRI T. PRAKASAM:—“ I know that hon. Members are put to much inconvenience. I am very sorry and I give my apologies to them.

“ Now, I will come to the question of the adoption of the Government rates. What is the common basis between the Government rates and the Permanent Settlement rates? Permanent Settlement is an agreement which has been declared to be sacrosanct by the British Government, and although they were handing over the charge of the land to the Provincial Government they put some clause there and hon. Members who were in the Government then knew all about that clause. That clause says ‘ although we have transferred all the power to the Provincial Government and they have got every right to deal with the land, yet let us reserve some right so that they would not go away without telling us.’ Now to tack on the Government rate and the Permanent Settlement rates which we are demanding now as just and proper rates, is it fair and proper? What is the reason for this suggestion given by hon. Members, Messrs. Rangaswami Ayyangar, Narayanaswami Nayudu and Mahboob Ali Baig:—‘ Witnesses have demanded this.’ Who are these witnesses and what is it that they have deposed before the Committee which has been called upon to investigate the whole matter and place the whole truth before the Legislature and the Government? What could they have spoken to? Could they have spoken to what was done in 1802 or in 1865? Could they all have spoken to what happened even at the time of the Estates Land Act? They were oppressed. They knew only the oppression. They knew the measure of the oppression by the volume

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of the oppression to which they had been subjected. What did they actually say? Hon. Members of the Committee who have appended dissenting minutes must certainly refer to the evidence. Witnesses have stated that this half-gross share basis was a very serious matter and that they could not bear it. They asked that the share might be fixed at one-sixth or one-fifth or one-fourth and some witnesses stated that they were in a wilderness and asked that they might be given at least the Government rates. I have made an analysis of the evidence which I would like to place before hon. Members.”

MR. J. A. SALDANHA:—“ Mr. President, how long are we going to continue? We are all very tired.”

MR. PRESIDENT:—“ We will close very soon.”

* THE HON. SRI T. PRAKASAM:—“ The Committee examined in all 358 witnesses. Out of them only 83 witnesses specifically mentioned the rates which they would like to have in preference to the existing rates. Witnesses who asked for the neighbouring Government rates with qualifications like ‘ at least ’ or ‘ as there is no other go,’ numbered 49. Number of witnesses who asked for rates lower than the neighbouring Government rates was 8. Number of witnesses who wanted one-sixth gross produce after deducting expenses, etc., was 11. Number of witnesses who asked for one-fifth gross produce was 2. Witnesses who asked for one-fourth gross produce were 4. Number of witnesses who asked for half net rate was 2. Witnesses who asked that the zamindari system should be abolished totally were 5. Number of witnesses who asked for the abolition of the zamindari system or as a mild prayer asked for Government rates was 3. One witness asked for a reduction of the existing rates by half. I have more details to give. But the hon. Member Mr. Saldanha is already impatient. I have given the details and shown that the position taken by the hon. Members is not supported by the evidence. It is not fair in an enquiry like this just to take a technical view of it and say that a particular witness asked only for Government rates. Are we not charged with the duty of examining the position of the Government ryots and comparing it with the position of the zamindari ryots and the position of other ryots such as those in Malabar who have not come anywhere in this enquiry? Are we not to do justice in this matter? Are we to look upon the thing as a case in the Sub-Court of Ramnad or on the Original Side of the High Court and say that issues have been joined and plaints have been filed and that we must keep to the issue and let in evidence only on the issues? Even here we have kept to the issues and confined ourselves to the terms of reference given to us by the Legislature. We have done everything possible and it is extremely strange—I cannot believe it—that a plea should be raised now that Government rates should be adopted. I put this question to hon. Members: supposing the Government rates are higher, what is the position? ”

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SRI B. NARAYANASWAMI NAYUDU:—"If the zamindari rates are low, they should not be raised."

* THE HON. SRI T. PRAKASAM:—"In another enquiry of Mr. Narayanaswami Nayudu it could be done. Not until then; not in this matter. What will be the position then? I will put the question to hon. Members in this form: Here is the peshkash that has been paid from 1802 until now as two-thirds of the land revenue. Suppose it is proposed by the Government to-day to take this line. Mr. Ahmed Meeran very vehemently argued that the landholders had been paying only a paltry sum to the Government all these years and had been robbing the Government of its proper dues. Suppose we take him at his word and tell the zamindars that we want to add something more to the peshkash which the zamindars have been paying from 1802 till now. What would the landholders do? The landholders would rush with a memorial to the Governor, to the Viceroy and to the Secretary of State, Lord Zetland, and say, 'Look at the Permanent Settlement and the solemn pledge you have given that the peshkash will not be altered, and look at these people here who are asking me to pay so much more. Is it not expropriation?' What would Mr. Rangaswami Ayyangar say to that? What would other hon. Members who want that the Government rates should be introduced say to that? How can it be possible when we are dealing with Permanent Settlement? We have tried our best to keep within the limits; we do not wish to go out of the way when we are shown the limits within which we should move. So the Government rates cannot be brought into the bargain here. And what are the Government rates? They may be increased to-morrow; they may be higher than the Permanent Settlement rates that are being discussed now. If Government rates are introduced and if the zamindars are asked to pay a proportionately higher peshkash, the whole thing would go to pieces in one minute. There need have been no committee, no enquiry and no report. There was a motion by the hon. the Raja of Mirzapuram in the committee to the effect that this report should be kept further instructions. It is an utterly irreconcilable position to take to say that Government rates should be introduced here also. One hon. Member said that there was a 'ruse' to introduce the Soviet system. I ask, Sir, this plea is a ruse for what? To talk of introducing Government rates after making an enquiry for one year and six months and making a report to the Legislature! Another suggestion is to appoint a committee of judges, retired judges, to study the report and make their recommendations. Probably the hon. Member Mr. Saldanha will be willing to be the President of the committee when it is constituted. I do not mind that. But what are all these suggestions?"

"I do not mind these amendments; what are all these amendments for? These are indirect methods of saying, veto the report,

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[Sri T. Prakasam]

let this report be shelved, and let us reform the whole land-revenue policy of the Government, the ryotwari system, the zamindari system and the Malabar system all put together; until that time, we should leave this. That was the argument that was put forward. I wish to say a few words with regard to the amendments moved by Mr. Narayanaswami Nayudu and Mr. Saldanha. I have already said enough about the Committee that was proposed to be appointed.

"About the amendment of the hon. Member, Mr. Narayanaswami Nayudu, with regard to inams, I must state the position here clearly. Hon. Members who take a different view, do not understand the reasons given by the majority for separating inams from zamindari areas and for not including that subject in this report. We know what happened with regard to the protection intended to be given to all parties under the Rent Recovery Act on account of clubbing irreconcilable interests under one definition; therefore the majority report wanted to avoid those difficulties. We examined the whole question of inams and we came to the conclusion that they should be dealt with by a separate legislation. It was not the desire of the Committee to anticipate and decide the question of the rights of the ryots in inam areas. In this connexion I must refer again to the Permanent Settlement Regulations. At the time of the Permanent Settlement in 1802, the zamindari area was marked out. The method of ascertaining the zamindari area was also given in the sections of the Permanent Settlement Regulation; these inams were excluded as lakhiraj lands. Government lands were separated. For lakhiraj lands, they passed another Regulation, Regulation XXXI of 1802. A special law as to the basis of title was passed; Regulation XXXI of 1802 was followed by Regulation IV of 1831, and Act XXXI of 1836. All these Regulations dealing with the jurisdiction with regard to inams were passed to remove all doubts and disputes about inams. In Regulation XXXI of 1802 it is stated the Governor in Council should be the only authority to decide all questions that relate to the competence of officers who are called upon to settle these inam titles. Thirty years later, in 1831, Regulation IV of 1831 was passed which extended the restriction to matters of dispute between man and man, inamdar and any other person. Five years later, Act XXXI of 1836 extended the same restrictions. Inam Act IV of 1862 was passed to settle the titles. Titles were promised to be settled under Regulation XXXI of 1802; the Inam Commissioner took a long time to attend to these matters; the Inam Commissioner had to go and enquire into the whole matter and settle the titles. After he settled the titles, the Inam Act IV of 1862 was passed confirming the titles conferred by the Inam Commission. In 1866 doubts were created. Other Regulations were passed to remove these doubts just like Regulations of 1822 explained the meaning of Regulations XXV and XXX of 1802.

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" We have no quarrel or difference at all with reference to these matters. The majority report does not say that the rights of the ryots should be taken away; their rights have been settled already. In some cases it was stated that the rights of the inamdar were against the rights of the ryots. Inam Act VIII of 1869 was passed in order to clear the doubts. Let it not be supposed that by the confirmation of titles by the Inam Commissioner after his investigation and the passing of the Regulation, the rights of the ryots had been taken away. After all these Acts and Regulations had been passed, in 1871 Act XXIII of 1871 was passed. I will have to take much of the time of the House if I were to take hon. Members of this House into those sections which deal with the jurisdiction of the courts, the jurisdiction of Governor-General in Council and the Provincial Government. The Government of India had jurisdiction with regard to inams in their own areas. All the things were merged and the Government of India Act was passed. When that Government of India Act was still in force, the Estates Land Act of 1908 was passed, including whole inam villages under the definition of 'estate.' It made it impossible to declare that the ryots were conferred occupancy rights. We looked into all those matters; we came across the Government of India Act of 1871. We examined also the Estates Land Act of 1908 and the Amending Act of 1936. The jurisdiction of Civil Courts is retained in the Government of India Act with regard to certain inams. The Estates Land Act does not refer to the Civil Courts' jurisdiction ordinarily. When the Estates Land Act was passed, no attempt was made to repeal all these Regulations and the Government of India Act. Then a law was enacted for the inamdars separately. Thus hon. Members can see a vista of the various questions relating to both parties. How can we mix up these things? It is an impossible task. We have therefore recommended that legislation with regard to inams should be undertaken separately.

" Sir, I wish to reply to the hon. Member Mr. Narayanaswami Nayudu who feels much in this matter. I wish to ask him, what is it that was done by the Estates Land Act of 1908 and the Amending Act of 1936 with regard to inams? There was some misapprehension in the minds of people that whole inam villages were held by a very small number of people, scattered here and there throughout the Presidency. Small inams were dealt with like big estates. All these points have to be looked into and the rights of the inam ryots have to be declared separately. I wish to inform Mr. Narayanaswami Nayudu that we have to extend time to enable the contending parties, the inamdars and the ryots, to establish their kudivaram rights. A special tribunal was appointed before the appointment of this Committee, to go into these matters, to enable parties to adduce evidence, and to settle the matter. Unless this is settled, nothing can be done; no Act is in force to-day. Unless and until the special tribunal goes into the question and decides it,

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nothing can be said to be in force. We shall do our best to expedite the matter, so far as the ryots in the inam areas are concerned. It is the duty of the Government to look into the interests of all parties. When the Committee has been devoting so much time with regard to the ryots in the zamindari area, there is absolutely no reason to fear that the other question would not be taken up as early as possible. It would be clear from what I have stated that many things have been mixed up with regard to inams.

" By way of closing my remarks, I wish to thank hon. Members once again. At the same time I must ask hon. Members who have taken the opposite view with regard to certain matters, to revise their opinions. Let them not attribute motives and let them not question the honest motives of the authors of the majority report. Honesty is of different kinds; there is what is called intellectual honesty. What is intellectual honesty? What is intellectual dishonesty? A comment was made once in one of the Law Journals that a Judge of the High Court was guilty of intellectual dishonesty in pronouncing certain judgment. There was considerable trouble over it. What was meant by intellectual dishonesty? When the decision of the Judge was examined it was found that the conclusions were absurd and perverse. Judges realized that there was freedom for publicists to express their opinions. Similarly, freedom given to hon. Members of this House is rather vast. (Sri B. Narayanaswami Nayudu:—'Curtail it.') The hon. Member says 'curtail it.' It will be curtailed when the Interim Ministry comes into office again, and not by this Ministry. Honesty has been referred to side by side with communism. To show that there was no communism in the report and that it is a pure piece of justice that has been denied to millions, all these facts have been placed before hon. Members of the House. Chapters, verses and plain and simple facts have been placed before hon. Members of the House. They have to read them, to understand them and to interpret them in a just and proper manner. The hon. Member, Mr. Narayanaswami Nayudu, said 'curtail the freedom.' If I had wished to do so, I would have risen and objected to the expressions used then and there. I know it will not touch anybody here. This Government is not one that will be touched by such expressions.

" So, it is for the hon. Members who exceeded their limits to examine the facts and figures now and to revise their opinion and do justice to the people who have suffered. If, instead of that, there is to be an honest opinion on the facts and on the law and on the constitution, they are quite free to hold it. There are people who hold such opinion, and there are also people who grow very violent, especially when they see that there is no mistake on the other side and when the mistake is on their own side. So, I appeal to hon. Members to see that truth and justice prevail.

" Then, Sir, what is this communism about? Where has the hon. Member smelt it? For what purpose has he introduced it into

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p.m.

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the debate at the last moment? During the last two or three days, the Presidential election has taken place in the Congress, and Babu Subhash Chandra Bose has succeeded and defeated his rival. (The Hon. Sri C. Rajagopalachariar: 'Leave it.') The Hon. the Prime Minister says that I should leave it. But how could that be left on the floor of the House, when an hon. Member of this House who occupied high places in the past and acted as a Governor of this Presidency for some time, gets up and mentions this word 'communism'? Where did he get it? Wherefrom did communism come? He introduced communism and attempted to show that all this is an effort now to introduce Stalin's methods here into this country. There must be some honesty with regard to this matter. I ask the Members of this House to examine these things from the beginning until now and to see whether it is not a bare rule of three that has been asked to be applied here, whether there is anything by way of one rupee addition claimed by the ryot or one rupee deduction from the amount that is due to the zamindar. If it is not so, why introduce this communism business? The hon. Member said in the course of the discussion, 'You have not done what we did during our Interim Ministry period.' I do not wish to say anything about the Interim Ministry period. Interim Ministry was a Ministry which had no Legislature to back it up; Interim Ministry wanted to anticipate the coming Government—God only knew whether that Government was coming or not. Interim Ministry appointed a Committee which made recommendations. 'Go to 1894 rates, cancel all the enhancements, all the resettlement enhancements, and then fix it permanently.' Who will fix it? If the Ministry could fix it, they would have done it before they vacated. That had to be done under an Act of the Legislature. Where was the Legislature for the Interim Ministry? To think that he should have referred to that incident and that he should have introduced communism again here, as if we would be frightened by communism! What is this communism? There can be no communism in India so long as that one man and his creed are there before the people of this country, so long as his non-violence has been accepted by Subhash Chandra Bose or by a greater extremist than Subhash Chandra Bose. Your Stalin methods cannot come, your Lenin methods cannot come here; your red cannot come here, you cannot see anything red in any of these matters. He ought not to grow eloquent over the 'communism' business at this stage of life and at this stage of the constitutional developments. Constitutional developments will come and constitutional developments will go; the Government here will work and do according to their best lights, without being detracted into anything on this side or that side by slogans of communism or reddism or bolshevism that may be uttered here."

Mr. PRESIDENT:—"Now, all the different amendments will be placed before the House, unless the hon. Members who have

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moved those amendments withdraw them. Are the hon. Members prepared to withdraw their amendments?" (Hon. Members: 'No.')

Mr. J. A. SALDANHA:—"By no means; I am not convinced by the Hon. Minister's speech at all." (Laughter.)

Mr. PRESIDENT:—"The question is that the following amendment be adopted:—

'That on such consideration this Council recommends to the Government that a Committee composed of the members mentioned below be nominated by Government to report their views within three months on the recommendations of the Madras Estates Land Act Committee in their report—

- (a) Two representatives of the zamindari class;
- (b) two representatives of the zamindari ryots;
- (c) two representatives of the latter's under-tenants;
- (d) two representatives of the general population of the Province, with a gentleman of judicial qualification and experience to preside and a Secretary to take down the proceedings.'"

The amendment was put and lost.

Mr. PRESIDENT:—"The question is that the following amendment be adopted:—

'That on such consideration this Council recommends as follows:—

"That all the zamindari areas be compulsorily surveyed and settled on principles analogous to and identical with those under which ryotwari areas have been settled, and the rates fixed for ever and that on such settlement the ryots should be declared to be the owners of their holdings subject to the payment of the rates of rents so fixed. Where, however, the rates existing are lower than those that may be levied under the settlement recommended, the said rates should be confirmed and fixed for ever.'"

The amendment was put and lost.

Mr. PRESIDENT:—"The question is that the following amendment be adopted:—

'That on such consideration this Council refuses to give its assent to the recommendations that ryots should be declared to have proprietary right to the soil in all forests and recommends that in all zamindari villages commanding forest areas, the zamindars should be compelled to set apart grazing areas for the use of the villages and suitable rules and powers be given to the Government for enforcing such provisions and the provision with regard to taking green leaves for manure and cutting woods for domestic and agricultural purposes.'"

The amendment was put and lost.

**PRINCIPAL OFFICERS OF THE MADRAS
LEGISLATIVE COUNCIL.**

President.

THE HON. DR. U. RAMA RAO.

Deputy President.

SRI K. VENKATASWAMI NAYUDU.

Panel of Chairmen.

- 1 KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR
- 2 THE RT. HON. V. S. SRINIVASA SASTRI.
- 3 SRI T. A. RAMALINGAM CHETTIYAR.
- 4 „ V. V. JOGAYYA PANTULU.

Secretary to the Council.

SRI D. K. V. RAGHAVA VARMA, B.A., B.L.

[3rd February 1939]

MR. PRESIDENT:—"The question is that the following amendment be adopted:—

'That on such consideration this House recommends that agraaharam villages, pre-settlement or otherwise, should be placed exactly on the same footing as zamindari villages and the ryots of the said villages are in the same footing as the ryots in the zamindari areas and the recommendation of the majority Committee report in regard to inams should not be accepted or acted upon as the same are reactionary, contrary to the just and established rights of the ryots in the said villages.' "

The amendment was put and lost.

MR. PRESIDENT:—"The question is that the following amendment be adopted:—

'That on such consideration, this House recommends to the Government to bring in legislation at an early date on the general basis of the majority recommendations of the Madras Estates Land Act Enquiry Committee.' "

The amendment was put and carried.

MR. PRESIDENT:—"The question is that the main motion of the Hon. Sri T. Prakasam, amended as follows by the amendment of Sri V. V. Joggayya Pantulu, be adopted:—

'That the Report of the Madras Estates Land Act Committee be taken into consideration and that on such consideration, this House recommends to the Government to bring in legislation at an early date on the general basis of the majority recommendations of the Madras Estates Land Act Enquiry Committee.' "

The motion as amended was put and carried.

MR. PRESIDENT:—"The House will now adjourn and meet again on Monday, the 20th February 1939, at 5-30 p.m. in the Banqueting Hall, when the Budget for 1939-40 will be presented."

PERSONNEL OF THE GOVERNMENT OF MADRAS

GOVERNOR OF MADRAS.

HIS EXCELLENCY LORD ERSKINE, G.C.I.E.

MEMBERS OF THE COUNCIL OF MINISTERS.

- 1 THE HON. SRI C. RAJAGOPALACHARIAR, Prime Minister, in charge of the Public and Finance Departments.
- 2 THE HON. SRI T. PRAKASAM, Minister in charge of the Revenue Department.
- 3 THE HON. MR. YAKUB HASAN, Minister in charge of the Public Works Department.
- 4 THE HON. DR. P. SUBBARAYAN, Minister in charge of the Law Department.
- 5 THE HON. DR. T. S. S. RAJAN, Minister in charge of the Public Health Department.
- 6 THE HON. SRI V. I. MUNISWAMI PILLAI, Minister in charge of the Agriculture and Rural Development Department.
- 7 THE HON. SRI V. V. GIRI, Minister in charge of the Industries and Labour Department.
- 8 THE HON. SRI S. RAMANATHAN, Minister in charge of Administration Reports and Public Information Department.
- 9 THE HON. SRI B. GOPALA REDDI, Minister in charge of the Local Administration Department.
- 10 THE HON. SRI C. J. VARKEY, Minister in charge of the Education Department.

THE MADRAS LEGISLATIVE COUNCIL.

THIRD SESSION OF THE LEGISLATIVE COUNCIL UNDER
THE GOVERNMENT OF INDIA ACT, 1935.

Monday, 20th February 1939.

The House met at 5-30 p.m. in the Banqueting Hall, Government House, Mount Road, Mr. President (THE HON. DR. RAMA RAO) in the Chair.

[*Note.*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

I.—BUDGET FOR THE YEAR 1939-40.

* THE HON. DR. T. S. S. RAJAN:—“ Sir, on behalf of the Finance Minister, I beg to present the Revised Estimates for the year 1938-39 and the Budget Estimates for 1939-40. The Prime Minister regrets that, owing to his pre-occupation in the other House, he is unable himself to present the estimates in this House.

[Dr. T. S. S. Rajan] [20th February 1939]

"Sir, I present to the House the Revised Estimates for the year 1938-1939 and the Budget Estimates for 1939-1940. This is the third time I have the honour of presenting the Budget to this House. From all points of view this is a year of trial for us. It calls for the utmost co-operation, sacrifice, good understanding and patriotism on the part of us all.

The political situation.

"The political situation is more uncertain and disquieting than ever before in many respects. There is no doubt the people as a whole appreciate the solid advantages of a government responsible to themselves, even though such responsibility is limited to the provincial sphere, and I may say without exaggeration, that in spite of all our shortcomings of which we are not unaware, the people are not tired of the present Government but are anxious that they should continue to look after the welfare and guard the interests of the people. It should however be remembered in every connexion that we are still carrying on government in the provinces under an irresponsible Centre, and in the shadow of a scheme of All-India Federation which has been rejected not only by the Indian National Congress, but practically by every popular element in the country including the people of the States, and, —may I say, the princes also— which the British Government have not wisely decided as yet to put aside as worthless, taking steps to devise a more satisfactory solution for the problem. This legislature has done its bit to press this advice on the British Government, and, perhaps, we may still hope.

"The inclusion of the States in the scheme of Federation far from being a source of strength as was originally hoped, has become a cause of bitter conflicts and grave anxieties. It is impossible for the governments of the provinces to function with self-respect, if an irresponsible but increasingly active Central Government continues to sit over them in all important matters, unwilling and unable to throw off the force of habit and the conventions of previous practice. I mean no offence to the individuals in office at the Centre who are all worthy and able men.

[20th February 1939] [Dr. T. S. S. Rajan]

Seasons.

"In the economic sphere the well-being of a province such as ours, which is almost entirely dependent upon agriculture, is primarily determined by the monsoons and, then, by the level of prices of agricultural products. Prices have not been particularly favourable, while the seasons have been terribly unkind. The Province has been visited by an altogether exceptional series of calamities. The current financial year opened with three districts in the grip of famine. Operations of relief, we had believed, would be closed with the break of the south-west monsoon and with an expenditure of Rs. 6 lakhs, but relief operations had to be continued until October—and until the end of December in the case of the weavers' relief centres—and we had to spend on the whole Rs. 21 lakhs. The total expenditure on famine-relief operations, including grants to the District Boards of Anantapur and Kurnool to expand their ordinary programme of public works came to a total of about Rs. 25 lakhs. In addition to this direct expenditure, land revenue had to be remitted or suspended on a liberal scale throughout the areas affected by famine. These remissions came to about Rs. 15 lakhs and, over and above this, collections amounting to Rs. 4 lakhs were suspended. All these concessions were of course necessary and did much to mitigate the distress resulting from the famine, but they all mean drafts on the tax-payers elsewhere.

"The south-west monsoon which broke in June 1938 was fairly satisfactory on the whole, but, then came damage caused by floods in Salem in August, in Kistna and West Godavari in September and in Vizagapatnam in October. Towards the end of November a devastating cyclone came upon Kistna, East Godavari and West Godavari districts, causing considerable damage to cattle and valuable crops which were ripe for harvesting or which had been harvested and kept on the threshing floors. Government had to place considerable sums at once at the disposal of the district officers for the relief of distress, in addition to remission of land revenue that has been and will have to be granted on a fairly large scale. On the top of these calamities, the north-east monsoon almost completely failed throughout the whole Province. Not only have crops failed or suffered badly, but there is considerable distress owing to shortage of employment, especially in

[Dr. T. S. S. Rajan] [20th February 1939]

Chingleput, Chittoor and Coimbatore districts. Land revenue will have to be remitted over a wide area to an amount which, I fear, may extend to about half a crore of rupees. Test works have been opened in three taluks in the Coimbatore district and it is probable that a further large draft will be made on the famine relief fund during the year under Budget. Arrangements have been made for grants to district boards to enable them to undertake works with a view to providing employment for the people in the areas under distress.

"I might perhaps mention here, in passing, that while the people of this Province have been visited by these successive calamities in their own homeland, our brothers living in Burma have over a period of several months been the victims of riot and disorder, with consequent loss of life and damage to person and property. Many have had to flee the country as a result of the widespread disturbances there, and this Government have spent over half a lakh of rupees in sending these refugees from Burma to their homes in various parts of this Province.

"The prices of foodgrains during the first-half of the current financial year were generally somewhat lower than the corresponding prices of the previous year except in the case of rice and cholam during certain months. The failure of the monsoon in our Province may result in a tendency for prices to rise above last year's level, but a rise owing to such a cause can be no solution or help to us. The position in the case of commercial crops is far from encouraging. It is true that jaggery prices have shown a marked improvement, but cotton, groundnut and coconut prices are all about 20 to 30 per cent lower than last year, and pepper is about 10 per cent on the wrong side.

"This, is the sombre background on which I have to present the Budget for 1939-1940. As I said once before, one must think and act and speak as if one were expecting to continue responsible for all time, though I know that I may be relieved at any moment. We cannot but work with this formula of conduct, however inconsistent it may appear to be.

Prices.

20th February 1939] [Dr. T. S. S. Rajan]

1937-1938,
Accounts.

"As usual I must first set out the final results of the year 1937-1938. When we passed the estimates a year ago, we anticipated a revenue surplus of Rs. 2.69 lakhs for the year ending 31st March 1938. Before the end of the year it became apparent that the actuals would show a considerable improvement as the net result of variations under revenue and expenditure heads. In view of this net betterment, the Government decided to transfer to the Rural Water Supply Fund a sum of Rs. 3 lakhs over and above the amount of Rs. 15 lakhs originally contemplated and to meet from revenue, instead of from the Famine fund as originally contemplated, a sum of Rs. 5.63 lakhs spent during the year on famine operations, with a view to conserving the Fund for future demands upon it. The improvement continued to the end of the year 1937-1938 which closed with a revenue surplus of Rs. 17.66 lakhs.

"Capital expenditure outside the Revenue Account fell below the Revised Estimate by Rs. 17.89 lakhs. The fall was mostly in respect of electric schemes. Disbursements for loans and advances showed in the net result a fall of Rs. 2.25 lakhs. Fluctuating deposits which can never really be estimated with any approach to certainty were responsible for a net betterment of Rs. 71.60 lakhs. As a result of betterments in the position, the Government invested in March 1938 a sum of Rs. 79.72 lakhs in the Central Government's Treasury Bills of the face value of Rs. 80 lakhs due to mature in May and June 1938. The cumulative effect of these several variations was that our closing cash balance on the 31st March 1938 amounted to Rs. 136.87 lakhs as against Rs. 109.88 lakhs anticipated in the Revised Estimate.

"The only other point which I need mention in connexion with the accounts of 1937-1938 is that, as the House may remember, a loan of Rs. 164.03 lakhs was raised in August 1937 for expenditure during 1937-1938 on specified remunerative objects. The total expenditure actually incurred during the year on these objects was Rs. 165.34 lakhs. The loan funds were thus fully utilized within the year and on the specified objects for which the loan was raised. This is a simple statement of fact, but it is important and conclusive testimony of the soundness of the Government's borrowing policy.

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1938-1939,
Revised
Estimate—
Revenue
Account.

"I must now turn to the current year, 1938-1939, which has yet a month and a half to close. I have already referred to the almost complete failure of the north-east monsoon over the greater part of the Province, and to the November cyclone which devastated large areas in Kistna and Godavari districts and the consequent heavy seasonal remissions of land revenue that must be granted, and that nearly half a crore may fall within the current financial year as against Rs. 11½ lakhs provided for in the Budget on the assumption of a normal season. In addition to these remissions, there will be postponement of collection of land revenue from the current year to the next. The result will be a fall in the land revenue receipts in this year by something like Rs. 34 lakhs below anticipation. In spite of all this, after anxious consideration, we decided to make the same general land revenue concessions this year as were granted for the previous fasli. We have directed that these reductions may be given effect to in the last kist uniformly in all districts. Previously the concessions were applied in the last kist in the majority of the districts, but in the case of nine districts the concessions were applied in March, even though March was not the last kist in those districts. The removal of this anomaly gives a budgetary benefit in the current financial year of Rs. 32 lakhs. Future years will not be affected by this as the effect of the change will be carried forward from year to year. This explains why, in spite of the special and unexpected misfortunes of the year, there is little difference between the Budget and the Revised Estimates for land revenue and irrigation for the current financial year, although there is a considerable fall in the current fasli year.

"Since a bad year necessarily shows itself in all directions, there are serious falls below the Budget Estimates in most of the other principal heads of revenue. The shortfall under Provincial Excise apart from prohibition amounts to Rs. 20½ lakhs due to decrease in consumption and fall in rentals; under Stamps the fall is Rs. 19½ lakhs which indicates a great acceleration of the fall in litigation which has been in evidence for some time; Registration is responsible for a fall of Rs. 5½ lakhs due to a decrease in the number of registrations. These three shortages amounting to more than Rs. 45 lakhs would have

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left us in a big deficit but for the special credit which our general revenues receive this year, and which was not taken into account when the Budget Estimates were prepared, on account of the transfer of a sum of Rs. 42·55 lakhs from the Minor Ports Fund. It would be wrong for Hon'ble Members to imagine that this transfer was designed to fill the gap because the question of this stagnating fund had been taken up for consideration long before there was any indication that there would be any such calamities as overtook us during the current year. The transferred balance has necessarily to be credited to the receipt side of the Revenue Account, and as it so happens this extraordinary item of receipt prevents a deficit on the Revenue Account in the current year which otherwise would have occurred and impinged on the balances.

"The receipts under Motor Vehicles Acts bring us Rs. 26 lakhs more than budgeted for, but this is no advantage, as from the increased receipts compensation is paid to local bodies for the loss of licence fees in respect of these vehicles. There is, thus, a corresponding increase in charges on this account.

"It is unnecessary for me to take the House orally into the details of the variations under other heads of revenue and expenditure in this year's Revenue Account, as they have been fully explained in the Explanatory Memorandum placed before them. The position works out as follows :—

	Budget Estimate, 1938-1939.	Revised Estimate, 1938-1939.		Increase.
		LAKHS.	RS.	
Revenue		15,98·21	16,23·19	24·98
Expenditure on Revenue Account ..		15,98·09	16,20·76	22·67
Surplus		0·12	2·43	

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1938-1939,
Revised
Estimate—
Capital
Account.

“The Revised Estimate for capital expenditure outside the revenue account shows an increase of Rs. 9.19 lakhs over the Budget Estimate. The main increase is in respect of capital expenditure on electric schemes due partly to certain expenditure which had been expected to be incurred in the previous year but which had been carried over to this year, and partly to more active progress in some of the works. A decrease will be noticed in the capital expenditure on payment of commuted value of pensions. During the last Budget Session I said that the question of the continuance of the system of commutation of pensions would be examined by the Government. After a thorough examination of the question in all its bearings including the best interests of the officers themselves, the Government in December last decided to discontinue the system. The decision however can cover only the case of officers under the rule-making control of the Provincial Government.

1938-1939,
Revised
Estimate—
Loans and
Advances.

“The Revised Estimate of disbursements under Loans and Advances falls short of the Budget provision by Rs. 3.97 lakhs. The amount specially provided for loans to agriculturists for the relief of their indebtedness, I am sorry to say, could not be spent as we had hoped. A variety of reasons caused delay. The establishment of Debt Conciliation Boards as well as the formulation of definite instructions as to the lines on which loans should be issued took considerable time. But these have now been done. The doubts raised by the Courts of our Province as to the validity of the Debt Relief Act in relation to promissory-notes and the unwillingness of creditors to come forward to put the cases in Court or to agree to a settlement by consent also operated to put off the utilization of the funds provided. That the Act is *intra vires* in respect of promissory-note debts has been now decided by the Full Bench of the High Court and this together with the establishment of Debt Conciliation Boards will, it is hoped, lead to a proper and speedy utilization of the credit provided by Government. I may here anticipate and inform the House that there will be a provision of Rs. 75 lakhs for this purpose in the coming year. The amount that was available under this head in 1938-1939 was drawn upon for the granting of short-term loans to the Central Land Mortgage Bank for the carrying on of its

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work effectively. The Land Mortgage Bank will in future instead of issuing debentures piece-meal issue its debentures in successive issues at regular intervals, and will obtain temporary accommodation from the Government, whenever necessary to carry on its business between successive issues. It is expected that during the current year the Bank will take Rs. 38.65 lakhs in this way of which it will repay Rs. 28.40 lakhs before the close of the year.

1938-1939,
Long-term
borrowings.

“In September 1938 the Government floated a loan of Rs. 1½ crores as against Rs. 175 lakhs contemplated while the Budget was framed. Rupees 40 lakhs was subscribed by Government and the remainder was thrown open to public subscription. Hon’ble Members are aware that a grave international crisis suddenly developed and disclosed itself during the time fixed for subscription for our provincial loan. In spite of that disturbance the credit of our Province came out unscathed. For the Rs. 110 lakhs that we offered, the subscription was Rs. 181.41 lakhs. The total amount finally allotted amounted to Rs. 151.29 lakhs inclusive of Rs. 40 lakhs subscribed by Government. The Government take this occasion to tender their thanks to the Reserve Bank for the efficient arrangements made by them for the success of our loan for a second time. The total amount that we expect to be disbursed in the current year on the objects for which the loan was raised, namely, on remunerative capital expenditure and long-term loans to local bodies and others, is Rs. 220.90 lakhs. The amount by which this figure exceeds the proceeds of the loan will be found from the Government’s other resources. I can confidently say that as in the case of the loan of the previous year, the proceeds of this loan also will be fully utilized, and only for the purposes for which the loan was raised.

“While on this subject I should perhaps remind the House that this year for the first time the Madras Government have assumed complete responsibility for watching their daily cash position and arranging for ways and means. In consequence the Government have had to enter the short-term bill market to borrow funds temporarily to cover the gap between receipts and outgoings, which is a normal feature of the financial position

1938-1939,
Short-term
borrowings.

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to be made from revenue to the Famine Relief Fund next year to the extent of Rs. 5 lakhs as the closing balance in that Fund falls short of Rs. 60 lakhs, and a provision of Rs. 5 lakhs for damage done by cyclone is considered necessary next year as against Rs. 2 lakhs in the current year. Pension charges increase next year by Rs. 5½ lakhs on account of the normal growth of pensions and on account of the provision which has to be made for the equated payment from revenue towards principal and interest on the amount debited to capital in the current year for the payment of the commuted value of pensions. On the other hand, on Stationery and Printing the expenditure next year is expected to be less by Rs. 7½ lakhs owing to the exclusion of the provision for special items, such as the replenishment of stock and printing in connection with elections and the Estates Land Act Committee. The result of these major variations and of numerous other minor variations not mentioned by me now and which have been taken into account in the detailed preparation of the Estimates is that the Part I expenditure for next year is calculated to be in excess of the ordinary revenue by Rs. 20 lakhs. We have to tackle the question of bridging this gap.

“But before taking that up, let me complete the picture of the next year's Revenue Account. So far as the expenditure side is concerned many new schemes were examined and proposed in the various departments of Government for consideration in connection with next year's Budget. Almost without exception they are good schemes fully deserving of acceptance if only we had the funds to pay for them. In view, however, of the constricted resources the Government, after the most careful and anxious examination, selected what represents the barest minimum for meeting the most urgent demands and what must be accepted for maintaining our policies intact. The ultimate net cost of the selected schemes will be Rs. 35.50 lakhs, of which Rs. 9.39 lakhs is non-recurring. The net cost in the Budget year comes to Rs. 22.39 lakhs, of which Rs. 6.82 lakhs is non-recurring. This brings the gap between the total expenditure next year debitable to the Revenue Account and the anticipated revenue on the existing basis to the sum of Rs. 42.39 lakhs.

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Prohibition.

“Appendices VI and VII in the Explanatory Memorandum set out the new schemes that have been provided for in the Budget. I should like to say a few words about one of the items, the extension of Prohibition at a cost in the form of reduction of revenue of Rs. 13½ lakhs in 1939-1940 and of Rs. 23 lakhs in a full year. The criticism can be advanced that when we have a gap between expenditure and anticipated revenue on the existing basis to the tune of over Rs. 42 lakhs, it is not the time for extending Prohibition at the cost mentioned. What is this thing called Excise revenue? It is a heavy indirect taxation on the poorest classes; and therefore, the demand that Prohibition should not be extended in order that we might not have an increased gap between revenue and expenditure means, in fact, a demand that the poorest should be taxed through drink rather than that alternative taxation should be devised, the incidence of which would be on classes better able to bear the burden. Interpreted truly in this manner, the illogicality, if not the cruelty, of the criticism is made plain. There is another kind of criticism before which I bow my head, not contradicting but only apologising. It may seem to be but snail-pace advance to go only as far as one district this coming year. My only explanation is the need to preserve financial stability and for the necessary time that is required to build up alternative taxation. To go forward irrespective altogether of financial considerations, however attractive it may be in enunciation, would be to impair the credit of the Government and cause a setback to the movement of Prohibition itself. We have to secure the financial adjustments necessary and we have to consolidate the position at every stage. We have to combine the crusader's spirit with the wisdom of sound management of large responsibilities, unless indeed we would make Prohibition only an excuse for a crisis and an escape from responsibility. The sacrifice of revenue to which the Government has committed itself by the introduction of Prohibition in Salem, Chittoor, Cuddapah and North Arcot will amount in a full year to the sum of no less than two-thirds of a crore. The financial re-adjustment entailed by this big cut in the revenues of the Province is of no mean order.

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of every Government over the greater part of the year. Treasury Bills with a currency of six months were issued in August last, and three months' Bills in October, November and December, the total amount of the issues being Rs. 190 lakhs. The rates of discount at which the Bills were issued reflected the good credit the Province commands.

1938-1939,
Closing cash
balance.

"It is estimated that the closing cash balance on the 31st March 1939 will be Rs. 55.10 lakhs against the minimum requirements of about Rs. 53 lakhs for the guaranteed deposit with the Reserve Bank and the minimum cash balances required in our Treasuries and Sub-Treasuries. In addition to the cash balance we hold securities in the Famine Relief Fund, in the Depreciation Reserve Funds of some of our electricity systems, and in the cash balance investment account. The reduction in the Provincial cash balances from Rs. 136.87 lakhs at the beginning of the year to Rs. 55.10 lakhs at its close is due partly to a portion of our closing balance being in the form of securities, and partly to investment in capital expenditure and loans to local bodies and others.

1939-1940,
Budget
Estimate—
Revenue
Account.

"Now, Sir, I can proceed to place before the House the Estimates for the coming year 1939-1940. We have reached a stage when our approach to the budgetary problem has to be entirely different from what was the practice with the previous governments of the Province. In former days the revenue expected from the existing sources and the expenditure on standing sanctions based on existing orders and commitments were first estimated and then the difference, invariably a surplus, was utilized for undertaking new commitments or Part II Schemes. This method of approach was both natural and convenient as conditions were static and the general system of taxation and its incidence continued with but little change from year to year. Circumstances have, however, now altered and the Government of the Province has to suit itself to new and very different conditions. It has to follow a policy of easing the burden of taxation on the poorer sections of the community transferring it to shoulders better able to bear it. It becomes, therefore, necessary to abandon the old approach and follow the alternative plan of determining the expenditure which is to be incurred and then devising the means of raising revenue sufficient to meet it. Taxation can then be reduced or increased according as the

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expenditure found to be necessary is less than or greater than the revenue anticipated from the existing sources. Hon'ble Members are well aware that this is the normal budgetary procedure followed by nearly all present day governments.

"The estimates of ordinary revenue for next year as compared with the Revised Estimate of revenue for the current year stand thus. First of all the biggest variation is of course the decrease of Rs. 42½ lakhs under Ports representing the credit received by general revenues this year by transfer from the Minor Ports Fund balances which cannot be repeated next year. Then apart from the question of the extension of Prohibition, receipts under Excise will fall, it is expected, by Rs. 9½ lakhs by reason of the fact that the reduction of revenue on account of Prohibition in Chittoor and Cuddapah will operate for the full year as against only six months in the current year. Land Revenue may be estimated at an increase of Rs. 16½ lakhs over the current year's results as we may assume that the seasons will be normal in the coming year, and that suspended revenue will be collected. We may also expect that irrigation under some of our systems will continue to expand. In budgeting for land revenue we have estimated for the coming year, allowing for a repetition of the concessions given during the current fiscal. The gross receipts from our electric systems show an increase of Rs. 11 lakhs on account of the expansion of the Pykara and Mettur schemes and of the Vizagapatam and Bezwada thermal schemes and the commencement of operation of the Cocanada scheme.

"The estimates of ordinary expenditure for next year take into account the financial effect of administrative economies which the Government are effecting from time to time, but we have to provide for a full year's effect of the Part II Schemes accepted this year. The commitments in Part II schemes of the previous year automatically fall into Part I of the next year. Apart from this, we have to provide under Debt Charges nearly Rs. 10 lakhs more, on account of a full year's interest on the 1938 loan and a half year's interest on such loan as may be raised in 1939, as also an increase in interest charges on Treasury Bills and ways and means advances. These temporary accommodations for 1939-1940 will become necessary more often than in 1938-1939. Moreover a contribution will have

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"All reports regarding the working of the Prohibition Act show that Prohibition has been effectively enforced. It has stood the trial of a year and a half in Salem district. The obstacles which confronted the authorities and the non-official workers have been successfully negotiated and I should like here to pay a tribute to the zeal and enthusiasm with which officials as well as non-officials have addressed themselves to a difficult and novel task. The officers of Government have done more than merely presenting an attitude of official loyalty and have shown a warmth and a sincerity of purpose worthy of the fullest appreciation in this House. It is indisputable that the standard of living among those who were formerly the drinking classes in the Salem district has been raised, especially in the case of that large section of the population that always leads a precarious existence on the border line of want. Impartial observers have borne testimony to the improvement in the condition of the poorer classes and the satisfactory enforcement of the Act. The people of the province have warmly welcomed Prohibition and would be bitterly disappointed if we do not steadily advance and extend the Law to other districts. The Government regard Prohibition as the greatest single measure for the economic improvement of the masses and the re-adjustment of the tax burden on a fairer basis. It has, therefore, been decided to extend Prohibition to North Arcot from the first of October 1939 and from that date Prohibition will be in force in a compact area of 23,819 square miles. It is only about one-fifth of the total area of the Province but it is not small by any means.

Fresh
taxation.

"The budgetary problem for next year then so far as the Revenue Account is concerned is the bridging of this gap of Rs. 42.39 lakhs, the details of which I have given. The Government propose to bring in two taxation measures immediately—one for the levy of a tax upon the sale of petrol and the other upon the sale of electricity. These two measures have been before the public for some time. The jurisdiction of the provincial governments to initiate such taxation was contested before the Federal Court and fortunately for us a decision has been given in favour of the provinces. It is unfortunate and irksome that the processes of Provincial Government have to be carried through

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channels analogous to private litigation, but we cannot help it. The Government have published the Bills which they will presently introduce in the House for acceptance. We have taken credit for net receipts under these two taxes amounting to Rs. 15.12 lakhs during the course of next year.

"The duty on country spirits was reduced in 1935 by 25 per cent. It has been decided to enhance this duty by Re. 1-8-0 per gallon of 35° under proof, except in four districts where it is considered inadvisable in view of the danger of illicit distillation. The enhancement ordered will still leave the rates of duty below the 1934 level. The estimates of Excise revenue have on this account been raised by Rs. 10 lakhs.

"Thus the gap of Rs. 42.39 lakhs is reduced to Rs. 17.27 lakhs at which it appears in the estimates now before the House. The actual figures as they stand in the Revenue Account are as follows :—

	Revised Estimate, 1938-1939.	Budget Estimate, 1939-1940.
	LAKHS.	LAKHS.
	RS.	RS.
Revenue	16,23.19	16,23.45
Expenditure on Revenue Account	16,20.76	16,40.72
	+ 2.43	— 17.27

"It is hardly necessary for me to say that we should not regard a deficit of Rs. 17 lakhs in a particular year as a catastrophe. We had in the year 1937-1938, as I have said already, a realized surplus of Rs. 17 lakhs though we had anticipated a surplus of less

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than Rs. 3 lakhs. Many Hon'ble Members may not be aware, but I know that some newspapers have been embroidering their scurrility with reference to our borrowing programme in terms which can be explained only by their utter ignorance of State finance and its methods and principles, if, indeed, they are not the outcome of sheer malice. I have already shown conclusively that our borrowing policy is of the soundest standard and our credit of a high order. I trust Hon'ble Members of the House whatever their politics may be, will co-operate in opposing ignorant, short-sighted or malicious attacks on the financial reputation of our Province.

"A surplus above the anticipated figure in 1937-1938 or a deficit of Rs. 17 lakhs in 1939-1940 is not, I said, a catastrophe. All the same we have to look ahead and we cannot be unmindful of the fact that in the year 1940-1941 revenue from Provincial Excise is bound to be lower than in 1939-1940 while expenditure will inevitably increase as the result of the automatic addition of commitments in respect of new schemes of expenditure admitted this year and having to be met next year. The Government, therefore, propose to introduce in the very near future further measures of suitable new taxation which we anticipate will enable us not only to cover the deficit in 1939-1940 in full before the close of the year, but will also enable us to admit more Part II Schemes and to extend Prohibition in the year 1940-1941.

"One of the measures under contemplation is the levy of a vend-tax on tobacco. The taxing of tobacco is no new proposal. It was raised in this Province by the pre-reform Government and discussed at some length in the old Legislative Council, but the then Government eventually decided to drop the matter. They were under no pressing necessity to find additional sources of revenue. The tobacco tax we propose would fall very lightly and on consumers of this luxury, without hurting growers or the trade. In almost all civilized countries in the world tobacco is subject to taxation, and there is no reason why our Province should be one of the very few exceptions.

"The next and most important measure for which the assent of the House will soon be sought is the levy of a tax of low incidence on the sale of goods generally, excluding of course goods in respect of which special taxes are separately provided for, such as motor spirit, tobacco and electrical energy. Care will be taken to save small traders from the incidence of the tax by providing that businesses below a limited annual turnover shall be exempt from the tax. Businesses with annual turnover between Rs. 10,000 and Rs. 40,000 will be taxed at consolidated fixed rates to avoid detailed inquisitorial investigation for determining the exact turnover in such cases. Businesses with a turnover in excess of Rs. 40,000 will be taxed at the rate of half per cent on the turnover, that is to say, roughly, one pie in the rupee will be asked to be paid by those traders to the Provincial Government.

"The Government are of the opinion that the general sales tax is the most important of all their new revenue-producing measures and one full of possibilities. Though it is new for India, it is a major source of revenue in many European countries.

"Whatever may be the form of taxation that we propose, I know that it will be attacked. While our policy of Prohibition is everywhere lauded and schemes for national development and reconstruction are wanted on all hands involving heavy additional expenditure, every individual proposal for new taxation in place of the tax on the poorest classes, obtained through offering drink to them, is itself made the object of attack from some point or other, because fairly good arguments can be advanced against any conceivable type of taxation. We cannot however maintain our standard of government giving up the victimisation of the drinking classes without agreeing to be taxed in some way or other. The tax on petrol and on electricity will fall on those who are comparatively well-off. The incidence of the general sales tax and the tobacco tax will be light, and the former will be a progressive source of revenue as trade and industries in the Province improve. At present all the big businesses almost completely escape taxation so far as the Province goes. The policy of the Government in getting rid of the drink

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revenue will increase the spending power of the masses by no less than Rs. 15 crores per annum, the effect of which being a considerable rise in the standard of life of the masses, will automatically lead to an increased demand for consumption goods thereby benefiting the trading classes all round as well as agriculturists. I hope, therefore, that a long and patriotic view will be taken and our proposals given support by all classes.

"It is practicable in India to stop the consumption of intoxicating drinks and narcotic drugs by abolishing the State trade in it and enacting laws for total prohibition. It is practicable in India satisfactorily to enforce Prohibition. There is no difficulty except of finance. The Provinces are asked to govern themselves with slender taxation resources and even these are hedged in by many restrictions. So that, the proper solution of this financial problem on which Prohibition hangs is finally the reduction of Central expenditure and the transfer of more revenue to the Provinces. This is true, but it is not right to proceed from it to the logical corollary that Prohibition must recede from the constructive plane of provincial administration to the status of a mere slogan and focus for the development of a political crisis against the Centre. We cannot be content with this translation from the region of tangible though partial realization to the region of mere political battle, until we reach the time and circumstance favourable for a victory over such a political crisis. Such an attitude does not at any rate content me. Hence we must tax ourselves. The time will arrive when the weight of these burdens that we take up on behalf of the poorest will furnish the justification and the strength for re-adjustment between Centre and Provinces. Any other policy would amount to evasion which we charged previous governments with.

"Another proposal which the Government have in view for early introduction is the levy of a small Provincial tax on Entertainments. The local bodies which now levy such a tax will not be hit, because compensation will be paid to them to cover the loss of revenue caused to them by the provincialization of the tax. No credit has been taken in the present Budget for any revenue anticipated from the Tobacco tax or the General Sales

tax or the Entertainment tax. If the Legislature will pass these measures at an early date and all sections of the people assist the Government in tapping thus the resources of the Province, we hope to have even within the year 1939-1940 sufficient additional revenue to cover the deficit of Rs. 17-27 lakhs which appears in the Budget Estimate now presented and something to spare for supplementary grants for Part II Schemes.

"The receipts in 1940-1941 can be estimated to be more than double those of 1939-1940 as a result of these measures while in subsequent years there is likely to be further steady expansion. On the passing of these measures depends the Congress Government's chances to accelerate the nation-building activities as well as to implement their policy of Prohibition and schemes for the uplift of the poorest.

Retrenchment.

"The Government have not lost sight of the quest for administrative economy. Such economies as have already been incorporated have helped the Government to do what they have been able to achieve so far. It should be remembered that every economy effected reduces the scope for further economy. The effect of the revised scales of pay fixed by the Government in 1938 is slow in coming into effect by reason of their being restricted to new entrants and new promotees and by reason of the time-scales fixed before the present Government took charge and protected by the Government of India Act in one way or another. But though the effect of these revised scales of pay is slow and gradual, it is bound to have full operation with every year that passes.

"We have under immediate consideration a very moderate cut to be imposed on the pay above a certain minimum drawn by those members of the services who have not been affected by the 1938 revision of pay, the cut to be of temporary operation in view of the cumulative effect on our finances of the adverse seasonal conditions of the last few years. We have addressed the Secretary of State to take such steps as are necessary for the imposition of the same cut on the pay drawn by members of the services covered by his rule-making powers.

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"The provision for capital expenditure in 1939-1940 for works in progress and new works comes to Rs. 91.34 lakhs as against an anticipated expenditure of Rs. 143.45 lakhs in the current year. Explanations for the variations under the several heads will be found detailed in the Financial Secretary's Memorandum. Of the total amount of Rs. 91.34 lakhs, Rs. 68.73 lakhs represent remunerative expenditure which will be financed from borrowings. The balance of Rs. 22.61 lakhs represents unremunerative expenditure on civil works and a small provision for the commutation of pensions of a few officers who have acquired a right to commute their pensions. The whole of this unremunerative expenditure will be financed from sources other than borrowings.

"I might perhaps be expected to indicate briefly how matters stand as regards our irrigation and electricity capital schemes. As regards the Tungabhadra Project, in order to avoid the delays and difficulties involved in a discussion of the theoretical rights of the States involved, I suggested examination of the feasibility of a partial and joint utilization of the waters of this river. I am glad to say that the Hyderabad Government fell in with this proposal and as a result a conference was held in November last between the representatives of the Madras and Hyderabad Governments and an agreement was reached.

"The detailed investigation of the Lower Bhavani Project has been sanctioned. At the same time, as a result of representations received from ryots and from some hon. Members of the Legislature, the re-investigation of the Upper Bhavani Project which was dropped in 1938 has been ordered along with it. After reports have been received from the Chief Engineer for Irrigation and the Board of Revenue on the several aspects of these intricate questions, and considered by the Government, the Government will decide which of the two schemes should be taken up for execution.

"Electrical development continues to make rapid progress. Some idea of the stage already reached can be obtained from the fact that the gross receipts which we expect to realize from our electric schemes during the year 1939-1940 come to a total of

Rs. 53.38 lakhs. The output of power from the Pykara system has expanded to such an extent that the station has been working at its full capacity and has had to be given relief by the transfer to Mettur of the Tiruppur load and a portion of the Coimbatore load. The Mukurti dam and a number of important extensions to the system have been completed. The work on the erection of the third penstock line and the installation of the additional generating set is almost complete, and it is expected that one of the two units will be in commission next June. Load surveys in connexion with the extension of Pykara power to the West Coast, including Calicut and Cannanore, have been made, and a scheme is under preparation. The third generating unit in the Mettur power-house has been put into service. In order to develop the rural areas, distribution schemes in the districts of Coimbatore, Salem, Trichinopoly, North Arcot and Chingleput costing about Rs. 15 lakhs have either been completed or are in active progress. Work on the Papanasam scheme is progressing, although the progress this year has not been so good as was hoped for. The erection of the thermal plant at Vizagapatam was completed early last year and Government supply is now given to the Vizagapatam licensee and the Harbour authorities. The supply has also been extended to Anakapalle, Garbham Mines and Kodur mines, and Bobbili. The Bimlipatam and Vizianagram distribution works are under erection. The Bezwada thermal scheme was unfortunately held up to some extent on account of delay in the receipt of steel work from overseas firms. The Vizagapatam and the Bezwada schemes are both expected to be in full operation in April next. The Cocanada thermal scheme which was sanctioned in March 1938 is expected to be completed in the course of next year. It is proposed to generate and distribute power next year in Madanapalle, Tadpatri and Nandyal. From this brief survey it will be apparent that electrical development is proceeding apace in all parts of the Province.

"The total provision made in the Budget for next year for the grant of loans to local bodies, agriculturists, co-operative banks and societies and others is Rs. 219.49 lakhs, of which a sum of Rs. 75 lakhs is for short-term loans to the Central Land Mortgage Bank

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for purposes which I have already explained. Nearly 90 per cent of these short-term loans will be repaid by the Bank within the year. The balance of provision for long-term loans is thus Rs. 144.49 lakhs, of which a sum of Rs. 75 lakhs is for the grant of loans to agriculturists for the relief of indebtedness to be disbursed directly by Government on scaled down debts. It is anticipated that full advantage will be taken of this provision next year.

1939-1940,
Ways and
Means.

"It is necessary for me now to refer briefly to the ways and means position for next year. It is the policy of the Government to economize as far as possible in our cash balances and to restrict fresh borrowings in any year to the minimum amount necessary to ensure an adequate closing cash balance at the end of the year. Thus the loans raised by this Government up to date have been materially lower than the Government would have been justified in borrowing having regard to the amount of their remunerative capital expenditure and of the long-term interest bearing loans granted by them. Seasonal fluctuations, and in particular the progressive lag of revenue behind expenditure which is a normal feature of our financial system over the greater part of the year, are met by the issue of treasury bills supplemented by the borrowing of ways and means advances from the Reserve Bank. The arrangements have worked well so far and are conducive to the maximum of economy. It is accordingly proposed to continue the same policy next year. Our opening cash balance on the 1st April 1939 is estimated at Rs. 55.10 lakhs, which gives a free cash balance of only two to three lakhs of rupees. After allowing for all probable debits and credits under the capital, debt, deposit and remittance heads we will be able to manage next year with a total net borrowing of Rs. 150 lakhs if, as we contemplate, the revenue deficit of Rs. 17.27 lakhs is fully covered before the close of the year by the proceeds of our new taxation measures. This sum, it should be noted is well within the total anticipated remunerative capital expenditure and interest bearing loans which together make up Rs. 213.22 lakhs. Whether the sum should be obtained by the issue of a long or medium term loan, or by a net issue of treasury bills, or partly by one method and partly by the other, will be decided in consideration of market conditions

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and in consultation with the Government of India and the Reserve Bank during the year. For purposes of our Budget Estimates we have assumed an addition of Rs. 1½ crores to our permanent debt. Since for the reasons already stated by me the estimates do not provide for the covering of the revenue deficit of Rs. 17.27 lakhs, the closing cash balance as per estimates is only Rs. 43.77 lakhs (excluding the value of securities held in the Famine Relief Fund and on the Depreciation and Special Reserve Funds of our electric systems) which is no doubt less than the amount of Rs. 52 lakhs necessary for providing our guaranteed deposit in the Reserve Bank and the cash in our treasuries. This however is for Budget purposes only. On the basis of the assumptions underlying the Budget Estimates the total issues of treasury bills during the year will amount to Rs. 5 crores, the whole of which will be discharged during the year.

Conclusion.

"I have completed, Sir, my survey of the financial proposals for next year. My sincere acknowledgments should be tendered to the Finance officials for the heavy and arduous work they have gone through to enable me to present the estimates as programmed. I am sure every one in the House who has ever cared to go even a little into the details of this kind of work, will join me in tendering congratulations and thanks to these officers, and particularly to Mr. Jones who is presently leaving us to strengthen the Central Secretariat with his admirable industry, ability and experience the benefit of which I cannot refrain from saying I am sorry that the Province has to lose (hear, hear).

"A report of the work of the present Government up to the latter half of 1938 has been published in pamphlet form by the Party which I have the honour to represent; and, there have been regular monthly press communiqués issued by the Ministry of Public Information, so that the general public is kept fully supplied with information as to our aims and our achievements. Programmes for the development of protected water-supply in rural areas have been drawn up for most districts, and we are now in a position to go ahead with the execution of these works more rapidly than has hitherto been possible, and Budget provision has been made accordingly. Increased provision has

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also been made for subsidized rural dispensaries for the third consecutive year. We hope to take action in bringing the provisions of the Madras Public Health Bill into effective operation. Assistance is being afforded in increasing measure to cottage and village industries under the provisions of the Madras State Aid to Industries Act as amended by this Government.

"The Government have published a comprehensive volume that records all that has been done as regards industrial disputes. I claim that we have done remarkably well and are grateful to the spirit of reasonableness on the part of managements that has enabled us to achieve what we have achieved. There has been a silent but effective revolution and the position of the workers is miles ahead of what it was before we took up office. Their Unions and their right of collective bargaining have been recognized without all those disputations over formulas and conditions of recognition that marked the previous history of this element in the labour movement. The gain is placed on the sure foundation of an accepted fact and not on the elusive phraseology of a declaration of rights.

"But for a certain amount of thoughtlessness and confusion of principles and the propaganda and wrong leadership of some men, whose love of a class revolution for its own sake makes them blind to the starvation and misery of actual human beings, the situation could be described as very satisfactory. Our large industries are still young. The transition from slogans to certain forms of dangerous violence which will surely kill all industry long before a class revolution can ever be conceivably brought about, and before the State and its resources are strong enough to bridge over the gap between capital and labour, is what some of these good and patriotic young men whose strenuous endeavour and continuous contact maintain their influence over industrial labour, do not realize. Forcible occupation of the workshop and the physical seizure of access to machinery and the blocking of doorways and passages, as soon as any cause for protest arises, are forms of disorder and violence that are a mockery of the methods

of non-violence or of peaceful picketing or non-co-operation which are associated with the name of the great leader, the magic of whose name it is that gives to the working classes and their movement the strength and prestige they now command in our country. Bringing about a situation whereby the authorities of the State are compelled to use force and inflict punishments far out of proportion to the original mischief, and thereby rousing public attention and commiseration will not succeed except very temporarily, and must tend ultimately to harden people's hearts and to put the clock of progress back and even lead to a total reversal of direction. But signs are not wanting that these aberrations will soon disappear, being fundamentally opposed to the genius and culture of our people and more and more of the leaders are realizing the need for a truer form of non-violent tactics as being ultimately the most effective and the necessity, at least as things stand at present, for fostering a feeling of security and confidence in the minds of industrialists and the general public.

"Programmes for the improvement of village communications are under preparation in all District Board areas, and provision has been made in the Budget to enable a number of such works to be taken up for execution next year. The reduction of the huge volume of agricultural indebtedness has begun. We have every confidence that it will continue at an accelerating rate. During the six months ending with August 1938 debts amounting to Rs. 76.10 lakhs were scaled down by Courts to Rs. 40.46 lakhs, apart from such scaling down by agreement as may have been done between the debtors and creditors without resort to Courts. Ninety-two Debt Conciliation Boards have now been established, one for each revenue division, in order to enable debtors to have their debts scaled down by these Boards. As I have already stated, we have made a provision of Rs. 75 lakhs in the Budget for the grant by Government of loans to agriculturists for the relief of indebtedness, and we are assisting the Land Mortgage Bank organization in a number of ways to make its contribution to the solution of this great problem. There is now no district without a land mortgage bank. In spite of our financial difficulties, next year's Budget shows a considerably increased provision for expenditure on the uplift of classes doomed

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6-30 p.m.

THE MADRAS LEGISLATIVE COUNCIL.

Thursday, 23rd February 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Labour schools in Malabar and various facilities provided for the pupils attending them.

* 168 Q.—SRI K. MADHAVA MENON: Will the Hon. the Minister for Industries and Labour be pleased to state—

- (a) the number of labour schools in Malabar;
 - (b) the total number of scheduled class pupils and the number of non-scheduled class pupils attending the labour schools in Malabar during the last three years;
 - (c) the total expenditure in each of the last three years on the maintenance and supervision of the labour schools in Malabar;
 - (d) the total number of the scheduled class pupils attending the other recognized schools in the district in each of the last three years;
 - (e) the total number of the scheduled class children of school-going age in the district during the last year; and
 - (f) the amount spent by the Labour department in Malabar during the last year on the supply of slates, books, etc., to
 - (i) the scheduled class pupils in the labour schools;
 - (ii) the non-scheduled class pupils in the labour schools;
- and
- (iii) the scheduled class pupils in the general elementary schools?

THE HON. SRI V. V. GIRI:—“(a) 37.

“(b) The figures for 1935–36 are not available as the connected records have been destroyed. The total number of scheduled and non-scheduled class pupils in these schools during 1936–37 was 2,712 and 458 respectively and during 1937–38, 2,690 and 614 respectively.

“(c) There is no special staff for supervision of labour schools in Malabar. The total cost of maintenance of the schools during 1935–36, 1936–37 and 1937–38 was Rs. 37,883–5–11, Rs. 42,635–9–3 and Rs. 44,695–4–1 respectively.

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by stubborn custom to an ex-communicated life. We have decided to exempt Harijan students altogether from the payment of fees in Government Arts and Professional Colleges, and applicants from the scheduled classes who have passed the Intermediate examination or have taken a University degree have been exempted from the payment of the fees prescribed for application for selection to any of the public services for a period of three years from January 1939. We have exempted Harijan candidates who have progressed in University studies from restrictions as to age for admission into Government service. More than all, we hope to break the segregational custom itself in an effective manner.

"I hope I have said enough to explain the essential features of the Budget for next year which I now have the honour to place before the House for acceptance. I ask hon'ble Members to pause for a moment and consider how our present resources compare with the revenues on which budgets were prepared just before we took up office. We were faced for the first time by a shortage of nearly three-quarters of a crore by reason of the Land Revenue concessions; we have been subjected to a visitation of cyclone and famine which apart from what it meant to the people themselves has meant to the Government a direct reduction of land revenue to the extent of half a crore; the progressive sacrifice of drink revenue has now reached the total of two-thirds of a crore; the revenues under other heads have suffered diminution by another quarter of a crore. These several reductions amount in all to more than Rupees two crores of provincial revenue. Our losses total up to a sum considerably bigger than the entire land revenue of Bihar or the entire Excise Revenue of the United Provinces or of Bengal. I have no doubt this brief recapitulation will enable hon'ble Members to appreciate the difficulties of our task. I do not suppose that any Budget will secure universal approbation. Sacrifice is not pleasant and changes in the existing order of things inevitably arouse controversy. But I do hope that the Budget I have presented will be approved by the House." (Cheers.)

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MR. PRESIDENT:—"Hon. Members are aware that it is usual for a large number of members to take part in the general discussion of the Budget which commences on the 23rd February. Though sub-rule (3) of rule 125 gives me power to prescribe a time-limit for speeches, I do not propose to exercise it, as I have no doubt that it is not the intention of Hon. Members to make unduly long speeches and thereby prevent other Hon. Members from taking part in the discussion. If, however, I feel, in the course of the discussion, that a time-limit is necessary, I shall exercise my power under the sub-rule quoted above. May I also suggest that, as far as possible, the reading of manuscript speeches should be avoided?"

The House then adjourned to meet again at 11 a.m. on Thursday, the 23rd February 1939.

II.—PAPERS LAID ON THE TABLE OF THE HOUSE.

* 1. G.O. No. 3135, *Development*, dated 19th December 1938, amending rule 11 of the *Madras Commercial Crops Markets (Election) Rules*.

* 2. G.O. No. 27, *Development*, dated 5th January 1939, confirming the amendment to clause (h) to sub-rule (4) of rule XXII of the rules issued under the *Madras Co-operative Societies Act, 1932*.

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“(d) The total number of scheduled class pupils in other recognized elementary schools was as follows:—

Year.	Number of pupils.	
	Boys' schools.	Girls' schools.
1937-38	13,479	1,874
1936-37	12,632	1,902

“The figures for 1935-36 are not available.

“(e) The information is not available.

“(f) (i) The amount spent during 1937-38 was Rs. 1,220-4-8.

(ii) The non-scheduled class pupils are not supplied with books or slates at Government expense.

(iii) The scheduled class pupils in general elementary schools are not supplied with books and slates, but they are given cloths. The amount spent on supply of cloths during 1937-38 was Rs. 95-12-0.”

SRI K. MADHAVA MENON:—“In view of the fact that, there are more non-scheduled class pupils in the labour schools, will the Government drop the labour schools?”

THE HON. SRI V. V. GIRI:—“That suggestion was made by some hon. Members of the Assembly and it is made in the Council here also by the hon. Member from Malabar. I am looking into the whole matter.”

SRI K. MADHAVA MENON:—“May I know whether slates and books would be supplied to scheduled class pupils in non-labour schools, with the money that can be saved from the suggestion I have made?”

THE HON. SRI V. V. GIRI:—“I can only say now that it will be considered.”

Estimated cost of the new drain for draining off surplus water of Godilanka village.

* 169 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Government are aware of the various memorials and representations made by and on behalf of the villages of Allavaram Godi, Thurpulanka, Rellugada, and Devaguptam of Amalapuram taluk objecting to the proposed short cut intended to drain off the surplus water of Godilanka village alone;

(b) what the estimate of expenditure is for the new drain; and

(c) what the expense would be for the repairs of the existing natural Kausika drain, from the place where it is proposed to have a short cut?

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THE HON. MR. YAKUB HASAN:—“(a) The answer is in the affirmative. But representations have also been received in favour of the short cut and urging execution of that scheme.

“(b) The Government portion of the expenditure is Rs. 3,172.

“(c) About Rs. 10,000 approximately.”

SRI D. SRIRAMAMURTI:—“May I know if the Government propose to drop the repairs to the Kausika drain, if the short-cut drain is constructed?”

THE HON. MR. YAKUB HASAN:—“We have ordered the short cut drain to be constructed. The question is of draining water. We have examined the whole question. We find that the short cut is more effective and more beneficial than the other long drain. So, we have decided in favour of the short cut.”

SRI D. SRIRAMAMURTI:—“May I know if the Hon. Minister is aware that the lands of Godilanka village are on a higher level than the lands in other neighbouring villages?”

THE HON. MR. YAKUB HASAN:—“I cannot say how many feet certain lands are higher in level than others. All that I can say is that the whole question was considered and this was considered to be the best way of draining the water.”

SRI D. SRIRAMAMURTI:—“Will the Government place the correspondence with regard to the construction of this drain, on the table of the House?”

THE HON. MR. YAKUB HASAN:—“The Government cannot place it on the table.”

Reports from District Collectors on the condition of crops consequent on the failure of the north-east monsoon.

* 170 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Government have received any report from the Collectors of the various districts with regard to the condition of the crops as a result of the failure of the north-east monsoon and that of the cyclone respectively; and

(b) if so, whether those reports will be placed on the table?

THE HON. SRI T. PRAKASAM:—“(a) Preliminary reports have been received.

“(b) The Government consider that no useful purpose will be served by placing these reports on the table of the House.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Though the reports are not placed on the table of the House, will the Hon. the Minister arrange for the supply of information to any Member who asks for it?”

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THE HON. SRI T. PRAKASAM:—"Even that will not be of great help. The Government have no objection to give the substance of the reports; they are rather long reports. Necessary steps have been taken to give relief as far as possible."

Names and other particulars regarding the officers deputed for training in the Wardha scheme.

* 171 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Education be pleased to state—

(a) the name and academical qualifications and the period of service of each of the three officers of the Educational department deputed for training in the Wardha scheme of education; and

(b) what the conditions are on which those officers were deputed?

THE HON. SRI C. J. VARKEY:—" (a) The particulars are given below:—

Name of officer.	Qualifications.	Service.
Sri M. S. Sundareswara Ayyar ..	M.A., L.T. ..	26 years.
„ K. N. Rangaratna Sastri ..	B.A. (Hons.), L.T. ..	13 years.
„ S. K. Venkatarama Ayyar ..	B.A., L.T. ..	9 years.

" (b) No special conditions were laid down."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I know when the first-named gentleman is due to retire? "

THE HON. SRI C. J. VARKEY:—" In a few years."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Is he not to retire at the end of this year? "

THE HON. SRI C. J. VARKEY:—" May be."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" How did the Government consider it advisable to send that gentleman for the purpose of training? "

THE HON. SRI C. J. VARKEY:—" The question was examined. What was needed was a certain amount of enthusiasm and a new outlook in those sent to the training that is given at Wardha. Sri Sundareswara Ayyar is the right type of man for the purpose."

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Introduction of Provident Fund consequent on abolition of commutation of pensions.

* 172 Q.—MR. J. A. SALDANHA: Will the Hon. the Prime Minister be pleased to state whether, as a result of the abolition of the commutation of pensions, the Government have decided to introduce a system of Provident Fund?

THE HON. SRI C. RAJAGOPALACHARIAR:—" The answer is in the negative."

MR. J. A. SALDANHA:—" May I enquire whether the Government would be prepared to give pensioners who have not saved any money and who want money for urgent needs, for the marriage of daughters and for building houses, loans at a low rate of interest? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The Government cannot act either as a banker or as an insurance company for people who have already attained the old age of 55 and more."

UNSTARRED QUESTIONS

Labour contributed for rural uplift work.

48 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state what form of labour the villagers are allowed to contribute to rural improvement work—

(i) whether under the Madras Compulsory Labour Act (Act I of 1858) or

(ii) as labourers engaged in ordinary circumstances?

A.—The villagers who stand to benefit by the rural reconstruction works financed from the Government of India grant are ordinarily required to make a contribution of not less than one-third of the cost of such works either in cash or in kind, including labour. The labour so contributed is free and voluntary in character and not governed by the Madras Compulsory Labour Act, 1858.

Average rainfall in Mangalore.

49 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to refer to his answer to my unstarred question put on 1st February 1938 as to the average rainfall in Mangalore, and to state whether the reasons have been ascertained for the increase?

A.—The answer is in the negative.

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

11.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40.

11-30
a.m.

* DR. P. J. THOMAS :—“ I must congratulate the Government on another sound Budget. This Province has long ago built up a creditable tradition for sound budgeting, and although this has involved too slow a development of the Province, it has enabled Madras to maintain a high level of public credit. This is largely due to the steady industry and unfailing commonsense of our Finance department. The Hon. the Finance Minister has given a well-deserved compliment to Mr. Jones, Finance Secretary. I am sure that every one in this House will join him in his handsome tribute. Mr. Jones has very competent lieutenants and let us hope that the tradition will be maintained intact, although he will soon be leaving us to fill a very responsible post in the Government of India.

“ The Budget presented for 1939-40 is not technically a balanced one, but there need be no fear on that score. The small anticipated deficit of Rs. 17 lakhs will be made up by the proceeds of the new taxes proposed, and perhaps even by an improvement in existing revenues. Further, the debt position of the Government is a most enviable one. Our public debt is almost entirely of the productive kind, and has against it valuable assets. There is hardly any deadweight debt. Let us remember that in most of the Western countries, public debt is largely of the unproductive character, raised chiefly for financing war or meeting budget deficits. Our borrowing policy has been too conservative. Huckster-like, we have been refusing to spend even on remunerative undertakings unless a 6 per cent return was guaranteed. In the result, even our productive debt is not more than a year's revenue, and not many countries in the West are in this enviable position. The policy of short-term borrowing recently resorted to has also been ably managed. Even this policy is too cautious; we may very well have a floating balance of treasury bills and thus save on interest. It is not a little amusing to learn that there are even now critics who assert that the Province is heading towards financial disaster. My complaint, on the other hand, is that the Province is still following an over-cautious policy, with the result that the economic advancement of the Province is moving at a snail's pace.

“ A provincial budget under the Reforms must be judged by two principal tests. First, to what extent does it increase the expenditure on nation-building services? Owing to various reasons, security services have been devouring the bulk of our revenue in the past; this must be rectified by increasing the expenditure on development services. Secondly, a budget must re-adjust the burdens of taxation which, according to all accounts,

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have been hitherto rather regressive. It is well known that the provincial revenues, especially land revenue and liquor excise, impose unduly heavy burdens on the poor, and this must be rectified.

“ The Hon. the Finance Minister has shown that a new approach is now being made to our budgeting problem, namely, by finding the revenues for meeting a desired expenditure and not by adjusting expenditure to revenue as hitherto. He has also avowed his readiness to follow a policy of ‘ easing the burden of taxation on the poorer sections of the community, transferring it to shoulders better able to bear it.’ This is all very commendable. I admit that in this present Budget he has taken a definite step in broadening the basis of taxation. He is trying gradually to replace liquor excise by a set of new taxes whose burdens will be distributed more widely in the community. So far as my enquiries go, the bulk of the liquor excise revenue of Rs. 4 crores was paid by about 5 million people out of 46 millions in this Presidency; but the new taxes proposed, especially tobacco tax, will be borne by a much larger number of persons.

“ But I submit that this new approach involves not merely the replacement of the old taxes by new ones, but also the replacement of the narrow expenditure policy by a new comprehensive one. It is not sufficient to re-adjust the incidence of tax-burdens more equitably; it is also necessary to re-adjust the incidence of expenditure in such a manner that every pie spent should contribute to the economic welfare of the masses. In fact, this is of the essence of the new approach foreshadowed by the Hon. the Finance Minister: fresh expenditure designed for a new economic ideal must be incurred and for this new taxes must be imposed, if necessary. Part of the funds needed for this approach in expenditure can be found by a careful scheme of retrenchment, especially of security services, but part will have to come from fresh taxes. In any case, a substantial addition to nation building services is necessary, if the financial system is to approximate to the ideal of maximum social advantage. I fear that the Government have unduly delayed the drawing up of plans for economic improvement. Further, if the proposals for new taxes had been accompanied by a fuller enunciation of policy, they might have been more favourably received. There are indeed a few additions to expenditure for the next year, but they are too small and the total recurring expenditure is only about 15 lakhs, and only a part of it is on development services. Even in the pre-Reform days, this would have been considered meagre. Last year, a good beginning in planned development was made by creating a fund for protected water-supply. It is a pity that a further extension of this commendable policy has not been made. No doubt, the seasons have been unfavourable, but this is no adequate reason for such grim caution.

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"The most notable fact is that the financial policy of the Government has been adjusted to the needs of Prohibition. It looks as if the long-awaited rural uplift plans have to wait till the whole Province comes under Prohibition. Year after year new districts will be brought under Prohibition and fresh taxation will be raised to make good the loss. This procedure, I submit, is altogether inadequate to fulfil the legitimate expectations of the public from the new Government. Firstly, Prohibition benefits chiefly the labouring classes, some industrial employers and businessmen of all kinds; only a small portion of the benefits go to the landholding classes who are the sheet-anchor of the nation's economic life. Secondly, if Prohibition is to be a success, we must gradually undermine the need for Prohibition; that is, by raising the standard of living, we must weaken the craving for drink. This involves the spread of education, better sanitation and fuller employment among the labouring classes. Therefore it is not enough to introduce Prohibition. We must side by side carry on a powerful economic and educational campaign. This would involve extra expenditure, but without it, we will have to incur a heavy recurring charge for enforcing Prohibition year after year.

"Thus whatever way we look at it, Prohibition can only be regarded as *one* of the weapons for economic improvement, and we must immediately carry out a general programme of uplift throughout the Province for raising the economic welfare of the masses.

"Sir, I shall not elaborate here the details of such a programme. Suffice it to say that it must be such as to increase the income and raise the standard of living of the masses. The whole Presidency is complaining of the vagaries of the monsoon, but such vagaries could be largely prevented by a forward policy in irrigation, both major and minor. Hitherto this Government have been following a miserly policy in regard to irrigation, but this must now change. Rural credit must also be placed on a proper basis, so that loans for productive purposes may be available at low rates. To-day the larger land-owners are able to get long-term credit through the land mortgage banks; we must give such advantages to the smaller agriculturists also by means of a system of controlled credit in which loans will be linked with marketing. Such a system should have been put into operation immediately after the Agriculturists' Relief Act was passed, but this was not done. There has been undue delay in following up this Act, and this is not justified by the uncertainty about pro-note debt.

"Not only agriculture but small industries are in urgent need of help from the Government. In the first Budget, the Hon. the Finance Minister expressed the keen interest of the

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Government in hand-spinning. It was expected that the cause of handloom weavers would be taken up soon after, but this has not been done. The handloom weavers of the Province are to-day in a miserable plight, owing to the effective competition of cheap Japanese goods and mill-made goods at home. Especially in Salem, handloom weavers are in a parlous condition, and information about this is contained in the University Report on Salem Prohibition. Mill industry has come to stay, and I am not for putting undue burdens on it. It is perhaps possible to reconcile the interests of both mills and handloom weavers by some kind of delimitation of spheres. This to my mind is a most urgent matter, but there is no evidence that the Government have taken it up seriously.

"Not only the unemployment among the weavers, but the general problem of unemployment and under-employment have to be urgently tackled. I admit that the Government have done exceedingly well in the settlement of labour disputes, but let it be remembered that in this country those unemployed or inadequately employed are more in number than those in full employment. The large number of unemployed persons are patiently looking on for work or help. Unless something is urgently done to give them employment, Government may soon have to face a very unenviable situation.

"No doubt such an economic campaign will involve a fairly large increase in expenditure, but I maintain that such expenditure is highly self-liquidating. This is expenditure which will increase wealth and taxable capacity.

"In my opinion, the funds for the additional expenditure must come from (1) retrenchment, (2) special levies in Prohibition areas, (3) fresh taxation, and (4) non-tax revenues.

"The possibilities of retrenchment have not been fully explored in this Province. As Cicero said long ago, 'economy is the foremost of revenues.' When retrenchment is mentioned, one's mind goes immediately to salary cuts. A salary cut may be justifiable as a means of meeting an emergency or of revalorizing salaries according to the changing purchasing power of money. I admit that in respect of the higher salaries, a cut may be justifiable even as a moral gesture. But a salary cut should not be the chief nor the first item of retrenchment. What is needed urgently is a rationalization of administrative machinery, an application to public administration of the business principle of scientific management. Our administrative system has been built up in a haphazard manner, and although those who have worked it may not see the possibilities for retrenchment, an experienced businessman will easily be able to devise means of obtaining a given result with less establishment and personnel. I could see possibilities of retrenchment not only in security services but

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even in development departments. Under security services, there is room for retrenchment in the cumbersome judicial administration, if the exotic procedure unsuited to the genius of this country can be pruned down. An extension of the panchayat principle can make a great saving in the cost of judiciary. As for development departments, while one would like to see a large extension in their activities, one would also like such activities to be co-ordinated by means of amalgamation. Agriculture, industries and co-operation are all services which at least at the bottom must be administered by the same functionary. It is for a powerful Government like the present to see how such a co-ordination can be carried out for the convenience, and to the financial relief, of the agriculturist.

“There is every justification for raising special taxes in areas under Prohibition. Prohibition adds tangibly to the income of certain classes, and as it is rather like a windfall, there is no reason why it should not be taxed. Such taxation could be levied, at least after a year of Prohibition. According to the Hon. the Finance Minister's estimate, the drinking classes spend on drink about four times the excise revenue. I would make a more modest estimate, based on my enquiries in Salem. For every lakh received by the Government, the drinking classes spend at least 2 lakhs. In Salem, Prohibition has liberated a spending power of about Rs. 52 lakhs to be spent on things other than liquor, and a large part of this has gone into the pockets of traders. There is every justification for some special taxes which would tap a part of this source for the public treasury. I regret that the Government have not so far devised any scheme for this purpose.

“As for new taxes to be raised throughout the Presidency, they must be such as will not burden the poor unduly. I am glad that the Hon. the Finance Minister has emphasized this principle, and in general the new taxes proposed conform to this principle. I shall not dwell here on the new taxes, as this House will have opportunities later to deal with them. What I wish to say here is that we have to nourish old taxes as well as explore new ones. Land revenue is our chief revenue source. If the Bill proposed in the Estates Land Act Enquiry Committee is passed, it would imperil our land revenue, for as soon as the zamin ryots obtain 1801 money rates, the Government ryots will also ask for the same. The principle of permanency claimed for rents will have also to be applied to the Government assessments. In a world where everything is changeable, there is nothing more unscientific than a permanent assessment of revenue. In my opinion, the two essentials in a proper agrarian reform in the zamindari areas are, that the cultivator should get more of his produce for himself and that the Government should get more revenue from those areas. Neither of this is provided for in the Committee's Report. Our ryotwari land-revenue system also stands in need of reform.

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As I have put it before the House on another occasion, the assessment must be adjusted to the ability of the tax-payer, and must take account also of the vagaries of the seasons and the price-level. If this adjustment is carefully carried out, the total revenue even from ryotwari areas may not fall. By a proper re-ordering of our land-revenue system, the total revenue may even be increased. I do hope that the Hon. the Revenue Minister will soon place before the country his plans for the reorganization of revenue.

“The Government of Madras already draw a good revenue from non-tax sources; irrigation works and electricity undertakings together bring in about $1\frac{1}{2}$ crores. There are also smaller items like forest revenue. All these can be largely expanded under careful management. Public utilities are a legitimate province for the Government, and a wise plan of capital expenditure will not only lead to the economic development of the Province, but will also give a much-needed relief to the tax-payer. I should like to see the revenue from non-tax sources exceed Rs. 5 crores in another ten years. This can be done if we have a will.

“Sir, The Hon. the Finance Minister deserves to be commended for making a good beginning in the difficult task of broadening the basis of taxation, and I do hope that the Province will give support to his very moderate and carefully conceived proposals for fresh taxation. But I would appeal to him to make a good start in broadening the basis of expenditure also, so that the welfare of the masses may be tangibly advanced. The Public Health Act is a great step forward in that direction, but public health cannot improve if the agriculturists and small-scale producers are left in the miserable condition they now are. The success of the present Government will be judged chiefly by the extent to which they ameliorate the condition of these classes and I am sure that the Province will bear any sacrifice for an approach to this noble goal. Commenting on the first Budget of the present Government, I said ‘Festina lente’; now I have to revise this and say ‘Quicken the pace.’”

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“Mr. President, I rise to say that it is impossible for me to withhold my admiration for the excellent manner in which the Hon. the Finance Minister has presented the financial statement in the midst of the most arduous difficulties that he had to contend with in this most disastrous year and it is also my bounden duty to express my sense of appreciation of the courageous manner in which he has taken the bull by the horns and suggested various methods of extra taxation, which methods, I believe, are most distasteful and depressing. The financial statement contains five new taxes and a proposal for a cut in the salaries of Government servants. The taxes are, a tax on certain classes of consumers of electricity, a tax on petrol sales, a tax on tobacco sales, a tax on entertainments and a tax on sales turn over. In addition to these, the tax on country spirits is to be raised.

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" I consider this budget as an 'eye-opener' budget. I say this budget is an eye-opener because of the fact that it has opened the eyes of every thinking citizen of this Province to understand and to know definitely what is in store before him if the present policy of the Government is continued for some more years to come. One has to think deeply and find out how many more new taxes one has to pay year after year if the Government do not find large sums under accumulated savings such as the Minor Ports Fund.

11-45 a.m. " If it is a passing year of deficit we might with a clear conscience vote for some of the items which the Finance Minister has asked us to vote for. If we study carefully the current year's budget and the budget for 1939-40 we will be convinced of the fact that the finances of this Province are bound to go from bad to worse in future years also.

" The current year's budget is expected to show a surplus of Rs. 2.43 lakhs with the aid of Rs. 42.55 lakhs transferred from the Minor Ports Fund. This shows that the current year's budget is also bound to have nearly 40 lakhs of deficit but for the transfer of 42 lakhs from the Minor Ports balances to general revenue in pursuance of the Act passed by the Legislature recently. Again take the budget for 1939-40. This budget will also show a deficit of 42.39 lakhs on the basis of existing taxation; but the Budget takes credit for 10 lakhs of rupees on account of enhancement of duty on country spirits in non-Prohibition districts and for the levy of an electricity duty and a tax on sales of motor spirit, the receipts from these being estimated at 15.12 lakhs of rupees; and thus the gap between the revenue and expenditure will be reduced to Rs. 17.27 lakhs. Again the Hon. the Finance Minister proposed to cover up this deficit also by means of taxes on the sale of tobacco, a general sales tax assessed on turn-over and an entertainment tax. We are told that necessary Bills will be introduced in March and the taxes levied from October. To put it in plain language definitely, but for the transfer of 42½ lakhs from the Minor Ports savings to the general revenue, the current year's budget will close with a deficit of nearly 40 lakhs, while the budget for 1939-1940 will also show a deficit of 42.39 lakhs but for the proposed new taxes. And again in addition to these, though a surplus of less than 3 lakhs was anticipated in the year 1937-38, a surplus of 17 lakhs of rupees was actually realized. With all these unexpected surpluses and transfer of balances to the general revenue, we have deficits. I ask, what is it due to? The Hon. the Finance Minister has told us that the current financial year opened with some districts in the grip of famine and the total expenditure on famine relief operations came to about 25 lakhs of rupees, and the remissions came to about 15 lakhs. In addition to the above, there was a fall under the heads of 'Stamps' and 'Registration.' These circumstances, we are told, are responsible for the deficit budget for the current year. Of course, as I said just now, the transfer of 42½ lakhs of rupees from the Minor Ports Fund has averted this.

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Coming to the budget of 1939-1940 we see that land revenue is estimated at an increase of 16½ lakhs of rupees over the current year's results as it is assumed that the season will be normal in the coming year and their suspended revenue will also be collected. In this Budget provision is made only to grant the same general land revenue concessions as during the current fasli.

" There will be again only a reduction of revenue of 13½ lakhs of rupees in 1939-1940 on account of Prohibition in North Arcot district though in a full year the amount of reduction would be 23 lakhs of rupees. Prohibition will be in force in a compact area of 23,819 square miles which is only one-fifth of the total area of the Province and the amount of reduction of revenue in a full year will be 65 lakhs. With one-fifth of the total area under Prohibition and taking the season to be normal in the coming year, with facilities to collect the suspended revenues also and with a reduction of revenue of 13½ lakhs only instead of 23 lakhs on account of Prohibition, we have practically a deficit of Rs. 42.39 lakhs on the basis of existing taxation. We do not know whether in the coming year we will have a normal season or otherwise. Time alone can decide that. Under these circumstances one has to think and find out what would be the deficit and how many more new taxes have to be levied to wipe off the same when Prohibition is introduced year after year in more districts. This is the reason why I said that this is an 'eye-opener' budget, because every thinking man will now have an idea of what is in store before him in coming years. I honestly believe that it is impossible to take up the position that these deficits are due to transient causes, that we can look for better times ahead, in the hope that before long our revenues will once more have equalled our expenditure. I must say frankly that I see very little prospects of any such equilibrium being attained in future. So, whatever the causes of the loss of revenue may be, the question of questions is, whether we are prepared to meet the whole deficit in future also by a fresh taxation. The results of the fresh taxation would be the starvation and ruin of the country. We have to take into consideration the fact that people have not to pay merely the provincial taxes but also Central Government taxes and municipal and local fund taxes. It is a broad day-light fact that this Province is the poorest in this country. The incidence of taxation is shown by comparison with the people's earnings; and, judged by that standard, the incidence is higher in this Province than in others. Even if the rate were the same, the pressure would be more keenly felt by the people of this Province with their lower average income than the richer people of other provinces. I therefore appeal to the Government to consider deeply and obviate the necessity of additional taxation as much as possible at least in future years. I do not propose to speak about advantages and disadvantages, or the propriety of the proposed fresh taxes as we will have opportunity

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to discuss the same in detail on the floor of this House when the necessary legislation is introduced here. My only appeal to the Government now is that they should not resort to some more new taxes again in future in addition to those proposed now. They should try to abolish the proposed taxes in the next year.

“It was pointed out on the floor of this House times without number that the present land-revenue system in this Province requires immediate thorough overhauling. We are happy to see that the Hon. Minister for Revenue has taken up the question of the ryot in the zamindari areas and is dealing with it very sympathetically. We understand that he is going to introduce necessary legislation at a very early date. I should feel that it is a matter of misfortune that the ryots in the ryotwari areas are neglected. When we asked the Hon. Minister the other day, he told us that the Government are considering this question also very seriously. We are asked to live under hopes. It is not known when the Hon. Minister for Revenue is going to ask this Hon. House to accord sanction to his proposals with regard to the land revenue policy of this Province.

“Mr. President, the Government have issued orders to say that the old rate of remissions will be given effect to this year also. I draw the attention of the House to the statement made by the Hon. Minister in his budget speech. He says:—

‘In the economic sphere the well-being of a province such as ours, which is almost entirely dependent upon agriculture, is primarily determined by the monsoon and then by the level of prices of agricultural products. Prices have not been particularly favourable, while the seasons have been terribly unkind. The Province has been visited by an altogether exceptional series of calamities.’

“Our Prime Minister has depicted correctly the real state of affairs in the Province, but I cannot understand why the Government have stated that they are going to allow the old rates of remission this year also, in spite of the statement of facts made by the Hon. Premier. As a matter of fact, all the dry crops in almost all the districts have completely failed. I cannot say the same thing about wet crops; in some cases, wet crops were raised with the aid of wells. So far as dry crops are concerned, they have thoroughly failed. I had occasion to visit North Arcot, Nellore and some districts in the south. I have evidence of the fact that dry crops have failed throughout the Province. In the face of the facts that have been stated by the Hon. Premier himself, I want to know why the Government have decided that the old rates of remission should be granted this year also which is said to be disastrous and cruel. It may be argued that the Collectors have got extraordinary powers under the Board's Standing Orders to grant remission. I say that the Collector cannot grant remissions with regard to dry crops. He may grant remission with regard to wet lands. Unless the Government issue definite orders that the Collector may use his discretion even with regard to

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dry lands, such as groundnut, horsegram, etc., the Collector cannot grant remission. The dry crops have failed and the ryot is not in a position to realize even the amount he has invested in raising the crop. That is the sad state of affairs. I bring these facts to the notice of this House, so that the Government can give special treatment and remission to commercial dry crops. I appeal to the Government to issue necessary orders to the Collectors, so that during their jamabandi work which is likely to come off soon, they may be able to grant full remission in respect of dry crops also. Sir, while I was speaking on the budget last year, I brought to the notice of the Government that deducting remissions in the last instalment has created much hardship to the ryots. Even this year the Government have ordered that the deductions should be made only in the last kist. It is not known what the real difficulties of the Government to pass orders on these lines are. I place these facts before the Government for even to-day the Government may issue orders to the Collectors saying that the remission can be deducted even from the first instalment. The Government will be rendering a great help to the ryots if they say that the remission can be deducted proportionately in all the instalments, that is, from December to April.

“Again, Sir, I brought to the notice of the Government on a previous occasion that the tanks and spring channels especially in the Ceded districts and Chittoor have been entirely neglected by the Government. In answer to an interpellation put by me here, the Government stated that some channels in Chittoor district were not repaired for about 20 years; some tanks have not been repaired for fifteen years. I ask the Government to imagine what the condition of those channels and tanks would be now. The channels are in complete disrepair; we are not having adequate water-supply; crops failed last year also as there was no adequate water-supply in the channels. The ryot is not only losing his income from the crops; he is not able to realize even the amount he has spent in raising that particular crop and hence he is ruined. I ask the Government to issue orders to the Collector to see that repairs to these channels are carried out at least once in five years. Suppose a particular channel gives an income of Rs. 1,000 a year. The Government should say that once in five years, the income of one year—i.e., Rs. 1,000—should be set apart for repairing that channel so that it may be in good condition. At any rate this is not done at present in my district. The Hon. Minister for Revenue is aware that some channels have not been repaired for twenty years; we are not getting one-sixth of the water we were getting previously. One-half of the area is always left uncultivated. With a little quantity of water in the beginning a particular crop is raised and in the end it fails for want of rain or water. This is the sad state of affairs with regard to Ceded districts and Chittoor. Unless these channels, etc., are repaired, there is no salvation for the ryots in these districts.

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“ It is gratifying to note that electrical development continues to make rapid progress. Important extensions are nearing completion. I am very happy to learn that electricity is being carried even to Tirupati and Pakala in the Chittoor district. In this connexion I want to place before the Government one suggestion of mine for their consideration and immediate action. Kalahasti taluk is one of the worst portions of the Chittoor district that have been affected by famine conditions. Kalahasti is a taluk which is entirely dependent upon the north-east monsoon for water-supply. As a matter of fact, this year there is not sufficient water even for drinking purposes; no fodder is available; even the seedlings have been spoiled on account of the failure of the monsoon. Fortunately we have good springs in the taluk. The Devasthanam of Tirupati has extended its electric line up to Renigunta. Kalahasti is only 17 miles from Renigunta. The Government can extend the line from Renigunta to Kalahasti, to save the ryots from famine condition. If this is done, people can bale out water from the springs available and can cultivate the lands very easily. We have got there a number of metal factories. The particular soil of that taluk is very suitable for that industry and therefore a number of people from outside the district have settled down in that taluk. If electricity is taken to that place, metal factories will thrive well and will increase; it will also be a source of income to the Government, and above all the Government will be helping the poor and suffering also in that taluk. I would like to impress on the Government the necessity of extending this line from Renigunta to Kalahasti as it would certainly avert future famines in this area which is subjected always to draught. Sir, the Hon. Mr. Yakub Hasan, the Minister for Public Works is unfortunately absent now, but I am sure he knows not only the natural conditions but the present situation in Kalahasti personally. I request the Hon. the Minister to take early steps to extend this line from Renigunta to Kalahasti, under the conditions stated above.

“ Sir, the prosperity of the agriculturists depends entirely upon their cattle and upon leaf manure and other kinds of manure available to them which will add to the fertility of the soil. The Hon. the Minister for Agriculture was pleased to say that he would consider this question favourably and has also reduced the grazing fees to three annas from six annas in the Government areas. While this is the case in Government forest areas it is not known why the village forest panchayats insist upon collecting six annas as usual. I request the Government to enquire into the matter and insist upon the village forest panchayats also to reduce the rates to three annas as in the case of Government forests. You must consider specially the question of the very existence of the villagers who live near these forest areas. At present they are not allowed to get the grass. As a matter of fact this grass is not going to stand there permanently and even

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that grass is not allowed to be taken by the village ryots. I therefore request the Government to issue instructions to grant free permits so that they can get grass, fuel, leaf manure and also wood for agricultural implements. After all, Sir, the Government are not getting much income from these forests. On the other hand, I think they are spending about 40 lakhs on the establishment out of 47 lakhs which they get from the forests. If such concessions are granted, I am sure it will not affect the revenues quite appreciably as far as the forests are concerned.

“ Sir, the other day, I put a question about the jurisdiction of the Tirupati Munsif's Court. In the Chittoor district, there are a number of villages which are situated within a radius of $1\frac{1}{2}$ or 2 miles from Tirupati, but they are tacked on to the Chittoor Munsif's Court. The litigant public, as a result of this arrangement, have to go forty or fifty miles to Chittoor even though they are very near Tirupati, to file their cases. When I put that question, the Hon. the Minister was pleased to say that he would investigate into the matter and pass necessary orders if what I represented was based upon facts. The late Mr. Raman Menon was pleased to visit the Chittoor district just before his unfortunate death and he was convinced of the necessity of tacking on the villages within this small radius to Tirupati, because there was no justification for making the people go such a long distance to Chittoor. He promised us to do the needful in the matter, but unfortunately he was taken away. I therefore appeal to the present Minister for Law to consider this question and see that these villages within a radius of two or three miles are tacked on to Tirupati District Munsif's Court so that the poor people need not go to Chittoor which is very far away.

“ Now, Sir, with regard to education, I am very sorry to say that we have not got sufficient provision in the Budget under this head. There are a number of villages which have not got schools. It is the primary duty of the Government to see that schools are established in places where there are no schools, because the prosperity of a country depends entirely upon the education of the people and unless the Government give free and compulsory education, I am afraid they are not going to help the people. Of course if compulsory education is introduced in the whole Province immediately, the Government has to solve the question of finance; and I am sure it will not be possible. But, I would like to request the Government to consider the question of free and compulsory education at least in the bigger municipalities and major panchayats, so that it can be copied in course of time in other villages gradually. I therefore request the Government to consider this question seriously. Again, Sir, the Government have abolished the District Educational Councils, and we do not know what other bodies are going to be substituted in their places. I hope Government will see that some other suitable bodies will be established to discharge the duties without any fear or favour.

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" Mr. President, Sir, here I would like to draw the attention of the Government to the portion of the speech made by my Hon. Friend, Dr. Subbarayan in the old Legislative Council in 1936 with regard to the educational policy of the Government. He said:—

' I would like to commend to the notice of the Hon. Members of Government the report of the United Provinces Unemployment Committee. I think Sir Tej Bahadur Sapru has added to the services he has rendered to this country, by that report, and there are points in that report which are well worthy of consideration, specially in the matter of university, secondary and primary education, which may really show us a way of dealing with this great problem of unemployment which is confronting every Government of the day in every province in this country. I am afraid in spite of sixteen years of the Reformed Government we have not been able to find out methods by which compulsory primary education could be introduced into this Province. I myself know the practical difficulties that confront the Education Minister in this respect. The question of finance confronts us and the inelasticity of the revenues that are under our control raises, I know, a most difficult problem for any Minister to solve. But at the same time, I hope my Hon. Friend the Education Minister would think of the words of my hon. Friend the Lady Member for the City of Madras; because I think when considerations of finance come in, there ought to be ways and means by which we can compel all children of school-going age to be at school for a particular number of years and make it possible for parents who can afford to pay, to pay for the education of such children. When in countries like England they are thinking of keeping a boy or girl at school till the age of fifteen, I think we are lagging behind far in the van of progress, if at least for four years we could not keep our children at school, say from the age of eight to twelve. I know it is too late now to think of it. But I hope the Economic Council and the enquiry which the Hon. the Chief Minister is conducting to-day will find out ways and means for practically carrying out this question of compulsory, if not free, education.'

" Sir, these are the remarks made by my Hon. Friend, Dr. Subbarayan during the general discussion of the Budget in 1936 and I appeal to the present Hon. the Minister for Education to go through that speech and find out what he can do in regard to that matter. (Ahmed Miran Sahib Bahadur: 'He was not on the Treasury Bench at the time.')

" Mr. President, there is another matter to which I would invite the attention of hon. Members and that is in regard to the burning question of the day, namely, 'unemployment.' Now, Sir, a large number of young men are turned out of educational institutions and they are struggling for their existence. It is the duty of the Government to see that something is done to solve the question sooner or later. I do not propose to make a long speech on this matter at present, but I think it would be sufficient if I draw the attention of hon. Members to that portion of the speech of my hon. Friend, Mr. D. Krishnamurti while discussing the Budget for 1936-37. He said:—

' There are thousands and thousands of villages in this province, and if Government care to solve the unemployment problem, they will have to start state technological schools wherein educated young men can be trained in agriculture, spinning and weaving, minor cottage industries, public health, rural sanitation, indigenous crafts, rural economics, agricultural credit and civics; a batch of young men, say two or three, can be set apart for each village on an average salary of 30 to 50 rupees. This would to a great extent relieve the unemployment among our young men, and at the same time it would really bring the villages directly into touch with the administration, so that their grievances may be placed before the

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Government and take advantage of all the latest improvements to relieve their distress. The scheme may appear to be very gigantic, and it may also be considered very impracticable. But I submit this is a matter worth while being examined into by the Economic Board.'

" I am drawing attention to this in the hope that the present Government will devise ways and means of solving the unemployment problem that has been facing us. Mr. President, I do not know why in some high schools they have not instituted the technical branches and I would like to place before the Government the desirability of introducing industries in all the high schools. As far as my district is concerned, I know, Sir, in some of the Board high schools no technical branches are introduced and I request the Government to investigate and do the needful immediately. I once again thank the present Government for the able way in which they have presented this year's Budget, but my only request to them is to see that no fresh taxation is imposed on the ryots who are already over taxed.'

* Mr. J. A. SALDANHA:—" Mr. President, I crave your permission to refer to one or two preliminary points. As usual, I find there are some items amounting to about two and a half crores which we cannot discuss and which I may call, untouchable items. I refer to the items relating to the Government House which we are not allowed to discuss on the floor of the House. Many of us would like, Sir, that this hall be permanently placed at our disposal for holding the meetings of the Council. But we cannot demand this under the present law. It is hoped a day will come when the number of these 'untouchable' items will be reduced to nil and we shall be able to control the finances of the Presidency in such a manner that we shall have control over all our expenditure and revenue.

" The other point I wish to stress is the difficulty of getting the administration reports of the various departments for 1937-38, or earlier. They have been received by us only recently. In regard to the general Administration Report for the whole Province, relating to the progress made up to the end of 1938, I am sorry to say, it has not yet been supplied to us. It is probably being printed and I do not know of what use it will be if it is handed to us after this debate is closed. Probably it may be useful to members of the Assembly who will have time till the end of March in connexion with the detailed discussion of the Budget.

" I wish now to refer hon. Members to what the Hon. Prime Minister has stated in introducing the Budget. He says that from all points of view this is a year of trial and it calls for the utmost co-operation, sacrifice and patriotism on the part of us all. Of course every one of us must show patriotism and a spirit of co-operation and sacrifice in these matters of administration.

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But, I would ask the Hon. the Premier one question. 'Quo Vadis—Where are you leading us?' For, year after year, we find fresh taxation Bills cropping up. It looks as if it is all due to the Congress Cabinet's religio-mania as to total prohibition. The Hon. the Prime Minister said it is sinful to drink liquor. May I ask, you, Mr. President, whether the 90 per cent of the people of the world who drink, or sanction the drinking of, liquor, wine, beer or toddy are all sinners? They have been drinking these liquors from the beginning of the world. Are they to be treated as having been committing sin? We know the ancient Hindus used liquors and that ages ago according to the Bible the ancients were drinking wine. We therefore repudiate—and the whole world will repudiate—the idea that it is sinful to drink.

12-15 p.m. "Government however persist in their attempts to convert the Madras Presidency into a land of ascetics. I think there should be some limit to it. I want to know why the Prime Minister cannot place before us a plan of action for his three more years of tenure indicating when he is going to carry out this Prohibition policy and what are the taxes that he is going to introduce to meet the loss of Rs. 4 crores of Excise revenue, besides the cost of the Excise establishment. Another point we must bear in mind. In all countries production of liquor is an industry and a source of great wealth. For instance, take France with its champagnes and brandies. Japan and Germany depend so much on their beer. India has got all materials necessary for the production of the best of wine, beer and distilled liquors. The British Government tried and have succeeded in setting back the progress of our liquor industry. Now comes the Congress Government to kill that industry and sources of employment and of revenue.

"On the other hand, there is the land revenue which has been increasing by leaps and bounds. The Hon. the Revenue Minister waxed eloquent the other day over the sins of the zamindar. Now take the history of the Governmental ryotwari areas and see how it has been increasing the revenue. For instance take South Kanara. In 1900 they devised a new settlement. Previously it was Rs. 14,00,000. Immediately after settlement, it was raised to Rs. 24,00,000. It is an increase by Rs. 10 lakhs by one stroke of the pen. Now where does it stand? Two years ago it stood at 30 lakhs. Now I find from the Revenue demand that it is 33 lakhs. When I joined the Congress they gave the assurance that we were going to decrease land revenue and have a permanent settlement. Now we do not find the Congress Government carrying out its pledges to Government ryots. On the contrary, Government are going to attack the zamindars. We are with the zamindars now. We have been trying for fixity of tenure for tenants. In Malabar it has been introduced. I am told

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this has led to greater prosperity. I put certain questions recently on its extension elsewhere but the Revenue Minister said, 'No.' There are some landholders in the ryotwari areas or mirasidars, who are more powerful than many zamindars. Their tenants are rack-rented in many cases. Besides, agricultural officers find it very difficult to introduce improvements for want of certainty of tenure. The tenant says, 'Why should I do it, because the moment I increase the yield, the landlord claims the higher rent?' Therefore, unless you introduce fixity of tenure, it will be impossible for the Minister for Agriculture to introduce improved cultures in the country. Fixity of tenure does not mean permanent rent. Under the Malabar Tenancy Act, there is a fair rent to be paid. That fair rent is to be fixed periodically, so that it might increase or decrease according to circumstances.

"I will now go into the forest affairs. We have been crying hoarse all these years over the forest grievances, especially in South Kanara. I need not tell you about the agitation for reviving the privileges which existed in Kanara from time immemorial. They are rights declared as the easement rights by the High Court. (See I.L.R., 28 Madras, 257, pages 260, 364, 279, 289). When the Congress was in Opposition in the Council in 1930, these concessions were revived. But no sooner we turned our back, than all the concessions were withdrawn. I want to bring to the notice of the Hon. Minister what is being done in the North Kanara. North and South Kanara formed part of the same district until 1862. The cultivators claimed the proprietary rights over the forests. But courts recognized only what may be called easement rights in the forests. I have got with me the rules issued by the Bombay Government in 1931 and 1938 and I will hand them over to the Hon. the Minister for Agriculture. It will be seen that the Bombay Government have given very liberal concessions to cultivators in the reserve forests. Another thing in which the Bombay Government have gone ahead of us is by abolishing the grazing fees. The Minister for Agriculture may go to see it in North Kanara in practice and I hope the Madras Government will do the same.

"I might now go to Education. In the first instance I offer my congratulations to the Hon. Mr. Varkey on his elevation to the cabinet. I need not dilate much in praise of him, as I vehemently supported him when he stood on Congress ticket. He won by a big majority. He became a Parliamentary Secretary and is now happily the Minister for Education, for which he is eminently fitted. I feel sure that he will fare well with his intimate knowledge of people of South Kanara and elsewhere. I may stress here one grievance. Year after year, I have been agitating on the question of the boarders in the Indian orphanages; as a result of agitation the grant has come to Rs. 3 per boarder. Then I left this Council. It is still there. In European schools, it is 10 to 15 rupees per boarder. This anomaly

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can be easily removed. If the Ministry will raise no objections I will bring a resolution with a sure majority of this Legislature that grants of what are called 'irreducible grants' can be reduced. They can be brought down and they must be brought down sooner than later. I hope the Hon. Mr. Varkey will have the courage to force this issue and remove the inequitable distinction.

12-30 p.m. "Then, as to the Wardha scheme, I do not see any amount has been appropriated in this budget for it. It must be carried out; it will give at least manual training on a large scale. I find some provision for about Rs. 12,000 for manual training. Great stress must be laid on manual training. It would have been better if we had learnt manual training in our childhood. I hope more money will be found for imparting manual training to children. If a demand is brought forward for any scheme which will induce our children to take up to mechanical industry, we shall cheerfully pass it. This is one of the ways of solving unemployment; if a young man is not employed in any office, he can at least take up to some craft and earn some money. A family would get more income by being mechanical. Every European knows to use some tool or another, from a humble man to the Viceroy. He does not send for carpenters, as we do; he does so much work himself. I have seen Collectors themselves working with their tools. I hope the Hon. Minister for Education will find money for this purpose as soon as possible. [At this stage the Deputy President took the Chair.] I find that grants for equipments in high schools and colleges are very much reduced; equipments are required for imparting education in sciences to students. They cannot get on without aid.

"Another point is about the treatment of minorities as to the medium of instruction for them. I might mention that my community in South Kanara speak as our mother-tongue, Konkani an Aryan language. Others speak Tulu, a Dravidian language. I am not at all sorry for having learnt Kannada as a compulsory language which is the official language. But only one-sixth of the people—2½ lakhs out of 14 lakhs talk Kannada at home. Some how or other it has become the official language. Because it is the official language, our children study that language. Our children will take more easily to Hindustani, an Aryan language, as a secondary language. There are however some difficulties just now to make Hindustani as a compulsory medium of instruction. We can easily acquire a knowledge of English, an Aryan language. It is much nearer to our language than Kannada. Our children therefore find it very difficult to learn Kannada. They do not hear Kanarese spoken anywhere. They hear Tulu but not Kanarese. We want our children to learn Kanarese. But we do not want that that language should be the medium of instruction. A resolution was passed at a public

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meeting of our community in Mangalore the other day. 'This meeting of the citizens of Mangalore views with great concern the decision of the Government to make Kannada as the compulsory medium of instruction. The matter should be left to the discretion of the authorities of our own schools with the approval of the parents of the pupils.'

[At this stage Mr. President, resumed the Chair.]

"A few words on agricultural and industrial development programmes. They say there is no money; all the money available has gone to make up the loss of income through the Prohibition policy. Take only canning; it is very important to preserve export and transport fruits, etc. Canning is a very simple industry which ought to be taught in schools. The Hon. the Minister for Agriculture is interested in it, because he has schemes for improving horticulture, etc. We have plenty of fruits in South Kanara, pineapples, mangoes, etc. But are we to have no means of preserving and transporting them? I hope the Hon. the Finance Minister will help the Ministers for Agriculture and Industries to do something really substantial for the development of this industry and other industries.

"Then I come to the question of propaganda by the Agricultural department. I do not know what to say. It is simply disgraceful. There is one demonstrator for each taluk. He has to go round. When we want him at some time to give some advice, he is often not found. He is going on tour. There should be at least one demonstrator always in the headquarters, with adequate materials. If anybody wants any grain, he must run to Coimbatore or Pattambi. There is not sufficient quantity of seeds stocked for supplying even the needs of the few. The demonstrator is not available at times. We have got a large number of higher officers. What is the use? What is the use of having research stations and Research Officers? They make researches; for whom, one wonders. These new types, new grains should go to the masses. They do not go. One-tenth of the propaganda work does not go down to the masses for want of men, for want of demonstrators, for want of money.

"This House has been treated in a step-motherly fashion by the Ministers and others. I need not go into details. Even the hours of sitting are not fixed. We do not know the hours when we have to meet. Rules have been changed without the consent of this House. It is stated that a Standing Committee has been appointed. By whom was it appointed? One year has passed since I raised the question about having some fixed hours for our sitting. The Standing Committee is still sitting, and framing rules. Mr. President, I shall myself bring these amending rules. There is no use waiting for the Standing Committee. Besides, hardly any non-official days are allotted. No Bills are introduced

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in this House. Every Bill is brought here as passed by the Assembly. I am sure the Hon. the President is alive to our feeling. But what can the Hon. President do, when the Prime Minister and the Leader of the House have so little regard for our prestige?

"I am glad that the Government have decided to retain the Fisheries department. The Fisheries department requires development, much more popularization. Our Aquarium is the best in India, but it is poorly housed. We must have a first-class Aquarium building. I have drawn the attention of the Hon. Minister to the fact that fishing boats from Japan are prowling about here in the Madras seas. We find that many things are dumped on us from Japan. We shall soon find that Indian fish products concocted in Japan are also imported into our country, unless we are alert and go ahead. Yet Japan has not adopted a Prohibition policy as to liquor.

12-45
p.m.

"Sir, there is one more point I wish to refer in this connexion and that is in regard to the appointment of High Court Judges. Some years ago, there was an agitation to appoint Mussalmans to the Bench. They could not find any one from our province and they brought a gentleman from some other province. In regard to the appointment of Indian-Christians, after Mr. Devadoss, Government have not appointed any one from that community. As a matter of fact, there are first-class graduates in Law and practitioners but it is a pity they have not been treating this community in the way they should be. Probably because we do not foster the cult of potential violence like our friends, the Mussalmans. We do not want any special favours. We have not got even a full District Judge from our community. Our people are not satisfied. We are known to be loyal. If you want our people to be taking part in the administration of the country and to be loyal to any party that may be in power, you should recognize their demands and give them what they really deserve. I hope this aspect will be considered by the Government. I shall not detain the House longer because I have talked enough and there are many more hon. Members anxious to speak."

* SRI V. V. JOGAYYA PANTULU :—"Mr. President, the Budget that was presented last Monday is a remarkable document. It reveals on the part of its author, consummate ability in the difficult art of making both ends of a Budget meet. The Budget discloses a loss of about 45 lakhs in revenue under such heads as Excise, Stamps and Revenue.

"The current year is a year of upsets. We had to pass through several vicissitudes of fortune by way of floods, famines and cyclones. On account of bad seasons, ryots were badly hit.

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The Government had therefore to come to their help. In addition to the 75 lakhs of rupees already announced, Government had to find another sum of Rs. 50 lakhs by way of remissions. Despite the low revenue, they could not help proceeding with their forward policy and programme, nor could they withdraw from their obligations to contribute their quota for nation-building departments. They had to spend considerable sums for meeting the costs of Prohibition, protected drinking water-supply, Harijan uplift, public works and the like. Prohibition itself amounted to a total loss of 66 lakhs of rupees and Harijan uplift, another sum of about 55 lakhs. All this means expenses in proportion to revenue, but this expenditure cannot be avoided, unless the public convenience and comfort are altogether sacrificed. Compared to the Justice party's regime two years ago the finances of the present Government are poorer by two crores of rupees. The Prime Minister, in his Budget, concealed no facts; nor did he manipulate figures to make the worse appear the better. He plainly indicated that there would have been no considerable deficit, but for fortuitous circumstances.

"As in last year this year also fortune favoured the Budget to some extent. There were certain windfalls, notably 42 lakhs and odd available from the Minor Ports Fund. In spite of this, budget calculations show that expenses in the coming year will be far in excess of the anticipated revenue. Including the revenue estimated to be due from taxes on petrol and country liquor, it is expected that the current year will result in a deficit of 17 and odd lakhs. It is a matter worthy of note that despite these handicaps, the Budget was framed so as not to deprive the people of the amenities and services already provided.

"In the circumstances, credit is due to the Government for having stuck to their guns in an undaunted spirit, and having sought to discover new sources of revenue to make good the deficit.

"The only course therefore left open to the Government is to have recourse to new taxation. But in doing this, great care and discrimination should be used to see that no undue hardship is caused to the poor and middle classes. In the Budget, this principle was steadily kept in view. The selection of items of articles on which tax is proposed to be imposed are such as would not touch the poor or even the lower middle classes very much. Tax on petrol and electricity will not affect these classes.

"It is, however, pointed out that the other taxes proposed such as those on sales and entertainments would affect adversely also the poor and the middle classes. But I say, Sir, that these do not affect them and if they affect them at all, they do so very lightly. The tax on sales is estimated to come up to about a pie in a rupee. This is light enough. As for the tax on entertainments, this, no doubt, will increase just a little the price of

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tickets for shows, entertainments, etc. In this connexion, it should be borne in mind that entertainments are luxuries and those that go in for them must be prepared to bear this little sum in excess.

"Several criticisms were levelled against these taxes both in the Press and the Assembly. But I do not propose to deal with them on this occasion, as they were already answered by our Prime Minister in his own inimitable way in the Lower House in connexion with the debate on the Budget. I shall, therefore, pass on to a few special subjects; even with regard to these subjects I shall confine myself mostly to my constituency, the Vizagapatam district. The district of Vizagapatam, Sir, though poor, is as extensive in area as Denmark. This is one of the most neglected of the districts. Very little attention is given to this unfortunate district in our budgets.

"Last year, I pleaded, Sir, for the construction of an embankment for the Bahuda river at Ichchapur which was carried away by floods. The Government was pleased to allot about Rs. 15,000 for restoring this bund; and it was proposed to spend about three thousand in the current year. But as a matter of fact, not a single pie was spent this year on this work except by way of purchasing a few acres of land, at a cost of a few hundreds of rupees, from neighbouring ryots. The neglect to restore the embankment has been causing considerable loss to the ryots. I request the Public Works department and the Revenue department therefor to give their very early attention to this important work which, after all, does not cost more than a few thousands.

"Another work which, in spite of repeated requests and agitation, has not been taken up is the construction of necessary buildings in connexion with the hospital at Waltair. Promises were made by previous Government to complete these buildings in five years. This was not carried out. The public entertained high expectations that these buildings will be completed without further delay when the Congress Government came into power.

"In 1938 the Budget provided a sum of 3.15 lakhs for an out-patient block, including general septic block, but in a Government Order of 5th July last, to the surprise of the public, it was stated that it was unnecessary and not feasible to construct the other buildings suggested at the second inspection of the Medical Council. This meant great loss of prestige to the Waltair Medical College, and the medical graduates turned out by the Andhra University, as the Medical Council refused to recognize their degrees until the buildings suggested were complete. When the Prime Minister visited Waltair, the students and the public approached him and he gave them a reply, I am informed, that they would sanction in 1938, 3.15 lakhs and another 3 lakhs in 1939. Not only was this not done, but also funds which should have been

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utilized for this College, in the ordinary course, are being spent on the newly created second Medical College at Madras, known as the Stanley Medical College.

"In these circumstances when I had a talk with the Prime Minister lately, he was good enough to tell me that recently great efforts were put forward by Government in the matter of getting recognition of this College by the Indian Medical Council and that recognition would soon be an accomplished fact. While taking this opportunity of expressing my thanks on behalf of the public for the efforts put forward, I earnestly request that a definite statement may be made as to what amounts will be spent every year hereafter to complete the buildings and in how many years the Government will complete them.

"Coming next to grants by local boards, I may bring to the notice of the Government that only two applications for grants for purchase of furniture, science apparatus and library books were received by them from two high schools of the Vizagapatam district, viz., those of Chicacole and Bimilipatam and that too for small sums such as Rs. 1,146 and Rs. 1,390 respectively. The Government were pleased to provide a subsidy of only Rs. 573 and Rs. 695 respectively. I submit, Sir, that this is too small a sum and the Government may be pleased to grant the sums applied for, which after all are very little, and encourage educational facilities in these two schools.

"Next, dealing with agricultural improvement I have to invite the sympathetic attention of the Government to a few subjects. One is with respect to giving opportunities to young men belonging to agricultural families to take an intelligent interest in agriculture. I find, Sir, that the Government sanctioned during 1936-37 and 1937-38 the training of students for a period of four months during the cultivation season in the several Government Agricultural farms. It is said that though the sanctioned the number of stipend-holders was 150 in 1936-37 and 60 in 1937-38, number of students actually trained was only 77 and 34 and that the authorities considered that the scheme is on the whole not a failure and it may become popular in course of time. I request that the report said to have been submitted by the Agricultural department to encourage this training may be favourably considered and accepted and sufficient publication in each district may be made of this concession. The next subject, Sir, which I wish to place before the Government for their consideration and adoption is the opening of an Agricultural station for the study of rice in Vizagapatam tracts. In this connexion, I may state that there is at present a research station at Berhampur established by the Madras Government. But, on Berhampur being taken into Orissa, it was handed over to the Orissa Government in April 1937. There are about 600,000 acres of rice in Ganjam-Vizagapatam tract. In the ordinary course, the results

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obtained in Berhampur, in this huge area, could be made available to, and utilized for, the benefit of Madras. But I understand that this is not possible as some of the materials were taken over to the main station at Cuttack, and Berhampur is being run merely as a sub-station. The Agricultural Department Sub-Committee has also recommended sub-stations for the study of rice in the Vizagapatam district. In the circumstances, I suggest that a small farm for the present, may be opened near Chicacole.

"Another suggestion of mine relates to the opening of a cigar-tobacco farm in Chipurupalli taluk of this district. The district of Vizagapatam has an exclusive area of about 33,473 acres under tobacco, mostly grown for cigars. The soils in that part of the country are light and the tobacco grown here is considered good enough for cigar manufacture. In these days, when we are about to legislate for a tax on tobacco, I think the Government may open a farm for tobacco in Chipurupalli. It is stated if land measuring 30 acres is taken for the farm and worked, it could be worked with profit, both to the Government and the people. The non-recurring cost is said to be about Rs. 26,000 and recurring cost about Rs. 9,000 and the receipts may be estimated to be Rs. 2,500. In the circumstances, the proposal may be adopted and a farm may be opened in Chipurupalli.

"One other thing, Sir, which I forgot to mention is with regard to the devastation caused by the recent floods in the Vizagapatam district. I have not the time to refer to the details of the devastation now. I have submitted a report to the Government. I would particularly like to bring to the notice of the Government the large damage that was done by the recent floods in Thunga Thampala near Parlakimedi. The floods in the river Vamsadhara this year carried away with it a good deal of the earth in the dry land and sand-cast many of the inam lands and destroyed several topes and houses in the locality. This caused a good deal of damage to property. I request the Government, Sir, to take immediate steps to do something at least for that village and put up an embankment and prevent the hardship caused by the diversion of the river into the village itself. Unless this is done immediately at the place where the river changed its course, even the usual annual floods will cause immense damage.

"One other point that I wish to place before the Government is legislation about land laws. Recently in this House, as well as in the other House we passed resolutions requesting the Government to undertake legislation with regard to estates at an early date. We have been urging from time to time that legislation should be undertaken also with reference to the Government ryotwari tracts and the Hon. Minister for Revenue has been

request that land legislation may soon be undertaken and relief given to the ryots.

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"These are the few observations I have to make with regard to the special subjects relating to my district. I thank you, Sir, for the opportunity you have given me."

SRI P. PEDDI RAJU:—"Mr. President, I do not think the Premier needs any congratulations from me. It has become a fashion to felicitate the Prime Minister. Sitting as I do on this side, we need not form a mutual admiration society. I think it is my duty to place a few facts before the Government, so that they might receive the consideration they deserve. First of all, in view of the condition of the Presidency this year, early floods in August and drought in the major portion of the Presidency and cyclone in the deltas in the north, these considerations should have compelled the Premier who is the Finance Minister to have shaped the Budget suitably. No doubt, the Premier has said and the Revenue Minister has gone to the locality and seen the damage caused in the delta villages in the north on account of the cyclone. But I see from the Budget that the relief given to the cyclone-affected area is very little. It comes to one pie in the rupee in the East Godavari district and two and a half pies in the West Godavari district and three annas in the Kistna district. This variation in figures is, I submit, not proportionate to the damage caused but is due to the way in which the local officials have taken into consideration the damage caused. In Kistna two taluks have suffered. But all the same, Rs. 3,00,000 have been given. In the West Godavari the whole district suffered, but only two and a half pies in the rupee was given as remission. In the East Godavari the remission is only one pie. I ask in all seriousness whether the Government have adopted the recommendations of the district officers or have asked the Collectors to view things favourably to see that proper and adequate relief is given to the sufferers. I say at least in one case where the Revenue Minister himself had inspected, he stopped there and paid an hour's attention to the damage in a particular area in Tadepalligudem. Unfortunately some Congressman there got into trouble with the officials and that was the reason why the local officials dealt with it in a special manner. I ask in all seriousness whether the Minister or the Government have taken the damage caused into consideration and given adequate relief to the people.

"Then Sir, as regards the general review of the Budget proposals, it makes me express that we seriously want the Andhra Province. No doubt, both the Houses have passed a resolution recommending the formation of the Andhra Province, and the Government themselves have recommended to the Secretary of State and the matter is there. Why is it that the people feel or at least Andhra country feels that an Andhra Province is necessary? We have grievances in the matter of appointments, in the matter of expenditure, in the matter of grants for rural development and other nation-building purposes. To quote a few

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instances. I ask in all seriousness, what is the grant that is made to the Andhra University this year? Nothing extra to the Andhra Medical College. Not one scheme of the Irrigation department has been approved. The Hon. the Revenue Minister and the Public Works Minister have been promising for the last two years that they will take up the Torrigedda drainage scheme. They said they would take it up last year. It was not done. It is being delayed from time to time, from year to year. We are told that the scheme would be taken up next year. Not a pie has been allotted for that scheme. There are similar schemes in the West Godavari district also. Nothing has been allotted for these works.

“ Even with regard to minor irrigation works, no amount has been provided for. Even as far as the appointments are concerned, it is felt that the claims of Andhras who are qualified have been neglected. There are at least two or three Assistant Engineers. They have got very good records. People from the lower rank have been promoted, the reason assigned being that these Andhras have reached the age of 53, and they cannot serve three years as Executive Engineer. But we find that persons who are not Andhras, aged 44 years and lower in the rank of Assistant Engineers have been promoted as Executive Engineers.

“ Another thing, Sir, there was a Government Order of the year 1921 that in the matter of accountants, people knowing the language of the area should be appointed. That rule has not been abrogated. It has now become a fashion for the Accountant-General to send men from his own office for the place of accountants in all departments in the mufassal, overlooking the claims of those who have passed the examinations, in the mufassal. That shows that people who are qualified are not given their deserts and sometimes people are put in places where they are not desired. These are some of the reasons which compel the people of the Andhra country to agitate for a separate province.

“ So far as Rayalaseema is concerned, the Government should decide to take up the Tungabhadra project in right earnest. We are told by the Hon. the Premier that they are making headway. It should be made an accomplished fact. These promises were made by the old bureaucratic Government. We have been waiting. I do not know how long it will take to relieve the condition of the ryot in Rayalaseema. This work should be taken up immediately. I find there is no grant for this work in the Budget. No special appointments have been made and no special Engineers have been appointed to undertake the preparation of the plans and estimates. There is nothing of that sort. I do not know whether the Government are going to do so later on and set apart a grant for the establishment.

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“ Then, Sir, coming to the general aspects regarding the Budget, I agree generally with the remarks made by the expert Member, Dr. Thomas. No doubt in one respect I have to differ from him. Dr. Thomas has not evidently studied the Irrigation budget. The old bureaucratic Government was miserly and niggardly in their treatment of irrigation projects. The Congress Government have not taken a bold policy to improve them. They are bound to improve. As I see the Irrigation budget, the Government seem to have no policy at all. From 1800 onwards ever since the advent of the British administration, the Government have incurred a debt of only Rs. 15 crores towards irrigation projects. Within the last ten years, the Government have incurred a debt of Rs. 5½ crores for electricity. I think the Hon. Minister for Public Works is of the opinion that electricity pays the Government much better than irrigation, because he finds that it is paying 4 per cent interest on the capital invested. It may be that the Government get a ready return. But I think the Government should take up irrigation projects generously without caring for the benefits that they would derive. By irrigation projects, people would get the benefit. The Government should not consider the 4 per cent benefit which they will get. People will get 50 per cent or even cent per cent benefit. I see that a provision of Rs. 41 lakhs is made for capital works. Out of it, a sum of Rs. 35 lakhs goes towards the loan to local bodies. Out of the remaining 6 lakhs of rupees, Rs. 2 lakhs are for buildings and Rs. 4 lakhs for electricity. There is practically nothing spent for irrigation out of this grant. I think a sum of Rs. 34,000 has been provided out of revenue for capital works. I submit that, if this is the policy that is going to be pursued by the present Government, they will not be properly helping the public; they will not be doing justice to the masses of the Presidency.

“ Similarly I find that nothing has been done for the nation-building departments. We are more concerned with Public Health, Veterinary and Agriculture. The amount allotted for these departments is precious little. For Public Health, a capital expenditure of Rs. 11,000 is to be incurred next year; rupees 12,900 for Veterinary. My submission is that the proposals made in the Budget are entirely disappointing so far as the ryots are concerned. I have been agitating for a long time; I have been saying for about fifteen years on the floor of this House, that, so far as the Irrigation budget is concerned, the Government have been showing step-motherly affection and have not been providing enough funds. When the Congress took office, I thought that we would be in a better position, they would be able to mete out justice and show some favour to the ryots. But unfortunately the present proposals are disappointing. Even the ordinary expenditure that used to be incurred in previous years, has not been provided for, for the next year.

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For instance Sir, so far as extension and improvements in the Irrigation budget are concerned, a provision of Rs. 5 lakhs nearly had been made for the year 1936-37. In the current year, there is a provision of Rs. 3 lakhs. The revised Budget Estimate shows a minus expenditure of Rs. 98,000. That means to say that we are not going to spend anything in future. They have provided for Rs. 2,91,000. Forty per cent of it goes for extension and improvements. The expenditure in the year 1936-37 was Rs. 26 lakhs. In the future year they are going to reduce it to Rs. 24.92 lakhs, that is, less by about Rs. 1 lakh. The Government think that maintenance and repairs do not require so much money, as they have spent hitherto. They have cut short the provision for extension and improvements by 40 per cent. That is the total amount.

“Coming nearer home to the district which I represent, Godavari, I see a reduction of Rs. 1½ lakhs is made so far as extension and improvements are concerned. So far as maintenance and repairs of the Godavari deltas are concerned, the amount has been reduced. It is surprising to find that they have reduced the grant for the next year. The Government know that many irrigation works have been spoiled by the recent cyclone and that considerable damage has been caused. If the Government reduce the grant, I do not know how they are going to maintain the works in proper order. I thought that so far as the Godavari and Kistna deltas are concerned, there will be considerable additions made both in the matter of extension, maintenance and repairs. I see there is a reduction of Rs. 3 lakhs. My districts have been affected not only in this respect. Even in the matter of minor irrigation works, I am surprised to find that the provision for extension and improvements has been reduced from Rs. 11,000 to Rs. 6,000. The amount for maintenance has been reduced from Rs. 2½ lakhs to Rs. 2 lakhs. Several hon. Members in this House as well as in the other House have been asking for a very long time that more money ought to be spent on minor irrigation works. If the Government reduce the grant, I do not know how they are going to maintain these works in good repair. Of course I am not complaining. But I am in duty bound to bring to the notice of this House and the Government the faults they have committed in framing this Budget so far as irrigation is concerned.

“One other important matter that I wish to bring to the notice of the House is the drainage question with which I have always been dealing. After the Congress Government took office, last year we were told that two special overseers have been sanctioned for investigating this drainage question. No doubt, two overseers on Rs. 60 or Rs. 70 were appointed in last April. But what is the use? They said that this drain requires repair, that drain requires repair. The Government have not provided a single pie for taking up the work which they want to. I wish to

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open the eyes of the Government to the fact that it is absolutely necessary to improve drainage. It is a wonder of course; it has been my experience; rain came one day; but water in the lands could not be drained from the beginning to the end. Not a single acre was drained for at least fifteen days. For fifteen days the crop was under water. Nobody is able to understand the reason. The department has been saying that this is the worst year of floods. No crop can lift up if water is in the land for more than six days. According to departmental rules and orders, provision should be made for all lands being drained within a period of six days. The Hon. the Revenue Minister witnessed the locality, though he came there eleven days after the floods. He was able to see that 50 per cent of the lands had been affected at the time of the inspection. Fifteen days after, the cyclone came and it destroyed the remaining crops.

“He was kind enough to promise that remedial measures would be undertaken for relieving the condition of the ryots. I am only sorry that the Budget prepared later on has not made any provision—not even a pie—for the improvement of the drainage in the delta. 1-30 p.m.

“Coming to the next item, Sir, so far as the grants in my district are concerned, there was little or no provision made for remodelling a single channel in the Godavari delta. In fact I have been telling the Government and this House for a long time that this remodelling business is a regular nuisance, for it has neither helped the Government nor the people concerned. But the department insists on it. Remodelling means, after all reducing the size of the pipe which takes water from the channels. Every channel maintains a particular level and takes water all through the 24 hours of a day for feeding a particular extent of land. That is what is intended. But what is done in remodelling is, you don't keep the level at any time except at the time when we do not want water, that is at the time of the rains. As a result we are irrigating lands only through the breaches and not through the sluices at all. The department also admits that this is true. Of late years the system has been reduced to one of keeping guard over these channels by means of a special establishment recruited from the villages themselves, so that the village watchmen or other people of the village watch the channel. What the ryots do is, they tip the watchmen and take the water during nights and thus the watchmen make a profit. In spite of representations made to the department and to the Collector, they go on in their usual way and are wasting a lot of money on remodelling. I know that on representations made by some hon. Members in the Lower House, the Government have ordered that a representative of the Legislature in the East Godavari district, the Collector and the Superintending Engineer should sit together and decide whether remodelling is necessary or not. I fail to

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understand why such an arrangement should not be extended to all other districts in the Presidency where remodelling takes place. I know the Government are spending every year ten or fifteen lakhs on this remodelling business. I would advise the Government to stop this kind of remodelling business and see that proper distribution of water is made. It has also been found by experience that this remodelling will be successful if you take up the Upper Godavari Project. But this proposal has not been accepted by the Government. Even in this Budget I see that the Government have not taken up any irrigation improvement. Of course I know this Government are not in a position to undertake such works. I insist on the Government to at least investigate the scheme. If the Upper Godavari Project becomes an accomplished fact, I am sure it will bring in more lands under cultivation and if water is supplied, they would derive income from second crops. Until this project is taken up I would warn the Government to stop this remodelling business in the two deltas.

"In this connexion, I think, it will not be out of place if I refer to the water-rates prevailing in the two deltas of Godavari and Kistna. I submit that the water-rates in these areas are the highest in the Presidency. No doubt under the Cauvery-Mettur project the Government agreed to a rate of Rs. 7 per acre. But under the Polavaram project contracts were entered into for paying Rs. 11 per acre, but the Government found that the ryots were unable to pay the rate and so they reduced the rate to Rs. 5. So far as the Godavari delta was concerned, even the worst lands and those lands bordering the sea are bound to pay Rs. 6 per acre. No doubt the Government granted a concession of 3 annas in the ryotwari areas for wet lands, but so far as the dry lands are concerned, they did not reduce it. So, Sir, it is a matter for serious consideration whether in the deltas of Kistna and Godavari the water-rate ought not to be reduced so as to suit the conditions of the ryots.

"Moreover, Mr. President, there is an anomaly in regard to these water-rates in the inam lands and zamindari lands because they are bound to pay at the rate of Rs. 6-4-0 per acre for the first-crop and if a man cultivates the second-crop he has to pay Rs. 12-8-0; whereas in the case of ryotwari lands, he has to pay only half the wet assessment. So much so, the inams have to suffer considerably on account of this rate and the result is they are not able to raise second-crop. So, this is another important matter to be taken into consideration in fixing the water-rate.

"There is another difficulty in the matter of remissions also, because this water-rate is working a great hardship. For instance, in this year, owing to floods and cyclone all the plantations in gardens have completely failed. Of course, the local officials have been granting remissions, but remission is granted

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provided the man actually maintains a garden which is surveyed. What actually happens is, one man owns 5 or 10 acres. In one plot he maintains a garden and in the other he cultivates ordinary crop, for instance paddy, but because it is not a separate survey number, the man does not get even a pie by way of relief on account of the damage by cyclone. And in the case of the inams it is much worse. For instance a patta consists of 100 acres in an inam and it is cultivated by several persons though it is included in the same patta. If about 50 acres suffer by cyclone, no remission could be granted because all the lands are included in the same patta and the result is all the ryots who cultivate those lands suffer on account of the fact that the Government does not think it necessary to grant remission in the case of these inam lands, as in the case of the ryotwari areas. Even from a perusal of the Estates Land Act Committee Report, though the Committee spent a great deal of time over the question, I do not find, they have considered this aspect of subdividing such lands. I know the Government grant such things for the mere asking. I therefore urge on the Government to issue instructions to the Collectors to subdivide all such lands and issue separate pattas. Then there will be an end of the matter. Not only in the matter of remission, but also in the matter of the water-rate, and in so many other ways, people will be benefited, I appeal to the Hon. the Revenue Minister to straightaway issue instructions throughout the Presidency that both in respect of inam areas and ryotwari areas, all lands should be subdivided and separate pattas issued according to enjoyment. Otherwise, every Collector will have to try several cases relating to the payment of these taxes. What will happen is, one man will say that he paid the tax to the karnam or the munsif, and it will lead to misappropriation and it will take a lot of time for the Revenue Divisional Officer or the Collector to enquire into the matter. No doubt the village officer collects a certain amount from a man who owns 5 acres of land and will enter it in the chitta of the man who brings it and nobody will be able to prove who has collected it. It may also happen that certain ryots may pay something less than their due. Instead of paying Rs. 5, one may pay Rs. 2. It is a grievance which will have to be remedied. I therefore appeal to the Hon. the Revenue Minister to issue an order without any further investigation that as far as possible all lands should be subdivided and separately assessed.

"While on this subject, I would also refer to another aspect of the matter. It is unfortunate that the Hon. the Minister for Public Works is not here at present, because it relates to his portfolio. It is unfortunate that even last year when I raised the same question the Hon. Minister was absent, but anyhow I have to deal with the matter since I may not have another opportunity of referring to that point. That is in regard to electricity. There was provision made last year for a thermal station

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at Palakole and though in the current year also a small provision has been made for a thermal station, in the note I find it stated that they have not yet settled whether it should be done by a private agency or undertaken by the Government. Unfortunately, this matter has been pending before the Government for several years past, whether it should be given to a company, to this person or that, and the Government are not able to select one or the other so far. On enquiry I was able to find that at one time land acquisition proceedings were going on, but nothing happened. It is a surprise to me to find now that a bargain is going on between some private licensees and the Government whether it should be given to any private licensee or whether the Government should do it. I think it is high time that the Government abandon the policy of entrusting these things to private agencies, especially in view of the fact that so far as Palakole is concerned, the matter has been pending before them for eight years and especially in view of the fact that at one time the Government said that they were not going to give it to any private concern. I therefore urge on the Government to take up this thermal station and make it an accomplished fact because we are now having a thermal station at Cocanada and another at Bezawada and the idea is to link up these two by having one at Palakole. The line at present extends up to Ellore and goes up to Cocanada and Rajahmundry and it will be easy to link up these places if a thermal station is established at Palakole. So, in the interests of the Government and the general taxpayer, I hope this thermal station will be taken up immediately by the Government.

1-45
p.m.

"In spite of the fact that liberal concessions are said to be given to the ryot on account of the land revenue concessions and seasonal remissions, I say, Sir, the Government have to announce a definite policy regarding land revenue. We have been assured by the Hon. the Minister for Revenue that the matter is engaging the serious attention of the Government, and I remembered to have read in one of his speeches somewhere that the revenue policy will be announced after the Budget this year. Unfortunately, we had no inkling from the Budget speech of the Premier on this question. I do not know whether when he makes a demand in the Assembly, he will announce the policy.

"As Dr. Thomas and Mr. Reddiyar have shown, now that we have a policy with regard to the estates, I think the same policy should be pursued in respect of the ryotwari areas also. By that I do not mean to say that if Government want any funds, they have got every right to tax other sources available. But according to the present policy, the tax will fall heavily on the rich and not on the poor. So, the land revenue policy will enable the Hon. Minister to save many a poor man. What we say is, if the revenue policy is adjusted according to the Estates

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Land Act principle of 1801 or the settlement account of 1859 and 1860, we can very easily come to the conclusion as thereby the poor may get relief and the rich man may pay. I appeal again to the Hon. the Revenue Minister to see that the Board's Standing Orders must be modified at an early date. They are an anachronism and they are not properly worded. If I remember right, the Hon. Minister once agreed by saying that it would receive his consideration at an early date.

"Then, Sir, a word or two about the Judicial department. I am glad that the present official receivers are going out of existence and it has been felt for a long time that the present official receivers are the most corrupt individuals. According to my knowledge, there is no official receiver who has been honest. I say 'to my knowledge.' That Government should appoint the official receiver to be under the control of district judge is a welcome measure. I am also glad that Government are going to introduce public prosecutors or assistant public prosecutors to be under the control of the District Superintendent or the District Magistrate. If they are to be under the control of the District Superintendent there is no use of appointing them at all. You will have no freedom of work or law or justice. He will have to be guided by the officers. I submit that in this matter, he will have to be under the control of the District Magistrate and not of the District Superintendent.

"I have to say another word about the long agitation that has been going on about the copyists, that they should be made permanent, that they should be given a minimum salary and that they should be given provident fund also. Minister after Minister has been promising that they will look into it and consider the matter carefully. But nothing has resulted so far. I think it is high time that the Government come to a conclusion and give the necessary relief to them.

"Next coming to rural communications and water-supply, Sir, from the original Budget in the first year of this new Government, I found the rural population have had a good share from the Government, because originally 15 lakhs were provided. Previously a lakh of rupees used to be granted. But unfortunately, these 15 lakhs have not been used all these years and no additions have been made in the current year. I say, Sir, that the scheme said to have been dropped by the local officials is still being worked up. In this matter, I suggest to the Public Health Minister to see that as it is not possible to go into details, the scheme in each district will have to be placed before the District Economic Council or at least the general representatives of the districts in both the Houses of Legislature and the District Officer should be asked to discuss the matter, so that he may not send any proposals not necessary and receive proper advice from the representatives of the people.

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In the matter of rural communications, the Government have not been dealing with the subject in a true spirit. They ought to make more amount available for rural communications. Only a very small provision has been made. Unfortunately, the panchayats which were given large grants were not able to spend a pie. I think if the Government want to help the panchayats or to get the rural communications improved, a definite sum should be set apart for rural communications and money allotted to the rural panchayats so that they may lay out roads and improve communications. In this aspect, it will not be unworthy on the part of the Government even to borrow money and give it to them, because it will enhance the riches and improve the condition of the rural population. With these few observations, Sir, I have to say that the Budget policy is quite all right, but so far as the nation-building activities are concerned and so far as the rural population is concerned, adequate relief or adequate provision has not been given.

"One word about the proposed tax on sales. I would ask the Hon. the Premier to consider this question whether this tax would not ultimately fall on the agriculturists. I will be satisfied if the tax is not imposed on agricultural produce. I have no objection to imposing the tax on any other thing except agricultural produce. It may be said that it is to be levied only on turn-over above Rs. 10,000 a year and therefore the ryot would not be taxed. As he himself remarked, the tax falls on the consumer. But here in this case, it also falls on the producer. So far as agricultural produce is concerned, there should be an exemption in the Bill. With these few observations, Sir, I have to request the Premier and the Hon. the Revenue Minister to see that a land revenue policy is laid down."

III.—MESSAGE FROM THE ASSEMBLY.

THE HON. THE PRESIDENT:—"I have to announce to the House that the following message, dated Chepauk, the 22nd February 1939, has been received by me from the Hon. the Speaker of the Madras Legislative Assembly:—

'In accordance with Rule 94 of the Madras Assembly Rules, I transmit a copy of the Canals and Public Ferries (Amendment) Bill, 1939 (L.A. Bill No. 7 of 1939) as passed by the Assembly on the 20th February 1939 and signed by me, for the concurrence of the Council.'"

The House then adjourned to meet again at 11 a.m. the next day.

THE MADRAS LEGISLATIVE COUNCIL

Friday, 24th February 1939.

The House met at the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Statement showing loans granted for smaller peasantry.

* 173 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Revenue be pleased to place a statement on the table of this House showing the amount of loan granted in each district up to 15th January 1939 from out of the amount of 50 lakhs provided for in the Budget for granting loans for smaller peasantry?

THE HON. SRI T. PRAKASAM:—"Rules for disbursements of loans were framed and issued late last year and there was delay in issuing all the forms in the various local languages. Owing to the suspense in which the application of the Debt Relief Act to promissory notes was placed by the courts, and the conditions prescribed by Government being that loans may be issued only where scaling down has been effected by decree of court or order of a debt conciliation board or where the creditors consent to the scaling down, and the holding would be freed from encumbrance by the issue of the loan, no progress was made until recently.

"The December reports showed that about Rs. 23 lakhs were applied for but applications for about Rs. 16 lakhs did not satisfy the requirements and had to be returned. Applications for about Rs. 7 lakhs are under consideration."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I know if the rules have been published for the information of the general public?"

THE HON. SRI T. PRAKASAM:—"Yes."

SRI A. RANGASWAMI AYYANGAR:—"May I ask whether the grant will be available to the zamindari tenants?"

THE HON. SRI T. PRAKASAM:—"It will be available to all."

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Proposal, if any, to grant seasonal remission consequent on failure of monsoon.

* 174 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether there is any proposal to grant this year the seasonal remission as in the previous year in all the districts;

(b) whether there is any proposal to grant greater concessions in the case of districts affected by failure of monsoon;

(c) if so, what they are;

(d) whether it is a fact that the Government issued a circular that assessments of less than Re. 1 need not be collected pending final orders of the Government;

(e) whether it is a fact that the Revenue authorities in some districts have already collected the kist below one rupee also; and

(f) if so, on what grounds?

THE HON. SRI T. PRAKASAM:—“(a) The rules for the grant of seasonal remission do not vary from year to year but the amount of remission granted depends on the seasonal conditions of each year.

“(b) & (c) It is probable that, in consequence of the failure of the monsoon, seasonal remissions will be heavier this year than last year. The Government have no general proposal under consideration.

“(d) The attention of the hon. Member is invited to the press communiqués on the subject issued on 10th December 1938 and 9th January 1939.

“(e) The Government are not aware that the facts are as stated.

“(f) Does not arise in view of the answer to clause (e).”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask whether the Government have received reports from the various Collectors that dry crops have failed mostly on account of the failure of rains and that remission should be granted in respect of these crops?”

THE HON. SRI T. PRAKASAM:—“It is very difficult to say whether reports have been received from all the districts in the Presidency.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know whether the Collectors of Chittoor, Nellore and North Arcot districts have reported that remissions should be given in respect of dry crops?”

THE HON. SRI T. PRAKASAM:—“A good many Collectors have reported in the matter. It is difficult to answer the question.”

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SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know the districts where the Government have postponed the collection of kist?”

THE HON. SRI T. PRAKASAM:—“Cannot say now.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask when the order postponing the collection of kist below Re. 1 was passed by the Government?”

THE HON. SRI T. PRAKASAM:—“It has been given in the press communiqué referred to.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know if, in districts like Chittoor and Nellore, the collection of kist begins from December and whether the Collectors have actually collected the remitted kist below Re. 1 in all the districts, as the order was issued late?”

THE HON. SRI T. PRAKASAM:—“If the actual collection has been made, it means that the persons are in a position to pay.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know if the Hon. Minister is aware that the ryots have paid, not knowing the rules and after borrowing the necessary amount from others?”

THE HON. SRI T. PRAKASAM:—“The Government are aware that ryots are not literate and that they would not be able to read the rules published. It is for hon. Members who represent these unfortunate men to make it possible for them to know.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask if the Government are aware that the ryots paid the kist after borrowing the amount from others? Will the Government see that the amount is refunded, if it has been collected?”

THE HON. SRI T. PRAKASAM:—“It is a question of postponing the collection of kist and the hon. Member has perhaps some difficulty in understanding the information that has been made available to him.”

UNSTARRED QUESTIONS

Alleged frequent transfers of Government Medical Officers before the expiry of the normal period of three years.

50 Q.—SRI S. A. S. RM. RAMANATHAN CHETTIYAR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether it is not the policy of the Government that public servants in general and the officers belonging to the Public Health Department (both preventive and curative) in particular should not be disturbed from any station before the normal period of three years;

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(b) whether it is a fact that Dr. Ratnaswami, a Civil Assistant Surgeon attached to the Raja Mirasdar's Headquarters Hospital at Tanjore, was transferred to Madras even before the expiry of the normal period of three years;

(c) whether Dr. Ranganathan also attached to the Raja Mirasdar's Headquarters Hospital, Tanjore, was similarly transferred before his normal term had run out;

(d) whether it is a fact that certain leading citizens of Tanjore represented to Government the desirability of retaining the two officers at Tanjore, and whether it is a fact that the proposal was given up in the first instance, but eventually given effect to;

(e) what the public interest involved in such transfers was;

(f) what the period of stay of the two officers at Tanjore was; and

(g) what cost the Government incurred on account of the transfer by way of transit pay and travelling allowance?

A.—(a) The matter is under the consideration of Government.

(b) & (c) At present there is no normal time-limit.

(d) Certain gentlemen requested the Government to retain the officers at Tanjore. The matter was fully considered by Government and it was decided not to interfere with the transfers made by the Surgeon-General.

(e) The transfers were made in the interests of administration.

(f) Sri P. Ratnaswami and Sri K. S. Ranganathan remained at Tanjore for 1 year, 1 month and 4 days and 1 year, 4 months and 21 days, respectively.

(g) Sri P. Ratnaswami drew Rs. 55-13-0 and Rs. 102 as the transit pay and travelling allowance, respectively. Sri K. S. Ranganathan drew Rs. 81-1-0 by way of transit pay and Rs. 88-13-0 as travelling allowance.

Extent to which hydro-electric schemes have been utilized for development of village industries.

51 Q.—Mr. J. A. SALDANHA: Will the Hon. the Minister for Public Works be pleased to state how far hydro-electric power schemes in this Presidency have been utilized to supply power to villages for the development of village industries and are projected to be so utilized and at what cost?

A.—Since the inception of the Pykara Hydro-Electric Scheme in April 1933, 193 villages have been supplied with electricity at an expenditure of Rs. 19.23 lakhs and since the inception of the Mettur Hydro-Electric Scheme in November 1937, 12 villages have been

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supplied with power at a cost of Rs. 3.42 lakhs in that area. Nearly the whole of the electric power supplied to the villages was for pump sets. The use of electric power for cottage industries is being popularized by propaganda and every effort is being made to bring the benefits of electricity to the small farmer and villager. Each proposal for extension is considered on its merits and there is no set programme for this purpose.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40—cont.

MR. PRESIDENT:—“The Council will now resume the general discussion of the Budget.”

* SRI P. VEERABHADRASWAMI:—“Mr. President, I may be permitted to join my friends in congratulating the Hon. the Premier for presenting an excellent Budget. No doubt the Budget for 1939-40 will be a deficit Budget but various reasons over which the Government have no control have contributed to the Budget being a deficit Budget. No one can be expected to produce a better Budget.

“Now coming to the new taxes which the Government have proposed to levy, the taxes on petrol and electricity will affect only the well-to-do and those who can pay. Taxation is always disliked by the people but a people's Government cannot but tax the rich and provide amenities to the poor. The other taxes that the Government propose to levy are taxes on tobacco, sales and entertainments. The tax on tobacco will have to be devised in such a way that here also only the rich and the well-to-do will have to bear it. In the villages, the poor tillers of the soil regard the cigar as luxury. The villagers do not use cigarettes or snuff. If the tax on tobacco is really a tax on cigarettes, perhaps it will not be felt by the villagers.

“But the most important of the taxes is the tax on sales. In devising this tax and collecting it in such a way that the prices of commodities do not rise, the Government will have to use all its ingenuity. In other words, on any particular stuff the tax is to be collected only once. There is every possibility of the tax being collected on the same stuff four or five or even more times. The prices of foodstuffs may go up and cause great hardships for the poor. Export trade also may be affected if there is an increase in the price of articles like cotton, groundnuts, etc. Prices will rise by about half-an-anna or nine pies in the rupee. So it is highly essential that the Government should devise some means by which the tax is collected only once. As the Hon. the Premier has pointed out in his Budget speech this

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tax is a highly potential tax and will yield very good revenue in the Province and the people will gladly pay the tax if it is collected once.

"The tax on entertainments till now is being collected by the local bodies and the local body will be very glad if the tax is provincialized and a portion is paid to it because it will in future, be free from requests for exemptions.

"The loan policy followed by the present Government, in spite of sinister criticisms from some irresponsible quarters, is highly sound and beneficial; and projects like the Tungabhadra Project should be begun very early to benefit large districts which have been falling a prey to famine almost every year, and the Government will do well to take up the project instead of spending lakhs of rupees towards famine relief.

"The measures for economy and saving which the Government propose to take by imposing a small salary cut are commendable. It is admitted that the Government officials who are drawing salaries above Rs. 300 or Rs. 400 can afford to forego a small portion of their salaries. At a time when the prices of foodstuffs are low and when they find millions of people in the country are half starving or full starving, it is not too much for the officials to forego small portions of their salaries. The Government should not be satisfied with this small salary cut; they must abolish certain posts carrying large salaries, but only when they are satisfied that the efficiency of the administration will not be impaired after abolishing such posts.

"It is to be regretted that the Hon. the Premier has not made any mention of the Andhra Province in his Budget speech. The Andhra members have been grateful to the Premier for the resolution on the formation of the provinces on a linguistic basis but they strongly feel that nothing has been done to satisfy the Andhras by making provision for the Tungabhadra Project and similar measures.

"When the money market is cheap, when the credit of the Province is high and when frequently there is famine on account of the failure of rains, it is incumbent on the part of the Government to undertake construction of huge irrigation works.

"After the advent of the Congress Government in the Province high hopes have been entertained that much could be done by way of rural reconstruction. The villagers who are steeped in ignorance have to be enlightened. Besides periodical visits of the Government officers there should be a separate department of trained rural workers whose duty it will be to visit villages and work for rural reconstruction. If workers are appointed for groups of hundred villages, after all, the Government will have to allot only a sum of a lakh or a lakh and a half but the work turned out will be worth some lakhs of rupees; in a budget with a deficit

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of 17 lakhs a little more deficit will not be much and the taxes that the Government propose to levy will certainly yield more than the deficit.

"No serious attempt has so far been made by the Government to solve unemployment. The number of beggars are increasing, and those strong and stalwart beggars who are really a nuisance to the public may be compelled to work in workhouses which the Government may start. Though the work they do may not fetch as much as is necessary to feed them, the Government may by giving small grants to municipalities induce the municipal councils to open workhouses and thus try to solve unemployment in towns at least.

"Coming as I do from a district with nearly 90 per cent zamindari lands, I cannot but express the gratitude of millions of zamindari ryots to Hon. Mr. Prakasam and his Colleagues who produced the historic report. The people expect the Government will place a Bill on the lines of the report before the Legislature at an early date.

"I now refer to the policy of the Government in posting officers to the districts. In my own district the officers who are in charge of Agriculture and Education are not well acquainted with the Telugu language. They may know the language technically, but these officers who are expected to tour villages and be in touch with the masses cannot be as useful to the villagers as they are expected to be. A Government which is in power on account of the villagers have to take more care in the matter of posting of officers.

"Now, coming to my own town of Vizianagram, the Government were pleased to ask the municipal council to increase the water and drainage tax to enable the council to discharge the loan for the drainage scheme. The council has increased the tax and is collecting the tax but the Government have not moved in the matter, and I hope the Government will make the necessary arrangement to extend the scheme at an early date.

"The rural water-supply schemes have to be speeded up. These schemes, next to Prohibition, will enhance the reputation of the present Government and earn the gratitude of millions of the villagers for whom nothing useful or beneficial was done by the previous Government though they contributed much money to the Government treasuries."

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"Mr. President, the House must be very thankful to the Hon. the Prime Minister for the very clear statement he has made, placing before us the true financial picture of our Province. I have no hesitation in thinking that the Budget that he has introduced into this House is a very sound one from every point of view. Though it shows that, at the end of the year, it is going to be a deficit Budget to the extent of Rs. 17;27 lakhs, I

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think it is practically balanced on account of the fact that taxes are going to be imposed on tobacco, general sales and entertainments. I think we should not grudge to pay these taxes on account of the fact that these taxes are to meet the fall in Excise revenue on account of the introduction of Prohibition which is doing so much good to the country.

"I am also glad that he has rightly protested against the light hearted remarks made about the debt position of the Province. I have no hesitation in thinking that the debt position of the Province is absolutely sound and our Province is not at all heading towards a financial disaster. After all, we should remember that the entire debt of our Province does not exceed a year's revenue. Therefore I think the Government will be thoroughly justified in proceeding with a well-conceived programme of borrowing for financing the remunerative schemes of development which will ultimately bring revenue to the Government and will go a long way to ease the burden of taxation in the country.

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"I am very glad, in this connexion, that the Hon. the Prime Minister has acknowledged the valuable services rendered to the Government by the Finance Secretary, Mr. C. E. Jones. I know Mr. Jones and his work, when I was a Member of Government for several years. I know what valuable services he has been rendering to the Government of Madras in various capacities during the last eight or nine years. Sir, it is a matter for satisfaction that the Hon. the Prime Minister is able to acknowledge the services of Mr. Jones for his admirable industry, ability and experience that he has shown in the work of the Finance Department. His transfer is indeed a great loss to the Province of Madras, but at the same time it is a great gain to the Central Government and I have great pleasure in wishing him every good luck.

"Sir, on occasions like this, it is customary to bring to the notice of the Government the various grievances which the members of the House would like to place, but I should like to confine myself to one or two important matters. First and foremost, I should like to place before the Government the case of the non-gazetted officers. Sir, yesterday in answer to a question put by my hon. Friend, Mr. Saldanha, namely, whether the Government have decided to give the benefit of a permanent system of Provident Fund to the non-gazetted services in view of the fact that there is going to be no commutation of pensions in the future, the Hon. the Prime Minister answered in the negative. I am sure what he meant was that Government have not come to any kind of decision; perhaps the Government have not considered the question at all. I would like to take this opportunity of bringing to the notice of the Government that we have got about 106,200 non-gazetted officers, that is, about 98 per cent of the

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whole of the Government servants of the Province. Their position to-day is awful on account of the fact that in this country unfortunately they are not able to live very much longer after they have attained the age of 55; most of them die one or two years earlier than 55; and several die one or two years after 55, and as a rule the non-gazetted officers do not live long enough to enjoy the benefits of pension. The result is that there is a great deal of distress in the families of these people who have rendered meritorious service to the Government all these years. In the circumstances, I would request the Hon. the Prime Minister to go into this question of the non-gazetted officers especially now as there is no gratuity or commutation of pension, and introduce at an early date a system of permanent Provident Fund which will go a long way to assist the non-gazetted officers of Government who have rendered such good service to the country. Thus he would be giving the necessary relief to a large number of deserving class of poor Government servants.

"I am glad, Sir, that the Hon. the Minister for Public Health brought forward his Health Bill and had it passed into law. I am sure posterity will bless him, for improving by this enactment the health conditions in the Province. What is wanted is help from the Government and co-operation from the people, and I am sure both will be available in order that the Act may become an absolute success.

"I may also say that the Hon. the Minister for Public Health has done a great deal to abolish the caste system in the medical profession and has also raised the Stanley Medical School to the status of a college. But I think he has still to do something to encourage the system of Indian medicine. The recent speech he made shows that he has got the best interests of the systems of Indian medicine at heart and he would like to do something to improve the Indian systems of medicine. I can assure him that any measure that he would bring forward in this direction would receive the warmest support of this House. At present we have the School of Indian Medicine. All that we have to do is to raise the standard of Indian medicine and western surgery taught in the school in order that its product may become more useful to the country. Sir, another thing that ought to be done is that the Licenciates of the Indian Medical School should be paid better than at present. I am sure the Hon. the Minister for Public Health will bestow his earnest attention to this problem.

"Sir, the Estates Land Act Committee Report has been passed by the Legislature and I understand that a Bill is being drafted in the Secretariat. I am sure, as I said on a former occasion, the Government will take steps to see that they come to some kind of settlement with the zamindars so that justice is done to them also. The giving of relief to the zamindari ryot is not inconsistent with doing justice to the zamindar as well.

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I trust that when the Bill is introduced the Government will be able to say that they have come to a just settlement with the zamindars on this very important question.

"I am very glad to note that Prohibition is going to be introduced in the North Arcot district and that the Hon. the Prime Minister has seen his way to include this district also along with the other districts that come under Prohibition. As has been stated by my hon. Friend, Dr. Thomas, Prohibition is a powerful agency for the economic and social improvement of the country; and the reports that we have till now had shown that Prohibition has had very good effect on the people in the districts in which it has been introduced. I am very glad that it is to be extended to the North Arcot district also shortly.

"Last year, at the time of the Budget, both my Friend, the Right Hon'ble Sastri and myself told the Hon. the Prime Minister that Prohibition has been the accepted policy not only of the party to which the Hon. the Prime Minister belongs, but also of every right-thinking Indian, and that he should proceed slowly and cautiously avoiding the financial difficulties. Prohibition means a loss of Excise revenue and Government should make it up somehow or other. It is indeed a matter for congratulation that the Hon. the Prime Minister has shown his practical wisdom in introducing Prohibition only in one district next year and we all know that it will take some years to make the whole Province dry. Rome was not built in a day. I am sure the Hon. the Prime Minister will get the moral support of all right-thinking people if he should go on slowly and extend it year after year without bringing any financial embarrassment to the Province.

"Sir, taxes are unpalatable and I have no hesitation in voting down any measure of taxation brought before this House. But the taxation proposals which the Hon. the Prime Minister intends bringing before this House are for making up the loss of Excise revenue due to Prohibition and therefore one cannot but give his hearty support to those proposals. I think the present Budget puts to test the sincerity of those who have been advocating Prohibition. Prohibition means a loss of revenue, and in order to make it up we will have to pay additional taxes in a spirit of sacrifice for the sake of the country and for the greatest good of the greatest number. Therefore, Sir, those who can afford to pay should not grudge paying this additional taxation. Otherwise, our clamour for Prohibition is not sincere and it can be easily said that all we have been saying in favour of Prohibition is only lip-service to that ideal.

"Now, Sir, the Hon. the Prime Minister speaks about the political situation and the political crisis that might occur. I sincerely trust that no such thing will occur and that common-sense and practical wisdom will prevail so that nothing will

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happen to deprive the Province of the good work that the Ministry is doing under the able leadership of the Hon. the Prime Minister.

"I have therefore great pleasure in congratulating the Hon. the Prime Minister on his Budget, which will do good to millions of poor people in the country and at the same time test the sincerity of those who are in favour of Prohibition."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, the captain of the ship has finished his 1938-39 voyage and asks for coal for the 1939-40 voyage, and he says that the ordinary coal given him last year has been insufficient. To use the buffalo simile, the shepherd comes and says, he cannot tend and nurture this calf of the Madras Presidency unless you give him fresh pastures; and therefore he says, 'I want new taxation, please sanction it.' He has put his reasons for fresh taxation in two or three places; one in a rhetorical way at the conclusion of his financial statement and the other at other places also. The rhetorical portion of it is in the concluding portion of his speech. He says: 'We were faced for the first time by a shortage of nearly three-quarters of a crore by reason of the land revenue concessions.' That is the first reason. The second reason is 'we have been subjected to a visitation of cyclone and famine which apart from what it meant to the people themselves has meant to Government a direct reduction of land revenue to the extent of half a crore; the progressive sacrifice of drink revenue has now reached the total of two-thirds of a crore.' The last reason is 'the revenues under other heads have suffered diminution by another quarter of a crore.' It is also stated: 'These several reductions amount in all to more than rupees two crores of provincial revenue. Our losses total up to a sum considerably bigger than the entire land revenue of or the entire excise revenue of the United Provinces or of Bengal.' Therefore, the Hon. the Prime Minister says, sacrifice is necessary and changes must be undertaken. Sir, on a close examination of the reasons that have been given by him, I shall show that the only reason that can sustain fresh taxation is only that of Prohibition and nothing else.

"The first reason that is given is the shortage of three-quarters of a crore by reason of land revenue concessions. If you look into the Budget before the Congress Government came into office, you will see that the land revenue figure was exactly the same and probably somewhat less than the figure to-day. If hon. Members would look into it, the figures for 1935-36 and 1936-37 are not much in variation. On the other hand, the figures are higher than what they were when the present Government took the heritage of the old finances. That is absolutely clear. The expenditure in 1936-37 was Rs. 6,74,000 and in 1938-39 it was Rs. 6,51,000 so that it will be seen at once, there is absolutely nothing to sacrifice and therefore there is no necessity for fresh taxation. The real thing is that at that time there was proposed

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to be an enhancement of tax by reason of resettlement. It was asked that resettlement should be stopped. On the other hand, there was no drain into the pockets. Therefore it was not a case of fresh taxation.

“The second reason put forward is the visitation of cyclone and famine costing half a crore of rupees. That also is not the reason, because in the speech of the Hon. Premier himself, that has been got over. This is what he says: ‘Previously the concessions were applied in the last kist in the majority of the districts, but in the case of nine districts the concessions were applied in March, even though March was not the last kist in those districts. The removal of this anomaly gives a budgetary benefit in the current financial year of Rs. 32 lakhs.’ Therefore the reduction in revenue that is sought to have been suggested by reason of the cyclone and flood have really been met by a sort of karnam’s manipulation. There were 75 lakhs of rupees to be given this year. What has been done is this: ‘we will give 36 lakhs this year to nine districts and another 36 lakhs next year.’ Therefore the loss that has been caused by remissions and all that would really be put upon remissions given next year. That is also plain. If hon. Members would turn to page 39 of the Budget Memorandum it is made plain thus: ‘The revised estimate repeats this; but unlike in previous years when the concessions were deducted from the March kist in 18 districts, although it was the last kist in only nine of those districts, it has been decided that the concessions for fasli 1348 should be applied to the last kist in all districts. For Budget purposes it has been assumed that the same procedure will be followed in respect of the concessions for next fasli also. The effect of this change is an improvement in revenue in the current financial year, owing to the postponement of the concessions in these nine districts from March to April and May 1939.’ Therefore, the second reason given, viz., the visitation of cyclone and famine, has been got over by postponement of collections not from March but to the next year. That is why one is tempted to thank Mr. Jones, who is really to be congratulated for having cleverly manipulated this business. I will leave it there.

“The last reason that has been given is that there has been diminution of revenues under other heads and that has been made up by the raid on the Minor Ports Fund. Whether it was conscientiously raided upon with a forewarning or it was unconsciously raided, it does not matter. The fact is that 45 lakhs have been taken in order to make up this deficit and therefore, when analysed, we come to the conclusion that the only justification that remains of the four grounds given is the question of progressive sacrifice of drink revenue.

“While the Prime Minister makes much ado about the loss of revenue equal to the excise revenue of Bengal or the land

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revenue of another Province, we do not know whether he has not in mind the other heads of revenue in this Province. Is there not a new head of revenue? Is not the buffalo receiving 25 lakhs from taxes on income under a new head of revenue, that is, the contribution from the Centre? There is also the expanding revenue from electricity. The receipt from electric schemes has increased from 30 lakhs to 53 lakhs. They have also stopped commutation of pensions. It was considered as debt, but now they have said ‘we shall not pay any added value.’ So that the heritage, while on the one hand, has not been cut out, on the other hand, it has been augmented by contributions from the Central Government, the electricity receipts and other economies.

“With regard to these new taxes, when we place side by side these things, the only result that emerges is that we have got only one hole, that is, the big Prohibition pit and all our energies must be directed in order to fill that pit. That is why I say the rhetorical portion of the speech towards the end justifying further taxation does not hold good at all. The Hon. the Prime Minister is quite aware of it and therefore there is another argument put forward by him. This is what he says:—there are two portions of it, pages 5 and 6—‘It has to follow a policy of easing the burden of taxation on the poorer sections of the community, transferring it to shoulders better able to bear it.’ This is how it is put. It is necessary to ease the burden from persons unable to bear it and put it upon persons able to bear it. Of course that will not directly apply. Therefore, he has further elaborated in another paragraph and he says: ‘The demand that Prohibition should not be extended in order that we might not have an increased gap between revenue and expenditure means, in fact, a demand that the poorest should be taxed through drink rather than that alternative taxation should be devised, the incidence of which would be on classes better able to bear the burden.’ That is the taxation principle of this Budget speech. The real question therefore is this. This taxation principle, apart from any other thing, is the only justification that is found in the speech. He says ‘we were having a static budget before and that is now going to be a dynamic budget. I will readjust the taxation and see that the burden falls upon persons who are able to bear it and not on people unable to bear it.’ He further augments it by saying that Excise revenue is an indirect tax on the poor people and therefore he has got a right to readjust it.

“Let us examine the position. Is it correct to say that it is an indirect tax upon the poorest class of people? Is it not being borne by other people? Is it not a fact that there are people who are able to drink much more and spend much more on drink and spend all their money upon it? Therefore the assumption that the proceeds of drink are obtained from the working classes is absolutely incorrect, at any rate so far as drink

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revenue is concerned, and this cannot be adjured and this cannot be objected. There is also this principle of inconsistency. On the one hand, it is said that keeping the drink revenue is trying to take the money from poor men. On the other hand, he says 'We must take more money. Excise revenue has fallen. Therefore we increase the duties and tax the poor man in other districts in order to equalize it.' If it is an indirect tax upon poor people and if you are bent upon taking it away, I see no reason why you take away in one hand and add to the tax with the other. There is some inconsistency about it. He has got something in his mind and wants to dress up. This is nothing but dressing up. The real difficulty of indirect or direct taxation is that it shelves the whole point. The relief is to be given not only to the poor man but also to other persons who stand in need of relief. Is there not now the election pledge also that you will directly give some relief to the already overtaxed agriculturist? Is it inferior or is it superior or is it co-equal to the pledges you have made? What is the result of this programme of Prohibition? What is its effect on agricultural taxation? What is the answer which Government are proposing to give? This is the third Budget. What is the thing that you are really going to do with regard to agricultural taxation? Are the poorer persons to get any relief or not? Is he to pay endlessly to push the programme of Prohibition and help you to put all these scraps in the Prohibition pit? The morality of it may be understood. It is not a case of specifying schemes. It is not a case of overcoming elections like this. Relief to agricultural taxation is as insistent as the election pledge with regard to Prohibition. If next time you go to the districts, if the question is put to the villagers 'please stand up those who want Prohibition and do not want reduction of land revenue,' and if the voters say 'we are prepared to pay the land-tax and want Prohibition' I say you are entitled to do it. But I can assure you with the little knowledge that I have got of the countryside, if the plain question is put to them 'whether you want prohibition or relief of agricultural burden, if the question is not mixed up with the question of bureaucracy and all that, I have no doubt at all that the answer will be 'we want relief of agricultural burden and then we will go to Prohibition.'

"The hon. Economics Member, Dr. Thomas, suggested that the revenue must be increased, and asked 'why don't you tap the resources of the country in which Prohibition has been introduced?' That is a test question. If persons want Prohibition, let them be asked this question. If that district is prepared to make up the deficit, then we can understand the position. But is that the case at all? No. That is why we find unconsciously or consciously the learned Finance Minister, we have been seeing already, saying, 'We have been good enough to give 75 lakhs reduction of land revenue.' Have you not promised to the electors in your election campaign that you will ease the burden?

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What is the use of saying that you are on the threshold of a new order, as though Sir John Simon saying 'We are on the brink of war, friends, and therefore you must be taxed.' The whole thing is to my mind ridiculous. What is the use merely of the wail of the Prime Minister? What will you think of the buffalo which says: 'I do not want to eat this kind of fodder. I want another kind of superior fodder.'

"The Tirupati buffalo wants *thayir-vadai*, *pongal* and *daddhi-yodanam*, because it has been used to them. The question is whether the buffalo should be allowed to have its own way and whether it should not be allowed to go across and graze at least temporarily in some other place.

"As I have submitted already, the real question is one of taxation principle. A very ambitious principle has been enunciated in this Budget and that is what is called the dynamic principle. Of course all this difficulty and curtailment of expenditure are due to the introduction of Prohibition. This is what the learned Prime Minister says: 'In former days the revenue expected from the existing sources and commitments were first estimated and then the difference, invariably a surplus, was utilized for undertaking new commitments or Part II schemes. This method of approach was both natural and convenient as conditions were static and the general system of taxation and its incidents continued with but little change from year to year.' I really thought that we were going to have a very dynamic programme absolutely, that the old moorings would be cast away and we would have a new and up-to-date ship. We thought that the Budget would be revolutionary with regard to the regeneration of the country. Let us examine whether this Budget could satisfy that test. Is it a dynamic Budget? If we consider the Budget, we would find that it is not a dynamic Budget at all. This is what the learned Prime Minister says, 'So far as the expenditure side is concerned, many new schemes were examined and proposed in the various departments of Government for consideration in connexion with the next year's Budget. Almost without exception they are good schemes fully deserving of acceptance if only we had the funds to pay for them.' This is the dynamic Budget that we have got. They have accepted that the schemes are good and fully deserve acceptance. What is the thing that has been done? I have stated what has been done. They have to find out ways and means of filling up the Prohibition pit. Therefore all other schemes however important and urgent they may be, have to be laid aside. The Hon. the Premier has stated that, in view of their restricted resources, after the most careful and anxious examination, the barest minimum has been provided for, for Part II schemes. Can you regard the Budget, therefore, as an ambitious Budget, as it is stated? Have you any regard, in your dynamic Budget, to the sufferings of poor people? Are you giving any relief to the poor man? Are

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you doing anything for the welfare of the people? The Hon. the Finance Minister has to cut his coat and he is therefore obliged not to think of other important things. His resources are restricted on account of his Prohibition policy. The whole question reduces itself to this: whether the Prohibition programme is to the interest of the country. Before dealing with that point, I wish to say that the programme presented in the Budget is really not dynamic; it is really reactionary.

"I just want to refer to one or two items with regard to Part II schemes. There is one item, item 18, with regard to supply of soap to prisoners. This Government has got extraordinary sympathy for the prisoners. This is a heritage. They began with a grant of Rs. 80,000 for buttermilk. I do not quarrel with it. I only want to say that these prisoners want not only buttermilk; they must have also soap and washing soda. Next time when the Hon. the Prime Minister or the Parliamentary Secretary or the Leader of this House goes to a village for hurling the national flag, for the flag-hoisting ceremony, let any of them put this question to the villagers: 'Please stand up all those here who use buttermilk in their homes. Do you use washing soda for your clothes?' If you tell them that their brethren in the jails get buttermilk, they too will like to go to jail; 99 per cent of the people have no buttermilk at all; they have no dhol or rice but ragi only. They have buttermilk only on the Amavasai day; they would give buttermilk to Brahmans in the village and they themselves take the little water that will be available by cleaning the vessel containing buttermilk. That is the condition. By one stroke of the pen the Government have provided a sum of Rs. 80,000 for buttermilk. It is a heritage. They do not want to stop with this; they are not content with it. These prisoners will have to revert to their social life later on. Do not mix up all prisoners with political prisoners. The Hon. the Prime Minister said that we must leave some milk for the cow. But what about this cow in the village, the villager? 'You are doing absolutely nothing for this cow; you don't give him buttermilk. You are giving buttermilk to the prisoner.' This is not a question of idealism; it is a question of the application of principles. There are two persons, the ryot and the prisoner in the jail; to whom should relief be given first, is it the ryot or the prisoner? Speaking frankly, this is not a question of ideals and theories; it is really a question of giving preference to one or the other. First of all, you gave the prisoner buttermilk; now you want to give him soap. I may state bluntly that in my district—Chittoor district—no villager takes *magika*. The Brahman teacher in the school who gets Rs. 20 cannot live without buttermilk; the poor ryot will have to sell his *magika* to others and live upon the saving he makes by selling it. That is the position. Let me not be misunderstood, when I say that the Government should conserve its resources. Not that I am inhuman towards

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the condition of the prisoners, but humanity has better claims; there is a more insistent call; that call has to be answered; the call of the poor should be answered.

"There is another point and that is the controversy about Hindustani. The Hon. the Premier has his own way of dealing with this question. Last year's calf, the shepherd leaves aside; last year's calf has got its legs, it can stand upon them; this year's calf needs milk; last year's calf is sent away; that is the usual method of the shepherd. What do we find in this Budget, with regard to primary education, with regard to the ambitious programme of liquidation of illiteracy? How often has that programme been put forward? That has been abandoned. Nothing is spoken about it. What about secondary education, what about educational expansion? A provision of Rs. 40,000 is made for imparting instruction in the all-India language. We must have freedom; there must be a Republic; we must have one common language; the argument is quite all right. Is there any justification for making provision for this common language? You are not able to liquidate illiteracy. This is a fundamental matter. Hindustani is this year's calf; primary education is last year's calf. I am very much in favour of primary education and not in favour of the substitution of the all-India language. After you provide for primary education and secondary education, if you have resources enough, if you have much money to your credit by taxing the people further, then I can understand the encouragement of Hindustani. You are reversing the policy; you are reversing the position. You want to starve primary education; you want to starve secondary education; you want to push forward and promote the study of Hindustani. These two items I wanted to touch upon with regard to Part II schemes.

"I shall now deal with the deleterious effect of the programme and policy of Prohibition. I am just referring to it to show how it has been responsible for many evils. As I have said, the Government received fresh revenues; there has been accumulation of revenues; they have raided the Minor Ports Fund; they have postponed the collection of kist to the next year; they have received benefit in all these ways. I would certainly not mind these things, if the Government had tackled all the important questions, if they had made provision for agricultural regeneration and educational advancement of the country. Can we justify the object and the programme of the Budget, when provision is not made for all these important purposes? Can the Hon. the Premier say that this is a dynamic budget? It is a reactionary Budget. Is it real autonomy, to starve the nation-building departments? What does the Budget do with regard to education, with regard to the ambitious programme of liquidation of illiteracy? What is the programme of the Budget with regard to this matter? Has the Finance Minister said anything about this programme of

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the Congress Government? Absolutely nothing. Is it a static Budget or a dynamic Budget? I leave the matter there.

"Now I come to the Education Demand, to pages 107 to 112 of the Budget Memorandum. Hon. Members will see the provision for Rs. 258 lakhs in the accounts for the last year. That is a heritage to the Congress Government. Now what is the provision made by the Congress Government for Education? It is Rs. 265 lakhs—Rs. 7 lakhs in excess. The reason for this excess is obvious. You know that education tax may be levied by local boards. When they do so, the Government are bound to increase the grant; therefore the Government are obliged to increase the grant. I find there is a little reduction in this grant. Paragraph 545 of the Budget Memorandum says that 'The decrease in the estimates is due to non-inclusion of provision for a grant for the Boy-Scout movement and inclusion of a smaller provision than in the current year for a grant for the Girl-Guide movement.' This is where the Prohibition policy leads to. The Boy-Scout movement must be starved; the Girl-Guide movement must be starved. The justice and logic of the matter is apparent. So many things have to be starved, if you accept the Prohibition programme. The question therefore arises, 'Are we to accept the Prohibition programme in its entirety?'"

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accn. "Let us take the next point, the industrial regeneration of the country. That is the election pledge of the Congress party. It has been stated again and again that they would see that this country is regenerated and that they must make from a pin to a motor car. That is their ambition. That programme has been stated and repeated many times before the electorate. What do you find in this Budget for these purposes? Nothing at all. Sir, when the Congress Government came into power, the old static Government was spending Rs. 19,80,000 and now this dynamic Government have only programmed for an expenditure of Rs. 21.08 lakhs. We must understand that this Industries department has got one important branch relating to agriculture and rural development. There is also the district engineering establishment which is mainly intended to supply water for irrigation purposes. But, if hon. Members would only go round the Tiruvallur taluk, they will see what an enormous change has taken place in the countryside. They have established bore-wells and pumping installations. In that taluk, you find there are five or six villages provided with pumping installations and it looks as if the country is prosperous; but the fact is the rest of the villages of the taluk remains absolutely uncultivated because unless there is regular monsoon there is failure of crops. It will at once be realized what an important factor the question of the supply of water plays in districts like Chittoor, Chingleput and North Arcot. Has not this Government pledged to supply at least one bore-well for each village? No doubt I know the Director of Industries asked for the manufacture of 15 more sets, which was granted; but this

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dynamic Government is satisfied simply because 15 sets have been manufactured and therefore think they are satisfied with regard to the underground water-supply. Not only that. When we take the Report of the Director of Industries—of course I speak subject to correction—the Director of Industries has stated that the resources of this country, so far as minerals are concerned, have to be enormously tapped so that a good deal of work might be done. The Government have stated that orders will be issued separately for attaching a mining geologist to the Department of Industries. I have been looking into the Budget, but I find that this request of the Director of Industries has not been acceded to. I do not know, I may be wrong; but I speak subject to correction. I say that if a mining geologist is appointed in the Department of Industries, provision has to be made in the Budget. It is unjustified to come forward and say, we want this tax and that tax without looking into the potential resources of the country. Not only that. In this report of the Department of Industries it is stated: 'The importance of fertilizers in an agricultural country like India cannot be exaggerated. The South Indian ryot has become accustomed to the application of ammonium sulphate as a fertilizing agent to his fields. During 1936-37, 27,480 tons of sulphate of ammonia valued at Rs. 26,68,755 were imported from overseas. The question of undertaking the manufacture of ammonium sulphate was examined and it was found that it should be possible to do so at reasonable cost provided the gypsum deposits of Trichinopoly are utilized in the manufacture.' The question of a field survey of these deposits is under the consideration of Government. The Government have also had under consideration during the year the possibilities of production of power alcohol from molasses and its use mixed with petrol as motor fuel. A committee to investigate this question more fully in all its aspects has just been appointed. Such are the problems confronting this Government. And what is the answer which this year's Budget gives with regard to these absolutely necessary things? Not a word is said about them and we are not taken into confidence. Only the routine Budget is repeated this year also. We are told that this year there has been failure of rain, visitations of cyclone and all that.

"This dynamic Government mentions high-sounding schemes, like the agricultural regeneration of the country and so on. But we find the same thing going on and we do not find the hand of the new movement. To start with, the old bureaucratic Government was spending Rs. 21,07,000, but the present Government is satisfied with spending Rs. 21,13,000, that is, Rs. 6,000 more than what the previous Government was spending on this department. May I ask, Sir, in all seriousness, whether the Agricultural department of this Province does not really want any expansion; or is it really fed up with its activities and does not want anything more at all? Is there any reason for supposing that? If you take the headings in the Budget it will be seen how the department is

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being neglected. I am particularly referring to Demand XVIII—Agriculture—40 f. Agricultural Experiments and Research. It is stated there under Cotton Research Pempheres and Physiological scheme, Rs. 11,500 in the last year; but this year it has been reduced to Rs. 7,700. Again under the Nadam Cotton Scheme, the provision is only Rs. 2,000. It will be noted, Sir, that this cotton is grown in so many parts of the Province and so much of the ryot population depend upon it, and for this only a paltry sum of Rs. 2,000 is provided for research programme. Of course the headings are grand. Under Mungari Cotton Scheme, only Rs. 3,900 is provided. Then for the scheme for the improvement of Cocanada cotton—this is a new scheme—the provision is Rs. 6,000. Other miscellaneous schemes are also mentioned. Now in regard to sugarcane, in the Industries department report, we find that we are producing only one-third of our requirements and that the other two-thirds are being imported. The Director of Industries has stated that we must make up for the deficiency. On the other hand, what do we find in the Budget? We started with Rs. 26,000, but for the coming year it is going to be only Rs. 19,000. Of course, we have got a scheme for dry farming with Rs. 27,500. Then there is the Fruit Research Station at Kodur and other such places. Sir, there are several districts in which fruit plays a very important part. Is this the provision to be made for this important scheme? Then there is another grand scheme called Animal Nutrition with a provision of Rs. 9,500. There is also another scheme of research on Sunnhemp with Rs. 500. There are also some other heads of research, for instance, Fruit research, Cambodia Cotton research, groundnut research and so on, but when we come to see what provision is made for them, it is nil. You will also see that another scheme has also been added and that is the scheme of research on coconuts. Added to all these things, there is another wonderful heading, namely, special rural uplift schemes. I was wondering that there must be something wonderful about it. But when I came to look into the Budget, I found that it was merely purchasing seeds for Koyas; but a grand name was given to it. I dare say the Hon. the Revenue Minister

THE HON. SRI C. RAJAGOPALACHARIAR:—"I would ask the hon. Member to suggest a less grand name and I will immediately accept it."

SRI B. NARAYANASWAMI NAYUDU:—"The amount provided for it was only Rs. 100. I wonder how this amount would be sufficient for the purpose and what real effect it will have on the ryot population. I know the condition of the ryots and I am sure the Hon. the Revenue Minister also knows it. We find hundreds of people do not know how to handle the plough and there are hundreds without elementary education. When the Hon. the Revenue Minister came forward with the proposal for a token cut, I thought it was going to be a token cut and that he

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was going to improve the lot of the thousands of ryots so as to make them fit for society. Here we have a Congress Government pledged to improve the lot of rural population. I now see that improving the rural population means purchase of seeds for Koyas. I know when the Revenue Minister toured the districts, he was fired with indignation on seeing the condition of the people, but after coming here, I find that nothing has been done. But I know the reason for it. Survey of the whole village has to be undertaken and it is indeed a stupendous task, and you have to put every pie that you can get into Prohibition and leave everything else into the background. It is not of course a quarrel between Prohibition and other things, but it is really a question of formulating a policy to meet the requirements of the nation. Prohibition is not a religious formula or dogma to be pursued with obstinacy and fervour at any cost.

"I can go on like this referring to department after department and dealing with the real regeneration of the country. Though this Government have got skeleton schemes, they have not done anything to revivify the nation. Is it sufficient to say to the electorate that they have introduced Prohibition and that we have become dry? If the country becomes dry, then eventually they will die. If you are going to proceed with this programme, wee unto you. Surely, whether you wreck the constitution or not, your Budget if persevered in and carried through for another three and a half years you have still power, it will go a long way towards wrecking the slender finances on which the stable middle classes of this Presidency are resting. Captain, may I beseech you, now that you have attained a compact area of dry zone, to cry halt there and use all your navigation skill and resources, and use all the might of your party for the agricultural and industrial regeneration of the country without which, in the near future, your party will drift like an inanimate barrel into a crisis which you cannot control and which will not redound to your party's credit."

* SRI L. SUBBA RAO:—"Sir, I am at one with Mr. Saldanha in his opinion that this House does not serve much of a useful purpose and particularly in connexion with the Budget, because the members of this House do not have the privilege of voting upon the Budget. Of course, they can talk at random and at length according to the discretion of the President, and I find it is absolutely futile that this House should continue to exist hereafter. If any hon. Member of the Opposition proposes a resolution for the abolition of the Upper Chamber, I for one, with the permission of the Government, would ask for freedom to vote for its extinction. (A voice: 'Why from the opposition?') His Highness the Aga Khan also, in a speech he made very recently, envisaged that it would be abolished in five years after its starting. Until then we have to continue this House.

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"Well, Sir, I should like to make a few observations on the Budget. I take the warning which the Hon. the Prime Minister gave in the Lower House at the time of the Budget for 1938-39 that members on the Government side ought not to embarrass him with congratulations and that they should be reserved only for the Opposition. I take that warning and proceed to point out one or two omissions and certain commissions, which we belonging to the mufassal districts feel a grievance of. But, in doing so, it may be that I embarrass the Hon. the Prime Minister by inviting his attention to those omissions and commissions. Before I go into a few details I shall invite the attention of this House to certain figures furnished in answer to a question put in the Legislative Assembly (No. 281) regarding the revenue from and expenditure on the Andhra districts. The total revenue of the Telugu districts excluding the Orissa areas is Rs. 580.33 lakhs and the total expenditure on the Telugu districts excluding the Orissa areas is Rs. 447.16 lakhs. Thus the amount of revenue from, in excess of the expenditure on, the Telugu districts is Rs. 133 lakhs.

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"Allowing certain percentage for the overhead charges in the central headquarters, I think the revenue will be not less than at least Rs. 100 lakhs in excess of the expenditure from the Telugu districts. In view of this, the formation of the Andhra Province will not be a danger to the economic structure of the Telugu districts. The formation of the Andhra Province has been recommended by the Government and the best way and the best prelude to the formation of Andhra Province is to allocate the revenues and expenditure in such a manner as to facilitate its formation at an early date. It has also been urged by the Andhra Maha Sabha. Judged from that point of view, we find that the Telugu districts have not been treated quite fairly in the Budget allotments. Of course, there has been some deputation to the Premier against the formation of the Andhra Province on the ground that there has not been sufficient backing of finance for the Andhra Province. In order to dispel that illusion, I have quoted the figures. We have been living like members of a joint Hindu family. As remarked by the Prime Minister, separation is inevitable. Now at any rate the divided status of the brothers can be recognized and revenues can be allotted. If that is done, I would urge for the consideration of the House and the Premier, that the formation of the Andhra Province will be much more speedily facilitated than otherwise.

"I would just mention one or two instances how they have been treated in the Budget. One institution that is associated with the name of Andhra specifically is the Andhra University, which has received its charter sometime in 1926. That is the only institution which is maintained with the name Andhra. Originally, the Ceded districts, now known as the Rayalaseema, were also included in the Andhra University area. Sometime later they have

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been excluded and there has been a request from the Senate to include the Rayalaseema districts in the Andhra University area. If nothing more is done, that might be done. It was submitted on more than one occasion that the University has opened some technological courses and in order to complement and supplement those courses, some more courses had to be started. It asked for a Natural Science college for Honours courses and for some pass course in the University. There is none in the Andhra area. We find that there has been no response from the Government in regard to the application. I may also submit for the information of the House that neither the Arts College at Rajahmundry nor the Arts College at Anantapur provides for such courses. So the two colleges in the Telugu area are not provided with Natural Science courses. Whereas there are six Arts Colleges in non-Telugu areas, there are only two colleges in the Telugu areas. Then the University asked for what were known as 'minimum requirements.' Like the refusal to the Pandavas, we were not given even the minimum requirements and the request was mercilessly turned down. Strange to say, Government in November 1938 addressed a letter to the University that they are not going to make any grants and wanted to rely upon the Chancellors' convocation addresses. I may invite the attention of hon. Members to the fact that the Government themselves ignored the provisions of the University Act. But they may plead that 'just as in the case of the Government of India Act we wanted to ignore the Act and create and proceed on conventions.' But one of the Chancellors said that it was a duty incumbent upon the Government to provide funds if the University were to function efficiently and for good purpose. I may invite the attention of the House to one section of the University Act which says that a grant of not less than 1½ lakhs shall be made. This has been construed to mean that only 1½ lakhs shall be given. Then again, with reference to the building grant of 7½ lakhs, Government tried to say that only 7½ lakhs was agreed to be given and therefore that was given. They forget the section that the Local Government shall, on such conditions, give for the building and equipment such further sums as they may deem fit. All these provisions are sought to be ignored, and the Government have addressed letters to the University stating that what they contributed was there and nothing more will be given. Is that not 'Bathos'? The University also pointed out the urgent need of various things. But every one of them was ignored.

"In this connexion, I would also invite the respectful attention of the House as to how the other colleges in the non-Telugu areas are equipped. For instance, the net grant to the Presidency College is Rs. 2,40,000. For the Rajahmundry College, it is Rs. 62,000. For Kumbakonam, it is Rs. 72,000, for Anantapur, it is Rs. 63,000. I have got figures for four other colleges. I do not complain of the grants given to the colleges in the non-Telugu areas. I want only a fair field and no favour. We also

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find that proposals for opening courses in the Andhra University were turned down and financial stringency is strongly pleaded against the opening of new courses. But provision is made in the Budget for opening new courses in Victoria College, Palghat. It is found at page 173 of the Budget Memorandum. I again submit I do not grudge this provision. Naturally the reason seems to be that the Hon. Minister for Education hails from that side. So he can have his own college properly equipped. That seems to be the obvious reason. I wish similar treatment for similar institutions should be given. Take the Vizagapatam Medical College. The Raja of Panagal started it. He generously treated the institution as long as he was there. His successors also treated it generously. The Indian Medical Council after a time found that the equipment and buildings were inadequate and defective. The University authorities requested the Government though they had nothing to do with the maintenance of the college that adequate provision should be made. When Sir Geoffrey Bracken was the Finance Member, a provision of 10 lakhs was made and it was gradually reduced to 5 lakhs. And what do we find now? When we ask that the whole programme should be taken up including an X-Ray block, they state that the students can go to Madras. When the students of other colleges enjoy those facilities, why should the students of Vizagapatam go to Madras? (Sri A. Rangaswami Ayyangar: 'Because you want Madras for the Andhras.') When Madras becomes the capital, we do not want a medical college there. We may forewarn the members of the House about that. Then what happens is in the summer of 1938 a medical college for which no provision is made in the Budget, for which no sanction of the Council or Assembly was obtained, was suddenly conceived, and delivered after summer recess and in reply to questions it was said that no expenditure was going to be incurred on it. What do we find? Without any fuss or agitation which was necessitated in respect of the Vizagapatam College, you find an ultimate provision for Rs. 3,80,000 is made. We find at page 180 of the Budget Memorandum that a sanction of 1 lakh for this year's expenditure has been asked. I submit that this is not merely Rs. 3,80,000. But the sting of it is somewhere else. On page 150 it is shown that it is not going to ultimately cost Rs. 3,80,000 but that it will be costing more than 5 lakhs. At page 150 of the Budget Memorandum we find: 'An individual work, a group of works which are interdependent or a comprehensive programme of works relating to a single object or necessitated by a single cause may be treated as "one scheme" and debited to this capital head, if the total estimated cost is so large that it cannot reasonably be financed from current revenues. The cost of a scheme is not debited to this head unless it is more than 5 lakhs. This demand includes the works outlay on such schemes. The establishment and tools and plant charges which are debited to this head after the close of the year are included in Demand XXV. Civil Works.' But at

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page 158 only 1 lakh is provided in the Budget. Sir, that is the end of the wedge. When money was not available for this end of the wedge. When money was not available for the Stanley Medical College, it was easily available for the Stanley Medical College for the duplication of work in the City of Madras. The reason seems to me to be obvious. The Leader of the House is the Minister for Medicine and is in charge of the Public Health and the Leader of the House who sponsored the Stanley Medical College is one of the strong men of the Cabinet, if not the stronger man and as such he can see that adequate provision is made so far as the Stanley Medical College is concerned. We also find that Rs. 11,000 is provided for an additional gas plant in the Presidency College and Rs. 15,000 for the construction of quarters for the Principal of the Saidapet College. When an institution like the Andhra University asks for a small grant for itself for equipment for a medical college or for an equipment for an Arts College, all proposals are turned down, while all those things are sanctioned, and allowed to creep in into the Budget heads in non-Telugu areas. Sir, in this connexion I would like to invite the attention of the Leader of the House to certain complaints among the students that better qualified professors are being transferred from the Vizagapatam Medical College to other colleges. I may submit once more to this House that it is not my wish nor my fancy that any grant to other institutions must be cut down. But the institutions which cater to a large number of districts like the Telugu districts should also be provided for.

"Sir, we are told and there was some discussion in high quarters that there were other reasons for not making grants to the Andhra University. I do not believe them. I do not think that political parties or the inclinations of the party in office or power for the time being have ever controlled University education. In roads of that character ought to be resisted in India. In free countries where democratic Governments prevail, particularly in Great Britain, this encroachment on the universities and their ideals has been resisted. Very recently Baldwin, in addressing the Leeds Convocation, said, 'Another heresy which should be laid to rest is that the State which contributes towards the expenditure of the Universities should be allowed to interfere in their internal affairs.' Lord Baldwin's denunciation of this doctrine was emphatic. 'You must resist,' he said, 'to the death, if it ever comes, any attempt of any Government department, or any Government of any colour, to make gifts conditional on what you teach and how you teach.' He also stated that Universities should govern themselves, should regulate themselves; they should never become subservient. Those are the observations of one of the greatest of Prime Ministers.

"Now I pass on to one grievance in my own district. Last year when the Hon. Minister for Public Works came over to Cocanada, we made a representation with regard to submersion of a number of villages at the tail end of the Godavari anicut

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system. We expected that relief would be given to these people who have been suffering from inundations for several years, from 1933 onwards. In the year 1933 Government officials, engineers, etc., met at a conference and resolved to press upon the Government the construction of a bund across the Coringa arm of the Godavari. Similar Irrigation Conferences pressed on the attention of the Government the immediate and urgent necessity of the construction of a cross-bund. In 1935 when His Excellency Lord Erskine came there he received a deputation of the ryots of that area. He very sympathetically agreed that immediate relief should be given. He assured the deputation that immediate steps would be taken to prevent inundation of the whole area. In the Irrigation Report for 1935-36, I find that the Government have noted at page 9, paragraph 12 that they would give relief from submersion in that area of about 20,000 acres. The proposal to carry out this work was made. The proposal is still being considered now. People have been suffering from the year 1933. I am just reminding the House of it. In the administration report on Irrigation for the year 1936-37, we find that we are no nearer. It is stated that the scheme is under consideration. If this difficulty is not properly and immediately solved, it will ruin the ryots in that area. They have already been hard hit. This Government who look to the needs and wants of the ryots population more than those of various other classes, ought to attend to this matter urgently. In April 1938 at the Collector's Conference, Members of the Legislature, the Superintending Engineer and others met and recommended the scheme. We do not find any provision in the budget. I understand that the ryots in that area have been asked whether they are willing to contribute a certain sum for it, at a certain rate per acre. This is rather strange. It looks as if it is a cruel joke. It may be submitted to the House that the Godavari anicut system yields a revenue of 20 per cent on the capital incurred for the construction of the works. Now the ryots of that area are asked to contribute for the construction of a lock to prevent submersion and inundation of an area of 20,000 acres. It would after all cost only Rs. 1 lakh. (The Hon. Sri C. Rajagopalachariar: 'Both the zamindar and the ryotwari villages are asked to contribute.') Yes, both the zamindari and ryotwari villages are asked to contribute. The Government themselves are giving a remission of Rs. 6 to 7 thousand every year on account of flood damages. The ryotwari tenants and the zamindari ryots do pay water-tax. I may inform the Hon. Premier that the zamindari ryots also pay water-tax. For the first time in the year 1938 both the zamindari and the ryotwari ryots are asked whether they are willing to contribute. I believe the work is held up on account of that. I may submit for the information of the House that the revenue derived from the East and West Godavari is Rs. 154 lakhs and the expenditure is Rs. 81 lakhs. Thus there is a surplus of Rs. 73 lakhs. When there is a surplus of Rs. 73 lakhs from these

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two districts, is it too much to ask the Government to spend a sum of Rs. 1 lakh to prevent inundation and submersion of an area covering 20,000 acres?

"Coming to famine conditions in the Ceded districts, we find a reference to it in the Hon. the Premier's speech, that a sum of Rs. 40 lakhs is spent over famine-relief works and by way of grant of remissions. Periodically, such amounts are spent, for famine relief. If all these amounts are capitalized and if some more money is put into it, it will be possible to expedite the Tungabhadra Project and relieve the Ceded districts from famine visitations. That is the appeal that I would make to the Hon. Premier.

"With regard to courts, I would like to mention one or two points. A provision was made in the Budget for 1938-39 for the location of an additional Sub-Court in Cocanada. There was accumulation of work and congestion of work and provision for an additional court had been made. But the court was not established. The result was that suits and appeals were transferred from Cocanada to Amalapuram and Rajahmundry. My Hon. Friend, the Revenue Minister, knows what it is to travel from Cocanada to Amalapuram. The litigant public from Cocanada taluk are asked to go to Amalapuram; they have to go by train. They have to travel by boat over the lankas, get into a jutka or a bullock cart if it is available and then in the motor bus. I am now informed that appeals that have been transferred to Rajahmundry, are posted from the end of June 1939. I find that a provision has again been made in the Budget for the year 1939-40 for the location of an additional Sub-Court at Cocanada. I do not know if it is going to share the same fate as the provision made in the Budget for 1938-39. It remains to be seen. In this connection I might submit that the Bar Association waited on deputation on the then acting Minister for Courts and Prisons and could not give any relief. The High Court stated that they have asked the Government to provide for an additional court. I find that provision has also been made in the Budget this year also and am requesting that the court should be established at Cocanada without lapse of the budget grant.

"In winding up, I should like to congratulate the Hon. Premier for the bold enunciation of policy so that people may not be misled to believe that the ideals and objects of this Government are different from what they are mentioned in the Budget speech. At page 11 the policy of this Government is definitely laid down and enunciated, and it will give much relief to the ryots and industrialists and they know definitely the present-day ideals and ideologies. I express my gratefulness to the Hon. Premier for presenting the Budget in such a clear manner and asking for a certain amount of co-operation without confusion of principles."

* K. AHMED MEERAN SAHIB BAHADUR:—"Mr. President, before I begin to offer my remarks on the Budget, I would

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like to mention this fact and make a request to the Government to supply us with copies of the Budget Memorandum and other Detailed Estimates of Revenue sufficiently early. We had the detailed demands for grants only a few days ago. They should be sent to us at least ten days before we meet here. Without the Budget Memorandum and the Detailed Estimates of Revenue, the Budget is nothing but a mass of figures and we are not able to understand the head or tail of it. The Budget Memorandum was given to us only on the evening of the 20th. We were to have the general discussion on the 23rd. We had barely two days to study the figures. It is not a question of light reading. We have to go through a number of pages and the figures of expenditure. We have to make a comparative study of the figures for 1938-39 and 1939-40, if we want to make useful suggestions on the occasion of the general discussion. Here afterwards at least I would request the Government to supply us all the necessary estimates, etc., at least a week before we discuss the Budget. It may be that the other House has got to vote on the Demands for Grants. It does not therefore matter if sufficient time is not given to them and if they are asked to participate in general discussion two or three days after the Budget is presented. Sufficient number of days are given to them to give notice of token cuts. Then they can say what they have to say. By that time they have sufficient time to study. But here, it is impossible to go through a volume of figures within two days and make some useful remarks by way of general discussion. This, I hope, will be done in future years.

"With regard to the Budget, there are one or two points which I have been harping upon every time I speak at the time of the general discussion of the Budget. I am not tired of repeating them because I have not succeeded in achieving what I have been saying. I have not been able to convert the Government to my point of view, nor have I heard the reply of the Government on these points for the last three years including this year.

"I now take up the Guindy races. I am not tired of repeating my remarks here. I am perhaps as mad in this matter as the Hon. Premier is on the question of Prohibition. I am using the word 'mad' advisedly. I am not using it in a derogatory sense. After all, some people get mad over certain ideals. It is not bad to have certain ideals. The world lives by such ideals. Some ideals might not be attained. It may not be an accomplished fact within a limited period of time. The world has progressed by ideals of men. Sir, I am trying to impress upon the Government and I am willing to be convinced by the Government if they have a case why they have to tolerate the Guindy races a day longer. I have not heard any argument from the Government so far on any occasion why they are willing to tolerate it. A Government who do not want to have drink for a moment, a Government who want to redeem the poor people from the ruin of drink, want to

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allow this gambling, legalized gambling, in open day light within a few miles from their headquarters! I remember, Sir, having read with pleasure a speech which the Hon. the Premier made in some village in the Chittoor district when he went there to inaugurate Prohibition, wherein he stated that the previous Governments or the future Governments might give them hospitals, schools and colleges, but there are certain things which this Government alone could give, and that is Prohibition, which perhaps other Governments may not give. I really appreciated that remark of his. I really thought that every Government has got certain definite programmes and definite policies. As the Hon. the Prime Minister has stated, any Government can give schools and colleges, but there are only certain Governments which can believe in and advocate the policy of Prohibition even though it means a great loss of revenue to the State. I expect the Government to view the question of race-gambling that is going on at Guindy in the same manner as they view Prohibition.

"Sir, what are the figures with regard to Guindy? You know, Sir, they are levying two kinds of taxes at Guindy; one is the totalizator tax and the other is the book-makers' tax. By way of totalizator tax in 1937-38 they have realized about Rs. 1,24,739 and the rate of tax on this item is $2\frac{1}{2}$ per cent. Working it on this basis, the amount which the poor people have paid into this race club on gambling comes to Rs. 49,89,560. Next, we have got the book-makers' tax, that is they levy a tax of $2\frac{1}{2}$ per cent on the amount which the book-makers have agreed to pay to backers, on their winning. In that year, the book-makers' tax came to Rs. 24,683. Working it out at the rate of $2\frac{1}{2}$ per cent, it comes to Rs. 9,87,320. So, the book-makers have agreed to pay to winners Rs. 9,87,320. I take it that if they have agreed to pay Rs. 9,87,320 or about ten lakhs to the winners, surely they would have collected another ten lakhs from the other unsuccessful backers. That is to say, the book-makers give the amount only to one or two people—I do not know the technicalities about racing. But, I am sure that if they have agreed to pay 9 lakhs and odd to the winners, surely they should have collected much more from the backers by way of bets. I do not know whether it will come to two or three times that figure; but anyhow taking it as twice that figure, it comes to Rs. 19,74,640. Besides this, those people who want to go and bet there have to pay a gate fee of Rs. 5, Re. 1 and As. 8; but now the third enclosure is abolished. I do not know what that figure would come to, because we do not have figures for that. Anyhow, I assume that to be another few lakhs. This much can be seen that the amount paid into account of the totalizator and the book-makers comes to not less than 70 lakhs. I want to know, Sir, what is the amount of revenue which you have estimated for the coming year? We find that the total estimated revenue for the year 1939-40 under the two heads, Forests and Registration, comes to about 75 lakhs. So, the Race

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Club is collecting from the poor people an amount which is equivalent to the total revenue which you would expect to collect under the two heads stated above for the entire Province. But, Sir, in what way are they collected? Nothing but gambling. As against that, what have we got? If somebody runs a bucket-shop outside the precincts of the race club but within the City of Madras, and receives bets or stakes to the extent of Re. 1 or 2 or something like that, the poor people are punished and sentenced. Or, if somebody indulges in some cards play with some stakes apart from horse races, they are hauled up before courts for gambling and all the executive machinery will be there. In the papers you will get big news, saying a big gambling den was raided. Gambling den? Where and of what size and magnitude, as compared to the gambling den which is going on a few miles off and in open day light? (Hear, hear.) Sir, is it fair? Does it stand to reason that this Government which does not want to allow gambling by way of bets of a few rupees on horses outside the race club, should tolerate the other kind of gambling, which perhaps goes in the name of society, fashion and civilization? I am not able to find out any reason why this should be allowed a day longer. I have been discussing with friends, even individually, with friends on the Opposition and tried to find out if there could be any reason for justifying this racing. So far I have not heard anything. The Government are keeping mum over it when I raised the point. I may now ask them what their policy is and whether they are going to abolish it at all, if not to-day at least after some time. I want to know what they are doing in the matter; whether they are at least considering the question and trying to take steps to abolish it. If they cannot abolish it immediately, I would appeal to them to abolish the second enclosure which allows admission on paying one rupee, I mean the enclosure the middle classes resort to. I am glad the 8 anna enclosure has been closed recently. With regard to the one rupee enclosure, I take it that the Government will agree with me that it is the middle classes and the poor people that resort to this enclosure. Merely closing the 8 anna enclosure is not enough.

"Sir, recently the Corporation of Madras passed a resolution requesting the Government to abolish the second enclosure also. Personally, I may wish the abolition of even the first enclosure, but if the Government are not inclined to go so far as that, I would at least request them to take early steps to see that at least the second enclosure is abolished and that there is only one enclosure the entrance fee for which might be put at a much higher figure than Rs. 5 which is the rate at present, so that it might be prohibitive; in a sense it should be made open only to people who have got enough to spare and can lose in gambling.

"Sir, I do think that if any Member of the Government happens to go there—of course barring the Member who perhaps is the Steward of the Race Club—and come back in the electric train

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along with the poor people when they return, they will understand the wailing and woes of these people and realize their suffering. If perhaps we go in a car and return in a car after witnessing the tamasha at Guindy we may not be able to realize their suffering. But we must travel with them in the third-class compartment after 7 or 7-30 p.m. Then we will know from the conversation that takes place that if one man had gained, perhaps a hundred or two hundred would be weeping and wailing. Then at least I think the Government will move in the matter.

"Sir, I do not know whether the Government want to tolerate this because they hope to realize a lakh of rupees by way of taxation. If they do so, I say they are worse condemned for that if they stand on that. A Government who are willing to forsake their revenue to the extent of four crores simply because they are pledged to Prohibition, I do not think they will care for this one lakh of rupees and allow this gambling to go on to the utter ruin of thousands and thousands of poor and middle-class families.

"Sir, next I will go on to a topic which perhaps I would not have taken up under ordinary circumstances."

ABDUL WAHAB BUKHARI SAHIB BAHADUR:—"On a point of order, Sir, to-day is Friday. Is it proposed to continue the convention of rising up at one o'clock?"

MR. PRESIDENT:—"Those who want to go may go because the Council will sit till 2 o'clock to-day."

* THE HON. DR. T. S. S. RAJAN:—"I would like to know the intention of the hon. Member. Does he want that for the sake of Friday the whole House should adjourn now?"

ABDUL WAHAB BHUKARI SAHIB BAHADUR:—"That was the convention, Sir."

* THE HON. DR. T. S. S. RAJAN:—"The difficulty is that we have got only one more day."

ABDUL WAHAB BHUKARI SAHIB BAHADUR:—"I only pointed out that it was the convention."

MR. PRESIDENT:—"As there are a number of hon. Members who are anxious to speak to-day, I do not think it will be convenient to adjourn."

KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"May I know, Sir, your programme for to-morrow?"

* THE HON. DR. T. S. S. RAJAN:—"We sit till two o'clock to-morrow because we have got the other House also sitting to-morrow."

MR. PRESIDENT:—"Those hon. Members who are anxious to go might go."

* THE HON. DR. T. S. S. RAJAN:—"Since there is no voting to-day the discussion might go on."

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DR. SIR K. V. REDDI NAYUDU:—"Is it possible for us to meet to-morrow at 9-30 or 10 a.m.?"

KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"What about 10 o'clock?"

1 p.m. MR. PRESIDENT:—"I do not know whether Members of Government are willing to come at that hour. We will come as usual at 11 and finish at 2. If hon. Members finish their speeches soon, there will be opportunity for many hon. Members to speak. If a single hon. Member were to take 15 minutes on gambling, I do not know how it will be possible for all hon. Members to address."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The only question, Sir, is this. Since we are not in this House voting on the Budget, but discussing, many hon. Members would like to speak and I think we shall agree to the convention to rise at 1 o'clock if their presence is necessary during the debates. But if under the circumstances and in the particular case to-day, some other hon. Members may speak without the Muslim members being present, we can go on for an hour. If not, we lose that one hour and there is no harm in our sacrificing that one hour."

SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR:—"We would like to be here and hear the discussion."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"So, we shall disperse."

* SRI T. A. RAMALINGAM CHETTIYAR:—"There was some discussion over this matter during the last Council and we came to the understanding that on Friday we would not sit after 1 o'clock to enable our Muhammadan friends to say their prayers. I do not think we need go back upon that. Instead of putting our friends to the choice, I would much rather wish we put ourselves to some inconvenience, if necessary and sit some time longer to-morrow. Why put them to the necessity of a choice and make our conduct questionable?"

* THE HON. DR. T. S. S. RAJAN:—"We certainly want to give the same consideration as has been given till now. But to-day we are in a peculiarly unfortunate position; there are a number of speakers very anxious to speak. To-morrow we cannot meet earlier than 11 o'clock as the Prime Minister has fixed up engagements. In consideration of the wishes of hon. Members, we have agreed to sit till 2 o'clock. And to-day we are just now in the middle of the discussion. If as the Hon. the Premier has requested accommodation could be given for this one day, we can continue. It is not our desire to make this a precedent. If this could be done, we have no objection."

SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR:—"We would like to follow the convention, Sir."

The House then adjourned to meet again at 11 o'clock the next day.

THE MADRAS LEGISLATIVE COUNCIL.

Saturday, 25th February 1939.

The House met at eleven of the clock at the Banqueting Hall, Government House, Mount Road, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Government Order fixing qualifications for the post of lecturers in Geography.

* 175 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Education be pleased to state—

(a) whether a Government Order prescribing certain special qualifications for the post of lecturers in Geography was passed recently about the 16th December 1938;

(b) whether the Government Order was passed only after a vacancy had arisen in the Government Training College, Rajahmundry, and if so, whether the Government will state the circumstances that necessitated the passing of the Government Order at the time; and

(c) whether the Government gave an opportunity to lecturers in the department qualified to hold the geography lecturer's post according to the rules previously in force, to obtain the qualifications prescribed in the new Government Order?

THE HON. DR. T. S. S. RAJAN (Minister for Public Health) on behalf of the Hon. Sri C. J. Varkey:—" (a) The answer is in the affirmative.

" (b) The order prescribing qualifications for the post was issued shortly after the vacancy arose, but the matter had been under consideration for some time before. The qualifications required for the post had not been precisely laid down in the rules and hence the necessity for the issue of the order.

" (c) Under the rules, the post is one that has got to be filled by direct recruitment. There is, therefore, no question of appointing to this post any one already in the department. Before the next vacancy in the subject to be filled by transfer arises, there is sufficient time for officers already in the department to get themselves qualified under the new rules."

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(d) whether the Government have received any representation to raise the status of the Madras Indian Medical School to that of a college; and

(e) whether the Government have decided to raise it to the status of a college?

A.—(a) 4,998.

(b) & (c) Petitions for extending the time for registration were received but the requests were not complied with. the Principal, Indian Medical School, has however been asked to consider applications for registration received up to the end of 5th February 1939.

(d) & (e) Suggestions for raising the status of the school were received but they were not accepted.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40—concluded.

MR. PRESIDENT:—"Before resuming the general discussion of the Budget, I wish to inform the House that I propose to call upon the Hon. Premier to reply to the debate at 1 p.m. As the interval between now and 1 p.m. is short and as many hon. Members are anxious to speak, I appeal to hon. Members to be brief in their remarks and not to take more than ten minutes each.

"The hon. Member, Mr. Ahmed Meeran Sahib, has already taken 20 minutes; he will be as brief as possible and not take more than 5 minutes."

S. K. AHMED MEERAN SAHIB BAHADUR:—"May I appeal to you, Mr. President, to give me some more time; I would not be satisfied with 5 minutes, I must say at the very outset."

MR. PRESIDENT:—"The hon. Member can take another two minutes. The hon. Member may begin immediately, without making any preliminary remarks."

S. K. AHMED MEERAN SAHIB BAHADUR:—"If I am not allowed more time, I shall be satisfied with my present discussion. There is no use of trying to attempt to do anything within such a short time."

MR. PRESIDENT:—"If the hon. Member wishes to speak, he may do so; but if he is not satisfied, the hon. Member may resume his seat."

* SRI R. SRINIVASA AYYANGAR:—"Sir, the Budget we are now discussing bears on its face traces of clear foresight, imagination and sound constructive statesmanship. The lot of a Finance Minister is always a very difficult one. In times of prosperity, it may be found very easy to prepare the Budget and to

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satisfy the clamour and the demands made by the people. But in lean years, when he is confronted with famine, floods, pestilence and what not, his task is beset with considerable difficulty. He finds it difficult to make both ends meet. The cyclone and the failure of the monsoon have adversely affected not only the people but also the Government alike. People find it difficult in bad years and in years of famine to stick to the land and to lead a good life; the result is there is consequential shrinkage in the revenue which the Government get and the Government find themselves unable to place before the House a satisfactory budget. If, in spite of these vicissitudes and limitations, the Hon. the Prime Minister has succeeded in placing before the House the only Budget that is possible in the circumstances, he deserves our thanks and also our gratitude.

"Having one or two grievances in particular, I should like to—it would not be impertinent on my part—refer to one or two directions in which economies can be effected. On going through the Budget—I worked out the figures carefully—I find that the travelling allowances allowed to officers and their subordinates amount to nearly Rs. 50 lakhs. It may yet be possible to take the pruning knife right through the machine and devise ways and means for reducing the fabulous sum of Rs. 50 lakhs to Rs. 25 lakhs thereby effecting a saving of Rs. 25 lakhs. I also find that there have been frequent transfers of gazetted officers from one part of the Presidency to another very, very frequently. If the exigencies of public service demand transfers, by all means transfer them; but do not transfer them from Godavari to Tirunelveli and from Tirunelveli to Mangalore once in two or three months. Coming to my own district, I find to my utter astonishment that in the past two years there have been as many as six or seven transfers of Revenue Divisional Officers from one part of the district to very far-off and remote places. Moreover, I am not in favour of and I should certainly deprecate the idea of these district officers making what is known as rapid marches covering a distance of 60 to 70 miles in a day and returning home after a brief halt.

"Coming to the Judges of the High Court, there is now one vacancy. If that vacancy is kept unfilled for one year, there will be a saving to the extent of Rs. 48,000. As the Government find themselves hard hit, I feel constrained to make these submissions, so that the Hon. Premier may give these submissions the weight which they deserve. Because of the deficit, the Hon. Prime Minister has been compelled to come forward with certain taxation proposals. It is human nature always to rebel against taxes. In matters like this, when the whole country is hard hit, if taxes are imposed on the lines proposed, it cannot be taken serious exception to. I am not afraid and I am in favour of taxation, though on a very limited scale. I hope and trust that, what on the face of it is a deficit budget will in course of time turn out to be a surplus budget.

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Removal of Mr. E. V. Ramaswami Naicker to the General Hospital for observation and treatment.

* 176 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state—

- (a) whether it is a fact that Mr. E. V. Ramaswami Pariyar was removed to the General Hospital for observation and treatment;
- (b) if so, whether he was temporarily released;
- (c) if so, what the conditions are on which he was released; and
- (d) whether it is a fact that two constables are watching him and friends and relations are not allowed to meet him without permission?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The reply is in the affirmative.

“(b), (c) & (d) Ramaswami Naicker was not ‘temporarily released’ but was sent to the General Hospital for examination and treatment under the new provisions prescribed in section 39-A of the Prisons Act. The period counts as part of the term of imprisonment, and the Government took such steps as seemed necessary to see that he was in the same position as regards visitors in hospital as in jail.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Has Mr. Ramaswami Naicker been transferred to Bellary?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Yes.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Was he sent on medical advice?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“It may be taken to be so. His health was taken into account and the doctor's opinion also.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Will the Hon. the Premier be pleased to place before the House the advice of the doctors on which he was removed to Bellary?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“There is no such paper.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know his weight when he was first admitted in jail and the present weight?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“There is slight reduction in weight. As the hon. Member is aware, he was in hospital under examination and treatment. Hon. Members will also be aware from the answers given in the other House that the trouble was traced to the old hernia which he had and to an ill-fitting truss which he had been wearing. A fresh belt and truss has been provided for him and he has been advised to adopt a particular position in

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regard to rest. Bellary is supposed to be a good and healthy place for the next two months. It was under very careful examination and advice that this step was taken.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I ask the Hon. Prime Minister to give me his exact weight?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“It was a few pounds less. The Surgeon-General has advised that this is not a matter for any concern at all.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know the exact weight?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I would not be able to say that. It is a few pounds less, about 5 lb.”

UNSTARRED QUESTIONS

Districtwar statement showing various particulars regarding co-operative central banks in the Presidency.

52 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Industries and Labour be pleased to call for and furnish a statement to this House showing the following particulars relating to each of the co-operative central banks in the Presidency, districtwar, as it stood on the 15th December 1938:—

- (a) Name of the bank;
- (b) total amount of share capital;
- (c) amount of reserve fund;
- (d) amount of share capital of individual shareholders;
- (e) total number of primary societies under each bank; and
- (f) total number of shares taken in the Madras Provincial Co-operative Bank?

A.—(a) to (f) A statement^a is appended. It furnishes figures as on 30th November 1938.

Extension of the period of registration of B class practitioners in Indian Medicine.

53 Q.—SRI P. VEERABHADRASWAMI: Will the Hon. the Minister for Public Health be pleased to state—

- (a) the number of B class practitioners in Indian Medicine who have registered themselves up to 31st December 1938;
- (b) whether the Government have received petitions for extending the period of registration by one or two years more;
- (c) whether the Government propose to extend the period for such registration;

^a Printed as appendix on pages 154-155 infra.

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"The Government have been compelled to set aside a sum of Rs. 50 lakhs for remissions. The intentions of the Government are no doubt good. The district officers and the subdivisional officers have been trying their level best to instil into the minds of the lower officers who ajmoish the lands, to be more sympathetic to the ryots. It is not known how far the good intentions of the Government will be translated into action by the smaller fries in the department, especially the Revenue Inspector and the karnams. It remains to be seen. The ryots have been hit hard. Representations have been made to me of some instances where the Deputy Tahsildar found the crops standing fairly well in the early part of January. When the officers are requested to re-inspect the fields subsequently on account of failure of rains, they hesitate to do so. They seem to think that once the ajmoish is done, that is final, no matter whether there were rains subsequently or whether the crop thrives or withers. That kind of attitude is unreasonable and I would impress on the Hon. the Minister to give specific instructions to the revenue officers and their subordinates to re-ajmoish specially the lands which have very poor crops on account of the failure of rains subsequent to their inspection.

"Coming to a local want, which is very pressing, I would like to refer to the question of Cuddalore water-supply. The question of introducing better supply and extending the water-supply to New Town has been under the consideration of the Government for several years past. Representations had been made to the Hon. Minister for Public Health when he visited Cuddalore somewhere about November 1937. A strong deputation waited upon him and he promised to give the sympathetic consideration which it deserved. The House may be pleased to know that since April 1936 water-tax has been levied on people. Though water is in sight two miles away from Cuddalore, we have not one drop of water. Water pipes to Old Town are being taken through Cuddalore New Town and yet we do not get one drop of water—what a strange irony! Although we have been paying taxes for the past three years, no serious attempt has been made to supply good drinking water. Moreover, I may say that about five or six months ago, the Cuddalore municipality was about to embark upon the scheme and the Government telegraphed to the chairman of the council asking him to stop it. I put a question here on the floor of the House and the Hon. Minister told us that adequate provision would be made for Cuddalore water-supply in the Budget which is under discussion for 1939-40. I looked in vain through the Budget; from page to page I ran through and to my utter wonderment, I find absolutely no provision for Cuddalore New Town water-supply.

11-15 a.m. "Now, Sir, so far as the water-supply is concerned, Cuddalore is suffering very badly. As a matter of fact, people there are suffering from elephantiasis, typhoid and other diseases. We

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have been crying hoarse all these years and though we are bearing the brunt of taxation, yet water is not in sight. It is true that attempts are made very genuinely to provide towns and villages with water. Why ignore Cuddalore New Town? I have no complaint to make against the Hon. the Minister, but I earnestly and fervently appeal to him to expedite the matter and to satisfy our long-felt want.

"One more word and that is about a standing complaint on the floor of this House, namely, that land revenue assessment should be placed on legislative basis. We were keen about it in the old Council and we fought the battle for three or four years and afterwards the question was allowed to recede into the background. Instead of raising the assessment or enhancing it by executive fiat, it is up to the Government to formulate a scheme and to give it some legislative recognition.

"Sir, I have much more to say, but within the limited time allotted to me, I fear I must bring my remarks to a close."

* SRI DIWAN BAHADUR K. DAIVASIKHAMANI MUDALIYAR:—"Mr. President, permit me to make a few observations on the Budget now before the House.

"I have been asked to express the disappointment of the ryots in my district of Chingleput at the inability of the Government to give them the much needed relief. They expected that as soon as the present Government assumed power there would be substantial reduction in the heavy land-tax which they are called upon to pay year after year. Of all persons in this Province, the ryot is the most heavily taxed. His grievance is a long-standing one and, as I said before, he expected some substantial relief at the hands of the present Government though the sin is not theirs. The Budget does not disclose any permanent relief and even the temporary relief given is not adequate. The remission of Rs. 75 lakhs works out at about $1\frac{1}{2}$ annas per rupee of the land revenue. This remission is stated to be given on account of the fall in the prices of the agricultural produce. The fall in prices is about 50 per cent while the reduction in the land revenue is only 10 or 11 per cent. The seasonal remission which the Government propose to give in the current year is also not adequate. The Hon. the Prime Minister himself admits that the seasons have been terribly unkind this year and the Province has been visited by a series of calamities such as famine, cyclone and failure of crops. In the district of Chingleput there was complete failure of crops except in a few villages where there was partial failure. Against a remission of Rs. 35 lakhs last year which was in many respects a much better year, the Government expect to give only Rs. 50 lakhs this year. This would mean that the jamabandi officer would have to value the crops in the partially cropped areas at a higher figure than the crops would permit. I can understand the difficulties of the Government on account of the distress

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prevailing in the country. Their revenues have fallen, and on account of their anti-drink policy they have lost a substantial portion of their permanent revenue. I do not object at all to their Prohibition policy. I regard, however, that a substantial reduction in the land revenue is more urgent than anything else, because, as I said before, the ryot is the most heavily taxed person in the land. I calculated a few years ago how much tax I paid on my income from land as well as on my salary as an official. I found that while I paid only 2½ annas in the rupee as income-tax on my salary (which will be now considered a fat one) the land-tax which I paid amounted to 4 or 5 annas in the rupee on the net income. I do not see why there should be so much difference in treatment between the rich and the poor. Further the ryot has to pay his tax even though he may be the poorest man in the country owning only two or three cents of land. Income-tax is not collected from all who earn an income. What I would urge is that there should be a redistribution of the burden of taxation. A person should be taxed only in proportion to his ability to pay. The land-tax, particularly after the depression, takes away a very big slice of the income of the ryot and it is no wonder that he is unable to make both ends meet. If he is unable to pay his debt now, the land revenue has much to do with it. Unless this burden is reduced substantially, whatever help you give to the ryot by way of scaling down debts, charging a lower rate of interest on loans given to him, giving facilities for marketing his produce, etc., will not be of much use to him.

"There is no doubt that apart from this reduction of land revenue methods of increasing his income should be devised. Land must be made to yield more. The Agricultural department has done something in this direction. The Cambodia cotton and the Mauritius groundnut introduced in the country have put more money into the hands of the ryots. The latter has deteriorated in recent years and requires to be improved. The Coimbatore Research Institute has no doubt improved the quality of sugarcane but much remains to be done. The problem of manure has not been solved. Cattle-yard manure is the ideal manure which the ryot can use to his advantage but it is not available to any large extent. The Forest department can do much by preparing manure out of the withered leaves of the forest. More research work has to be done by the Agricultural department and the Government should allow more funds for this purpose. Even with the improvement in his agricultural income the ryot's problem will not be completely solved. He has to be given subsidiary occupations to supplement his income. A cottage industry linked with a major industry will be of help.

"As regards the Prohibition policy of the Government, I am not opposed to it because I preached anti-drink all my life. By all means compel people not to drink but this should not be at the expense of other useful activities such as the improvement of

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rural water-supply, primary education, etc. Find new sources of income and abolish liquor revenue. Simultaneously with the extension of Prohibition find out new sources of income which will be equal to the loss sustained. As against the loss of Rs. 65 lakhs on account of Prohibition introduced in four districts the Government were able to secure a fresh income of only Rs. 25 lakhs by the new taxes on sales of petrol and electricity and the duty on country spirits. There is a gap of about Rs. 40 lakhs. The gap has not yet been permanently bridged. The Hon. the Prime Minister says that the political situation in the country is uncertain and disquieting, and if for any reason he gives up the reins of Government all his good work in this matter of Prohibition will be spoilt. He cannot expect his successor, whoever he may be, to continue his work unless it is placed on a sound financial basis. If the loss has been met by a permanent income without depending upon a windfall like the accumulated Minor Ports Fund, no one will be vindictive enough to scrap what has been done. It is therefore necessary to find other sources sufficient to meet the loss as it is incurred. The Hon. the Finance Minister proposes to levy taxes on sales of goods including tobacco. He has not indicated what amount will be realized from the tax on tobacco. Will this be sufficient to fill the gap of Rs. 40 lakhs, the amount left uncovered out of the loss of Rs. 65 lakhs?

"I am a little bit disturbed at the proposal to levy a tax generally on the sale of goods. What I want to find out is whether it will affect the ryot and if so to what extent. What I would submit is that nothing should be done to increase the burden of the ryot which is already heavy.

"The Hon. the Prime Minister proposes to levy a cut on the salary of officers. This levy can only be a temporary expedient. No permanent reduction is possible by this method. Even the new scale of pay will not give the desired result to the extent required even in the coming years. You create discontent by this method of 'cuts.' Unless a thorough reorganization of the whole system of Government is made, you cannot reduce the expenditure on services which covers at present more than 50 per cent of the entire revenue of the Province. It is true that the men at the top get high salaries. Even if you cut those salaries by one-half or more, the savings you effect will not be great. Under the system now prevailing you do not trust the man on the spot. You have checks, counter-checks, returns, diaries and no matter becomes final even in the second or third stage. You create an officer to-day for a limited object and in the course of a few years it becomes a big department. The subordinate service grows very rapidly and you have now got a very large number of men in the subordinate service. The village establishments alone cost 117 lakhs of rupees. The land revenue district administration charges come to 105 lakhs of rupees.

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Is it the policy of Government to tax the ryot most heavily and transfer the benefit to the more fortunate men who have received higher education by selling the very lands on which their parents lived? If it is so, there is no need for any reduction in the number of men employed by the Government. On other hand they can go on creating posts after posts to absorb all the educated unemployed. I do not think, however, that this is the policy of the Government. If the system of Government is changed and the men on the spot are trusted, there will be no need for a big subordinate service. If the trust is abused, it can be dealt with severely. The villagers themselves should be trained to look after their welfare and the village panchayats should be educated to accept more responsibility and to function properly. The judicial system should be replaced by a simple one.

"The reorganization of the system of Government as outlined above will result, I know, in increase in the number of educated unemployed. Opportunities for more persons to get into Government service will be lost. But the remedy for unemployment lies clearly in the industrialization of the country. The starting of big industries will absorb not only a large number of educated men but also the unemployed among the agriculturists.

"In regard to the working of the Debt Relief Act I have to say a word. The amount payable by a debtor under the provisions of the Act is not easily determined. The creditor does not agree to receive the amount offered by the debtor. The debtor has to go to Court to get this amount determined. The Hon. the Prime Minister has mentioned in his speech that debts amounting to 76 lakhs of rupees were scaled down by courts during the six months ending August 1938. By resorting to courts, the debtors lose what they gain by scaling down. A simple procedure is necessary. I know that the Government have recently established Debt Conciliation Boards for this purpose but I believe these Boards can only deal with all the debts of an applicant and it will take time to scale down all the amounts. A simple procedure than this is necessary. The Revenue Divisional Officer is, I think, the President of these Conciliation Boards in many cases, and he may be empowered to appoint an arbitrator who will be able to determine the amount on the spot. If a debtor has got a small sum of money to pay to one of his creditors, he can pay it at once if he can get the amount determined in the easy manner suggested by me now. Co-operative societies resort to such sort of easy settlement of their debts.

"The Government have issued orders a few days ago appointing a committee to enquire into the working of the co-operative movement. I do not know why an unusual procedure has been adopted in the matter of regulating the work of the Committee. Instead of allowing the Committee to prepare their own questionnaire, the Government themselves prepared one and circulated it

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among the co-operators and others. Apparently the replies will be placed before the Committee. It looks as though the Committee will not be permitted to tour and find out for themselves how the societies are working. The Government Order specifically allows travelling expenses only for attending meetings of the Committee. Apparently the idea is to save money. If it is so, I have no quarrel with it. What I wish to point out is that it will be necessary for at least a small sub-committee chosen from among the Committee members to inspect at least a few selected central banks and societies with a view to find out whether any change in the present structure of the financing system is necessary. The central banks obtain from the investing public short-term deposits and lend the money to the societies as short and long-term loans. The societies take their own time to repay because their members are not in a position to repay the amounts within the period stipulated by the central banks with reference to their own financial commitments. The question is how long this defective method of financing can be permitted. With the growth in the overdues the danger becomes greater. This is the main question for consideration by the Committee. It will be essential for the Committee or at least for some of them to inspect some banks and societies for the purpose.

"One word more and I have done. The question of audit fee levied by Government on certain types of co-operative societies has not yet been satisfactorily settled. The rates were fixed deliberately high at a time when the policy of Government was to induce societies to arrange for their own audit by private auditors or by formation of audit unions. When this policy has been changed and when Government do not permit audit by others than themselves, they must levy only a fair fee not much higher than the market rate. They have no doubt recently modified the scales, but, in my opinion, the scales are still higher. If for any reason the Government do not see their way to reduce the scales further, they should at least permit audit by private certified auditors.

"As the representative of an institution which supplies milk to the citizens of Madras, I have to say a word in regard to the Public Health Bill about which mention was made by the Prime Minister in his speech on Monday last. It is a very good measure and my Union was glad that the Government had got it passed by the Legislature because the aim of my Union and the Government is the same. Larger powers have been necessarily given under it to the Health staff. The Government should however see that these powers are not abused. I shall give an instance as to what extent this power can be abused. I have been prosecuted for not whitewashing a Government building which consisted of 20 iron pillars supporting a zinc roof. I need not say I was acquitted."

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11-30
a.m.

* SRI M. NARAYANA RAO:—“ Mr. President, sitting on this side of the House, we rarely get opportunities to speak, and therefore I think you very much for giving me an opportunity to express the grievances of my district on this occasion. Permit me, Sir, to add my tribute of praise to the excellent Budget that has been presented to the Council by the Hon. the Premier. No doubt there are persons who are prepared to criticize the policy of the Government even in matters where they agree, but I may assure you, Sir, that the whole country is behind the Government in the legislation that has been undertaken by them these two years. Who can with any boldness say that the Agriculturists Debt Relief Act, the Prohibition Act and other ameliorative measures have not ensured and enhanced the happiness of the people? When things have settled down and normal conditions are restored, people who scoff will begin to pray.

“ Now, Sir, objection is taken to the introduction of the Prohibition Act by our friends opposite mainly on the ground of loss of revenue. But when compared with the beneficial results accruing therefrom, the loss of income recedes into the background. To those friends who object to the introduction of Prohibition, I would only ask them to visit some homes in the Cuddapah district and ask the womenfolk how happy they and their children are. They stand with folded hands in all humility, bow to you and bless you for what you have done for them. Needless to say this legislation has brought hope and cheer to families which needed them most. We in Rayalaseema fondly hoped that next to Cuddapah and Chittoor, districts like Anantapur or Kurnool would have the privilege of having Prohibition. Our districts are hopelessly poor and have suffered in recent times from terrific famines and any income saved from drinking would certainly keep them off from actual starvation. Besides it would improve their moral character. We in particular would welcome it for it will lead to lesser crime in our districts. Judged from this standpoint, it is even worthwhile to introduce Prohibition even at the risk of fresh taxation therefor and save humanity from further degradation. Now, Sir, we do not grudge the good fortune of North Arcot, but we earnestly appeal to the Government that in the next year the experiment may be tried in one of our districts. Anantapur or Kurnool.

“ We are indeed thankful to the Government and especially to the Hon. Mr. T. Prakasam for the prompt measures taken by him to relieve distress during the recent famine in Anantapur and Bellary. The Government had to spend nearly 25 lakhs of rupees for allaying suffering and if we only calculate the amount spent by the Government during the several occasions when famine prevailed in our districts since 1876, it will be nearly 4 crores of rupees and if all the amount had been spent as a capital expenditure towards improvement of irrigation sources, much of the

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famine problems would have been solved. So we are anxious that the Government should devise measures not so much to allay but to prevent famines. What are the measures? Sir, our districts are rich in soil and in other natural resources; and man with all his intelligence and skill can easily devise measures to mobilize them and turn them to good account. For instance look at the natural facilities in the district of Anantapur. Fortunately for us the old Hindu Kings have built 300 major and 300 minor tanks in the district and if only arrangements are made to fill them up during seasons, there would not be any famine at all. But on the other hand many of the supply channels have gone out of repair and in many cases their courses have been blocked in the Mysore State; so much so that many of the tanks remain empty in good seasons. This evil can be easily remedied by negotiation with the Mysore Government.

“ Another source of investigation is the Pennar river. This river which is the Kamadhenu for the people of the Nellore district is at present of no use to us. It runs in 7 taluks out of 9 in the Anantapur district and if only proper investigation is made and dams and reservoirs constructed in convenient centres, much of the areas which are now lying waste can be brought under cultivation with considerable profit. When I am making this statement, I am not indulging in any empty dream. In early times there lived a Hindu King of the Vizianagaram dynasty known as Pratap Bukkaraya. He had constructed a dam across the Pennar at a place in Mysore and diverted its waters to fill 26 tanks in the Hindupur taluk. Even to-day the channel and the dam could be seen. He constructed it with the help of an engineer known as Singera Bhat. Therefore, Sir, if we, with our modern technical knowledge and skill, will only make an earnest and sincere attempt to improve irrigation facilities of our districts, the economic needs can be easily remedied. Otherwise, I am afraid the districts may be a drag upon the revenues of the Province which otherwise would be more usefully spent.

“ I may submit in this connexion that apart from the question of consideration of irrigation facilities, the question of improving the industries may as well be considered. The district is rich in minerals such as gold and diamond, manganese, etc. The gold mines were worked up for nearly 15 years at Ramagiri and were given up during the time of the Great War owing to the abnormal rise in prices of iron. These can be worked up even now. Besides these districts are cotton-growing areas and there are ample facilities for starting a textile mill. Private capital is fighting shy to come out and if the Government can give a start by undertaking an industrial survey into the possibilities of working the industries, the problem of famine could, to some extent, be controlled.

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" Besides these major industries, there are a number of minor industries such as paper-making, bangle-making, blanket and carpet-making, and I wish the Government would give an impetus and start co-operative societies under the State Aid to Industries Act.

" I am only submitting all this just to show that we have got a hopeful future and we only want the Government to consider our demands sympathetically.

" We all hoped that a beginning would be made both of the Tungabhadra and Kumudavati Projects in this year's budget and their omission has caused the people of our district great disappointment. There is a fear lurking in our minds that these schemes have been shelved pending the formation of the Andhra Province: probably this may not be true. You know, Sir, that there are two schools of thought in our district regarding the formation of the Andhra Province, one school of thought insisting on betterment of the economic needs before the formation of the Province. The other school thinks that the formation of the Province will automatically solve all our economic problems. Whichever school of thought is right, we are anxious that our irrigation schemes should be taken up one after another as they are ready. The Province will come in its own time. It is not desirable to keep us starving in anticipation of a fine dinner.

" A word or two about the recruitment of our young men to the public service. Sir, the Hon. the Minister for Labour was pleased to place on the table of this House the figures relating to unemployment of educated young men in the Anantapur district. What applies to Anantapur applies equally to all districts. From these figures it will be seen that our educated young men are very poorly represented in all services under the Government. I don't want to say more about this, lest my demand may appear clannish. All that I want to say is that the Government should consider the claims of our young men sympathetically.

11-45 a.m. " We are very glad that the Government are going to appoint prosecuting inspectors from among the members of the Bar. In this connexion I would also request Government to extend this step a little further by appointing young men with legal knowledge to the subordinate judiciary. This is a longfelt want and I am sure it will be welcomed by all classes of people.

" Before I wind up I would say a word or two about the Police Training School. There are three such schools in this Presidency. Sir, these schools could as well be abolished because the training given there does not differ very much from that given for the Reserve Constabulary, the whole thing comprising of one or two Inspectors and two Sergeants. There is no need at all to spend a lakh and sixty thousand rupees on this unnecessary item.

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" Before I close, Sir, there is one grievance which I want to mention and I am sure the Minister concerned will see my point. There are certain channels in Bellary. So far as the first crop is concerned there is no difficulty. We are prepared to pay. But as regards the second crop there is much difficulty. Our difficulty is this that when the second crop is ripe we have got to get into the river, excavate, sink a channel about 40 feet deep. We showed all this to the Hon. Minister for Revenue when he was there—even the Minister for Agriculture was there. We had to go so deep for drawing water. We made an appeal to the Minister about all these things and it appears to us that he would concede to our request. We request the Ministers concerned to take a very sympathetic view of the whole thing, because we are not in a position to carry on our work.

" One word more with regard to the salaries. I agree with my friend that it is a very timely cut. I do not think our friends in the Government service will say anything to this."

MR. PRESIDENT:—" Sir K. V. Reddi Nayudu will speak. I request the hon. Member to compress his speech and finish as early as possible."

DR. SIR K. V. REDDI NAYUDU:—" Thank you very much, Sir. Having chosen the third day I have no reason to complain if you find it inconvenient to give me more time. But may I in this connexion submit to you that this granting of three days for debate seems to be somewhat in the nature of a farce. Three days here mean three half days, each half day counting only two hours. That will have to be taken into account by the Government when they fix these hours for the next year at least. I do not wish to lose more time on it."

MR. PRESIDENT:—" But this time we have three hours, except yesterday. Yesterday our Muslim friends wanted to go away at one o'clock."

DR. SIR K. V. REDDI NAYUDU:—" Three hours for every day may come to nine hours which is a day and a half and not three days—according to my calculation."

MR. PRESIDENT:—" Formerly we had only a single Chamber. Now we have two, the Council and the Assembly."

DR. SIR K. V. REDDI NAYUDU:—" That is true, Sir. But they are two distinct bodies. However, it is not worth while losing more time on that.

" Well, Mr. President, the year which is closing an account of which is so very well provided by the Hon. the Finance Minister, has a tale of woes. Famine, cyclone, drought have all visited us and have done their mischief. The country as well as the Finance Minister certainly deserve our sympathy and our co-operation as the Hon. the Prime Minister wanted. I can assure him, Sir, that

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except in cases where we differ on fundamentals we are in honour bound to co-operate with him to the best of our ability. But we have also another function to perform here, the function of the Opposition, to place before him and the country what we think of the measures that are sought to be introduced and the effect, according to us, of these upon the prosperity of the country. But turning now, Sir, to the current year we are told that there is a surplus of Rs. 2,43,000 on page 3 of the Budget speech. As has been admitted this result has been achieved by a raid to the tune of Rs. 42,55,000 on the Port Funds and by an adjustment in the accounts regarding the collections to be made—the revenue collections. The Hon. the Prime Minister will pardon me if I say this and I can assure him there is no malice in saying that. He has been able to show us this plus or the surplus of Rs. 2-43 lakhs by robbing the Port Fund and by a piece of, shall I say, jugglery or magic. Even as a magician shows one ball in his right hand, shows an empty left hand, closes the left, closes the right and suddenly shows us the ball in his left hand, the Hon. the Prime Minister has taken this Rs. 32 lakhs of rupees which should be collected in the coming year, collects them in this year in the month of March and makes it appear that it is revenue for this year. Well, Mr. President, it comes to this that this collection is made twice in this year because it has been made for the previous year, used for the previous year, which has been collected in April last year. For this year it means financially just as there is no difference in actual payments; it comes to the same. But the effect remains that during this year once in March and once in April last year, May, June, or July, whatever it may be, these concessions have come into operation and there is a sort of a double collection. You may say that makes not much difference because the amount that is paid is the same that they are bound to pay and nothing more. On that score there is not much distinction. But one thing I would like to bring to the notice of the Government and it is this, that there is always an advantage to the ryot if the concessions are made as before. The Hon. the Minister has pointed out: 'In respect of this, after anxious consideration we decided to make the same general land revenue concessions this year. We have directed that the reductions may be given effect to in the last kist uniformly' and he claims later on 'This was intended only for the purpose of removing an anomaly.' The anomaly could have been removed, Sir, in a different way by making all the districts pay, to have the benefit of this concession given effect to in the last kist in March uniformly instead of in the last kist. The point is this: if the concession is given in March these 32 lakhs need not have been paid in the month of March but could be paid in April, May or June. If the ryots are compelled to pay in March their trouble is that they will have to sell their grain in March instead of June or April or May, which means that they must be selling their grain at a lower price, much lower

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than what they would be able to get in April, May or June, so that it is not such a trifling thing as appears on the face of it. The Hon. the Minister may say, 'What we are bound to collect in April, we are collecting in March.' Well, Mr. President, I think I had better stop with that so far as this year is concerned. But I would like to point out to the House that, with this surplus too if we take into account this forty-five lakhs and this thirty-two lakhs, it will be a deficit of Rs. 75 lakhs for the current year. I have shown the two points which make up the Rs. 75 lakhs which should not have been taken this year. That would mean, if you take two lakhs out of the Rs. 77 lakhs, this year should have been a year of deficit of Rs. 75 lakhs. But they have got over the difficulty. I have no quarrel with them except for the fact that I would like to have had these concessions given in March instead of in the end of the year.

" Mr. President, I shall now proceed immediately to the present Budget. The figures are given on page 7. There it is shown that the balance is no doubt a minus balance, but only Rs. 17 lakhs. The Hon. the Premier has stated that this is the minus balance after deducting credit for Rs. 15 lakhs under the two taxes which he now proposes and Rs. 10 lakhs which he expects to obtain by increasing the duty on country spirits. The calculation of the figures given on page 5 in paragraphs 2 and 3 thereof would show a further difference of Rs. 13 lakhs which I have calculated. But I do not wish again, for want of time, to take the House through these figures. It makes no difference to me whether the deficit balance is Rs. 42 lakhs as admitted or Rs. 55 lakhs as I calculate. I do not put forward that as a piece of criticism. I only want to have some information on that point, whether my calculation is correct or not; but I have no time to refer to that.

" Now I shall proceed on the basis of the figures as given on page 7 of the speech. Admittedly there is a deficit of Rs. 42,39,000. With a view to meet this deficit a double policy had to be adopted, the policy of borrowing and the policy of fresh taxation imposing fresh burdens on the people of this Province. The twins are born of their parent, Prohibition, so that we have to deal with three policies, the loan policy or the borrowing policy, the taxation policy and the Prohibition policy.

" So far as the loan policy is concerned, Mr. President, I am not one of those who believe that borrowing is wrong. The finances of the Province are as sound as the Prime Minister claims. Only I would add that he had this inheritance from a series of financiers who, through sound economy and following sound principles of Budget framing have saved year after year and built a fort in which our present Government is happily entrenched. A great portion of the credit must go to them and I am sure the Hon. Minister will not grudge giving that praise to

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these previous financiers. We have only to remember that the policy adopted by these financiers deserves to be copied to some extent consistent of course with the existing demands or increasing demands of the present case.

12 noon. "Mr. President, there are only one or two points that I should like to refer to with regard to the loan policy of the Government. In the first place I should think there ought to be a limit—I do not say they are exceeding the limits—which they should not exceed. There ought to be some limit to borrowings and that is contemplated by the Government of India Act. Reference was made and the provision in section 163 of the Government of India Act was brought to the notice of the House last year. As hon. Members are aware, that section provides for a limit to be fixed by the Legislature as regards the amount that can be borrowed by the Ministry. I think it is not a compulsory one, because I find it is stated; 'subject to such amount, if any, which the Legislature might prescribe.' I should think it is only fair to this House and to the country that the Ministry should have brought forward a Bill before this House and before the other House fixing a certain limit—whatever the limit might be—and convinced the two Houses of the need for the amount. Such a Bill should have been passed and the Government should have borrowed on the lines laid down in that Bill. They have not chosen to do any such thing. I do not think it is fair either to this House or to the other House or to the country.

"The second point I should like to place before the House is that loan amounts should be used mainly for purposes for which revenues cannot be spent. There are established principles as to the purposes for which revenues alone should be spent, and purposes for which loan amounts should be spent. For instance, all the ordinary needs of the Province, the day-to-day needs and in fact almost all the Part I schemes will have to be met from revenues. So far as borrowed money is concerned, it is again an established principle that it should be spent only on remunerative works, on productive works, as they call them. It will be unfortunate indeed, if, in a province where there was nothing like a dead-weight debt for about half a century and more, we should adopt any policy that would lead us to a dead-weight debt. It is to the credit of the financiers of whom I have spoken, that we have been able to manage all these years to get on without having any dead-weight debt. All the debt we have got is only Rs. 1,000 lakhs or so, if I am not mistaken. Whatever the figure might be, it does not matter for my purpose. All the amount has been invested on remunerative schemes, so that there is no dead-weight debt at all. Hereafter also the same policy should be followed. I do not say that it is not done now. Care must be taken hereafter to see that the money that is borrowed is mainly, if not wholly, spent on remunerative works.

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"In this connexion, I see from the Civil Works Budget that a sum of Rs. 18 lakhs is being used in the coming year; about Rs. 12 lakhs are going to be spent on hospitals and about Rs. 5½ or Rs. 6 lakhs on police huts. I do not want to question the correctness of the view whether borrowed money can be utilized for hospitals . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member is making a very serious mistake, which I think I should correct at once. He started saying that loans were being taken for meeting deficits. It is a very serious thing. I thought I might wait and correct the hon. Member later on. He is proceeding to make a second mistake—which adds to the burden of the error—namely, that borrowed money is being used for unremunerative civil works. He has mentioned that; it is not correct at all. This borrowed money is being used only for remunerative purposes. He is making a confusion between capital and borrowed money. Debiting to capital does not mean using borrowed money. Balances are being used and borrowed moneys are also used. Borrowed moneys are being used only for remunerative purposes. Expenditure has to be debited to capital, to revenue and to balances. These are different matters and we need not bother ourselves with them. But if we wish to criticize, we should understand things."

DR. SIR K. V. REDDI NAYUDU:—"I understand the difference. I understand investments against borrowed capital. If that is so, my criticism does not stand. But the principle stands. If the principles are adhered to, I have absolutely no quarrel with the borrowing policy of the Government.

"There is one other point in connexion with borrowing loans. If I am wrong, I am open to correction here also. I see that certain sums are given as loans to local bodies. I do not see why these local bodies should not be permitted to borrow from the public, from outside. I do not see the need of the intervention of the Government in the borrowing policy of the local bodies. There is the question of interest. The interest that the local bodies will have to pay will be half a per cent or one per cent more, if they borrowed from the Government. My submission is that it is not necessary that the Government should borrow at one end and lend it to the local bodies at the other end. If it is not inconvenient in other ways—it is only the Government that can know the inconvenience and not I—the Government would certainly be doing the right thing if they allow the local bodies to borrow of their own accord. Probably the local bodies may be able to make a little profit; at least they would have a little less interest to pay. I am not afraid of borrowing as I said, provided the moneys are utilized for the purposes mentioned by me, provided we spend the amounts for economic improvement of the people. Otherwise, it may prove dangerous. Our country is not rich. Raise your revenue by all means. We must try to increase

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yet to come across a Kamina who drinks. There may of course be here and there a black-sheep who drinks. You come to any village and if necessary let us go incognito and see whether they are not as poor as the labourers who drink. They contribute to the finances of the Province and why should these people be made to suffer. Is it seriously contended that the ryots who pay millions are not as poor as the labourers and others who drink? Then, how do you say that only the poor alone drink? What about the rich men that drink? (Sri A. Rangaswami Ayyangar: 'They drink foreign liquor.') That is worse, because the revenue from that goes to foreign countries. Here at least there is the chance of this industry flourishing as my hon. Friend, Mr. Saldanha, would have it. I contend, Sir, that it is wrong to assume that it is the poor alone that drink and that it is to save them that the people of the Province should be taxed.

"What has been done for the poor? As my hon. Friend, Mr. Narayanaswami Nayudu put it yesterday, let me ask, what has been done for these agriculturists? I have quoted the figures which clearly show that those who pay small taxes are very large in number and that those who pay highest taxes are very small in number. In other words, it means that the bulk of the ryots are very poor. What have you done for them? Prohibition has not helped them in the least. If at all, it helps them only in one way, and that is, those who are farm labourers and who used to work from morning till evening without grudging, are now unwilling to do the work, so that only half a day's work can be got from them.

"Mr. President, I do not propose to proceed further and I obey your call. But I do feel honestly that this Prohibition is the cause of all these evils. Let me hope that the day will come within the Hon. the Prime Minister's own time when it will be proved to the world that it is this policy that has done so much damage to the Province and not any taxation or the borrowing policy of the Government."

* SRI B. BHIMA RAO:—"Sir, within the few minutes that I have been given I propose to refer to one or two subjects concerning the districts now known as Rayalaseema. Sir, the Hon. the Premier has, in his Budget speech, referred to the Tungabhadra Project. There he has referred to what has been done hitherto by the Government. He has simply stated: 'I am glad to say that the Hyderabad Government fell in with this proposal and as a result a conference was held in November last between the representatives of the Madras and Hyderabad Governments and an agreement was reached.' There it is a dead stop; a deliberate full-stop. Nothing further has been vouchsafed to us. The people of Rayalaseema were very eager with anxious expectancy to hear an announcement that the Government had taken up this project in right earnest and that something will be found in the Budget to show that it will be

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immediately inaugurated. I know, Sir, individually, hon. Members are very keen and earnest about the project. The Hon. Mr. Gopala Reddi when he opened the Rayalaseema Conference in Proddatur in December last, was very keen about the formation of an Andhra province immediately, and those that were assembled there were very keen upon having the Tungabhadra project, and he announced there in his individual capacity that the Tungabhadra project will be expedited. I know personally that the Hon. the Revenue Minister, as also the Hon. the Minister for Public Works, are keen about the inauguration of this project. I remember vividly the Hon. the Revenue Minister coming and visiting the locality for the dam, jumping from rock to rock with so much enthusiasm that we thought it would be translated into reality immediately. Sir, I do not know, when they sat in the cabinet, what they thought about it. Nothing further has been vouchsafed to us; no ray of hope; not even as optimistic note do we find in this Budget. Sir, every one from Rayalaseema has been feeling that they have been left in the lurch and I do not know what this result is due to. I am not mentioning this fact with a view to criticizing the Government; I do not know what it is that made them not to go further with this project.

"Sir, the Hon. the Revenue Minister appointed a Committee to suggest ways and means for relieving famine in the districts of Rayalaseema. They have submitted their report and I do not know why it was not published. One of the important questions considered by that Committee was the inauguration of the Tungabhadra project in order to relieve this famine which has cost us nearly four crores of rupees within the last forty years. If instead of giving this amount as famine doles all these years, they had only utilized this sum as capital expenditure on the inauguration of this project, the project would have become an accomplished fact long ago. Well, Sir, it may be said that this hesitancy is due to the formation of linguistic provinces. I do not think it is so. You must first of all consider the interests of the people of Rayalaseema. You cannot leave them to suffer this torture of famine year after year, but you must take their immediate interests to heart and see that this project is taken up immediately. I do not know why there should be this delay at all in this matter. Sir, you have been in charge of the Government for the last eighteen months and it is high time that at least the preliminaries are settled before the project is actually taken up. We do not know the reason for this undue delay. After all you are not going to take up this project from ordinary revenues, but from capital outlay, and that can easily be done in these days when money can be got easily and a loan can be easily raised. I am sure, Sir, that this Tungabhadra project will get a return of 4 per cent at least. Such being the case, I appeal to the Government to take a bold and courageous step and go forward with this project without any undue delay. Sir, I do not want to take up any more

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the national wealth of the country by larger production and by industrial development. It is essential that we should improve the condition of the people. But new taxes or borrowing should be avoided as far as possible.

"The Hon. the Premier has attacked and made a charge against the previous Government. There is a confusion in the matter. At page 8 he has made a repetition of that charge. He has himself admitted that there is no need or pressing necessity to find additional sources of revenue. The confusion is thus apparent.

"Now, Mr. President, so much for the borrowing policy. I have one word to say about the taxation policy. The present taxation policy is one which I do not want to object to, provided again that it is consistent with the principles accepted in sound finance. I do not know, Mr. President, if I would be in order to quote an authority. With your permission I would refer to the passage from 'British Budgets from 1888 to 1913' by Sir B. Mallett, that is the pre-War budgets. In the first budget of 1908 of Mr. Lloyd George, we find the following principle laid down for taxation policy. He says:

'(1) the taxes imposed, while yielding in the present year not more than sufficient to meet this year's requirements, should be of an expansive character, so as to grow with the growing demand of the social programme without involving the necessity of imposing further taxes.

'(2) No new tax should inflict injury on either trade or commerce which constitute the main sources of our wealth.

'(3) All classes of the community in a financial emergency should be called upon to contribute.'

"I leave it to the Hon. the Finance Minister to judge for himself whether these tests are satisfied by the Budget that has been placed before us. There is a tax imposed, for instance, on motor spirits. I wonder whether it would satisfy the first requisite, namely, it must be of an expansive character. Even the Electricity Duty Bill will not satisfy that test. I need not dwell on this point further, except to say that these new taxes could have been avoided.

"The Hon. Premier knows figures better than myself and I am open to correction in the following matter. We have had large opening balances. According to my opinion it is open and it has been practicable hitherto to meet deficits from the opening balance which comes to a crore of rupees. I wish to know, whether that is possible or not in the present case. Our opening balances are going down from year to year. But the explanation is given that it is used for giving loans or making investments. Why should we invest money when we have to impose this burden of additional taxation? It may bring in a little more revenue; but is that a sufficient reason? It will bring in only a few lakhs of rupees. If you have got balances, why should we not use those balances to meet these deficits? The Hon. the Prime Minister will be pleased to reply to this point later on.

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"The whole trouble, Mr. President, has arisen on account of Prohibition. We have had an autonomous Government in this Province for a year and a half. The Hon. the Prime Minister is a firm believer in the advantages, in the justice and the imperative need of Prohibition. I have no quarrel with him. Just as we are prepared to take it that he is entitled to have his own views, we are also entitled to hold the view that this pit of Prohibition has brought all this trouble on us. We on this side consider that they have put their feet in mire and now they are trying to wash the mud off their feet by the water drawn from the soul of the people, by water the springs of which are drying up both literally and metaphorically. The Hon. Premier on the other hand believes that we are absolutely wrong. The Press Communiqué counts the experiment as a great achievement of his. We have no right to question his mind. We also have a right to hold our own views in this matter. He believes one way and we believe another way. He does not change his method, I know. He calls himself a fanatic; this year he has gone a step further and he is carrying on a crusade. It is a noble object, we do not deny, and it deserves a crusader's spirit; it deserves fanaticism. But it affects others. From his point of view, everything is all right. From our point of view, everything is wrong. We can only agree to differ on this fundamental question, leaving history and posterity to judge between us. Any amount of argument on the one side will not convince the other.

"But, let us see the arguments on which he has based his remarks. He has told us that he is doing all this for the purpose of relieving the poor from the unnecessary burden of this Prohibition tax. On page 6 he tells us, 'The demand that Prohibition should not be extended . . . means in fact, a demand that the poorest should be taxed through drink rather than that alternative taxation should be devised, the incidence of which would be on classes better able to bear the burden. Interpreted truly in this manner, the illogicality, if not the cruelty, of the criticism is made plain.' Mr. President, as I have said, we do not see how the poor alone are paying this tax or where the cruelty lies. According to us, the cruelty lies in the fact that in order to save the people who voluntarily drink and whom nobody compels to drink but whose vicious habits compel them to drink, in order to save these people, persons who are not drunkards, persons who are themselves poor, persons who have been contributing millions and millions of rupees to the treasury, they are called upon to pay and save these people. Wherein lies the cruelty? Let us see the number of poor people who pay taxes from Re. 1 and Rs. 10. It comes to Rs. 20,99,516. The Hon. the Prime Minister tells us it is they that drink. I repudiate the suggestion to the best of my ability. I know my countrymen. The ryots in my district are Kammas and Telagas and I have

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of the time of the House, except to make an earnest and fervent appeal to the Government to go forward with this project as expeditiously as possible and initiate it in the near future."

* SRI M. D. KUMARASWAMI MUDALIYAR:—"Mr. President, I have to confess that when I read the Budget speech of the Hon. Premier, I experienced a sense of heaviness and gloom. A dismal note pervades the whole speech. As I compare the past Budgets of the Finance Minister with the present one I am constrained to observe that he rose like a rocket and fell like a stick. When the present party in power wooed the electorate what extravagant promises were held out to the credulous villagers! They said that the land would be flowing with milk and honey. They told them there would be no more oppressive taxes in the country. They said that the land revenue would be substantially reduced; in short, the golden age of the Rama Rajya would be re-established in the country. But, alas, disillusionment has come only too soon to the villager. What does he find to-day? Instead of the land flowing with milk and honey he finds it parched and dry. Instead of his taxes being reduced he finds them enhanced and multiplied. Even the little credit he had commanded of late is denied to him, thanks to the memorable Debt Relief Act. The Prime Minister may say, 'What can we do when Nature fails, when monsoon betrays?' Well, Sir, these are not factors that are neither new nor strange in the history of Indian budgeting. There is another point which I would like to mention before proceeding further, namely, the impatience of the Premier to listen to criticism from whatever quarter it may come or however fair it may be. Apparently this is due to the opposition in the Legislature being weak in numbers and to the docility of his own party men. It has been the practice of the Premier at once to characterize the well-meant utterances as scurrilous and useless. Indeed his reply to the criticisms of the Opposition are hard to beat for their supercilious contempt and extreme self-complacency. I would like to point out that with such an attitude he cannot in fairness expect the co-operation, sacrifice and good understanding of all, which he invokes in his speech."

SRI A. RANGASWAMI AYYANGAR:—"On a point of order, Sir, I want to know whether it is open to a member to indulge in a general criticism of the Hon. the Premier without referring to particular instances?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"He is referring to them."

* SRI M. D. KUMARASWAMI MUDALIYAR:—"It is again because of the power of the majority that he is emboldened to make all kinds of inconsistencies and contradictions. The more I read this Budget speech or the more I think about the

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actions of the Congress Ministers during the last year and a half, the more I feel tempted to exclaim, 'Inconsistency, thy name is Congress Raj in Madras.' I remember those days when the previous Government wanted to levy a moderate tobacco tax when the Congressmen and their journals fell foul of it, snatched it and pounded it. Oh, What sound and fury was there! And that very same despised source of revenue is to-day hugged to the bosom and hailed as a new found treasure. The Premier says the party then in power gave it up because they had apparently no necessity for extra sources of revenue. It was not so, Sir. They were ever so much in need of it. If they had tapped this source they would have done far more towards the development of the nation-building schemes under the Transferred half and would have even eased the situation for the ryots groaning under the administration of the Reserved half; and having done all these they could have been to-day in much less sad a plight. But the then Ministry consisted of men imbued with sound democratic traditions and when the cry was raised that the tobacco-tax would fall on the poor man they listened to the voice of the Opposition and did not persist in it. But to-day we find the very people who shed crocodile tears for the poor man coming forward and justifying the same tax as being on a luxury and that it would be so fixed as to fall on consumers, without hurting the growers or the trade, forgetting for the moment that the consumer is the poor man for whom they profess so much sympathy. This is, however, the least of the contradictions of the Premier. There are more interesting and vital things. I am not referring to the working of the constitution instead of wrecking it or salaaming to the British flag in the Proclamation parade instead of flying the Congress flag in the Fort St. George."

MR. PRESIDENT:—"The hon. Member will speak on the Budget."

* SRI M. D. KUMARASWAMI MUDALIYAR:—"I wanted to express what I feel if I am permitted to speak."

SRI A. RANGASWAMI AYYANGAR:—"Truth."

* SRI M. D. KUMARASWAMI MUDALIYAR:—"Yes, it is true. These things do not concern me here. But what I am referring to is a more fundamental thing. Something which is considered as the essence of true democracy—I mean the separation of the judiciary from the executive. They cried from the house tops before the elections that they were only waiting to enter the gates of Fort St. George to bring about this reform. But, to-day, the same reform has not only become unnecessary but has become undesirable. We find the Premier putting forth the wonderful argument that the separation of the judiciary from the executive should not be carried out as an independent judiciary would result in weakening the control of the Ministry over

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the administration. Sir, the practical results of such a union of functions under this benign popular Government are already seen. Instances have come to the notice of the public when the Minister in charge of the Police department has actively interfered in judicial matters because the accused happened to be adherents of his party. Complaints were raised against this and no satisfactory explanations are forthcoming. It needs therefore no further argument to show how by such a union of functions the pure course of law is defiled.

"In this connexion, Sir, I must refer to another grave situation. The use of the Criminal Law Amendment Act is another monument to the contradictions of the party in power. Under this Act, day after day the jails are being filled with men, women and children. A great and respected leader of the masses, one who stands for real democratic principles the President of the party in Opposition, Ramaswami Periyar finds himself to-day inside the warm cells of the Bellary jail. This fact is creating grave unrest in Tamil Nad. I would sound a note of warning that if he is not released the Ministry will have to face serious consequences.

"Now, Sir, I will touch upon some of those features in the Budget to which attention has already been drawn by my able friends on this side of the House. First let me refer to the absence of a comprehensive scheme of nation-building activities. The Budget policy of the present Government seems to begin and end in Prohibition. All other services are starved to find free scope for this pet scheme and even new taxes are levied only to meet the deficit created by this policy. Prohibition may be a good thing but there are several other good things in the world which are as important, if not more. For instance, there is Education. I scanned the Budget speech from cover to cover, tried to read between the lines but still nowhere could I find any reference to Education. Sir, it has been said by the greatest poet of the Tamil land that an illiterate man is akin to a beast. But, in this Budget of the so-called popular Government it is surprising to find that no attempt is made to reduce mass illiteracy. The ingenious Prime Minister makes the ingenious suggestion of asking educated people to hang name boards and sign-boards around the flora and fauna of the country with a view to make their less fortunate illiterate brethren literate. Tens of thousands of rupees are being spent to make the already over-worked child learn Hindi the so-called national language which could be better spent on the spread of elementary education among children and literacy among adults. A suggestion which I would make while talking about Education is that the Government would do well to abolish all Government Arts Colleges excepting one or two central institutions like the Presidency College for instruction in Honours courses or research studies and to carry on the

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work with the aid of University Professors. The existing staffs in the Government Colleges may be used for strengthening the inspecting staff for secondary and elementary schools.

"Coming now to the condition of the poor classes, I would like to ask what have the Government done for the underdog? What have they done for padiyals and pannaiyals who are living in a perpetual state of bondage? Does the Budget let in a ray of hope into their gloomy huts? None. What have they done excepting the ineffectual negotiations to relieve the misery of thousands of labourers who are every year forced to migrate to distant lands to be returned like sucked oranges?

"Permit me, Sir, to say a word regarding indebtedness of the ryots. The Debt Relief Act has not succeeded in reducing the burden to any appreciable extent. From certain evidences let in in the course of the Estates Land Enquiry Committee I find that it has benefited but a tiny fraction of the great rural community, and that too, the comparatively richer folk. The credit of the poor folk has got frozen and in a province where the indebtedness was estimated at several crores a dole of a few lakhs will not touch the fringe of the problem. The Budget offers no real helping hand.

"This takes me on to another connected and important problem, namely, Co-operation. The Finance Minister speaks of the numerous ways by which the land mortgage banks are assisted. But when my friend the hon. Mr. T. A. Ramalingam Chettiyar wanted at the Land Mortgage Bank Conference to reduce the margin of profit earned by the Government the Prime Minister indulged in his wonted quibbles and said, 'Let the *status quo* continue.' I ask, is this justice?

"Sir, the Prime Minister who professes so much love for the co-operative organization in his Budget speech—what did he speak the other day in the Land Mortgage Bank Conference? He is said to have played the part of an advocate of the middleman. Apparently his bonds with the middlemen caste are stronger than hoops of steel. As an humble co-operator connected with co-operative organizations who has tried to understand the ideals of co-operation I have always been led to believe by the highest authorities like Sir Sidney Webb that it is a movement aiming at the elimination of the middlemen and the establishment of a co-operative democracy by a gradual process. But here comes the Hon. the Premier expounding new co-operative ideals; lending support to the profiteering middleman.

"One word more, Sir, and that is the most important, namely, the Land Revenue problem. Beyond what the Interim Ministry was bold enough to grant, I find, no relief in the Budget. My hon. Friend, Dr. Thomas, brought a resolution for equalization of the burden, and another for reduction was brought by the Leader of the Opposition. But the Government have

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been giving evasive and bureaucratic replies. A simple solution has already been found for the zamin lands. If the Government but consistently apply it to the ryotwari areas the problem will be solved in no time. What the ryot wants is relief immediate. Unlike the Ministers, he has no resources to be marking time. He has no pay, no car allowance or house allowance. The earlier they realize this, the better.

"Finally, Sir, a word about the new taxation proposals. If people at large are convinced that programmes of great moment are going to be undertaken they will cheerfully pay the tax and I dare say the Prime Minister is wrong when he says that sacrifice is an unpleasant thing. Sacrifice is pleasant, intensely pleasant, provided it is for the good of the public. Nay, we may even explore alternative sources of taxation if the ones proposed now are galling to the country. Why not, for example, we follow the worthy example of Bombay and tax gambles like crossword puzzles? What about death duties? What is the attitude of this Government towards the levy of a death duty? In fact resources there are many; alternatives there are ample. Only place before the country some schemes of real utility. Shake off the old world ideas. Act generously. Don't be halting and miserly in your expenditure. What you spend, spend on the masses. They will be repaid a thousandfold in the form of wealth, health, happiness and above all the stability of society."

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* MRS. MONA HENSMAN:—"Mr. President, after the detailed remarks on the Budget and the general remarks on the speech of the Premier, I would limit myself, as the time is short, to a few general quotations from the Budget Memorandum. It is with great fear that we have seen that the education grant and grants for this year have not come up to our expectations. We know it has been a year of calamities. We know that education is one of the ways of establishing the basis of the future but perhaps not a spectacular way. We also believe that it is one of the best foundations for the future. We have looked—many of us—for help in this matter in the Budget of this year. We have failed to find encouragement. Hence the fear that I have already mentioned. The point is this: that we have looked for some sort of scheme for the further abolition of illiteracy, some sort of scheme for the betterment of elementary education. I would not go so far as my hon. Friend in saying that perhaps all the colleges except one might be abolished and University professors might carry on education, because that is fundamentally impracticable. But I would say that for the primary and the secondary education, which are the most vital necessities of the future, we do need at least the restoration of those half grants for buildings, at least some sort of provision to be made for scholarships and more free tuition for those who cannot afford to pay school fees. We also need more grants for development. No

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school can be static. It either has to go forward or go back and in the future every teacher and every grant for education will have to be considered, not only on the basis of further expenditure in the Budget but on the basis of this being one of the main foundations of character building.

"We have all admired the Premier and his speeches to the students of this Province, because we feel that he has been very near to student life. It is one of the best ways in which he represents us in this House, but we also feel that when we come to education, we mean not only that sort of education which is concerned with books and letter-learning, but we also look to that character building that he has so often mentioned to the students and school children, when he has addressed them. As part of that character building in particular, I will mention one instance. It may seem quite a small matter at this time. But it seems to me that we should clear up the point as to whether this is a prospect of the future or whether it is just an accident of the present. I refer to the grants to the Boy-Scout and the Girl-Guide Movements as represented in the present Budget. Sir, in the former Budgets, except for last year, you will find that there were certain small grants made, I believe about Rs. 7,000 to the Boy-Scouts and Rs. 6,000 to the Girl-Guides every year for their training purposes, not to be used for jamborees and feasting and other such items of expenditure but for special training and for facilities for trainers and for training camps to be held. Last year we noticed in the Budget that the Boy-Scout grant was halved and this year we notice that it is not on the pages at all. There are a few dots to indicate where it might have been and the Girl-Guide grant has been halved. Is this a warning of the future? Does it mean that there is no further need for that branch of our school children that go in for this particular form of training? Or does it mean that we are now fearing that this movement which has been brought into this country by foreigners might perhaps have a pernicious influence on the children of this country? Or does it mean that we are going, as our own nation, as Indians, into the movement? Surely we have that faith to believe if we and our children are faithful to our nation, we can make the movement truly national and truly suited to the training of our nation. It is for us to do it. It is not for anybody else, and if we get out of this by stopping the grants for it, and if we do not look to the future of that side of the character of our children—I take this as an instance; that is all—we will be in danger of having our children turned out without this character training and of finding useful enjoyment somehow. The foundations of character training which have been so much stressed in the past have now been allowed to shift for themselves.

"Just one more reference and that is, I am very troubled to find that the future taxation is going to fall far more on women.

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and children than, perhaps on, men. (Laughter.) Excuse me for saying so, but this is true. For instance with petrol, when the tax on petrol goes up, the gentlemen of our nation will have to go to their work and they will have to go to their clubs and to all things they desire to go to, whether for pleasure or for entertainment or for work. We, women and children, will be left either to go in buses—it is all right for those who perhaps can afford the petrol and perhaps keep a car in spite of the new taxation, but those less fortunate will have to use buses and trams when the rates are raised. But the poorer people, the students, the wives and children of the poorer classes will either have to walk or sit at home or perhaps all will have to take bicycles as is done at the moment in Amsterdam!

“As regards the question of electricity the offices fortunately, and most places of work, are provided with fans and these will go on in spite of the taxation. But it is the women and children and the students who will suffer because they will not be able to afford the extra luxury or necessity. Mr. President, I would conclude with the remark that in every religion we have Gods of creation, preservation and destruction and it is to be hoped that our nation and our Province and our budgets having been created, dealing with human beings who have been already created may seek to work for their preservation and not for their destruction.”

* SRI D. MANJAYYA HEGDE:—“The Budget presented this time, the third time in the lifetime of this Council, appears to be the result of a bold and sincere attempt on the part of the Hon. the Premier to give effect to the promises he and other Congress people have made from time to time to the public. Especially it is so, when there are several adverse factors that stand in the way of preparing a well-balanced budget. The deficit of 17 lakhs of rupees is not to be made much of in a province like ours, where the revenue and expenditure go beyond sixteen hundred lakhs every year. Such a deficit is inevitable, particularly when there is unseen loss in the land revenue due to failure of crops, etc., and loss in the excise revenue due to voluntary sacrifice of that revenue under Prohibition. Yet one cannot be proud of the financial position of the Government. As long as the Government depend upon borrowed money without proportionate return for the expenditure, it is not a matter to be very proud of; consequently any reform to be introduced will not benefit much, because of its weak finance. In this connexion I want to suggest to the Government to investigate ways and means to start big industries such as sugar-making, paper-making, etc., wherever natural resources and other conditions permit. And it is better to find out new revenue by means of industries than by means of taxation. Generally people are averse to any kind of taxation. I think the need of taxes which are proposed by the Government

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will not be received by people with ease and satisfaction. The proposed tax on the tobacco will, of course, tell upon the poor more severely than on the rich; because it is rather the poor that consume tobacco more, either by way of chewing it with betel leaves or by way of smoking or snuff than the well-to-do class.

“Under the present condition of the finances, I am very anxious to know about the real attitude of the Government as regards the burning question of the reduction of land revenue in the ryotwari areas. In South Kanara, where the ryots are more heavily assessed than in any other part of the Province, the distress is very acute. It is very keenly felt by all. We have brought this matter more than once to the notice of the Government either by means of memorial or deputation. The only reply we got every time was that the matter was under consideration. But we are all very anxious to know what would come out of this long and silent consideration!

“We have come to know that the present Government are keenly bent upon giving ownership of land and conferring some rights and privileges on the ryots of the zamindari areas as regards the use of forest, waste lands, water-sources, etc. But it is regrettable to find that the very same privileges and rights are denied to the ryots elsewhere, i.e., people in ryotwari areas. In South Kanara, the Government have stopped granting waste lands on darkhast for agricultural purposes. Manure leaves, fuel and fodder grass and leaves are not allowed to be removed from the Government forests. Grazing fees are not abolished completely. These are some of the grievances of my district, to which the Government should give attention and redress soon.

“Although there is a surplus of some lakhs of rupees when we take into consideration the statistics of revenue and administration costs of my district, it is not in a position to get capital expenditure of any type. Medical aid also is not adequate. There are many villages where medical help is badly needed. So I request the Government to provide more rural dispensaries in the interior villages. Village communication also is not sufficient. There are several villages remaining disconnected for want of good roads and culverts. So I wish the Government to provide sufficient funds for the village communications. With these few remarks I thank the Hon. the Premier for his well-considered and well-planned budget.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Mr. President, Sir, the Hon. the Premier has opened his Budget speech with the remark that ‘from all points of view this is a year of trial for us.’ By way of comment on this he has stated in another place that this has been a year of trial also for the tax-payer. The plight of the ryots cannot be more correctly

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stated. The tax-payer of our Province is mainly the agriculturist and the trials and tribulations through which the agriculturist has had to pass during the current year have been unprecedented. There have been the famines, the floods, the failure of the monsoon, and the cyclonic disaster. In my own district the agriculturist has been subjected to the special hardship of the heavy rains which succeeded the sowing of seed washing away completely the tender seedlings, with the result that he had to go in for fresh seeds and raise a crop which perforce had to be belated. Such was the state at the beginning of the cultivation operations this year. The complete failure of the north-east monsoon has destroyed what little hope the agriculturist had of raising a reasonable crop. The fate of the agriculturist throughout the Province has thus been one of unmitigated misery during the current year. And what is the relief which the Government propose to give to these agriculturists? We have been promised the usual annual remissions of the past several years. These remissions have been in force now for so many years that the ryot has come to consider them as a permanent reduction in his assessment. The Government might go on treating it as they are still doing as the suspension applicable to this year alone. But I believe there is no chance of even the Congress Government reimposing this tax even after they have exhausted all the sources of fresh taxation. Reference will of course be made to seasonal remission in cases of particular hardship. But we know how the rules and regulations and standing orders of the Board of Revenue which govern the granting of these seasonal remissions are worked. There are excuses to be caught hold of for refusing any remission. And where there is any remission, it is so belated that the relief is as well as denied. The Hon. the Premier has referred to the prices of grains and has expressed the hope that the prices might rise later on in the year.

"But I must state that there has so far been no indication of any rise in prices. The kist collections have commenced and the ryot has to find his money for satisfying the demands of the Government. Thanks to the Debt Relief Act, the means he once had of raising the money by borrowing are now denied to him. He has therefore to forthwith sell the meagre produce of his lands at what price he can get. So even should the prediction of the Premier about the rise of prices in future come true, of what benefit is it going to be to the agriculturist when his stock of paddy would all have been sold long before?

"While on land revenue, may I ask how it is that this Government, which is so active and industrious in every other direction should have been so indifferent and neglectful in the matter of enunciating a land revenue policy? Hon. Members will remember that this question of land revenue was placed by the Congress party in the forefront of their election programme

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We have all been hoping that the land revenue system of this Province would be placed on a statutory basis affording the agriculturist, if not any relief, at least the essence of certainty about his position. On the other hand the Government take delight in making every concession an annual affair, leaving the ryot in absolute uncertainty about his future. I might at this juncture make special reference to the proposal of giving effect to the revision of tarams which has been suspended till this year in the Tanjore district and which the Government now state they are going to enforce from the next fasli. As I have stated once before there is absolutely no justification for imposing any additional burden on the mirasidars of the old delta by reason of the construction of the Mettur Project. Again on the principles enunciated by the Hon. the Minister for Revenue in connexion with the report of the Estates Land Act Enquiry Committee, any additional imposition on the old delta would be altogether unjustifiable. I might also state that if this order of Government on the reclassification of tarams were to be given effect to, it would wipe off any benefit which the Tanjore mirasidars might derive from the annual remissions of land revenue.

"Next turning to the Administration of Justice, may I ask how it is that the life-long demand of the Congress for the separation of the judiciary and executive has been thrown overboard and that the Hon. the Premier has become an ardent advocate of the much condemned present system. He has stated that as now he, a popular representative, is in charge, the necessity for such separation has disappeared. At another place he has asked how he is to successfully carry on the administration if such separation were to be effected. May I ask, Sir, if these statements are not calculated to convey a hint to the subordinate magistracy that they are to serve as handmaids of the Executive Government? The subordinate magistracy is dependent on and has to look up to the executive for its future prospects. Do we not already see the effect of these utterances of the Premier in the homilies and lectures that have been preached by some of the magistrates from their seats in the court? Do not the Government realize how badly the confidence of the public in the impartial administration of justice by the subordinate magistracy has been shaken? Apart from the non-separation, specific acts of the Government aggravated a widespread impression that the course of justice in our Province is being constantly polluted by the acts and utterances of the Ministers and the Government. Convicted persons are immediately released if they are of the Congress political persuasion. Prosecutions launched by the Police after a due and proper enquiry are being withdrawn without any valid reason, presumably under orders of the Government. Quite recently there has been a case of rioting filed before the Subdivisional Magistrate at Koilpatti in the district of Tirunelveli

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against Congressmen who violently disturbed an anti-Hindi meeting and that case has been withdrawn. May I ask if this was due to the fact that the accused are all Congressmen and the victims of the riotous behaviour of these persons were anti-Congress persons? May I state that because of the importance of the matter, I gave a short notice question about this during the last sitting of the Council and while the Premier refused to waive notice, the question still remains unanswered though over twenty days have elapsed since then?

“At this juncture I should like to say a word of appreciation about the fair and impartial manner in which the Police have been conducting themselves throughout the Province bent on the tactful maintenance of law and order irrespective of the political persuasions of parties. It is therefore with a certain amount of consternation that I view the proposal of the Government to recruit prosecuting officers from the bar. I wonder if it be one more method of the Government to introduce their party element into officialdom.

“Next a word about Education. The cry for elementary and compulsory education has been a longstanding one. There has not been any the least attempt to tackle the problem. In fact it has been gradually receding to the background. Elementary schools are being closed in their hundreds. The question of illiteracy is unsolved. The so-called Wardha scheme holds the field, though nobody seems to know what exactly it means. When you were not able to find the necessary funds for running even the existing schools, why waste public funds on forcing a foreign language, Hindi or Hindustani or by whatever name the Government might be pleased to call it, on unwilling people raising a country-wide agitation necessitating the resort by the Government to a most objectionable piece of law, the Criminal Law Amendment Act and sending to jail for long periods of imprisonment hundreds of men, women, youths and children for no other offence than that they love their mother-tongue too well? (Sri K. Madhava Menon:—“May I know when you found the Criminal Law Amendment Act objectionable?”) After you came into the Council. The Tamils have always been extremely solicitous about the preservation of the purity of their language, culture, civilization and customs, and very sensitive about any matter which was calculated even remotely to endanger them. It was therefore that the whole Tamil nation acclaimed with a grateful heart the generous proposal of the great philanthropist, the Raja of Chettinad, to establish a Tamil University. We believed that the University would serve as a centre for preserving and developing Tamil literature, culture and civilization and helping the Tamils to a complete nationhood. But it has been left to the distinguished gentleman who now happens to be

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the Vice-Chancellor of that University to disillusion the millions of the Tamil Nad as to the scope and object of that University. He has said that it was not a Tamil University. If that be so, and if it is to be merely an inferior edition of the Madras University what justification is there for its continued existence and what excuse can be had for spending public funds on that institution? If it is to serve the purpose which I presume is the intention of the donor and which the Tamil public believe it is going to serve, the constitution and the mode of management should be radically altered. Its scope and its syllabus should be wholly revised. The management of the institution should be entrusted to persons who take a pride in the fact of their being Tamils with a real genuine love for Tamil culture and literature. I am at this juncture reminded of an incident which took place last year in this very House. The Hon. the Premier enquired of the hon. Member, the Vice-Chancellor of the Andhra University, as to what constituency he represented. And Mr. C. R. Reddi unhesitatingly and with the fullest confidence said that he represented the whole Andhradesa. I should like the affairs of the Annamalai University to be entrusted to a gentleman who could speak with equal confidence and justification on behalf of the Tamil Nad. Then alone would that University justify its existence.

“Regarding the new taxation proposals I do not propose to take up the time of the House just now and I shall reserve my remarks for the time when the specific proposals would come up for discussion. I will content myself with whole-heartedly endorsing the remarks of my friends, Mr. Narayanaswami Nayudu and Mr. Ramakrishna Reddi, on this question.

“In conclusion, Sir, let me add my meed of tribute to the distinguished services in the Finance Department of Mr. Jones who has been typical of that service which has earned for itself a name for loyalty, whichever party may be for the time being in power. I offer him my heart-felt congratulations on his well-deserved elevation to the Central Secretariat. While assuring him of the goodwill of the millions of this Province, let me express the hope that he will not forget the distant Madras when it comes to the question of distributing financial favours to the Provinces.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, I am 1 p.m. necessarily forced to pass over many important observations made by many hon. Members, if they do not come within the general scope with which alone I can deal at this stage of the debate and at this hour. Many points were mentioned by hon. Members with regard to matters of administration which should certainly have drawn explanations from me; if only I have time to deal with such matters after I finish the few observations that I wish to make on the Budget, I shall certainly try to deal with as many

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points of administration as possible. I am grateful to Dr. Thomas and Sir Mahomed Usman for giving a very definite and clear approval to the most important points that come up in connexion with this Budget, namely, the borrowing policy of the Government and the taxation policy of the Government. In fact Dr. Thomas said, 'You should borrow more; not only do I not object to your present attempts; I really want you to borrow more.' Even with regard to taxes, he said, 'They are good; you may even tax more.' Only he says, 'You should spend it properly and for raising the level of living in our Province; use the money raised either by loans or by taxation in such a way that the condition of the people will be improved.' I am glad, Sir, that the same opinions were expressed by Sir Mahomed Usman. But as against this, I am sorry to see a number of hon. Members have expressed opinions which, in my humble opinion, betray great disregard to the fundamental principles of Governmental finance. I was glad that, when Sir K. V. Reddi Nayudu spoke, I had an opportunity to correct one or two errors of great importance, material errors which he was committing in connexion with the criticisms he levelled against the Government. I am glad he immediately accepted the correction and proceeded with his commentary on other points.

"There is a distinction between debiting to capital and using borrowed money for certain purposes. According to accepted conservative financial principles, certain purposes alone, namely, remunerative purposes—remunerative not only for a short time but remunerative for a long time and permanently—should, in fact, be debited to debt. It is not only a case of Governments being permitted to borrow for such purposes; it is a case when good Governments should only borrow and not use taxation money for such purposes, because, it would be wrong to use the taxes collected for a particular year for the benefit of succeeding generations. It would be unfair. That is why it is a well-accepted principle that for purposes which are remunerative for long periods, loans should be raised and it has been accepted by all modern Governments. If I am not mistaken, the Government of Great Britain has now to its debit in public debt more than £6,500 millions. Before the War it was only £650 millions. It is ten times that amount now and it cannot be maintained or imagined now that people are governing England who do not know principles of Governmental finance or how to keep their credit going. Here, however, we are so new to Government in this aspect of the matter; at least we modern people are new to this aspect of Government that we seem to be horrified when the Government borrow. Some of the members are horrified and referred to borrowing in the terms of Polonius in Hamlet. They seem to think, 'Borrow little, borrow as little as possible, do not borrow at all.' They seem to have that idea; they seem to think that it is wrong that the

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Government should adopt the method of borrowing. Borrowing by an individual is not the same thing as borrowing in regard to a Government. Borrowing is asking people to invest money in the future remunerative purposes of the Government; just as businessmen take share capital and put that money in business, so also the Government are entitled to borrow—they do not call it share capital; it is called by the name of loan or borrowing. It is merely a confusion of terms that makes people afraid about this matter. I maintain that we are doing nothing new; we are doing nothing strange; we are doing nothing wrong, I wish to assure hon. Members. They need not be frightened by the term 'loan' when this Government are proceeding to borrow money. In fact more than one financier has told us in this House as well as in the other House that we should not really be afraid to borrow more. Dr. Thomas went further and said that we should tax more; it is not quite enough; we are a little conservative and nervous; 1-15 we should throw aside our nerves and borrow more, provided we p.m. spend it properly. I quite agree with him, but we must remember that it is not only the Ministers that should throw off their nerves, but the whole country should be induced, by proper education, to throw off their nerves and proceed with educating the people in governmental finance. Otherwise, people believe that Governments are oppressive.

"It was stated that the previous Governments have carefully nurtured the credit of the Province and have done their financial administration so well that to-day we are reaping its benefit; and Sir K. V. Reddi appealed to us to say a few words at least now and then in appreciation of what the previous Governments have done. I may say, I have not spared any occasion whenever it was relevant; and let me now say, since he drew attention to it, what exactly I feel about the matter. It is true that the previous Governments have looked at the finances of the Province properly, in the sense of guarding them properly, but the fault I find with them is this. Dr. Thomas and I may both say that they did not borrow and spend properly; but that is not the only thing. I go further and say, they have done a definite injury to future finance. In what way? They had large revenues and therefore they spent largely, and that large expenditure in many respects was current routine expenditure, unremunerative expenditure; it has become inelastic and turned into a vested interest, and it is now impossible to remove them and that is our greatest difficulty. Previous financiers might have been wise, in the sense that they got larger revenues, and left a surplus after expenditure. That is not enough. Taxation was high; they had also enormous drink revenue and other sources of revenue; their taxation was high and their expenditure was also high so that, to-day we find it impossible to reduce the expenditure, though we find it necessary to adjust and reduce our expenditure. This I say is not

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good finance that we have inherited. The establishment charges under various heads have become so fixed that people have got used to a standard of work, that if any extra work is to be done, they want special pay or special salary or special officer. Thus, if you want to get anything more than what they are used to give, you can't get that without any further payment; and this, I submit, is the inheritance of extraordinary revenue and extraordinary lavish expenditure alongside of revenue which has been made inelastic and petrified into a permanent fixture and it is a great difficulty for us now. Regarding that expenditure and that expenditure alone I do find fault with previous financiers; and I do not find fault with them in the sense that they have impaired the credit of the Province. The credit of the Province is quite all right. The established credit of the Province is there and I do not say that we are not grateful to them; but I am not grateful to them for the expenditure we have inherited from them.

"Then, Sir K. V. Reddi, while he said that he had no objection to the proper borrowing policy of the Government, he made a few remarks which were beset with confusion on financial matters that I am really unable to reply to them. The position can be clearly explained only independently of his own criticism, because his own criticism was based upon confusion and that leaves us at a great disadvantage. The money that we borrow is used only for remunerative purposes and these are declared remunerative on this basis: that a certain interest is charged on the capital outlay, and working expenses and interest are deducted, and over and above that there is a margin of profit. Then alone we call it remunerative. If on this basis anything is not remunerative, we are not entitled to spend on any work; and we have not done so in the present budget either. We are not entitled to take borrowed money or the amount that remains as unspent balance for such purposes as hospitals, schools and the like.

"Now, regarding the question of loans to local bodies and whether they are remunerative or not, I must say that local bodies and others get money if they are financed properly. It is only on an examination of the question that they can bear not only interest charges on the loans required, but also the equated instalment of the loan amount they have to pay, that loans are granted to them; and therefore, the moneys invested in that manner are remunerative and therefore they would be payable from borrowed funds. It was asked in that connexion, why not allow them to borrow money themselves instead of borrowing from Government, so to say? There also, a matter of public policy is involved of which hon. Members should be made aware. If, however, little municipalities or small local bodies attempt to borrow in the public market, there will be utter confusion; and the discredit of one will affect the credit of another and the Government will be affected by the failure of the local

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bodies; it will work the other way about. While the bad ones would have a bad effect on the Government, the good ones would not produce any corresponding effect. If one good bank fails, all the other banks also suffer; credit is made difficult. If we allow the several local bodies here and there to borrow on their own credit in the open market, there will be utter confusion and the credit of their administration is bound to suffer. That is why big corporations like Bombay and Madras are entitled and are allowed to borrow; and the smaller corporations and smaller local bodies in any country are not allowed to borrow independently. Of course, great corporations in England like Manchester and so on which are as good as Government from the stand point of their credit are allowed to borrow. I do not suppose that hon. Members would advise that the credit of our Province should be risked by every local body being allowed to borrow money in the open market.

"Then again we come to this. Dr. Thomas, after dealing with the borrowing policy and taxation policy of the Government, referred to another point, namely, that we should combine administration and finance and that administrative units should be centralized, so that all various departments' walls may be pulled down; one department may well look after the welfare of the country so to say, without having numerous water-tight compartments. I quite agree with him, but we have advanced in the direction that previous Governments have gone and that is our difficulty, and we cannot at one stroke pull down those walls which are alive—those walls have officers and human lives are involved. Any attempt to do so will arouse family objections and human objections. Here, I would ask, why should we incur old people? Ordinarily, insurance companies insure people only below a certain age; but this Government has been doing the opposite. We are insuring people who retire at the end of 55 and, so to say, insuring in advance of the payment of premia and also advance some money called 'commutation of pensions' and we recover them from their pensions as they fell due after the age of 55. This is inverted insurance company business; that is, you pay before you receive premia and you insure old people instead of young people. It is this process which has been called 'commutation of pensions.' If on a consideration of all our circumstances and even on the merits of the case from the point of view of the old gentlemen themselves, we abolish commutation of pensions, member after member, somehow or other, through humanity—which is, of course, praiseworthy—gets up and says, 'the old man wants to marry his grand-daughter, you should not cut off commutation immediately and so on.' Why do they raise these things? It is an illustration of what I was saying. Even pulling down the departmental walls is so mixed up with human beings, human families, that there is a lot of complaint and grievance and once you start the process, the new Government finds it hard to remove

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the walls of the previous Government because they have become vested interests. These are some of the difficulties which are intimately associated with the question of previous finance. They had plenty of money; it was four or five or six crores at that time and they had all other revenues; but they had only their definite routine expenditure and they had developed a routine method of budgeting. They had Part II schemes, which means, what is it you want and whom shall we favour. That was the position then. They had to show expenditure in order that taxation may not simply be piled up into cash balances. Departments were started, new officers, supervising officers were being multiplied till now and we have grown into that system. Once we got all these departments, as I said already, they are too much alive to be turned out with ease.

“Then, Sir, the whole argument comes to this. Mr. Narayanaswami Nayudu dealt exhaustively and in a caustic manner with the whole of our administration. Quite right; he is entitled to do so, but I wish his criticisms had been fairer. In some respects, he as well as other members follow the old-fashioned method of irresponsible Opposition criticism; that is to say, ‘You have not done this, you have not done that and you should do this or that and look at what the civilized Governments have been doing.’ That is the Opposition criticism which is not responsible for the revenue side of the Government; which is not responsible for the taxation side of the Government. That is why I call it irresponsible. A responsible Government, however, is placed in a different position. If you give more and more schools and hospitals, you must also give more and more agricultural research and more and more land revenue remissions, and whether you give all these things or not, you must have other methods of taxation and that is the thing which makes it harder for a responsible Government to deal with such things than for an Opposition member to deal merely with grievances. In the old days, when the Budget was somebody else’s affair, and taxation was somebody else’s affair and we had only spending and developing departments to deal with, it was very good that Opposition members came to the help of the Development Minister who dealt with only the expenditure side of certain departments and not with any other aspect of the departments. It is, therefore, a difficult thing for me to satisfy the demand put forward by Mr. Narayanaswami Nayudu and other members. He seemed almost to grudge having some money from electrical schemes. Why should he grudge it? He says, ‘You have got the Niemeyer Award.’ It was a gift from the Gods and in return for that we have to pay the income-tax of our Province, but he seemed to think that the Niemeyer Award was a windfall which we do not deserve; at least the Congress Ministry does not deserve it. I submit that is a wrong way of looking at things; he should not grudge the revenue that we get.

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“Then, he says why do you want Prohibition? Hence all this trouble. That is the key of the whole of the criticisms levelled against this Budget. All members who criticized it come back to the single point of Mr. Narayanaswami Nayudu and that is, all our troubles are due to Prohibition and that Prohibition is wrong. ‘It is very good in the scriptures; it is very good in a moral book, but it is not good in the Government book and it is not good in the Budget, and so, why have you put your legs in that’, and as ‘Sir K. V. Reddi graphically described it by saying you have put your legs in the mire and now you want good sweet water to wash to wash that mire’—that is the picture he has painted. It is not so. I want hon. Members to interpret the position more correctly. Sir K. V. Reddi nearly came to a fair interpretation of the position; I say ‘nearly’ for this reason, that it is not fair enough. He said that it is not only the poor that drink; that was his objection. He asked me to go *in cognito* into the villages. I think it is hardly necessary to go *in cognito*; we can all go either *in cognito* or otherwise. Does he mean to say that the four crores that we were getting year after year from Excise revenue was got mostly or even 90 per cent, from the rich people? I claim that I have understood the position correctly, not only to-day but all these many years, and have analyzed it more carefully and I have come to the conclusion—and every member who looks into the figures for Excise revenue will come to the conclusion, and every gentleman who goes to the toddy or arrack shop will come to the conclusion—that more than 90 per cent of the revenue comes from the poorest people; it is their poverty that makes them drink and the temptation that makes them drink. Another member waxed eloquent, I think it was Sir K. V. Reddi himself who said that they voluntarily drink. ‘Voluntary’ is a harsh word to apply to that kind of exercise of the mind. You put a shop in front of coolie who comes back on a pay day; even if he escapes one shop, he has to pass through another shop before reaching home. You put it with all kinds of governmental attractions; you advertize it, you put up a board there and you have created a craving in him; you regulate the price, you guarantee its purity and see that it is not adulterated. Every care is taken to see that it is available and still you call it voluntary. Village to village I am prepared to take Sir K. V. Reddi and make these voluntary drinkers, as he calls them, say ‘if only the shops are removed, we will stop drinking.’ I have heard it said even in wet districts and it is a tragic thing we are unable to make them dry all at once. It is not only involuntary, it is robbery I should say, and it is not only robbery, it is very wicked deception that we should put the drink into him, when he loses his judgment and power of discretion and we ask him to pay more. It is doping the man and robbing. To compare that against land revenue and to claim that it is better is Mr. Narayanaswami Nayudu’s argument correctly interpreted: ‘It is better that you reintroduce

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drink in these dry districts; it is better to keep up the drink revenue for all time and reduce land revenue on those who own lands.' The coolie who does not own lands, the labourer or the artisan who has no land and who works hard from morning to evening at the same kind of work, at the loom or at the factory, without any further entertainment, when he realizes his pay, he is led to go into the toddy shop. That these people should be taxed and made to pay in order that we may reduce land revenue on him who owns land and keeps a pair of bullocks and cultivates, is this a fair proposition? I do not think that there is virtue in putting Prohibition against land revenue and finding fault with this Government. I can understand Mr. Narayanaswami Nayudu saying, it is not enough if you do Prohibition, you must also reduce the land revenue demand upon the poor cultivator. I can understand it. If you can co-operate and find ways and means in order to do both, then I can thoroughly understand it. But to say 'let the drink revenue from toddy shops continue and induce workmen to go into the toddy shops and drink, pay four annas in order that we may take one anna, so that he loses four annas in order that we may take one anna, so that he loses four annas in It is only throwing dust in the eyes of the general public. 'You have not reduced land revenue, you have only introduced Prohibition.' 'Prohibition' is a mystic word and especially when it is talked about in English language, it has no meaning to the ordinary mind so that to place Prohibition against land revenue is most unfair, and I submit that a Leading Member of the Opposition might have been fairer in his criticism. They even went out of the way to pick certain particular items. You have given soap and buttermilk to prisoners and therefore you have not reduced land revenue. Does he really believe that the amount that has been spent for soap and buttermilk, if transferred to the land revenue account, would cover substantially or even insubstantially meet the needs of the land revenue remission? It is something like the mother-in-law saying to the daughter-in-law 'You threw away my comb and therefore the rice has not boiled properly.' One thing has nothing to do with the other whatever in quality or in quantity. Because we have given soap and buttermilk to prisoners, therefore the land-owners in Tanjore and Chittoor districts and round about each Member's constituency are asked to pay tax is not fair. I want people to be more vehement in their opposition and criticism, but be fair and remember the principles on which criticisms should go. I do not mind vehement opposition, but we must be fair to one another.

"We are undertaking a difficult task in a difficult year. Is this the co-operation that I can get—confusion of ideas and ignorant people being made more ignorant with regard to the primary functions of Government and with regard to taxation? While it is our duty to educate people to co-operate to pay in order that self-government may be conducted, we are doing just

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the opposite by increasing ignorance and confusion. What is responsible government except plain, simple, voluntary civilized self-government? Whatever its limitations may be, we people should combine to pay in order that what cannot be economically spent by an individual family can be spent in a joint concern like the Government. I cannot open a road; I cannot get a clean water pipe. It is cheaper that all the citizens should pay and combine for the benefit of all of them and these cannot be got directly from the clouds so that the revenue proper in a modern self-government whatever its limitations may be, consists in joint co-operation both in paying for the services and in enjoying the services. Whatever services can be done by individual initiative should be left to individual initiative; whatever services may be better managed by the individual management should be left to individual management; whatever can be more economically done by the co-operation of the State with the people, that should be paid for in the form of taxes. It is only that justification that can be put forward for taxation and for expenditure and this is what I say to Dr. Thomas to certain part of his remarks. He was a little wilder on the question of the amenities. We cannot kill private initiative altogether; we should nurture private initiative. While the State takes up more and more of it, there is point at which we should stop. In the olden days when there was a fire in any village, immediate attention that was necessary for those who were suffering unexpected calamities was paid by the neighbours; they helped them to do something straightaway. Permanent improvements were made the subject-matter of correspondence with Government. But to-day what happens? As soon as a fire has occurred in a place, even when the flames are there, we get a telegram; send us fire engine, send people and food; people are starving. Is it possible? It will finally land us in great difficulties. Private philanthropy is even now killed. There are certain things which must be done and must be left to be done by private philanthropy, private initiative, private adventure. Private improvements must be made by private means and then those institutions may be properly looked after by Government. Sir, that is the limit which I should say that we should keep in accepting Dr. Thomas' suggestion that we should tax more and more and that, because in other countries it is possible, in similar and highly civilized states, we should run everything on co-operative joint lines. Our country is vast; our civilization is different. We have to depend upon individual enterprise alongside with governmental joint activities.

"The Leader of the Opposition referred to many matters of administration—some of them most interesting and controversial. I have no doubt that we will have opportunities for discussion of those matters. We will have many opportunities by way of cuts, by way of interpellations and by way of discussion and the Bills will come some time later on. However as I have said, I shall

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deal with them if there is time at all. There are one or two points which certain members pressed and which are not controversial. Mrs. Hensman referred to Boy Scout associations not being helped as before. Mrs. Hensman should be aware that we are keeping up Girl Guides in the Budget and the reason why Boy Scouts have gone out of the Budget is this. There are competing claims in regard to it. Till the other day the Boy Scout associations were helped even by the present Government, but then certain unfortunate things had happened in the Boy Scout world. Two or three associations have come into the field and there is some kind of competition. It is nothing very serious, but it is just bad enough for us to wait for some time. We do not like conflicts in educational institutions with two or three competing loyalties. Whatever the reasons may be, these things have come to be and it is this difficulty of management that has kept us from putting the Boy Scout grant in the budget and not mere stinginess. After all this money that we give was used for the salaries at headquarters. That could be looked after easily otherwise than from grants from Government. I have given the explanation for that.

“The same Lady Member referring to education said that we have not done enough. I admitted once that we have not done enough either for education or for public health, I quite admit that. But we have not done even an insignificant thing for education. Nobody can be happy unless everybody is literate in India as in certain other fortunate countries and one hon. Member had a jibe to throw at me because I attempted to try an inexpensive method of liquidating illiteracy. If the hon. Member imagines that we can solve the problems of our country by Government expenditure we may as well immediately sit down and despair. It is only if we can discover ways and means by which we can harness the huge population of our country to inexpensive effort in regard to the solution of our vast problems that we can hope to solve our problems at all. It is not by spending rupees, annas and pies that we can solve our difficulties. If we want justice in our country, let it be remembered that it is not by appointing a highly paid judge here and another highly paid judge there that we can spread justice in our country. It is only if man to man learns how to behave justly that we can solve justice. In the same manner, if you want that illiteracy should be liquidated, everyone who knows to read and write must take it upon himself the duty of educating some others and making some others literate and literate in such a way that he can transfer it to certain others. This is the way in which we can liquidate illiteracy in our country. It was hardly proper for any member to consider it as a matter worthy of being ridiculed. I do hope yet that it will be put into practice and I do hope that illiteracy will be liquidated in our country. Does the hon. Member who spoke in that manner imagine that in ancient times our Governments spent any money through the Education Departments and through Inspectors and Deputy Inspectors of Schools?

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Does Mr. Kumaraswami Mudaliar imagine that his forefathers spread literacy in our country by establishing these highly paid departments of Inspectors, Deputy Inspectors and Directors of Public Instruction? No, it was all done by the voluntary effort of people. It was done in quite a different way and if we wish ever to succeed we have to go back to these methods. Let me say it once for all.

“But let me point out in modern terms what we are doing for education. Reference was made by Mr. Saldanha, whom I am glad to see here now, to Bombay. He has a partiality for Bombay. He has a good reason because he served Bombay once upon a time and he is loyal to Bombay. But I would like Mr. Saldanha—and those who have a habit of thinking that every other country in the world is better than India and every other part of India is better than Madras in all matters—I should like hon. Members to remember that Bombay is in a lucky position in many ways. I am not going to detail them all—why should I grudge Bombay its good position? But let me refer hon. Members to its size. Bombay is three-fifths of Madras in size and two-fifths of Madras in population. Its Provincial revenue is four-fifths of Madras. That is to say, it is double. It has got definitely two to one advantage over Madras; it has two-fifths of our population and four-fifths of our revenue. This advantage should always be remembered in comparing Bombay to Madras. Secondly, Bombay is practically a city. The Province in the large proportion of it is a city province. Almost the whole of its excise revenue or a large portion of its excise revenue is wholly derived from the city. Under the latest proposals the property tax in the city alone would come to nearly two crores of rupees, and an additional property tax has been estimated to come to about two crores of rupees. It is therefore in a peculiarly advantageous situation. Its revenue is spread out all over the Presidency. In our Province there is hardly a city in my opinion which is worthy of that name. Even Madras looks like a village to those who have seen other cities. This is a rural province. But, let me give the figures for both the provinces. Bombay spends two-hundred lakhs of rupees on education, though hon. Members will remember that we spend Rs. 2,64,00,000. Are we to be ashamed of our expenditure on education? And Bombay's revenue from Education, that is to say, school-fees and the like, is Rs. 21 lakhs, whereas our revenue is Rs. 7.6 lakhs. That is to say, we get through education a revenue of Rs. 7 lakhs where they get Rs. 21 lakhs and they spend Rs. 200 lakhs and we spend Rs. 264 lakhs. Is this bad?

“Then again Sir, take Bombay in Medicine. They spend Rs. 47.63 lakhs and we spend Rs. 97.48 lakhs. Is this a matter not to be remembered? Is this a matter not to be proud of? Look at the revenue under ‘Medicine’ that comes as payments, fees and other things to be paid in the hospitals and the like. They recover Rs. 14.70 lakhs. We recover only Rs. 10.45 lakhs,

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while we spend Rs. 97 lakhs as against their Rs. 47 lakhs. Take Agriculture. Mr. Narayanaswami Nayudu will kindly keep both his ears open."

SRI B. NARAYANASWAMI NAYUDU:—" Absolutely, I am."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" On Agriculture Bombay spends Rs. 13.06 lakhs. Madras must be expected to spend something less. Unfortunately it is Rs. 21.13 lakhs."

SRI B. NARAYANASWAMI NAYUDU:—" I know it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" On Veterinary, Bombay spends Rs. 4.40 lakhs and Madras spends Rs. 12.63 lakhs; Industries, Bombay Rs. 13.14 lakhs, Madras Rs. 26.84 lakhs. Perhaps we have our bad conduct in some miscellaneous items. All miscellaneous items taken together Bombay spends Rs. 10.74 lakhs and Madras Rs. 21.76 lakhs. Now, Sir, what is the use of having an inferiority complex about ourselves in the light of all these figures which you can kindly not only hear now but write down and remember for all time whenever conversations take place in regard to this matter. The total income of Bombay is four-fifths of Madras as against a population of only two-fifths of Madras. Let us remember that Governmental expenditure depends on population. Let us remember that Government expenditure depends on revenue. This is how Bombay is at an advantage as against us. That is the position. The figures I have given can be calculated, but it is not my purpose to say that Bombay has done badly. But it is my purpose to say ' Let us not imagine that we are not doing well.'

" Then, of course, we come back to the other proposition: ' This has not been done only by you. This has been done before '. But friends must not get into the peculiar psychological illusion that what was done by previous Governments is not done by us in addition to what we are doing newly. Let nobody imagine that the previous taxes collected are there in the treasury for us to spend. We have every year to spend what has been spent before and we have every year to collect what that expenditure amounts to, and over and above that we have to find money and spend. Therefore the burden of the present Government is the burden of the previous Government together with the addition that we show in the Part II Schemes in our budget. To say that this is only the extra milk that this cow gives is not correct. The milk that the cow has been giving till yesterday, it has to give. That has not been counted in its favour and that is not fair. Therefore I say it is not our Part II Schemes alone that make the Budget. It is the continuing recurring expenditure that is going on from year to year that is the basis and the addition is such as we can add. But this addition has always to be decreasing. We cannot go on increasing like a magician. It will have to come to a full-stop sometime, and as we

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spend and as the years go up we get nearer and nearer the maximum which we can possibly reach.

" The Leader of the Opposition referred to our crimes with reference to Hindustani, various administrative matters and trials and charged us with political partiality and the like. No party Government has its joys unless such accusations can be made. (Laughter.) It is a necessary part of party Government. It is bound to be there. But let me deny and say that he cannot have a juster Government than what he has to-day. With our strong party, with a party that has suffered, with a party that has numerous claims to be liquidated if only justice is to be done, with a party that has a right to demand that so many things that it has suffered should be set right now, let me say that I have brushed aside the party's claims and we have tried to act as justly, as fairly and as non-partisanlike as possible. I am making that claim with a clean conscience. It is because the agitation against any particular matter or grievance assumes the form of developing permanently into hatred, of developing an impossible situation for the Government to function as Government, that we are compelled to be hard on these men. If it had been an agitation merely for a particular reform or for a particular change, and if we were convinced of them, it would not have been necessary for the Leader of the Opposition or for any other member of the opposition to ask for release, to ask for this being done or that being done. We are sufferers in the matter of political struggles and we know exactly how to honour people who carry on agitation in regard to political matters. A man is entitled to his reputation. A Government is also entitled to its good name. A man is entitled to his good health. A Government is entitled to its health and to its right of self-preservation. A Government cannot function unless it defends itself when an attack is made, not against its measures, but against its existence itself. Therefore, Sir, it is that I say this Government has acted less partisanlike than any other party would have behaved in similar circumstances. I make this claim and my friend, the Leader of the Opposition, I think, will correct me if I am wrong. I think it is he who said that this Hindustani is forced on an unwilling people. Has he any evidence that any of the students to whom Hindustani was taught has been unwilling to receive this instruction? I have evidence to the contrary and I say it from the housetops that not a single student who receives the instruction for himself or a single father whose boy receives such instruction has any objection. On the contrary who has objection? The people who raise the objection are people who have not had any instruction even in their mother-tongue, who have not had instruction of any kind, and it is they that raise the objection. Am I to be bamboozled to withdraw this instruction or this claim because people who are illiterates are prepared to go through a term of imprisonment from which we have removed all terrors by our own example? We have made agitation. We have taught you to make agitation. We do not regret it. We

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can make use of a penknife for cutting bread, for cutting vegetables as well as for putting into the chest of another man. We cannot give up knives because they can be proved to be dangerous. We have forged weapons for action. But these are misused, and misused terribly. It is not because the agitation is a caricature of satyagraha that I complain. Caricatures must be permitted. But there are certain fundamental vicious tendencies which we cannot permit—the creation of hatred. When England has forgotten centuries ago the difference between Norman and Saxon and Celt, when other countries have learnt how to unite in spite of differences of origins, when we have the standing example of America before us, when people from all parts of Europe speaking many different languages have become one nation, when we see all this and when we still hope and use the slogans of independence and progress and civilization and unity, we are saying ‘this is a dark man; that is a fair man; this man’s father speaks one language; that man’s mother speaks a different language; this is an Aryan; that is a Dravidian; this is a Scythian; that is a Mongolian and that is a Jew.’ If we divide between Scythians and Mongolians, Dravidians and Aryans and other classes, if we go on finding these differences, we won’t have an India at all; we will never be a nation or people, if we proceed in that manner. Even if I were not in the Government, I say I would have fought tooth and nail against this propaganda of Aryans and Dravidians, Brahmans and Non-Brahmans, Scythians and Mongolians and the like. It is not because I hold office that I do it. I consider it vicious for anybody to indulge in such a thing in a country which has hopes to be realized.

2 p.m. “Therefore it is, Sir, that people are put in prison. Therefore it is that the Government are trying to defend themselves. It is not because they are not fond of Tamil . . .”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“For putting them in prison, you are using the Criminal Law Amendment Act.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“What has the Criminal Law Amendment Act done by you, Sir, I ask the Leader of the Opposition. I know the Criminal Law Amendment Act. I went to prison under that Act. I never complained about the Criminal Law Amendment Act. I knew with whom I was fighting and I used the weapon I had. I know it was my strength if I suffered. I believe in the method of suffering for the purpose of my agitation; suffering is my weapon. If the Criminal Law Amendment Act was made by a Government which were not responsible to the people, some hon. Members seem to ask how can it be made use of by a Government which are responsible. Does the Leader of the Opposition think that the Penal Code was given to us by the Legislature now sitting? Was not the Penal Code passed long before even the Minto-Morley

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Reforms? Are we not using it? What is wrong in using it? There are certain elementary principles behind the Criminal Law Amendment Act. People say, it is not good that you should use that Act. If you make yourself a nuisance, you are bound to be shut up. If you are making yourself a nuisance for the Government functioning, you are bound to be shut up, for other people to enjoy the benefits of the Government. It is neither the Criminal Law Amendment Act nor the Penal Code that is being used by the Government. It is the will of the Government that is being used. That is what all Governments do. Sir, it is open to some hon. Members to say that the Criminal Law Amendment Act was not passed by us; therefore we had better make a different law. Hon. Members will see that probably very much harsher laws will have to be made by the present autonomous Government, if we have to protect ourselves and if the people should have the advantages of a Government. There should be no disorder in the country. Otherwise we cannot have non-violence. We want orderly progress, orderly Government. Let nobody imagine that the use to which the Criminal Law Amendment Act has been put, is for any petty purpose; it is only for the purpose of protecting people against disorder, against communal hatred, against deterioration of such civilization as we have had already; it is against denationalization. Such national unity as we have already attained, has to be preserved and it cannot be allowed to be broken up. This is my defence for the charges brought forward by the Leader of the Opposition. I would not have taken so much time on this occasion. It was not my intention to deal with such controversial matters.

“I go back again to my appeal for co-operation in our financial difficulties, in our overcoming the financial difficulties of the year . . .”

SRI B. NARAYANASWAMI NAYUDU:—“It is a case of the mother-in-law . . .”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Hon. Members should remember that it is only truth that can properly claim analogies. Mere antipathy cannot claim analogy. It is only if we see the truth below a particular statement, that we will reap any advantages in life.

“Apart from that, let me go back; some hon. Members referred to my statement that the year is one of trial for us. I am sorry that some hon. Members have not understood exactly what it means. I do not mean to say that it is a year of trial for the Government only. It is a year of trial for all of us. Calamities of God and the season’s mistakes do not come for the Government only; they come for all. Therefore it is a year of trial for the people also. If people understand self-government, it is a trial to the people also. People are put to test now. Shall we give up drink or shall we give up the idea of giving up drink, because it is difficult to find money? Shall

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we go on taxing some men who cannot go to sleep unless they have got drink in their stomachs? Shall we continue to have the old tax on drink and manage somehow or other? Or shall we ask people who can stand the thing, pay? Shall we say that self-government is a thing which we cannot manage because, it is too hard to tax oneself? Shall we say that we want a foreign bureaucratic Government; it is better than taxing ourselves; if they tax, we can pay involuntarily. No. We have to pay cheerfully and more than that, we have to give our consent, which is very hard to give.

“That is the trial. People should be made now to understand that, if they want hospitals, roads, this and that, if they want the old drink revenue to go, if every toddy shop and arrack shop has to be closed down, if people want to live happily and smile, they will have to pay for them. They cannot do without paying. That is the trial to which our people are put. It is as well that we have got these calamities and not have some windfalls as some would like to have. We have to understand the difference between taxation and national service. It is well that these difficulties have come at an early stage of our attempts to govern our own families, so that we may see that, unless we raise taxes, we cannot make our neighbours happy. If we want to make our neighbours happy we must pay for it. If you want to make your neighbours unhappy, if you want husbands to beat their wives, so that drink may give us some money, then we can reduce our land revenue, improve elementary education and carry on our administration in some way or other and then make a claim from our house-tops for communal ratios. At that rate we can go on. I take it is a trial or test for all of us. Let us try to govern through the worst experiments so to say. That is why I want co-operation from all, patriotism from all. I do hope it will not be refused by the country. The Bills will come later on, the Bills about which some references were made. There is no time to go into them now; there will be opportunities to deal with them, with the taxation measures. It is a year of trial not only for the Government; it is a trial for the whole country. I do hope that hon. Members will assist in the process of educating people to govern themselves. I hope this assistance will be continued not only immediately but for the course of a few years. We are bound to see that we must pay for what we spend.”

MR. PRESIDENT:—“The House will now adjourn and meet again on Friday, the 3rd March 1939, in this very Hall at 11 a.m.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know how long the House will sit then?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“For one or two days.”

The House then adjourned.

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III.—PAPERS LAID ON THE TABLE OF THE HOUSE.

1. *Finance Accounts of the Government of Madras for 1937-38 and the Audit Report.*
- * 2. *Appropriation Accounts of the Government of Madras for 1937-38 and the Audit Report.*

^a Laid on the table on 24th February 1939.

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APPENDIX.

[Vide answer to unstarred question No. 52 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 25th February 1939, page 105 supra.]

Particulars of Central Banks as on 30th November 1938.

Serial number and name of Central Bank.	Total amount of share capital.	Amount of reserve fund.	Amount of share capital of individual shareholders.	Number of primary societies under each bank (affiliated societies).	Total number of shares taken in the Madras Provincial Co-operative Bank.
(1)	(2)	(3)	(4)	(5)	(6)
	RS.	RS. A. P.	RS.		
1 Anantapur District Co-operative Central Bank, Limited, No. 3231 ..	2,02,717	86,217 3 0	27,850	402	248
2 Co-operative Central Bank, Limited, No. 2161, Velore ..	2,78,809	2,28,368 7 0	97,100	662	300
3 South Arcot District Co-operative Central Bank, Limited, No. 1844, Cuddalore ..	3,08,757	1,44,149 2 0	48,001	570	275
4 Hospet Co-operative Central Bank, Limited, No. 5398, Hospet ..	1,45,085	49,440 7 0	23,015	236	150
5 Co-operative Central Bank, Limited, No. 1660, Conjeevaram ..	3,65,326	2,63,386 7 0	1,00,000	684	294
6 Chittoor District Co-operative Central Bank, Limited, No. 6230, Chittoor ..	1,50,261	45,441 12 0	26,847	247	225
7 Coimbatore District Urban Bank, Limited, No. 427, Coimbatore ..	2,57,179	2,65,051 0 0	1,17,900	674	275
8 Cuddapah District Co-operative Central Bank, Limited, No. 3233, Cuddapah ..	71,420	30,155 14 0	24,670	163	100
9 District Co-operative Bank, Limited, No. 2351, Cocanada ..	84,950	40,389 4 0	22,400	150	100
10 Rajahmundry Co-operative Central Bank, Limited, No. 4200, Rajahmundry ..	25,450	16,842 0 0	5,350	52	26
11 Ramachandrapuram Co-operative Central Bank, Limited, No. 4201, Ramachandrapuram ..	1,08,200	93,938 0 0	16,300	92	150
12 Sri Konaseema Co-operative Central Bank, Limited, No. 4468, Amalapuram ..	1,58,250	65,239 4 0	24,750	117	179
13 West Godavari District Co-operative Central Bank, Limited, No. 2965, Ellore ..	2,52,845	1,03,064 7 0	30,900	302	160
14 Guntur District Co-operative Bank, Limited, No. 530, Tenali ..	1,74,082	1,93,597 11 0	24,900	309	251
15 Kanara (South) District Central Co-operative Bank, Limited, No. 1113, Mangalore ..	1,24,306	71,161 13 0	62,330	307	275
16 Kistna District Co-operative Bank, Limited, No. 1442, Masulipatam ..	1,39,321	1,52,876 3 0	56,900	312	275
17 Vizilavada Co-operative Bank, Limited, No. 2967, Bezvada ..	92,034	85,202 1 0	30,400	178	93
18 Kurnool District Co-operative Central Bank, Limited, No. 1674, Kurnool ..	1,08,084	52,418 5 0	24,480	234	120
19 Christian Central Co-operative Bank, Limited, No. 1673, Madras ..	72,180	51,412 10 0	17,182	1,850	..
20 Madras District Co-operative Central Bank, Limited, Madras ..	85,560	6,094 3 0	4,560	105	300
21 Madura-Ramnad Central Co-operative Bank, Limited, Madura, No. 975 ..	2,97,407	1,93,815 4 0	75,000	510	299

APPENDIX

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Serial number and name of Central Bank.	Total amount of share capital.	Amount of reserve fund.	Amount of share capital of individual shareholders.	Number of primary societies under each bank (affiliated societies).	Total number of shares taken in the Madras Provincial Co-operative Bank.
(1)	(2)	(3)	(4)	(5)	(6)
	RS.	RS. A. P.	RS.		
22 Malabar District Co-operative Central Bank, Limited, No. 2411, Calicut ..	1,03,403	47,867 8 0	47,113	435	220
23 Nellore District Co-operative Banking Union, Limited, No. 2523, Nellore ..	1,44,282	97,166 7 0	33,950	383	200
24 Srivilliputtur Banking Union, Limited, No. 5184, Srivilliputtur ..	88,796	33,473 10 0	24,750	155	175
25 Salem District Urban Bank, Limited, No. 151, Salem ..	1,80,912	1,90,034 12 0	80,000	551	275
26 Co-operative Central Bank, Limited, No. 1023, Kumbakonam ..	1,24,007	1,15,068 14 0	49,200	300	200
27 Co-operative Central Bank, Limited, No. 5214, Tanjore ..	1,35,956	73,859 8 0	64,999	247	200
28 Tinnevely District Banking Co-operative Union, Limited, No. 2690, Tinnevely ..	1,85,616	1,38,505 15 0	50,000	484	275
29 Trichinopoly District Urban Bank, Limited, No. 178, Trichinopoly ..	1,91,970	4,36,857 13 0	1,00,000	508	275
30 Co-operative Central Bank, Limited, No. 1 64, Vizianagram ..	1,95,934	82,959 7 0	47,500	467	164
31 Chicacole Co-operative Central Bank, Limited, Chicacole ..	74,184	24,685 14 0	27,250	155	125

THE MADRAS LEGISLATIVE COUNCIL.

Friday, 3rd March 1939.

The House met at the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (the Hon. Dr. U. RAMA RAO) in the Chair.

I.—SWEARING IN OF A NEW MEMBER.

SIR FRANK BIRLEY was sworn in.

II.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Weaving centres opened in Bellary and Anantapur districts during the famine of 1938.

* 177 Q.—SRI M. NARAYANA RAO: Will the Hon. the Minister for Revenue be pleased to state—

- (a) the number of weaving centres opened in Bellary and Anantapur districts in the last famine season (1938);
- (b) the number of weavers employed in each centre per month during the famine period;
- (c) the amount spent on each centre
 - (i) on establishment charges, and
 - (ii) wages of weavers;
- (d) the goods or cloth manufactured at each centre;
- (e) whether the entire stock manufactured at those centres has been sold; if not, whether any steps have been taken to dispose them of; and
- (f) whether there is any proposal before the Government to continue those weaving centres even in normal years?

THE HON. DR. T. S. S. RAJAN (Minister for Public Health) on behalf of the Hon. Sri T. Prakasam:—“(a) During the famine of 1937–38 three weavers’ relief centres were opened one at Uravakonda in the Anantapur district and the other two at Yemmiganur and at Nagaldinne in the Bellary district.

“(b) A statement ^a showing the average number of weavers per day who attended these centres is placed on the table of the House.

“(c) Statistics on these points have not yet been compiled.

^a Printed as Appendix I on page 197 infra.

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“(d) Dhoties and sarees were manufactured in these centres.

“(e) The entire stock manufactured in these centres has not been sold. A part of it has been purchased on behalf of the Government from the grant made by the Indian People's Famine Trust and distributed to the destitute and the poor in the affected villages. As regards the balance, arrangements are being made with the Co-operative department to sell the balance through the Handloom Weavers' Provincial Co-operative Society.

“(f) The work at the weavers' relief centres at Uravakonda and Yemmiganur is being continued by the weavers' co-operative societies at the places by affording employment to as many weavers of the respective areas as the finances and other circumstances of the societies would permit. The Madras Handloom Weavers' Provincial Co-operative Society, Limited, has consented to give loans and subsidies to these societies to carry on the work and to meet their establishment charges and has also agreed to supervise the working of these societies through its production supervisor and executive officer.

“The question of forming a weavers' co-operative society at Nagaldinne for a similar purpose and of rendering assistance on the same lines is under the consideration of the Registrar of Co-operative Societies and the Madras Handloom Weavers' Provincial Co-operative Society, Limited, respectively.”

Limit, if any, fixed for temples to spend on their establishment.

* 178 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Public Health be pleased to state whether any maximum percentage with reference to the gross income which a temple can spend on its establishment, has been fixed?

THE HON. DR. T. S. S. RAJAN:—“No maximum percentage has been fixed. Each case is considered by the Hindu Religious Endowments Board on its merits having regard to the requirements of the Budget and dittam.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know, Sir, whether the Government think it necessary to fix the maximum percentage as in the case of the local boards or not?”

THE HON. DR. T. S. S. RAJAN:—“The whole affair is in the hands of the Endowments Board and there is so much variation from temple to temple that the Endowments Board finds it very difficult to fix a standard in all cases.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know whether the Government consider that an expenditure of three-fourths of the income on the establishment is fair?”

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THE HON. DR. T. S. S. RAJAN:—“If the hon. Member would give me instances, I shall have the matter enquired into.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Thank you.”

Proposal, if any, to exempt the uneconomic holdings, i.e., below five acres from paying land revenue.

* 179 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: With reference to his observation that ‘only five acres and above were to be said an economic holding’ appearing in page 13 of the Minutes of the Madras Estates Land Act Committee, will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is the considered view of the Government; and
(b) if so, whether there is any proposal to exempt the uneconomic holdings, viz., below 5 acres from paying land revenue?

THE HON. DR. T. S. S. RAJAN (Minister for Public Health) on behalf of the Hon. Sri T. Prakasam:—“(a) The answer is in the negative; and

“(b) The question does not arise.”

Survey and re-settlement in South Kanara in 1936-37 and 1937-38.

* 180. Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Revenue be pleased to refer to the statement on page 24 in Appendix V to Resolution No. 84, Press, dated 29th July 1938 (on Administration Report, Survey and Settlement, 1937-38) and to state—

(a) in which areas and taluks of South Kanara survey was made costing Rs. 8,97,755 up to 1936-37; and

(b) how the demand of land revenue in South Kanara of Rs. 29,37,377 for 1937-38 increased by Rs. 3,35,358 over the demand prior to the introduction of the resettlement and how far the demand was enforced with remission, if any?

THE HON. DR. T. S. S. RAJAN (Minister for Public Health) on behalf of the Hon. Sri T. Prakasam:—“(a) The areas and the taluks concerned are—

	SQ. MLS.
1 Kasaragod taluk (whole taluk) ..	742
2 Mangalore taluk (part), coast villages ..	74
Mangalore taluk, two interior villages ..	5
	(experimental survey).
3 Puttur taluk (part) ..	142
Puttur taluk, two villages ..	12
	(experimental survey).
4 Udipi taluk, two villages ..	8.6
	(experimental survey).
5 Coondapoor taluk, two villages ..	3
	(experimental survey).

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“(b) It is presumed that Rs. 29,37,377 is a mistake for Rs. 29,27,377 which is the demand for 1936-37 (fasli 1346). The increase in the demand referred to was due to—

- (i) the introduction of resettlement;
- (ii) the imposition of the appropriate rates of assessment on dry lands reclassified as wet or garden; and
- (iii) the assessment levied on lands brought into occupation subsequent to resettlement.

“A remission of Rs. 2,08,392 was granted during the fasli on the assessment on ryotwari holdings.”

Hoisting of national flag over the Tiruvannamalai temple gopuram and the policy of the Government regarding hoisting of party flags over temples and temple cars.

*181 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether it is a fact that a flag of the Congress party was hoisted and is flying now over the gopuram of Tiruvannamalai temple;

(b) if so, under whose orders it was hoisted;

(c) if it was hoisted under the orders of the trustees, whether they have obtained the permission of the temple committee or the Hindu Religious Endowments Board; and

(d) what the policy is of the Government with regard to the hoisting of flags belonging to political parties over temples and temple cars?

THE HON. DR. T. S. S. RAJAN:—“(a) The answer is in the affirmative.

“(b) & (c) It was not hoisted with the permission of the authorities. On the contrary the manager of the devasthanam has taken steps to set the matter right without creating unnecessary bitterness and in a commendable manner.

“(d) The policy of the Government is identical with the earnest appeal made by Gandhiji who wrote in the *Harijan* of 5th November 1938 as follows:—

‘Since the flag is not a religious symbol and represents and reconciles all religions, in religious processions or temples or religious gatherings it has no place. Everything has its value when it is in its place. It has none when it is out of its place. Indeed in the present state of tension, I would not hoist it on Government buildings or municipal offices unless it is accepted not merely by an overwhelming vote but unanimously. I have no hesitation in saying

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that even one vote cast against it, may be mischievously, should have its weight if the flag is a symbol of non-violence and humility.’ ”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know whether this policy of the Government was made known to the trustees and to the Board?”

THE HON. DR. T. S. S. RAJAN:—“It was unnecessary, because instances of the kind that have come to the notice of the Government have been very few and practically nil except in this single instance of Tiruvannamalai. No other temple or religious institution has ever complained to the Endowments Board about the use of the flag and if the hon. Member should however feel that advertisement or publication is necessary, it has been done to-day through the Legislature and the press.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Are the Government not aware that at Nidamangalam, the question of hoisting the flag on the car was made the subject of criminal proceedings by the authorities?”

THE HON. DR. T. S. S. RAJAN:—“Once the court has taken cognizance of the whole question and a decision has been given by the court, the public knows all about it and it is unnecessary to take action about it.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know whether the Government will consider the desirability of circularizing their policy on the question to the trustees?”

THE HON. DR. T. S. S. RAJAN:—“The policy of the Government has been made clear and if in this matter individuals here and there do commit some mistake, it certainly will be set right. I do not know what the hon. Member wants excepting the publication of it which has now been done through the Legislature and the press.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“What I want is to issue a circular to the trustees through the Board informing them of the policy of the Government in the matter.”

MR. PRESIDENT:—“All right, we will pass on to the next question.”

Failure of crops in Chittoor and Ceded districts and the consequence thereof.

* 182 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that there has been a general failure of crops in Chittoor and Ceded districts;

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(b) whether it is a fact that the ryots of those districts are, put to a great hardship consequently;

(c) whether any representation was made to the respective District Collectors and to Government for the postponement of the collection of kist;

(d) if so, what action was taken thereon;

(e) whether it is a fact that the Collector of Chittoor district first issued a circular permitting the ryots to pay their December instalment of kist later on;

(f) whether in January another circular was issued cancelling the previous one and demanding payment of both the December and January instalments simultaneously;

(g) if so, the reason therefor;

(h) whether any representation was made to the Collector or to the Government for collecting the December kist in April; and

(i) if so, what action was taken thereon?

THE HON. DR. T. S. S. RAJAN (Minister for Public Health) on behalf of the Hon. Sri T. Prakasam:—“(a) There has been a failure of crops in some parts of the Chittoor district but it is not a fact that there has been a general failure of crop in the Ceded districts.

“(b) The Government have no reason to think that the facts are as suggested.

“(c), (d), (h) & (i) A number of petitions were received from the ryots of these districts and they were transferred to the Collectors of the districts concerned who have full authority to take action for the postponement of kist where that is necessary. The Government are not aware of the action taken on each petition.

“(e) (f) & (g) In December 1938, the Board of Revenue issued orders postponing the collection of the December kist in the taluks of Chittoor, Chandragiri, Madanapalle and Vayalpad to January 1939 only. The question of further postponement of kists in these taluks was considered and it was found unnecessary to postpone the kists further.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I know what the recommendations of the Board Member who visited the affected areas with regard to the postponement of the kists are?”

THE HON. DR. T. S. S. RAJAN:—“I am afraid we cannot lay the correspondence on the table of the House.”

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Forests under Forest Panchayat Boards in Nellore district and grazing fees.

* 183 Q.—SRI B. BHEEMA RAO on behalf of Sri L. Subbarama Reddi (with the permission of the Chair): Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) how many forests are there in the Nellore district under the control of Forest Panchayat Boards;

(b) in how many panchayats grazing fees were reduced;

(c) how many agreements between the panchayats and the Government came up for renewal since the Government Order reducing fees was passed;

(d) whether Government have insisted on a reduction of grazing fees in all cases of such renewed leases and if not, why not; and

(e) whether the Government propose to consider the reduction of fees of forest panchayats?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) 146.

“(b) 4.

“(c) 32.

“(d) & (e) Panchayat forests are managed under an agreement which prescribes the rates of grazing fee and the rent to be paid to Government. When each agreement comes up for renewal the Board or the Collector examines the question whether the rates of grazing fees should be revised with reference to the rates now charged for grazing in departmental forests. The rates of grazing fees have been raised for the current fasli in all cases in which it was considered necessary to do so.”

UNSTARRED QUESTIONS.

Steps taken for relieving indebtedness among Adi-Dravida agriculturist labourers.

54 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state what steps Government have taken to relieve the agricultural labourers of the Adi-Dravida community, in Tamil and Telugu districts, from their indebtedness?

A.—The matter is under the consideration of Government.

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Damages caused by river Vamsadhara to the village of Nivagam in Pathapatnam taluk, Vizagapatam district.

55 Q.—SRI P. VEERABHADRASWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether Government have received any petitions from the residents of Nivagam, a village in Pathapatnam taluk, Vizagapatam district, that the river Vamsadhara has already removed a portion of their village and a wall has to be constructed to prevent further loss to the village;

(b) whether the Government have prepared an estimate for a wall;

(c) if so, what the estimated cost of the wall is;

(d) whether the Government have decided to proceed with the work;

(e) whether the Government are aware that a bridge was constructed over the river at Nathavalsa in the Vizagapatam district by Messrs. Braithwaite & Co. and it was washed away some years back;

(f) whether the Government have decided to construct a bridge again;

(g) if so, when the work will be commenced;

(h) what the estimated cost is; and

(i) whether Messrs. Braithwaite & Co. have to bear a portion of the new construction?

A.—(a) Petitions for the construction of the protective works were received by the Collector who took up the matter with the Government.

(b) Yes.

(c) Rs. 12,610.

(d) The scheme has been dropped.

(e) The answer is in the affirmative.

(f) to (h) Proposals for the construction of a submersible bridge are under consideration. The Chief Engineer has been asked to arrange for the preparation of plans and estimates. His report is awaited.

(i) The answer is in the negative.

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

III. GOVERNMENT BILLS.

- (1) THE MADRAS ELECTRICITY DUTY BILL, 1939 (L.A. BILL NO. 5 OF 1939), AS PASSED BY THE ASSEMBLY.

THE HON. SRI C. RAJAGOPALACHARIAR:—“ Sir, I beg with your leave to move—

*‘that the Bill * for the levy of a duty on certain sales of electrical energy effected by licensees in the Province of Madras (L.A. Bill No. 5 of 1939) as passed by the Legislative Assembly, be taken into consideration at once.’*

The measure has already been referred to by me when I presented the Budget for the next year and the matter has been before the public for some time past. I am sure hon. Members have followed the discussions that took place in the other House from the reports in the press. The matter is one which could not have missed their attention. The duty is intended as a revenue measure; it is not certainly intended as a penalty on the use of electricity. It is merely a revenue measure. I am sure hon. Members will see that it is necessary to get revenue. Of course the charge, the standing charge against this Government, is there that, since they have drained the revenue which is already there sanctioned by time-honoured practice and any objections to which the people have got over, the Government are unwise in trying to make people agree to new taxation giving up that to which they had already agreed. The only answer I can give is that if you are simply to go on principle we have no justification either on public grounds or on personal grounds to hold office. If simply we are not to get through in the easiest manner possible and without disturbing the existing order of things even where we are convinced that a particular machinery that has been erected for extracting revenue from the people is fraught with danger to the people and to the home and to the economy of citizens, then there is no justification, I repeat, for our not putting an end to that and trying to get the consent of people to levy revenue in a different way. The only question we have to consider is whether this is too heavy a burden. I submit it is not. Does it fall too heavily on people who cannot bear it, even though it is small? I submit, not.

“ Then a question was raised whether we are hurting business, that is, whether the business of distribution of electricity which some people have got to take up on behalf of the public and which they must run without loss to the share-holders and to the business will be hurt. I agree that that business should be protected and should not be hurt. I submit that the arrangements proposed under this measure are such as to safeguard that position also adequately. Where a business is new, whatever its promise may

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be, it may be losing or it may not be making a profit; where a business is small and has not grown to its proper size and overhead charges are heavy and all that and the business has not yet assumed sufficient proportions, its income may be small. With that point before us we have tried to eliminate businesses which have not distributed a certain minimum of electrical energy. But when a business has grown it is not to be believed that it would be working at a loss. Electricity in this Province is, in a large measure, generated through the public administration, and distribution ought not to find it difficult to be run on a proper business basis. Therefore it would be wrong to assume that a business which distributes more than 200,000 units of electricity is not doing fairly well. The point that hon. Members should remember in this connexion is that there is no competition really in this trade of distribution of electricity. Once a man is authorized or licensed by the Government, he practically enjoys a monopoly. Therefore it is necessary, seeing that there is no free competition in the matter, for the Government to fix a certain rate as the proper rate beyond which they should not go in their levy on the customers. The law and the regulations made thereunder are for that purpose. We fix the price which they can charge the consumers. This may have to be revised from time to time. A certain period has been fixed for such revision. But the incidence of this new duty that we propose to impose may, in some cases, upset the business even though the period before which revision could be made has ended. In such cases it is necessary for the Government to take power to interfere and render help. That is why a clause has been inserted—clause 7—which provides for revision of the position. It enables the Government to look into the position of a company and see whether it ought, in the circumstances, to be able to recover what it pays, by way of duty from the consumers. These are the main principles of the Bill and it has been accepted by the other House. I hope it will be agreed to here in this House. I beg to move that the Bill be taken into consideration."

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, I rise to take a preliminary objection to the introduction of this Bill. I contend, Sir, that this Legislature has no power to pass a measure of this kind. I shall presently place before the House my reasons for such a contention."

"Mr. President, you will be able to see that Electricity is given as item No. 31 in the Concurrent Legislative List."

SRI A. RANGASWAMI AYYANGAR:—"Is the hon. Member raising a point of order or making a case against the Bill, Sir?"

MR. PRESIDENT:—"He is raising a point of order."

DR. SIR K. V. REDDI NAYUDU:—"I was submitting that Electricity is item No. 31 of Schedule VII to the Government of India Act, in List III—Concurrent Legislative List, Part 2. In

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that list the last item is item No. 36 which enables the Provincial Government as well as the Central Government to levy what are called 'Fees in respect of any of the matters in this Part.' But, Sir, a fee is not a tax or a duty. Fee is one which is paid for service rendered. This is a duty admittedly. That will be made clear when you refer to sections 3 and 23 of the Electricity Act which is a measure of the Government of India. Section 3 declares that what is to be paid by the licensee is a 'fee' and what is to be paid by the consumers is 'charges.' You render a service and you charge for it. So, my first point is that this is not a fee, but a duty. Therefore, this case does not come under item No. 36 of List III of the Schedule.

"If it is a tax, the taxing power is given by the Schedule itself, as hon. Members will notice from List II and the various items given under it. Let us now have a look at the items given under List II: 'Item 41, taxes on agricultural income; item 42, taxes on lands and buildings, hearths and windows; item 43, duties in respect of succession to agricultural land; item 44, taxes on mineral rights; item 45, capitation taxes; item 46, taxes on professions; item 47, taxes on animals and boats; item 48, taxes on the sale of goods,' and so on and so forth. So, now, Sir, when the power of taxation is intended to be given either to the Central Legislature or to the Provincial Legislature, the items are clearly stated in the Schedule and in the Lists. That the power of taxation has been given thereby has been noticed by the Federal Court in the recent judgment which they have delivered in connexion with a dispute which arose between the Central Provinces Government and the Central Government in connexion with the Motor Spirit Taxation Act. I want just to refer to one passage in that judgment. This is what His Lordship the Chief Justice observed:

'It is said on behalf of the Provincial Government that the tax imposed by the impugned Act is within the taxing power conferred by the entry. . . .'

"But what I am driving at at present is that if the Constituent Act wanted to give certain powers of taxation to the Central Parliament or to our local Parliaments it has definitely said so. Now, in item 31 in the Third List merely 'Electricity' is mentioned. So that, taxation of electricity has not been specifically provided here. In other words, the Government will have to rely, for levying this taxation, on some other provision in List II—the Provincial Legislative List to which I have just now referred. Now, Mr. President, the only entry available so far as I can see for the Government to rely on is item 48, viz., 'Taxes on the sale of goods and on advertisements.' My contention is that 'taxes on the sale of goods' cannot be applied to electricity, because electricity, by no stretch of the English language, can be defined as 'goods.' We know what 'goods' are. Goods are either materials or commodities such as the produce of the land or some articles."

SRI A. RANGASWAMI AYYANGAR:—"Can it be subject to theft?"

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DR. SIR K. V. REDDI NAYUDU :—“ Well, Sir, I am giving my contention. I may be right or I may be wrong. It is open to my hon. Friend to meet my argument after I have had my say. My contention is that the word ‘goods’ in entry 48 of the Second List in the Schedule cannot cover this case.

“ My next contention is that if it is claimed that this case comes under item 48 of the Second List in the Schedule and that that item covers ‘Electricity,’ I submit it will be a case of Excise and not of a duty on it. Now, so far as Excise duty is concerned, we find from List II that it is leviable on certain kinds of goods by the Local Government. You will please refer to item 40 of List II—Provincial Legislative List which runs thus:

11-30 a.m. ‘Duties of excise on the following goods manufactured or produced in the Province countervailing duties at the same or lower rates on similar goods manufactured or produced elsewhere in India—

- (a) alcoholic liquors for human consumption;
- (b) opium, Indian hemp and other narcotic drugs and narcotics; non-narcotic drugs;
- (c) medicinal and toilet preparations containing alcohol or any substance included in sub-paragraph (b) of this entry.’

I am certain, Mr. President, that electricity does not come fortunately under any of these alcoholic items. On the other hand, List I, the Federal Legislative List gives the items on which an excise duty could be levied. Item 45 of List I runs thus:

‘Duties of excise on tobacco and other goods manufactured or produced in India except—

- (a) alcoholic liquors for human consumption, etc.’

that is to say, the power of levying excise duties on these alcoholic items is reserved to the Provincial Government under the list of subjects to which I have just now referred above. So, if once I am able to convince this House that what is now being imposed is an excise duty and that it does not come under any of the alcoholic items to which I have referred, then it must come under List I—Item 45 of the Federal Legislative List, and therefore, I submit, it is only the Central Government that has got the power to raise an excise duty.

“ Now, we have to determine what an excise duty is. This has been settled for us fortunately by the decision of the Federal Court in the matter of the Central Provinces and Berar Sales of Motor Spirit and Lubricants Taxation Act which imposes a tax on certain kinds of motor spirit. This objection I could not raise in the next Bill, because it has been settled by the Federal Court. Now, Mr. President, the contentions of the parties and the decisions of the Court are very long and very elaborate, but a few references may be made to them to show that the decision given by the Federal Court was very reasonable. The question then turned upon this point, viz., ‘is a duty on retail sales an excise duty, and what is excise duty?’ Excise is only a tax or duty on the first sale, immediately after the manufacture or production of a certain article.

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That that is so is made clear by the various statements made by learned Judges. I am first making reference to the statement by the Hon. Mr. Justice Gwyer. Incidentally His Lordship observes—Government may be in possession of a different edition but I am making reference to the Law Weekly—on page 38 of that Weekly as follows:—

‘Both motor spirit and lubricants are manufactured or produced (though not to any great extent) in India. Motor spirit is subject to an excise duty imposed by the Motor Spirit (Duties) Act, 1917, an Act of the Central Legislature; no excise duty at present has been imposed on lubricants.’

I shall now go to the conclusions which His Lordship arrives at—I am referring to the same Law Weekly. His Lordship observes:

‘But a closer examination of the judgments delivered shows that the majority of the judges took the view that the duty on the first sale of the commodity was in fact a tax on the product and for that reason a duty of excise without doubt.’

“ Mr. President, the Hon. the Prime Minister has referred to certain cases. I wonder whether he has referred to the different classes of licensees in this Province. One kind of licensees get electricity from Government sources, viz., the Pykara or the Mettur Scheme. That is to say, they buy from them electricity, as they do in Coimbatore Mills, and such other mills. So far as they are concerned, my contention does not apply to them. But there are a number of licensees who are themselves producers, and when they sell electricity, they will be liable to pay a certain amount of tax because of the passing of this Bill. My contention is that the imposition of such a duty on persons who are selling their goods for the first time and who are, in fact, the manufacturers or the producers of electricity becomes an excise duty not coming under the Alcoholic Act, but comes under the major classes of goods in List I of Schedule VII. That is a duty which could be imposed only by the Central Government. This contention is supported by the learned Judges of the Federal Court and their views are expressed on page 48 of the Law Weekly.

“ Then again, Mr. President, on page 50, His Lordship observes; referring to *Patten v. Brady* case:

‘If however the facts in *Patten v. Brady* (2) had been such as to make decision turn upon the distinction between the two kinds of tax mentioned above, it seems probable that the special duty there imposed would still have been held to be a duty of excise because it was an attempt as it were, to relate the duty back to the stage of production, even though the person made liable for payment was not (and indeed could seldom have been) the original producer himself.’

The cases before us go a little further than that. For instance, let us take the producers at Rajahmundry or Cocanada. They are in fact producing electricity themselves. In fact, there is no place in the north where the suppliers are receiving Government-produced electricity. In Vizagapatam, no doubt there is a thermal station and it is possible that station may supply electricity hereafter to the public. But I am not referring to such

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cases. I am referring to other cases where the licensees are not merely licensees but producers of electricity themselves and therefore any tax imposed on them could only be an excise duty and not a duty on saleables. Later, Mr. President, on page 51, His Lordship observes:

'And I think that the distinction drawn by the learned Judge corresponds in substance with the distinction which it seems ought to be drawn in the case of the federal and provincial spheres in India, that is, between the taxation of goods at the stage of manufacture or production and their taxation by the provincial taxing authority (as in Australia by the State) after they have become part of what I have called the common stock of the Province. The learned Judge's observations, it is true, were *obiter*, and in any case are not binding upon us; but I am strengthened in my own view by what he has said.'

Therefore His Lordship of his own accord, without feeling a necessity of being bound by one decision, adopts this view which is strengthened by the view of another learned Judge.

"Again, on page 52, His Lordship observes:

'After examining various Provincial Acts relating to the control of alcohol, I have been unable to find any case of excise duties payable otherwise than by producers or manufacturers or persons corresponding to them.'

So that, if these people are manufacturers or producers, any tax would have been considered as excise duty and not a duty on the sale of goods.

"On page 53, His Lordship again observes:

'The only kind of excise duties which were known in India by that name were duties collected from manufacturers or producers and usually payable on the issue of the excisable articles from the place of manufacture or production.'

Thus it will be seen that emphasis is laid upon the fact that if duty is levied on the manufacturer or the producer, it is excise duty.

"On page 56 of the Law Weekly His Lordship gives the meaning of the word 'excise.' He says 'in common parlance the duty of excise is more or less connected with home manufacture or production even though its collection may be delayed till a later stage.'

"On page 58, His Lordship observes:

'The words also show that the duty is connected with manufacture or production.'

On page 64, His Lordship refers to the Australian case and observes thus:

'Strong reliance has been placed on (1926-27) Commonwealth Refineries Case (3) which is certainly an important case dealing with the power of a State to impose a tax on first sales of motor spirit.'

"After dealing with the case, His Lordship observes:

'Constitutional prohibition does not cease the moment the goods entered the State, and the tax on first sales though imposed after entry was as effectual in the way of hampering commerce between State and State as a tax imposed on entry. It is clear that the decision went in favour of the Commonwealth, because the tax was on first sales.'

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Sir, so far as the northern portion of the Presidency is concerned, they will be producing electricity for the first time and they will be making the first sales. I submit therefore that this Bill cannot apply to such cases. The majority of the learned Judges held the view that excise duty is termed as such not merely because it is a tax on sales but also because it is a tax on first sales. Apart from those cases in which the Pykara and Mettur Schemes supply electricity, there are other cases where the electricity is sold as soon as it is manufactured or produced and they are all first sales. Reference has been made to Justice Stark. He said:

'If a tax upon the sale of a commodity be in substance a tax upon the commodity, here we have a tax which operates in many cases as a tax upon the producer and in respect of the production of the commodity by him. That, in my opinion, is an excise duty.'

(Page 65, Law Weekly, dated 21st January 1939.)

I think, Sir, that the observations of the learned Judges which I have quoted clearly show that where the tax operates on the producer and where it is upon the first sale, there can be no doubt that the tax is an excise duty. We are bound by the decisions of the Federal Court. Such a tax can be levied only by the Central Government. That concludes my argument.

"Let me summarize my position, Mr. President. The only item in the Schedule to the Government of India Act on which the Government may rely is the item in the second list, 'Sale of goods.' My submission is electricity cannot be called 'goods'; it is energy. We all understand what is meant by goods or commodity or article. That being so, in the case of both classes of licensees, that is to say, licensees who take their electricity from the Government sources and licensees who themselves produce electricity, if electricity is not 'goods' both these classes of licensees, are not covered by the Bill. No tax can be levied from them. Secondly, assuming for the sake of argument, without in the least admitting the position, that the word 'goods' includes electricity also, still we have no power to pass this law because the tax amounts to an excise duty in the case of those licensees who themselves produce electricity. This tax can be levied only by the Central Legislature on the authority which I have just now quoted."

SRI A. RANGASWAMI AYYANGAR:—"I want to raise another point of order with reference to the point of order which has been raised by the hon. Member."

MR. PRESIDENT:—"The Hon. the Premier will reply."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it is only a point of order that has been raised and I do not think it necessary to have a debate on it, because the point of order has to be decided by the Chair and the discussion may be reduced to the

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minimum necessary. Of course the point is so important and in some respects difficult that I cannot blame the hon. Member who raised the point of order for having taken up so much time over it. The question is one of distribution of the powers between the various Legislatures. The Provincial Legislative List contains item 48, 'Taxes on the sale of goods and on advertisements.' Then the items that were referred to were No. 54 in the Second List, No. 36 in the Third List and No. 59 in the First List, that is to say, the last item in each one of these three lists which relates to fees in respect of any of the matters in the respective lists but not including the fees taken in any court. The right to levy fees in respect of any of these matters in each of these three lists is put down as the last item in every one of these lists. That need not confuse us either. The remarks of the hon. Member whether the present Bill could be justified on the ground that the tax that is proposed to be levied is 'fees' do not need any further examination than this, namely, that we do not propose to call this tax 'fees.' We are not justified in calling this levy 'fees' at all. The question is whether the argument with reference to item 31 of the Concurrent Legislative List, 'electricity,' has to be examined and if so how far. The power of the Central and Provincial Legislatures to pass measures in respect of electricity as a whole are recognized in the list. Both the Legislatures have concurrent powers with regard to electricity. It is necessary also and one could understand why both the Legislatures are given powers. There are some matters which apply to all Provinces and there are some other matters which apply only to particular Provinces. So both the Legislatures are given powers to legislate with regard to electricity and these powers are hedged in by certain co-ordinating arrangements. Now the taxation power which we propose to exercise is given in item 48 of the Provincial list, 'Sale of goods.' Now the argument was that electricity is not 'goods.' The word 'goods' has been defined in section 311 of the Government of India Act as follows:

"Goods" includes all materials, commodities and articles.

Now what 'goods' means can be understood by a reference to the dictionary. But we find that in many legislations in defining certain things the word 'means' is used in some cases, the word 'includes' is used in some cases and in some other cases both the words 'means and includes' are used. Now the word 'goods' as defined in the dictionary is so wide that it may be misunderstood to be limited, on account of association of ideas, by the tangible character possessed by things. Therefore section 311 of the Government of India Act defines 'goods' as including 'all materials, commodities and articles.' The words 'all materials, commodities and articles' are, I submit, wide enough to cover the commodity of electricity that is sold. It cannot be an article, it cannot be a tangible thing, but I submit it is a commodity."

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DR. SIR K. V. REDDI NAYUDU:—"The word is 'commodities' and not 'commodity.' There is a difference."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The words are 'all commodities.' This particular definition section says, that 'goods' includes 'all commodities.' I submit that taken with the word 'all' the plural makes no difference. It is used in the distributive sense. 'All commodities' means 'each and every commodity.' Interpreted in that right way, I submit, electricity is one of the commodities that are intended to be covered by the word 'goods.'

"And what is more, I think this is not the first time that electricity is taxed by a Provincial Government. Hon. Members are aware that there is a Bengal Electricity Act and certain other Provinces like Bombay have taxed electricity. It is not really a new matter, a *res integra* as it were. The hon. Member quoted extensively from a recent judgment of the Federal Court with regard to the interpretation of the words 'sale of goods' used in the Second List in the Schedule to the Act. The Federal Court has gone as far as it is possible to go in favour of the Provinces and it is only in the exercise of the power which the Federal Court has recognized, that we are bringing in taxation measures in respect of the sale of goods like petrol and the like. The particular argument on which the hon. Member depended, I submit, is not correct. The hon. Member said that the power to levy an excise duty is given to the Central Legislature and not to the Provincial Legislature. He then examined the question as to what is an excise duty and what is not an excise duty and quoted certain observations of learned judges to show that certain kinds of taxation would be called excise duties which is within the power of the Central Legislature to levy. But his arguments do not touch the present point at all. I do not contend that excise is something more or something less. The question is whether it is a sale or whether it is not a sale of goods as defined in the Second List to the Schedule. We need not confuse ourselves with the nice distinction of some things lying between an excise duty and a sale tax. But with regard to this tax no difficulty arises. The rates are fixed for the licensees by the Provincial Government for sale to the consumers. The essential difference between excise duty and sales tax is that the one is a tax upon production and the other is a tax at the stage of consumption. If a thing is taxed at the stage when it is transferred for the express purpose of consumption, it is eminently a sales tax. On the other hand, if a thing is taxed at the stage of production—whether the thing is sold or not it does not matter—it is an excise duty. There are certain cases in the margin referred to by the hon. Member such as the first sale where the manufacturer himself sells the things he manufactures to

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somebody or other. We need not go into it now. I claim to have read the judgment of the Federal Court and I think that the three judges have given expression to their views in three different ways. The Chief Justice has given it in a fairly clear way while the others have given it in a somewhat different manner, in a way that may give rise to doubts, but all of them agree on one thing, namely, that a sale for consumption is taxable by the Provincial Government. In the present case, I claim that the taxation is intended to cover sales for the purpose of consumption. I submit therefore that there is no weight in the point of order that has been raised. The definition of 'goods' as given in the Government of India Act and as already applied in practice by other Provincial Governments should be allowed to apply to electricity also."

MR. PRESIDENT:—"After hearing the hon. Member Sir K. Venkata Reddi Nayudu and the Hon. the Premier, I rule that this Council is competent to entertain this Bill."

* DR. P. J. THOMAS:—"Mr. President, during the general discussion of the Budget I said that the detailed discussion of the Government's proposals of taxation might probably be taken up when the particular taxation Bills were placed before the House. On that occasion I only expressed my general view as to the soundness of the taxation proposals of the Government. Sir, the Bill before the House raises the important question of the taxation of public utilities and I should like to say a few words on this subject in general. Before I proceed to that, I want to point out that in judging measures of taxation we should take into consideration only the national interest and not the interest of particular sections or individuals. While people who represent particular sections and special constituencies are likely to judge taxation proposals purely from the point of view of those sections, I, as representing no constituency or interest, have tried to study the taxation proposals of the Government purely in a detached spirit, with no concern about the interests of this section or that, but the interests of the whole community. But when the opinions of economists like myself go against the self-interest of some classes, the criticism is usually levelled that economists are mere theorists and that they have no practical experience. I have to make these remarks because the general support which I have given to the Government's taxation proposals has evoked a similar criticism in a certain newspaper. This is a very well-known argument that interested persons use against economists, and no one takes it seriously nowadays. As for practical acquaintance with industry and trade, I wish to know who among the business men can claim a general acquaintance with all business. Each industrialist knows his industry and knows his interest; only economists study the

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general trends of business and the possible incidence of taxes, and they have a far greater right than any businessman to express an opinion about tax-proposals.

"To come now to the subject on hand, I must say that this measure of taxation is one which, to my mind, raises very important questions of policy. No doubt the users of electricity and petrol are urban classes, whose incomes are generally larger than those of rural folk. But the question is as to the right mode of imposing the burden. The principal point to be considered in connexion with this particular Bill is whether the tax will be shifted on to the consumers who are taking the electrical energy. The shifting of a tax depends chiefly on the elasticity of the demand for the article on which the tax is to be imposed. That is to say, will a small tax raise the price very much and thus prevent many people from purchasing that article, or will people still continue to take the article even if the price rises by the tax? This is a question of supply and demand. If the demand is elastic, the tax may not raise the price, and therefore it may not be shifted on to the consumers. As the price of electricity still remains fairly high in India for the poorer classes at any rate, it is of the nature of a moderate luxury and therefore the demand is elastic. Any fall in its price will increase the demand; and any rise in its price will curtail the demand. In this way, the distributors will have an incentive not to shift the tax, because if they shift the tax on to the consumers, the demand will fall. But at the same time, this incentive is weakened by two important factors, namely, that the distributing companies have a monopoly in the areas where they operate, and that there are no effective substitutes. Those who are accustomed to electricity for lighting are not likely to go back to oil-lamps unless the price becomes prohibitive. Therefore the companies can effectively try to shift the burden on to the consumers. The most practical way of making such a monopoly bear the burden of a tax is to make the tax proportionate to the profits obtained by it. But this present tax is not intended as one on such profits, and therefore it is likely to be shifted on to the consumers, partly if not entirely.

"I said just now that electricity is rather a moderate luxury in this country. I think it is so not because the common people are not willing to consume electricity, but because they are not able to purchase it, as even now the price is sufficiently high; or it may be that their incomes are too low to enable them to go in for it. But I suppose gradually, people will be able to buy more and more of it, and therefore in course of time, it may become a necessity. To-day, however, it is rather a luxury; but since its demand is elastic, there will be great difficulty on the part of the sellers to raise the price lest the price should disturb the sales and make the poorer people unable to purchase it. As against this

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there is the possibility of the tax being shifted on to the consumers. And there is clause 7 in the Bill which vests power in the Government to go into the whole matter. Of course they have already got power under the Electricity Act; but they are now definitely mentioning, that that power will be utilized to examine particularly the cost of distribution, overhead charges and dividends of the companies in order to see that the tax may not burden the consumer. I do hope this power under clause 7 will be utilized by the Government, because I feel that electricity is an article of common consumption and its increased use is necessary in our Province. There is no doubt that a rigidity in the price of electrical energy will react adversely not only on the industrial development of the country but on the standard of living of the common people. A gradual fall in the price of electricity will be a potent factor in the economic improvement of the country. Cheap electricity will make our agriculture more efficient and our village life more agreeable. With its help, our industries will be enabled to work efficiently without massing men and machine in one spot. Cheap electricity has enabled domestic industries in Europe to compete successfully with factories. This must be an important consideration in a country like ours where the best minds are against the concentration of people in factories. The cheapening of electricity is therefore in this country's highest interests, and therefore the low tax fixed in regard to electricity used as power is wise. Further, as the generation of electricity is largely in Government's hands, it is essential that we should provide for its increasing demand. Electricity can be a potent factor, not only in our productive activity but also in our public finances. But a tax on the distribution of electricity is not the right way of doing it; it can only be a temporary device. And I hope there will be something more substantial in the way of making electricity yield much more to the Government, not merely by this way of taxation, but by having a more complete control over the generation and distribution of electricity.

"In this connexion, Sir, I wish to say a word about the electricity policy itself; I fear we have not so far laid down any policy in regard to electricity, and it is high time we reviewed our whole policy in regard to electricity. The Government have done well in exploiting the hydro-electric resources of the Presidency, and already the bulk of electrical energy generated is in the Government's hands. Electricity is an important public utility, and neither its generation nor its distribution should be left to private companies pursuing business for profit. . . ."

MR. PRESIDENT:—"I do not know if the hon. Member is entitled to go into the question of electricity policy in general. This measure deals only with a tax on electricity.

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* DR. P. J. THOMAS:—"I beg your pardon, Sir; I think this is germane to the Bill under discussion, and I fear that very few occasions are really available . . ."

MR. PRESIDENT:—"The hon. Member ought not to take an opportunity like this."

* DR. P. J. THOMAS:—"My point is simply this: that Government must be able to get more revenue from electricity, and this can only be through a more comprehensive policy. The profit from electricity arises from a public utility and must go almost entirely into the Government treasury and not into the coffers of distributing companies which are often doing the work uneconomically. Not that I want Government to manage the electricity industry directly. It could be done more efficiently by means of semi-public corporations of the type of the B.B.C. in England, or the London Electricity Board, institutions which work for public benefit and not for profit. This would enable us to give amenities at a low cost and thus increase their standard of living. At the same time, the Government may also obtain a large profit to the great relief of the tax-payer. Any improvement in our industries can only be by making electricity cheaper for consumers. A new electricity policy must therefore work both for the benefit of the people and for the profit of the Government. That would certainly create for the Government a very steady source of income, which can be utilized properly in the interests of the people. I find such a policy has not been propounded so far by the Government, and I therefore felt the necessity for urging it on this occasion. Therefore, Sir, while I generally give my support to this Bill, I must state that electricity can certainly bring into the coffers of Government more money and that we cannot consider this measure as the only or the best means of raising revenue from electricity. We must go further and make this source broader still. I therefore urge on this occasion that there should be a reconsideration of the whole policy at an early date; that this measure should be considered only as a temporary measure, and that this should in the course of time lead to something more comprehensive both in the way of bringing revenue to the administration and also of contributing to the economic welfare of the masses."

* MR. J. A. SALDANHA:—"Mr. President, I oppose this Bill as a matter of principle and policy. I consider that the use of electricity for lighting, industrial and other purposes is still in its infancy. We are charged very high rates—whether by private companies or Government—for the use of electrical energy. The Bombay Presidency was described the other day by the Hon. the Premier as a comparatively rich province. In connexion with the grant of forest concessions, the Hon. the Premier referred to the Bombay Province as being comparatively richer and that therefore we could not give here the same forest concessions. Bearing that

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in mind, I say that comparatively, our presidency is in its infancy, so far as consumption of electricity or its use is concerned. I think there is no necessity for a tax like this. No doubt I have given notice of an amendment for reduction of the proposed rate. But I think for the present this Bill should be opposed as being premature, and as calculated to interfere with the use of electricity for lighting, industrial and other purposes. My experience in Mangalore is that on account of some trouble or other, we have had to take to electricity for lighting and industrial purposes. Already the charges are too high and if we add to the present charges this new tax, it will be a great inconvenience and burden to us. Our Presidency is already falling into line with the other parts of the world in the matter of having heavy burdens of taxation, and we are suffering—especially in South Kanara—from very many burdens; and to add to our burdens now will be a great injustice. I therefore urge that the Government should abandon this Bill or withdraw this Bill altogether.”

12-15 p.m. SRI DIWAN BAHADUR K. DAIVASIKAMANI MUDALIYAR:—“ May I ask for a piece of information from the Hon. the Prime Minister, Sir? What is the rate at which electrical energy is sold for agricultural and industrial purposes at present by the Government and by other licensees; and will this affect in any way the industrial and agricultural development of the country? ”

* THE HON. MR. YAKUB HASAN:—“ Sir, it is sold at one anna and less than one anna for agricultural and industrial purposes and in certain places where it is supplied by a thermal station the price may be higher in one or two cases; but the Bill in its present form proposes to tax only above two annas and so no agricultural or industrial development will be affected by this, not at any rate to any appreciable extent.”

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“ May I know, Sir, whether private parties can increase the rate, say, from 2 to 3 annas or are they restricted by any Act that they should not increase it under any circumstances? ”

* THE HON. MR. YAKUB HASAN:—“ Prices are laid down in the licence itself and any reduction or increase can only be made in exceptional cases with the permission of the Government.”

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“ Is there any maximum rate fixed? ”

* THE HON. MR. YAKUB HASAN:—“ There is no question of maximum or minimum. Whatever rate is fixed in the licence is the rate and that can only be altered with the permission of the Government. It is not open to the licensee to levy a fee of 2 or 3 annas or go up to the maximum or come down; that must be done only with the permission of the Government.”

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SRI B. NARAYANASWAMI NAYUDU:—“ The rate of 2 annas is intended for agricultural and industrial purposes also? ”

* THE HON. MR. YAKUB HASAN:—“ Rates are laid down for all purposes, industrial as well as agricultural. It is stated in the licence that the rate will be so and so.”

The motion that the Bill be taken into consideration was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 3.

Sub-clause (i).

MR. J. A. SALDANHA:—“ Sir, I beg to move—

‘ In line 4, for the word “ six,” substitute “ three.” ’

“ Sir, as I have already pointed out this Bill is premature and the country is not prepared for any further taxation at all, but as the Government and this Council are determined to carry through this Bill, it is but fair that I should urge the reduction of the tax from 6 pies to 3 pies, especially in view of the fact that the present rates themselves are very high, at least so far as my town of Mangalore is concerned. If a man consumes 8 units, he will have to pay another half-anna per unit as tax. As a result of this people will be driven to the necessity of resorting to kerosene oil lamps and perhaps Government may begin to tax them for using any light. Of course it is expedient to use electricity if the rate is as low as possible. I agree with Dr. Thomas that there should be a reduction of the tax, and I would urge that it be reduced by one half.”

SRI D. MANGAYYA HEGDE:—“ I second the amendment, Sir.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“ I regret, Sir, I cannot accept the proposal made. The question has been thoroughly examined and we have arrived at 6 pies, as it is called in this Province, and it would be called in other Provinces 2 pice. The proposal now made is for 3 pies or 1 pice. The rate of half-anna has been fixed after due consideration of the burden and I do not think there will be any disaster as my hon. Friend seems to think, caused to the consumption of electricity on account of this tax.”

The amendment was put and lost.

SRI B. NARAYANASWAMI NAYUDU:—“ Sir, in view of what has been stated by the Hon. Minister that the licensees, whether they are companies or local bodies, are bound by the

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rates fixed in the licences and that energy supplied for agricultural and industrial purposes at a cost of 2 annas and less will not be affected by this Bill, the amendment proposed by me seems to be unnecessary. I do not therefore move my amendment.^a

Clauses 3, 4, 5, 6, 7, 8 and 9 were put and carried.

Clause 1 was put and carried.

The preamble was put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I move—

'that the Bill be passed into law.'

"I wish only to say this in answer to the observations made by Dr. Thomas, that the Government are fully alive to the need for a proper and complete exploitation of electricity in all its aspects; the present Bill, surely as he says, is only a Bill for taxing the process of particular distribution and it is not by any means a substantial exploitation of electricity as such or the revenue that could be derived from the work of nature that could be grouped under the term electricity. That is clear enough. In fact, I may go even a step further and assure hon. Members that this is only a tax on certain people who are in a position to use electricity in the present state of its progress. It is not inherently connected with electricity at all in reality. It is merely a tax on an urban population of a certain kind, who are to-day in a position to use electricity as it is sold to-day and at the price at which it is sold to-day. I do not claim at all that this Bill has anything to do with the proper exploitation of electricity as such and the Government are not doing much by way of exploitation of electrical resources of our Province by this Bill. Indeed I think this Province has done very well and if only members could scan the revenue and expenditure of the Government and the Budget itself, they will agree with me that electricity has not been neglected; of course it should not be taken in a spirit of self-satisfaction; we have still to do a great deal and we intend doing a great deal. Beyond this, I do not wish to detain the House on that general point. I hope the Bill will be accepted and passed into law."

The motion was put and carried and the Bill was passed into law.

Clause 3.

Sub-clause (1).

^a SRI B. NARAYANASWAMI NAYUDU:—"In lines 5 and 6, between the words 'sales' and 'of insert the following:—

'Other than sales for the purpose of agriculture and industry which in the opinion of the Government having regard to the condition of agriculture and industry concerned deserves such exemption.'

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THE MADRAS SALES OF MOTOR SPIRIT TAXATION BILL, 1939
(L.A. BILL NO. 6 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I beg to move that the Bill that has been accepted by the other House, namely,

'the Bill' to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras (L.A. Bill No. 6 of 1939), as passed by the Legislative Assembly, be taken into consideration at once.'

"I do not think that it would be at all necessary to detain the House by making general observations. The principle of the Bill and the necessity for it are more or less the same, and as I have said in connexion with the other Bill, the necessity for the Bill is the need for revenue. The justification for it and the principle of the Bill are just the same and I have just now tried to explain in connexion with the other Bill that it is a levy on those people who are able to bear a little more of the share of the burden of general taxation which they have hitherto been bearing in order that some others may be relieved of this taxation. It is not as if we discourage the use of electricity in the other case or the use of motor spirit in this case for purposes of locomotion. In both cases, there will be larger and larger use of the forces of nature and in both the cases the tax will have to be borne by people who are enabled by their position in life to spend money in connexion with the use of such things which may be called luxury in one sense, and may not be called luxury in the other sense. The distinction between luxury and necessity is fairly tending to disappear; and what was luxury yesterday is not a luxury to-day, but a necessity; by habit, to most people motor cars have become a necessity, to most people electricity has become a necessity; and the State does not propose to discourage the use of either electricity or motor power. This is only a revenue measure and the details of the Bill are known to hon. Members through the discussions that have taken place already in the other House. At this stage I do not think I need detain the House further and I commend to the House the taking into consideration of the Bill as passed by the other House."

* MR. J. A. SALDANHA:—"Mr. President, from the few 12-30 remarks by the Hon. the Premier in introducing the Bill, it p.m. seems as if they are proceeding step by step, this time the tax on sales of the electric energy and motor oil and next time it will be a much bigger measure which will yield them bigger sums. I am led to ask a question of the Ministry *'Quo vadis?'* Where are you leading us and in what direction will the next step which you

^a Printed as Appendix III on pages 201-211 infra.

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will ask us to take, be?' There is also this other question, 'Where will it all end?' There is a period of three years before the life of the present Assembly is to end and it is but proper that we should be given an idea as to the steps that the Government are going to take to raise taxation merely to make up the deficits caused not by the introduction of utilitarian purposes but to make up the loss of revenue created by a policy based on a sort of religio-mania, namely, Prohibition."

MR. PRESIDENT:—"That is an unparliamentary expression. The hon. Member will withdraw the word 'religio-mania.'"

* MR. J. A. SALDANHA:—"I withdraw the word 'religio-mania' but I should observe that it is a sort of excessive fervour. The Bill is based on a fundamentally wrong principle. It does not require one to have a knowledge of political economy and other sciences to come to such conclusions. From the little that I know on that subject, I think it is fundamentally wrong; from an academic point of view also it is wrong. Take the question from the practical point of view and see whether the Bill will be welcomed by the people and whether it will not retard the industrial progress of the country. I admit that the richer classes use motor cars but I have in view the interests of the bus traffic and the lorry traffic in the Province. Goods and passengers are carried with great speed from one part of the country to another by means of this transport. Railways have become very costly and the emergence of this sound system of motor traffic has been a sort of relief to the people. Strange to say, this is a trade which is subject already to very heavy taxation. They are subjected to heavy local taxes, to the levy on petrol by the Government of India and also the taxes imposed under the Motor Vehicles Taxation Act of the Local Government. The result is that the motor-owners, the bus-owners and lorry-owners are very hard hit and many an individual and company are thinking of winding up their business. Now comes this additional tax upon motor spirits and I feel that this tax will impose an intolerable burden upon the lorry-owners and bus-owners. A measure which imposes additional taxation, which is an intolerable burden on important and big industries which are utilitarian in nature, ought not to be permitted and much more so when we remember that this is an industry which is under pressure of existing taxation, struggling for existence. After all, what is the motive power behind these measures? As I pointed out, it is Prohibition. To try to make up the deficit caused by such doubtful measures of Government by means of taxes on an important industry which is struggling for existence is wrong in principle and I would, therefore, urge upon this hon. House to reject this Bill on principle."

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* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, it is a well-known fact that the irrigation facilities of the Province are very inadequate and large areas of lands are left barren and uncultivated for want of water. No doubt the Government have seriously taken in hand the question of extending electrical energy to all parts of this Province; but at present only a very few places are served by electricity and I think it will be some years before it can be extended to all parts in the country. For want of irrigation facilities and proper rains, we are having famines, and the ryots are not even able to pay their assessments and have to borrow for paying the kist, and the result is that they are ruined. But some among the middle classes are using oil-engines for irrigating portions of their lands and they raise crops though for very small profit. At this stage, the Government, Mr. President, propose to levy a tax on oils used for running such machines. I request the Government not to put any tax on oils used for running the engines at least till electricity is taken to all parts of the country. They should exempt the oils used for agricultural operations from the scope of the Bill. I am glad that the Government have given an assurance in the case of the Electricity Bill that the tax will not be imposed when the cost of a unit is less than two annas. Following that analogy, it is but proper that bearing the interests of agriculturists in mind, the Government should exempt the oils used for running machines used for agricultural operations from the scope of the Bill."

"There is another question connected with the imposition of taxes on motor spirits. There are so many villages in the interior parts of the country, removed about forty and fifty miles from the railway station and it is quite easy to imagine the great difficulty they will be put to for taking their produce to the markets. As a matter of fact, it has been often pressed in this House that we are not having proper marketing facilities for the agricultural produce in almost all the districts. You can imagine the hardship and the worry to which the ryot is put to carry his produce to a distance of forty and fifty miles in the slow-moving bullock carts. I wonder whether they will be able to sell it at a rate which would yield them any profit. But at present, we are taking our produce to the markets by means of the lorries. If you are going to have another tax on petrol, it will indirectly affect the agriculturists in this Province. It will have its reactions in the matter of rates and the result will be that the ryot will be put to difficulty and loss. My suggestion to the Government is therefore that there should be an exemption in so far as the agricultural industry is concerned. They are already subject to high taxation. Statistics would go to prove that they are already on the verge of bankruptcy"

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and if you go on adding tax on tax, the ryots will practically be ruined. That is the other point that I want to bring to the notice of the Government.

“Another point is that the Government have taken power under clause 3 to fix any other rate by notification from time to time than the one contained in the Bill, so that you do not know what the future rate will be. Though at present they have said that the rate of tax on a gallon of petrol will be 1 anna and 6 pies and the rate of tax on motor spirit other than petrol will be six pies per gallon, nobody knows what it will be next year as the Government go on introducing Prohibition and as the purse of the Government becomes emptier and emptier. Under such circumstances, I urge that the Government should see that agriculturists are not overburdened with taxes as far as this is concerned.”

* SRI D. MANJAYYA HEGDE:—“Mr. President, I am aware that at present there has been a steep fall in the income of the agriculturists by the fall in prices of their agricultural products and the position of the tradesman is also very sound, for in his case there has been the trade depression and other monetary disorders and economic losses. So far as the labouring classes are concerned, their position is equally bad, for they are to a very large extent dependent upon the other two classes. It is true that under such conditions, any taxation will not be welcomed. But, you must not ignore the other side of the picture, namely, the position of the Government and it is wrong to place the Government in the difficult position of running the Government with bad finances. Unless there is a strong Government based upon sound finances, you cannot expect peace and prosperity in the country. Taking this particular tax, one can plainly see that it is intended to take a little from the better-off classes. In that view of the case, this measure can be supported at present but all the same, I hope that the Government will repeal it as soon as their finances improve. With this hope, I support the proposal.”

* DR. P. J. THOMAS:—“Mr. President, the incidence of the proposed tax on petrol is bound to fall on the consumer. As for the private owners of motor cars, there is not much to say on their behalf. I hope they will grin and bear it; anyway I am not going to shed tears over their woes. But when it comes to a question of buses and lorries, I am not clear whether it would be just for the owners to shift the burden on to the users. I am thinking more particularly of the urban dwellers who are using the buses as a very common means of transport. I am one of those who believe that this country should have more and more of bus service, so that even men of the better-off classes may find it convenient to use them and thus do without too many private cars.

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My fear is that some of the bus-owners would shift it on to the passengers by either trying to raise the price of tickets, or by running the buses at longer intervals, thus inconveniencing the passengers. I hope that the Government will have their eyes open and see to it that such things do not come to pass. I am aware that the Hon. the Premier in the course of the Budget discussion observed that he was not for the Government interfering too much in economic matters. May I point out that in this country, people who are affected by some of these inconveniences are not usually very loud in expressing their grievances? There is no united action among them. I myself have experienced certain inconveniences in the course of my train journeys and decided to take action about the matter, but it escaped my notice soon after I got down from the train. I believe most people are like me in this matter and unless the Government judiciously intervene, the difficulties of the common people will increase.

“Now I find that in other countries even road transport is controlled systematically by a public service board in the interests of the public, and not left to private enterprise solely. The roads have to be maintained by the Government at great cost, and it is not proper to give all the profit of road transport to the private capitalists. It is also a clear duty of the Government to increase the transport conveniences available to passengers in buses, electric tramways, and other agencies. But this tax may lead to a decrease of these conveniences unless the Government keeps a vigilant eye. In the city the bus-owners have fine roads and they pay a smaller licence fee than in the mufassal and I do hope they will bear the burden of the new tax. Lorries are now being used more commonly for transport of goods even in the mufassal and bullock-carts are used less and less. This is in one way a pity, but it means convenience and economy. Any increase in the charge for lorries may hit agriculturists. To all these matters, I trust that the Government will give their attention. With these remarks, I have pleasure in supporting this Bill.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, Mr. Saldanha put a question, ‘how far are you taking us? Where are we and where are we led by you? That is to say, what is your policy? Tell it to the House, since you seem to give it in parts.’ That I think is the question. I submit, I have already said it when I presented the Budget. I answer him again briefly. What we do and what we propose to do is this: We wish to ascertain from the members of this House and from the general public ‘What is the standard of administration that you desire should be run in this country?’ It is in the power of the members of this House, in the power of the representatives of the people in the other House as well as elsewhere through organs of the public opinion to make it clear to us if they desire that a certain standard

12-45
p.m.

(L.A. BILL NO. 6 OF 1939), AS PASSED BY THE ASSEMBLY

[Sri C. Rajagopalachariar] [3rd March 1939]

of administration is not wanted or a certain other standard of administration is wanted. Now all standards of administration require a certain amount of expenditure. If hon. Members representing intelligent public opinion tell us 'we want this standard of administration and no more' we promise as Government that we shall not spend more than is necessary for that standard of administration. To secure that standard of administration, if a certain sum of money is necessary to be spent either in this year or in another year, hon. Members must persuade the country to pay that amount. Then, the question arises, who shall bear this burden?

"I proceed at once to the next step of making it clear on behalf of this Government that we desire that hon. Members should not ask us to put this burden on the poorest; we desire that hon. Members should not propound theories fully sympathising with the poorest but quietly and insidiously asking us to tax the poorest and not tax other classes of people. I maintain that a measure like this gives me an opportunity to make it quite clear; for instance, in this Bill, we propose to bear a greater part of the expenditure necessary for that standard of administration which people demand to maintain, and to put a greater share of that burden, as I say, upon people who are a little less poor than those who are now paying for that same standard of administration to be run. To-day, therefore, if we say that the agriculturists should bear less of the burden, what shall we do for the amount of money which we were hitherto getting from the agriculturists? Shall we not tax other people; whom shall we tax? This Bill is a partial answer to that question. I say, that those who use, that those few people, I say relatively few people, who use conveyances or machinery run by what is called motor spirit in this Bill should bear a little more of that burden than those who do not know at all what motor spirit is or what crude oil is and who are now bearing a very large part of the entire burden of the administrative expenditure of the Government. This is where we want you to go to; this Bill is a step towards it. I admit, I confess, I may tell Mr. Saldanha that we do want that the burden of financial administration of the Government should be borne more and more by those who live in towns and who live in urban ways and less and less by those who live in the rural area. 'More and more by those who live in urban areas' means sometimes a little bit of addition even for those who live in villages and who yet live in urban ways. For instance, if a man who lives in a village goes to the City in a motor car and comes back again to the village, then he too will have to bear that burden. All those who are really absorbed in urban civilization will have to bear a great share of the burden than they have been hitherto doing. This is where I lead Mr. Saldanha; whether he likes it or not, this is the frank confession I make.

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"Then, it was said by Mr. Ramakrishna Reddi, that there are agriculturists who use oil-engines, and that they would be taxed by this. Can he tell me, really, that 50 per cent of our agriculturists use oil-engines? Can he say 40 per cent use? Can he say 30 per cent use? Surely not. Therefore let us not try to get into the boat of the poor man and try to sink it by overloading it. We may appeal, employ arguments to the advantage of the agriculturists, but we shall not try to deceive the very policy thereby, by which we wish to benefit the agriculturist. If arguments like these are advanced in favour of a man here or a man there who uses Diesel oil in order that his large holding might benefit by it—if arguments in his favour are used in order to oppose the measure which in the main intends to transfer the burden from the rural to the urban classes—then we shall not be able to get on, and as a result of this small argument the entire mass of the agriculturists will have to lose and will be injured. Therefore I appeal to those who spoke on behalf of the mass of agriculturists to remember the main proposition, the main principle, the main tendency and the main result, and not merely try to make a bad law out of hard cases.

"The present proposal does intend to tax crude oil and Diesel oil also. Does not Mr. Ramakrishna Reddi know that there are any number of grades of Diesel oil, that it is fine slipping down from the dangerous, inflammable petroleum which is used in cars to a very crude oil which is used for running stationary engines? Science marches rapidly and as rapidly as taxes march. Science every day invents ways and means by which taxes can be evaded. Engines are even now in the market, which are internal combustion engines, which do not use the dangerously inflammable petroleum, which we know by the name of petrol, but use high-speed Diesel oil, which burns in a spray form before it is converted into a gas mixture. The engine is so constructed that it burns it in the internal combustion and a motor lorry can be run on high-speed Diesel oil quite as effectively, and in fact, more efficiently, to use a correct scientific, economic or trade term, more efficiently than even a petroleum engine; because more energy is produced, more weight is carried through with Diesel oil engines than bulk for bulk, with petroleum engines. Therefore we should also beware of scientific marches which you can put to use as fuel. When we tax one substance, it is necessary to tax like substances which could be made use of in order to evade or get rid of this burden of taxation. Therefore, we have a tax on Diesel oil also. But it is a low tariff that is proposed to be levied. We beg to assure hon. Members who are anxious on behalf of the agriculturists that it will not be too great a burden for those few fortunate large-holding agriculturists who are able to commandeer oil-engines. The 6-pies rate that is proposed for oil will not be too much a burden.

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agriculture with Diesel oil?' 'Will the industry be affected injuriously?', that is the question. I submit, Sir, respectfully that this 6 pies will not affect them, if otherwise they are in good condition. That is all that I can say. As regards the exception that is proposed it will be difficult to limit a tax or a levy with reference to the purpose for which it could be used. For instance, a tax is imposed on petrol. We cannot limit it with reference to the purpose for which that could be made use of after purchase. It will be the same thing in the case of other oils. If this were a direct levy on the consumer, it would have been possible to limit it in that way. But this is a sales tax. For instance, if Spencer & Co. buy petrol for the purpose of dry-cleaning even they will have to pay a tax on petrol. It is impossible therefore when we levy a tax on sale to make any such distinction. If that is only an administrative difficulty we can use our ingenuity to meet the case if the principle were accepted. I submit, Sir, therefore my original argument that the industry to which reference is made will not be seriously or materially affected by this. This is my answer. I would beg of the hon. Member to withdraw his amendment and let us see if there is any serious mishap. There is plenty of opportunity for another special amendment being proposed at any time in order to mitigate the evil."

The amendment was put and lost.

* MR. J. A. SALDANHA:—"Mr. President, Sir, I move that—

'In sub-clause (1) for the words "one anna and six pies" substitute "one anna."

"Sir, this is in the case of petrol. I would tell the House, Sir, that we should go rather cautiously in levying this tax. I have already shown why this tax will hit very hard the owners of buses and lorries. I think the greater part of the tax is paid by people in the City or people who live in urban areas and who cater to the needs of villages, and obviously in their case this rate of one anna and six pies will be too high. Therefore, it should be reduced to one anna for the present at least to be increased hereafter under the vote of this House if necessary. But, for the present, I would urge, Sir, that we should on this occasion begin with one anna per gallon in the case of petrol. I do not want to tire the House on the point. I have already pointed out how hard it will be for the people to bear the tax. I may also state here that the tax will ultimately go to the larger mass of the population, the people who are either agriculturists or traders or the drivers of buses or people who have to send their goods from place to place. In their case I would urge that the rate should be reduced to one anna."

The amendment was duly seconded.

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"Nothing can be said in a matter of detail like this. All that I wish to submit is this. We have considered it and also seeing how various Provinces are acting, we have come to the conclusion. It will not be impossible to reduce, it will not be difficult to reduce, but it would be too difficult to increase. This is all that I would like to say in explaining why we do not accept the proposal."

The amendment was put and lost.

* MR. J. A. SALDANHA:—"I beg to move the next amendment of mine which runs as under—

'In sub-clause (1) for the words "by the person" substitute the words "by the wholesale dealer".'

"What I want, Sir, is that the tax should be payable by the wholesale dealers. If this is done the wholesale dealers in Mangalore or the wholesale dealers in Madras who import and store this petrol will pay on their sale of petrol or other motor spirit. I do not see the reason why there should be any other person to be taxed. It will be very complicated in carrying out this measure if all sorts of dealers have to keep accounts and be taxed. Just like the case of electricity where all those people who produced electricity are taxed once for all, in the taxation of motor spirits also, all those people who store motor spirit and sell it wholesale should be taxed. Otherwise there will be much harassment.

"I might not quite realize the difficulties in taxing the wholesale dealers. There might be difficulties to find out who the wholesale dealer is. For instance, in Mangalore the wholesale dealer may get his petrol from Bombay; in the case of such persons it will be difficult to find out who the wholesale dealer is. Now, the wholesale dealer will be the first man to be taxed. Then as a matter of course, the retail dealers and ultimately the consumers will be liable to pay the tax. This will be a harassing and complicated way. That is what I think will be the effect of this measure. I have therefore given notice of the next amendment also, viz., 'Omit sub-clause (2).'

"If that is done, there is no question of retail dealers. I am therefore right in urging that this improvement should be made in the Act for simplicity and for carrying out the Act without harassment."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am 3-15 p.m. afraid, Sir, that this amendment is moved under a misapprehension. The reasons given by Mr. Saldanha why it would be more convenient to levy a tax on the wholesale dealer and be done with it are quite good. But Mr. Saldanha is not perhaps aware that some wholesale dealers are importers and other wholesale dealers are not importers, but have purchased and are doing wholesale business.

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"Again, in that connexion I would ask hon. Members who spoke on the principle of this taxation to remember that this is a tax which is not repeated, but that this tax which is proposed in this Bill is levied only once on the stuff. Once petrol or Diesel oil or any other oil that is brought under this measure is taxed, it is again not subject on a subsequent sale to this tax. Therefore the tax is light since the 6-pies tax on Diesel oil is likely to fall and to remain, if I may use the word, in the trade, and is not likely to be carried over to the consumer in the rural areas. It is too small to be carried; there is sufficient competition between one kind of oil and another kind, between one firm and another firm, to be used for the same common purpose; and further, because of larger and larger sales, trade will find greater and greater profits; they will not make a bigger burden on the agriculturist consumer; they would rather prefer to increase their customers than transfer the burden. I therefore submit that the application of the Bill will not injuriously affect the agriculturist.

"Then with regard to passengers in the public transport, fear was expressed that this extra burden may be transferred, if not in rupees, annas and pies, in reduction of conveniences and things of that kind, and in accommodation. I submit, Sir, that there is so much of undercutting, so much of competition in this bus traffic that we need not fear it at all. Secondly, when we made calculations in the other House we found that probably this increase in tax which could possibly be levied from the passenger will be an extra charge of 1 pie; that would be what would correspond to the duty now proposed. Hon. Members who knew more about it than myself said, 'Not even this; it would be a fraction of a pie only;' therefore it is I say that it is so small that it cannot be transferred. That may be freely admitted. The only question is whether inconveniences may be the result, whether instead of putting the burden on the consumer, the owners of the business of bus transport may transfer it in the shape of inconveniences and reduce running and so on, and thereby the passengers may suffer. We fear not. That is all that we can finally say. There are means by which Government can watch a trade; there are burdens and licence fees which the Government are imposing upon these people, so that it is only in a particular place or point at which the injurious effect is caused. We can touch that and remedy if necessary. It is not necessary to oppose a whole Bill and to say that everybody who uses Diesel oil or crude oil should be free from the tax because some inconveniences may be caused to some passengers in some particular transport arrangement. That is not the way. We can deal with it more directly where any such injury is found or felt in the long run. With these remarks, Sir, I beg to commend the Bill to the House for consideration."

The motion was put and carried.

The House then adjourned for lunch to meet again at 3 p.m.

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After Lunch—3 p.m.

MR. PRESIDENT:—"The House will now take up the consideration of the Sales of Motor Spirit Taxation Bill."

Clause 2 was put and carried.

Clause 3.

Sub-clause (1).

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I beg to move that—

'In line 2, between the words "sales" and "of" insert the following:—

"Other than sales for the purpose of agricultural operations".'

"This was explained by my hon. Friend, Mr. Ramakrishna Reddi. The Hon. the Prime Minister was pleased to say that the introduction of anything like this will sink the boat and that the boatman cannot be responsible for that. My submission is that the boat will not sink at all. On the other hand it will be better if provision can be made so that this agricultural industry is not interfered with. Of course the Prime Minister asked if those who were carrying on this operation with oil engines were 20 per cent, 30 per cent or 40 per cent. My submission is that the percentage has no bearing at all. Such persons carry on this agricultural industry by these machines. The only question is whether they will be affected to the extent that it will cripple the industry, or whether they will not be affected and whether the industry will not be crippled by the levy of this tax. It should not be levied if it will cripple the industry. Therefore, the question reduces itself to this: 'Will the levy of this tax affect the industry which is carried on by millions?' The margin provided for them is very little. We know that these machines are used for all purposes, either for paddy cultivation or groundnut cultivation or garden crops. For paddy cultivation we have got competition from the Siamese rice; for groundnut cultivation we have got competition from West African groundnuts. The margin in the price is so low between the rice coming from Siam and the paddy that is grown here and the groundnut that is grown here and the groundnut of West Africa, that a duty on our commodity will result in the importation of rice from Rangoon and so on. Therefore, I submit, it is our apprehension that this 6 pies will probably affect the industry. Therefore it ought to be exempted. It is for this purpose, Sir, that I move the amendment."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"All that I wish to say, Sir, is this. The hon. Member put the question very clearly when he said 'Will it cripple the industry? Will the 6 pies affect even the small percentage of people who carry on

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There will be a legal difficulty in levying a sales tax on mere importers and further the administrative advantages that he referred to are provided for in sub-clause (2) in the Bill as it has emerged from the Assembly. It will be seen that there is provision for voluntary arrangement between the wholesale dealers and the Government, if both parties agree to it. It would be quite feasible to get into an arrangement of that kind and there is no doubt whatsoever that the reasons which Mr. Saldanha has given are substantial reasons which would carry conviction to the wholesale dealers also. It is possible to make an arrangement like that under sub-clause (2). But we cannot put a legislative obligatory duty on an importer to pay the tax. Hence this difficulty. That is why we have made an arrangement like this. I do not think that he would press his amendment. Sir, the whole thing has been considered by the Government and the Select Committee and they thought that that is the best arrangement that could be made for the purpose. One thing the hon. Members may rest assured that the tax is to be levied so that the same quantity of petrol will not be liable to pay twice. It can be taxed at the Custom House, but we are not entitled to do it."

MR. J. A. SALDANHA:—"In view of the explanation offered, I wish to withdraw my amendment."

The amendment was, by leave, withdrawn.

Clause 3 was put and carried.

Clauses 4 to 9 were put and carried.

Clause 10.

SRI B. NARAYANASWAMI NAYUDU:—"I beg to move—
'Delete clause (d) of clause 10.'

"Whereas in the other Bills, we do not find any penal provision with regard to default, in this Bill if a person fails to pay 30, 40 or 50 rupees, it makes him liable to conviction and fine of Rs. 1,000. As a matter of fact I cannot understand how arrears can be made the subject of penal proceedings. Other remedies are open. If it is a fraudulent payment or if it is a fraudulent evasion, there is a separate clause for it. That mere default in the payment should entail prosecution and conviction and a fine of Rs. 1,000 looks absolutely drastic and should not be found in any civilized legislation, even dealing with default of arrears of revenue. It could be easily collected as arrears of land revenue."

SRI DIWAN BAHADUR R. SRINIVASAN:—"I second it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, hon. Members are aware that a provision that the amount of money that is due by way of taxation shall be recoverable as an arrear of land revenue does not cover administratively taxes of this kind. I do not suppose that any one imagines that we should run after

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the land that the retail dealers hold and put it for auction, or that the Government should file a suit in the civil courts in order to recover taxes that are due from persons doing business in the retail trade of motor spirit. It is necessary to recover money. It is necessary to recover money without evasion and without delay, and it must be remembered that this is not a tax due on each item but on a monthly return. Now a person doing business as registered motor dealer sends his monthly return and he knows exactly what he has to pay within the time fixed according to the regulations. If he does not pay, I submit that it would not only be against the procedure of civilized Governments, but on the contrary it would be against the civilized Governments to ask the Governments to go to a civil court or munsif's court to file a suit for the revenues due to such Governments. What is the procedure then that is available? You just ask him more than once. But what is the sanction? There is no sanction provided for here. Some sanction has to be provided for and that is he has to pay in addition a fine before the court, and who is the authority to levy the fine? If I had said Government, it will be wrong and controversial. There is this civil magistrate to see whether there was any excuse. Therefore it is merely a sanction. Therefore what I feel is that not a single case will occur in a matter of this kind in actual effect. It is no doubt a sanction in potentiality. But as a matter of fact, all these licensed men in a dangerous inflammable material like this who are everyday under observation will do good business, and every payment will be systematic and there will be no hardship whatsoever by the sub-section. But the absence of such a sub-section will mean that there is no sanction whatsoever until we have a suit filed and a decree executed. Therefore it is absolutely necessary that there should be a penal provision of this kind for levying duty."

The amendment was put and lost.

Clauses 10 to 28 were put and carried.

Clause 1 was put and carried.

The preamble was put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move, Sir—

'That the Bill be passed into law.'

The motion was put and declared carried.

Sri B. Narayanaswami Nayudu demanded a poll.

A poll was taken and the House divided thus:

Ayes.

- 1 The Hon. Dr. T. S. S. Rajan.
- 2 Sri B. Bheema Rao.
- 3 " K. Madhava Menon.
- 4 " V. V. Jogayya Pantulu.
- 5 " R. Srinivasa Ayyangar.

- 6 Sri A. Rangaswami Ayyangar.
- 7 " K. V. Srinivasa Ayyangar.
- 8 " N. Sankara Reddi.
- 9 " V. Vasantha Rao.
- 10 " M. Narayana Rao.

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Ayes—cont.

- | | |
|----------------------------------|---------------------------------|
| 11 Sri M. Narayana Menon. | 19 Sri N. Subba Raju. |
| 12 „ K. Venkataswami Nayudu. | 20 „ S. K. Satagopa Mudaliyar. |
| 13 „ T. A. Ramalingam Chettiyar. | 21 Khan Bahadur Sir Mahamed |
| 14 „ D. Sriramamurthi. | Usman Sahib Bahadur. |
| 15 „ P. Veerabhadraswami. | 22 Dr. P. J. Thomas. |
| 16 „ K. P. Mallikarjunudu. | 23 Hameed Sultan Maracair Sahib |
| 17 „ N. Venkatachalamaji. | Bahadur. |
| 18 „ C. Perumalswami Reddiyar. | |

Noes.

- | | |
|----------------------------------|------------------------------------|
| 1 Sri Rao Bahadur N. R. Samiappa | 5 Mr. S. J. Gonsalves. |
| Mudaliyar. | 6 Sri M. D. Kumaraswami Mudaliyar. |
| 2 „ Diwan Bahadur R. Srinivasan. | 7 Dr. Sir K. V. Reddi Nayudu. |
| 3 „ B. Narayanaswami Nayudu. | 8 Sri Rao Bahadur M. Raman. |
| 4 „ Rao Bahadur M. Ramakrishna | 9 Mr. J. A. Saldanha. |
| Reddi. | |

Ayes: 23. Noes: 9.

1-30 The motion was carried and the Bill was passed into law.
p.m.

(3) THE CANALS AND PUBLIC FERRIES (AMENDMENT) BILL, 1939
(L.A. BILL NO. 7 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. MR. YAKUB HASAN:—“ I move—

“that the Bill” further to amend the Canals and Public Ferries Act, 1890, for certain purposes (L.A. Bill No. 7 of 1939), as passed by the Legislative Assembly, be taken into consideration at once.”

“ Sir, section 11 of the Canals and Public Ferries Act, 1890 (Madras Act II of 1890), makes provision *inter alia* for the assignment of the management of a public ferry to a local board or municipal council. The section, as it originally stood, went on to provide that the revenue accruing from the ferry should be credited to the funds of the managing authority, namely, the local board or municipal council concerned. But this provision was omitted by the Government of India (Adaptation of Indian Laws) Order, 1937. The effect of the omission is to make the revenue accruing from the tolls levied at the ferry under the orders of the Government part of the provincial revenues. Under the Government of India Act, 1935, this item of revenue is subject to the vote of the Legislative Assembly and cannot be made over to the local body without a vote of the Assembly. But in fairness to the local body, the revenue derived from a ferry managed by it should be given to it. While under this difficulty we took advantage of paragraph 4 (a) of the India and Burma (Transitory Provisions) Order in Council which provides for local bodies being credited for a period of two years from the 1st April 1937 with sums which were being credited to them before that date. For two years we got over this difficulty and allowed those revenues to be collected by the local bodies and

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utilized by them for their own purposes. But that kind of permission can only last for two years and it will end by 1st April 1939. This Bill has therefore been brought forward to enable the local bodies to collect and spend that money without having to come before the House for its vote.”

DR. SIR K. V. REDDI NAYUDU:—“ Sir, I have only one observation to make. You will remember that on the last occasion when another Bill was before the House I requested the Hon. the Leader of the House and he promised to give us the Objects and Reasons of the Bills that are sent to us. I regret to find that no such thing has been furnished to us.”

* THE HON. MR. YAKUB HASAN:—“ I have read out from the Objects and Reasons that were published with the original Bill. I may mention, Sir, that this Bill has come to this House in the form in which it has been passed by the other House. That is why the Objects and Reasons are not given. In any case I have read out to the House the Objects and Reasons appended to the original Bill.”

DR. SIR K. V. REDDI NAYUDU:—“ Am I to understand, Sir, that this statement of the Hon. Minister for Public Works cancels the promise kindly made to us the other day by the Leader of the House that he would see that the Objects and Reasons are circulated along with the Bill as passed by the other Houses? ”

THE HON. SRI C. RAJAGOPALACHARIAR:—“ I am not quite sure whether it is a technical fault which the hon. Member is finding with the Leader of the House.”

DR. SIR K. V. REDDI NAYUDU:—“ Nothing of the kind, I suggested that course only for the sake of convenience.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“ The position is this: The Bill is published in the Gazette with the Statement of Objects and Reasons and it is printed in the newspapers also with the Objects and Reasons. Then it is placed before the other House. After it is passed by that House, it is received in this House with a message in the form in which it is passed. We cannot repeat the Objects and Reasons in the message, and in the circulation of the notice it can be printed only, if at all, as a quotation from an old document. It cannot form part of the document so far as the official introduction of the measure here is concerned. Would it not be enough if hon. Members have seen it in the Gazette, in the papers, etc., and if it is repeated on the floor of the House? In these circumstances, if hon. Members feel that in every case it is desirable to have the Objects and Reasons as they appear in the original Bill repeated in this House,

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even though the Bill has been repeatedly published and amended, it will be done as an un-official document. It will not form part of the document as it is sent to this House."

DR. SIR K. V. REDDI NAYUDU:—"It makes no difference, whether it comes to us as an un-official document or as an official document. My only suggestion is that it should not be necessary for us to look into the old copies of the Gazette and such other things to know what the Objects and Reasons are. It will be very convenient for us if they are furnished to us in some form or another."

THE HON. DR. T. S. S. RAJAN:—"I think the best thing would be to circulate the original Bill. As this is required only for reference, more copies of the original Bill may be got and circulated to hon. Members."

DR. SIR K. V. REDDI NAYUDU:—"It will be enough for us."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2, 3, 4 and 5 were put and carried.

Clause 1 was put and carried.

The preamble was put and carried.

* THE HON. MR. YAKUB HASAN:—"I beg to move—
'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

MR. PRESIDENT:—"The House will now adjourn and meet again in the Banqueting Hall at 3-30 p.m. on Tuesday, the 21st March 1939."

3rd March 1939]

APPENDIX I.

[Vide answer to starred question No. 177 asked by Sri M. Narayana Rao at the meeting of the Legislative Council held on the 3rd March 1939, page 157 supra.]

Statement showing the average number of weavers per day who attended the weavers' relief centres in the Bellary and Anantapur districts during 1938.

Period.	Anantapur.		Bellary.	
	Uravakonda (average per day).	Yemmliganur (average per day).	Nagaldinne (average per day).	
July 1938	1,321	.. .. .	.. .. .	
August 1938	653	1,373	.. .. .	
September 1938	570	4,496	1,988	
October 1938	700	5,984	5,590	
November 1938	833	3,088	2,282	
December 1938	636	2,047	1,126	

APPENDIX II.

[Vide item III (1) at page 165 supra.]

L.A. BILL No. 5 OF 1939.

(As passed by the Assembly.)

A Bill for the levy of a duty on certain sales of electrical energy effected by licensees in the Province of Madras.

WHEREAS it is expedient to levy a duty on certain sales of electrical energy effected by licensees in the Province of Madras; It is hereby enacted as follows:—

1. (1) This Act may be called the Madras Electricity Duty Act, 1939.

(2) It extends to the whole of the Province of Madras.

(3) It shall come into force on such date as the Provincial Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) 'energy' means electrical energy;

Short title,
extent and
commence-
ment.

Definitions.

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(b) 'licensee' means any person including a company or a local authority licensed under Part II of the Indian Electricity Act, 1910, to supply energy, IX of 1910. or any person including a company or a local authority who has obtained the sanction of the Provincial Government under section 28 of that Act to supply energy; and

(c) 'prescribed' means prescribed by rules made under this Act

Levy of
a duty on
certain
sales of
electrical
energy.

3. (1) Save as otherwise provided in sub-section (2), every licensee in the Province of Madras shall pay every month to the Provincial Government in the prescribed manner, a duty calculated at the rate of six pies per unit of energy, on and in respect of all sales of energy effected by the licensee during the previous month, at a price of more than two annas per unit.

(2) A licensee shall be exempt from duty under sub-section (1) in any month if the total sales of energy effected by him in the previous month, at whatever price, did not exceed 16,666 units:

Provided that if at the end of any financial year, it is found that the total sales of energy effected by the licensee in such year, at whatever price, were not less than 200,000 units, the licensee shall pay the duty in respect of any month or months comprised in such year in which the sales of energy effected by him did not exceed 16,666 units.

(3) Where a licensee holds more than one licence, duty shall be calculated and levied under this section separately in respect of each licence.

Obligation
of licensees
to keep
books of
account and
to submit
returns.

4. Every licensee shall—

- (a) keep books of account in the prescribed form; and
(b) submit returns showing the units of energy supplied and the amount of the duty payable in respect thereof, to such officer, in such form, and at such times as may be prescribed.

Inspecting
Officers.

5. (1) The Provincial Government may, by notification in the Official Gazette, appoint Inspecting Officers to inspect the books of account required to be kept by licensees under clause (a) of section 4.

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(2) Officers so appointed shall perform such duties and exercise such powers as may be prescribed, for the purpose of carrying into effect the provisions of this Act and the rules made thereunder.

XLV of
1860.

(3) Every such officer shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

6. Any duty due under this Act which remains unpaid, shall be recoverable as an arrear of land revenue, or by deduction from amounts payable by the Provincial Government to the licensee Recovery of duty.

7. (1) Any licensee may, with the previous sanction of the Provincial Government and subject to such conditions as they may impose, recover from any person or class of persons to whom energy is sold at a price of more than two annas per unit, the duty which falls to be paid by the licensee in respect of the energy so sold or any part of it, as may be determined by the Provincial Government. Licensee to reimburse himself from consumer in certain cases.

Explanation.—The duty recoverable from any person under this sub-section shall not be deemed to be part of the price charged for the energy by the licensee.

(2) The licensee may, for the purpose of sub-section (1), exercise the power conferred on a licensee by sub-section (1) of section 24 of the Indian Electricity Act, 1910, for the recovery of any charge or sum due in respect of energy supplied by him. IX of 1910.

8. If any licensee—

Penalties.

(a) fails to keep books of account or to submit returns as required by section 4, or

(b) intentionally obstructs an Inspecting Officer appointed under section 5 in the performance of his duties or the exercise of his powers under this Act and the rules made thereunder, he shall be punished with fine which may extend to fifty rupees.

9. (1) The Provincial Government may make rules to carry out the purposes of this Act. Power to make rules.

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(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the time and manner of payment of duty under section 3;

(b) the form of the books of account required to be kept under clause (a) of section 4;

(c) the times at which, the forms in which, and the officers to whom, the returns required by clause (b) of section 4 should be submitted;

(d) the duties and powers of Inspecting Officers appointed under section 5; and

(e) any other matter for which there is no provision or insufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Provincial Government may provide that a breach thereof shall be punishable with fine not exceeding fifty rupees.

(4) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than one month.

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APPENDIX III.

[Vide item III (2) at page 181 supra.]

L.A. BILL No. 6 OF 1939.

(As passed by the Assembly.)

A Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras.

WHEREAS it is expedient to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras; It is hereby enacted as follows:—

1. (1) This Act may be called the Madras Sales of Motor Spirit Taxation Act, 1939. Short title, extent and commencement.

(2) It extends to the whole of the Province of Madras.

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Provincial Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless there is anything repugnant in the subject or context— Definitions.

(a) "Government treasury" means a treasury or sub treasury of the Provincial Government and includes any office, branch or agency of the Reserve Bank of India, transacting treasury business for the Provincial Government;

(b) "importer" means any person who imports motor spirit into British India;

(c) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils, but does not include kerosene, furnace oil, coal or charcoal;

(d) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1934;

(e) "prescribed" means prescribed by rules made under this Act;

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(f) "retail dealer" means any person who sells or keeps for sale motor spirit for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased;

(g) "retail sale" means a sale of motor spirit by a retail dealer for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased, and the expression "sell in retail" shall be construed accordingly; and

(h) "wholesale dealer" means any person who sells motor spirit, or keeps motor spirit for sale, to dealers in such spirit, for the purpose of trade.

Explanation.—A sale of motor spirit by a co-operative society, or a club, a firm or any association to one of its members for consumption is a retail sale within the meaning of clause (g).

Payment of
tax.

3. (1) Subject to the provisions of this Act, there shall be levied on all retail sales of motor spirit effected after the commencement of this Act, a tax

in the case of petrol,—at the rate of one anna and six pies per gallon, and

in the case of any motor spirit other than petrol,—at the rate of six pies per gallon:

and such tax shall be payable by the person effecting the sale:

Provided that the Provincial Government may from time to time by notification fix any other rate at which the tax shall be payable:

Provided further that no such notification shall come into force until approved by a resolution of the Legislative Assembly.

(2) Where any retail dealers obtain their supplies of motor spirit from an importer or a wholesale dealer, it shall be open to the Provincial Government, by agreement with the importer or wholesale dealer, to levy from him in advance the tax which may be payable by the retail dealers under sub-section (1) on the sale by them of the motor spirit and the provisions of this Act relating to the assessment and recovery

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of tax shall, subject to such conditions as may be agreed upon, apply to the importer or wholesale dealer accordingly.

(3) No tax shall be levied under this Act on the sale of any motor spirit in respect of which such tax has already been paid.

4. (1) No person shall, after the commencement of this Act, carry on business in motor spirit as an importer or as a wholesale or retail dealer at any place in the Province unless he has been registered as such under this Act: Registration
of importers
and dealers.

Provided that persons carrying on business at the commencement of this Act shall be allowed two months from such commencement to get themselves registered under this Act.

Explanation.—Where a person has more than one place of business, whether in the same town or village or in different towns and villages, he shall get himself registered separately in respect of each such place of business.

(2) (a) No importer or wholesale dealer shall, unless also registered as a retail dealer under this Act, sell motor spirit for consumption or sale in the Province to any person other than an importer or a wholesale dealer or a retail dealer, registered as such under this Act.

(b) No retail dealer shall use or transfer for consumption any motor spirit stocked by him without its being included in his accounts and in the next return of retail sales submitted by him under section 5 (b).

(3) Application for registration as an importer or a wholesale dealer or a retail dealer under this Act shall be made in such form and to such authority as may be prescribed.

(4) Registration may be made subject to such conditions, if any, as may be prescribed, including in the case of an applicant for registration as a retail dealer, the making of such deposit or the furnishing of such security as the registering authority may consider necessary to ensure the due payment of the tax which may from time to time be payable by him.

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(5) No person including a company or firm registered as an importer, a wholesale dealer or a retail dealer, shall carry on the business of public transport requiring the use of motor spirit.

(6) Any registration under sub-section (1) may be suspended or cancelled by such authority, for such reasons, and in such manner, as may be prescribed.

Obligation of retail dealers to keep books of account and submit returns.

5. Every retail dealer in motor spirit shall in respect of each place where he carries on business—

- (a) keep books of account in the prescribed form; and
- (b) submit every month to the District Collector and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—
 - (i) the quantity of motor spirit received by him during the preceding month;
 - (ii) the quantity sold by him during such month; and
 - (iii) such other particulars as may be prescribed.

Receipt for payment of tax to be furnished along with return.

6. Along with the return referred to in clause (b) of section 5, the retail dealer shall furnish a receipt from a Government treasury for the amount of the tax due in respect of the motor spirit sold by him in retail during the preceding month, according to the return.

Determination of tax by District Collector in certain cases and recovery thereof.

7. (1) If no return is submitted by a retail dealer under clause (b) of section 5 in respect of any month before the date prescribed in that behalf, or if the return is submitted without a receipt for the full amount of the tax due as required by section 6, or if the return submitted appears to the District Collector to be incorrect or incomplete, the District Collector shall, after making such inquiry as he considers necessary, determine the amount of the tax due from such retail dealer in respect of such month and the amount so determined less the sum, if any, already paid by him shall be paid by the retail dealer into a Government treasury within fourteen days after demand is made therefor:

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Provided that before taking action under this sub-section, the retail dealer shall be given a reasonable opportunity of proving the correctness and completeness of his return.

(2) In default of payment within the period aforesaid, the amount of tax due shall be recovered from the person from whom the tax is due as if it were an arrear of land revenue.

8. Every importer or wholesale dealer, shall—

- (a) keep books of accounts in the prescribed form; and
- (b) submit every month to the District Collector and to such other officers as may be prescribed, a return in the prescribed form and before the prescribed date, showing—
 - (i) the quantity of motor spirit received by him in the preceding month,
 - (ii) the quantities of motor spirit supplied by him during such month to other importers, wholesale dealers or retail dealers, specifying the name and address of each importer, wholesale dealer or retail dealer, the quantities supplied to him, and the dates on which the supplies were made, and
 - (iii) such other particulars as may be prescribed.

Obligation of importers and wholesale dealers to keep books of account and submit returns.

9. (1) All accounts and vouchers relating to stocks, purchases, sales and deliveries of motor spirit kept by importers, wholesale dealers and retail dealers and the stocks of motor spirit with them shall be open to inspection by such officers as the Provincial Government may authorize in that behalf.

Powers of entry and inspection.

(2) Any such officer shall have power to enter and search any building, vessel, vehicle or place where any importer, wholesale dealer or retail dealer carries on business or keeps any stock of motor spirit.

10. Any person who—

- (a) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer

Penalties.

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at any place without getting himself registered as required by sub-section (1) of section 4 or when his registration in respect of such place is not in force, or

- (b) fails to keep books of account as required by clause (a) of section 5 or of section 8, or
- (c) fails to submit any return as required by clause (b) of section 5 or of section 8 on or before the prescribed date, or submits an incorrect or incomplete return, or fails to submit a receipt for the full amount of the tax due as required by section 6, or
- (d) fails to pay the tax due from him within the time allowed, or
- (e) fraudulently evades the payment of any tax due under this Act, or
- (f) acts in contravention of any of the provisions of this Act,

shall on conviction by a Presidency Magistrate or a Magistrate of the first class, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

Motor spirit
liable to
confiscation
in certain
cases.

11. The motor spirit in respect of which an offence against this Act is committed and any receptacle in which such spirit is contained shall be liable to confiscation.

Confiscation
how ordered.

12. (1) When in any case tried by a Magistrate the Magistrate decides that anything is liable to confiscation under section 11, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(2) When an offence against this Act has been committed but the offender is not known, or cannot be found, or when anything liable to confiscation

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under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be inquired into and determined by the prescribed officer who may order such confiscation:

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto, and the evidence, if any, which they produce in support of their claims.

13. (1) Any officer of the Provincial Government specially empowered by them in this behalf may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act. Issue of warrants for arrest.

(2) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1898, by a police officer, or if the officer issuing the warrant deems fit, by any other person.

14. Any officer of the Provincial Government specially empowered by them in this behalf may— Power of entry and search without warrant.

- (a) enter and search any building, vessel, vehicle or place in which he has reason to believe that any motor spirit liable to confiscation under this Act is kept or concealed;
- (b) seize any motor spirit and any receptacle which he has reason to believe to be liable to confiscation under this Act; and
- (c) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

15. The provisions of section 61 of the Code of Criminal Procedure, 1898, shall apply to all arrests without warrant made under section 14. Procedure for arrest without warrant.

16. Every officer employed by the Provincial Government or by any local body shall be bound to give immediate information at the nearest police station or, if so required by any general or special order issued by the Provincial Government, to the nearest Excise officer of rank not below that of Sub-Inspector, of all breaches of any of the provisions of this Act which Offences to be reported etc.

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may come to his knowledge; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

Power of
investiga-
tion.

17. (1) Every officer of the Excise, Police or Land Revenue Departments not below such rank as may be prescribed, shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(2) Every such officer shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer ^{V of 1898.} in charge of a police station for the investigation of a cognizable offence:

Provided that if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the District Collector.

Offences to
be bailable.

18. (1) All offences against this Act shall be bailable.

(2) Any officer empowered under section 17 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1898, ^{V of 1898.} to any person arrested without warrant for an offence against this Act

Procedure
on seizure.

19. When anything has been seized by an officer exercising powers under section 17, such officer, after such inquiry as he considers necessary—

- (a) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken;
- (b) if it appears that such thing is liable to confiscation but is not required as evidence as

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aforesaid, shall send the thing with a report of the particulars of the seizure to the prescribed authority; and

- (c) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and shall report to the prescribed authority accordingly.

20. (1) The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

Power to
compound
offences.

- (a) where the offence consists of a sale of motor spirit in contravention of this Act or of the evasion of any tax payable under this Act, in addition to the tax payable by him under section 3, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater and

- (b) in other cases, a sum of money not exceeding five hundred rupees.

(2) On the payment of such sum of money and the tax, if any, payable under section 3, to the prescribed authority, the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

21. (1) No Magistrate shall take cognizance of any offence against this Act—

Cognizance
of offences.

- (i) except upon the complaint or report of the District Collector or other prescribed authority, or
- (ii) except upon his own knowledge or suspicion.

(2) Except with the sanction of the Provincial Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed:

Provided that nothing contained in this subsection shall apply to any case governed by section 23.

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Bar of
certain
proceedings.

22. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Provincial Government, for any act done or purporting to be done under this Act, without the previous sanction of the Provincial Government.

(2) No officer or servant of the Provincial Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitation
for certain
suits and
prosecu-
tions.

23. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Provincial Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

Appeal.

24. (1) Any person aggrieved by any order passed under this Act, not being an order passed by any Court or Magistrate, may appeal—

(a) in case such order is passed by a District Collector, to the Board of Revenue, and

(b) in any other case, to the District Collector.

(2) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority thinks fit.

(3) Every order passed in appeal under this section shall, subject to the powers of revision conferred by section 25, be final.

Revision.

25. The Board of Revenue may, at any time, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act, for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any Court or Magistrate.

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26. (1) The Provincial Government may make rules to carry out the purposes of this Act. ^{Power to make rules.}

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the regulation of the sale of motor spirit for the purpose of enforcing the provisions of this Act;

(c) the duties and powers of inspecting and other officers appointed or authorized to exercise any powers under this Act, and the procedure to be followed by such officers;

(d) the form in which, and the time within which, appeals under section 24 may be preferred; and

(e) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Provincial Government may provide that a breach thereof shall be punishable with fine which may extend to one thousand rupees and, where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(4) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

27. All rules made and notifications issued under this Act shall be published in the Official Gazette and upon such publication, shall have effect as if enacted in this Act. ^{Publication of rules and notifications.}

28. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Provincial Government may, as occasion may arise, by order, do anything which appears to them necessary for the purpose of removing the difficulty. ^{Power to remove difficulties.}

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APPENDIX IV.

(Vide item III (3) at page 194 supra.)

L.A. BILL No. 7 OF 1939.

(As passed by the Assembly.)

A Bill further to amend the Canals and Public Ferries Act, 1890, for certain purposes.

WHEREAS it is expedient further to amend the Canals and Public Ferries Act, 1890, for the purposes herein-after appearing; It is hereby enacted as follows:—

Short title
and com-
mencement.

1. (1) This Act may be called the Canals and Public Ferries (Amendment) Act, 1939.

(2) It shall come into force on the 1st day of April 1939.

Substitution
of new
section for
section 10,
Madras Act
II of 1890.

2. For section 10 of the Canals and Public Ferries Act, 1890 (hereinafter referred to as the said Act), the following section shall be substituted, namely:—

Power to
provide for
management
of ferries and
fix fees and
rates of tolls.

“ 10. (1) The Provincial Government may—
(a) provide for the management of any public ferry, or

(b) authorize any person to convey passengers, animals, vehicles or goods across a channel by means of vessels at any public ferry, or

(c) assign the management of any public ferry to a local board or municipal council.

(2) All vessels used by a person authorized under clause (b) of sub-section (1) shall be licensed, and the Provincial Government may fix the fees payable for such licence.

(3) In the cases referred to in clauses (a) and (b) of sub-section (1), the Provincial Government may levy tolls at such rates as they may fix upon passengers, animals, vehicles and goods conveyed across the ferry.

(4) Where under clause (c) of sub-section (1), the management of a public ferry is assigned to a local board or municipal council, the

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local board or municipal council may levy tolls upon passengers, animals, vehicles and goods conveyed across the ferry at such rates as it may, subject to the control of the Provincial Government, fix. All moneys received by the local board or municipal council from the tolls levied by it under this sub-section shall form part of its funds.

(5) A notice in English and in the language of the district specifying the tolls leviable at a ferry under sub-section (3) or sub-section (4), as the case may be, shall be exhibited to public view on each side of the ferry.”

3. In section 11 of the said Act, the words “ or public ferry ” shall be omitted.

4. To section 14 of the said Act, the following proviso shall be added, namely:—

“ Provided that any ferry rent due to a local board or municipal council shall be recovered as if the same were a tax due to the local board or municipal council.”

5. All tolls levied immediately before the commencement of this Act at any public ferry the management of which has been assigned to a local board or municipal council, shall be deemed to have been levied, with effect from such commencement, by the local board or municipal council concerned under sub-section (4) of section 10 of the said Act as amended by this Act.

Amendment
of section
11, Madras
Act II of
1890.

Amendment
of section 14,
Madras Act
II of 1890.

Provision for
the conti-
nuance of
existing
tolls.

THE MADRAS LEGISLATIVE COUNCIL.

Tuesday, 21st March 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at 3-30 p.m., Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Alleged interference of the ex officio President of Guntur District Board with matters disposed of by previous Presidents.

* 184 Q.—SRI V. GANGA RAJU: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether the Government are aware that the ex officio President, District Board, Guntur, re-opened several matters previously disposed of by his predecessors in office and issued fresh orders after cancelling orders already passed and enforced;

(b) whether the ex officio President consulted the Government before interfering in this matter; and

(c) what the cases are that have come to the notice of the Government so far and what action has been taken by the Government to set right matters against this interference on the part of the ex officio President?

THE HON. SRI B. GOPALA REDDI:—“(a) The answer is in the affirmative.

“(b) The ex officio President consulted the Government in some cases.

“(c) A statement^a is laid on the table.”

Termination of the services of certain honorary medical officers in the Ear, Nose and Throat department of the General Hospital.

* 185 Q.—S. K. AHMED MEERAN SAHIB BAHADUR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the services of Dr. M. R. Bail and Dr. M. Sanjeeva Rao, working as Honorary Medical Officers in the Ear, Nose and Throat department of the General Hospital, Madras, were terminated in the year 1936;

(b) if so, why;

^a Printed as Appendix I on page 230 infra.

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(c) whether they were informed of the charges, if any, found against them and asked to explain at any time during their service;

(d) who were the Superintendents of the General Hospital during the years of their service;

(e) whether there is a rule that confidential communications regarding the work of any Honorary Medical Officer working in the General Hospital, Madras, should be sent to the Government only by or through the Superintendent of the General Hospital, Madras;

(f) whether the Government will state which Secretary to the Government gave to the *Madras Mail* the information that the services of the two doctors in question were dispensed with as they were very irregular in their attendance and as they did not pay proper attention to their duties; and

(g) if, as stated by the Hon. the Minister for Public Health on 15th September 1937 in the Assembly in answer to a supplementary question to Assembly starred question No. 105, confidential reports were made against the abovesaid doctors, whether he will state the source of the reports?

THE HON. DR. T. S. S. RAJAN:—“(a) The answer is in the affirmative.

“(b) On the basis of the confidential reports relating to the work of these officers the Government terminated their services.

“(c) The answer is in the negative. Under the rules then in force relating to the appointment of Honorary Medical Officers in Government medical institutions, it was not necessary to frame charges or to obtain explanations of the Honorary Medical Officers, whose services the Government decided to terminate. Honorary medical officers are not Government servants and are not bound by service rules.

“(d) (1) Lieut.-Col. J. M. Skinner, I.M.S.

(2) Lieut.-Col. (now Major-General) E. W. C. Bradfield, I.M.S.

(3) Lieut.-Col. R. G. G. Croly, I.M.S.

(4) Dr. M. R. Guruswami Mudaliyar.

(5) Lieut.-Col. K. G. Pandalai, I.M.S.

(6) Lieut.-Col. F. J. Anderson, I.M.S.

(7) Capt. R. D. Alexander, I.M.S.

(8) Lieut.-Col. M. M. Cruickshank, I.M.S.

“(e) The rule is that on the 31st January of each year the Superintendent of the Hospital should submit to the Surgeon-General confidential reports on all honorary medical officers serving under him. There is no rule requiring the submission of the confidential reports to Government.

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“(f) No Secretary to Government has given any such information.

“(g) As the matter is confidential, no information can be given.

S. K. AHMED MEERAN SAHIB BAHADUR:—“May I know, Sir, whether the Hon. Minister was summoned to give evidence in the case against the *Madras Mail* by the doctors?”

THE HON. DR. T. S. S. RAJAN:—“Yes, Sir, I received a summons to attend the Court, but I did not attend.”

S. K. AHMED MEERAN SAHIB BAHADUR:—“May I know whether the Government were asked to produce records and whether they did produce them?”

THE HON. DR. T. S. S. RAJAN:—“Such records as could be submitted were sent to the Magistrate.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know, Sir, whether the rule that Ministers should not be summoned was framed after this Government took up the office?”

THE HON. DR. T. S. S. RAJAN:—“Yes, Sir.”

Pupils of the scheduled classes and their admission into common schools run by Labour Department in Malabar.

* 186 Q.—SRI K. MADHAVA MENON: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) what the policy of the Government is with regard to the running of separate schools for the scheduled classes; and

(b) whether it is a fact that many of the labour schools in Malabar are situated in areas where there are neighbouring common schools admitting the scheduled classes without any hesitation whatsoever?

THE HON. SRI V. V. GIRI:—“(a) Generally no labour schools are either opened or maintained where there are other schools which the scheduled classes can and are willing to use. A Labour school is closed when it is found no longer necessary.”

“(b) The matter is being examined.”

Schools of Arts and Crafts in the Presidency.

* 187 Q.—SRI B. BHEEMA RAO on behalf of Sri M. Narayana Rao: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how many schools are there in the Presidency for teaching arts and crafts;

(b) whether any schools have been started since April 1937;

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(c) whether there are any proposals before the Government to start any such schools in 1939, and if so, where; and

(d) whether there is a proposal before the Government to start a weaving school at Uravakonda?

THE HON. SRI V. V. GIRI:—“(a) There are eight Government and 73 private schools which have been recognized by the Industries Department.

“(b) Two schools have been recognized by the department since April 1937.

“(c) Applications for recognition from schools at Tirukaran-gudi, Tinnevely district, Rajahmundry, East Godavari district and Tirur, Malabar district are under the active consideration of the Director of Industries and Commerce.

“(d) The answer is in the negative.”

Fixation of the strength of the Educational Council, Tanjore, consequent on the amalgamation of the East and West Tanjore District Boards.

* 188 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government have taken steps to fix the total number of members of the Educational Council, Tanjore, with reference to the amalgamation of the District Boards of East and West Tanjore and the number of members to be elected by the District Board of Tanjore after amalgamation;

(b) if not, why; and

(c) whether it is a fact that the District Board of Tanjore elected 3 members to the District Educational Council after the amalgamation of the District Board and the Government notified the election by means of a Gazette Extraordinary?

THE HON. SRI C. J. VARKEY:—“(a) & (b) The answer is in the affirmative. The District Board, Tanjore, is entitled to elect twelve members to the Council.

“(c) The answer is in the affirmative.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know when the Government passed the order?”

THE HON. SRI C. J. VARKEY:—“On the 5th of January, I believe.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Is it before or after the receipt of this interpellation?”

THE HON. SRI C. J. VARKEY:—“On the 25th of January the order was issued.”

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“What is the necessity for issuing the Gazette Extraordinary during Christmas holidays?”

THE HON. SRI C. J. VARKEY:—“Because, the term of office of the three members notified in the Gazette Extraordinary will be expiring on the 6th of January. One of them being the Vice-President, there will be the question of his handing over charge to the Collector. To save that, the Gazette Extraordinary was issued following the tradition of the previous Government.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Is it not a fact that the Collector was in charge already before the Gazette Extraordinary was issued?”

THE HON. SRI C. J. VARKEY:—“We have no information.”

Staff posted for prohibition duty in Chittoor, Cuddapah and Salem and special allowances granted to them.

* 189 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Prime Minister be pleased to state—

(a) the number of constables and Sub-Inspectors that have been placed on special prohibition duty in the districts of Chittoor, Cuddapah and Salem and how many of them were taken from outside districts and what those districts are;

(b) whether any special allowances are granted to such persons coming from outside districts; and

(c) whether any representations have been received from the persons placed on prohibition duty from the districts outside the prohibition areas regarding their difficulties and extra expenses by reason of such transfers and if so, what action was taken thereon?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The responsibility for prevention, detection and prosecution of offences under the Madras Prohibition Act in the districts of Salem, Cuddapah and Chittoor devolves on the entire police staff of those districts, which has been strengthened to enable it to cope with the additional work imposed on it. The statement^a placed on the table of the House shows the number of Sub-Inspectors, head constables and constables drafted from other districts for duty in the above districts and the districts from which they were drafted.

(b) The answer is in the negative.

“(c) Representations were received from the staff transferred to the Salem and Chittoor districts.

“These purely administrative details and grievances of officials should, the Government would urge, be left in the interest of discipline to the Executive.”

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SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—" May I ask whether it is not possible to depute the Excise constables and head constables working in one division within the district to work in other divisions, where they have not worked previously, just to avoid the difficulty of the poor constable? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I do not understand the point about hardship, Sir. If a constable does one work at the time, he does not do another work. There is no question of hardship at all. As regards the deputation of Excise constables—that phrase was used—it depends upon the general policy whether the crime created by the Act should be entrusted to the ordinary department which deals with crime or the Revenue Department. It no longer being under the Revenue Department, the police which deals with the ordinary crime department should deal with that class of crime also."

Withdrawal of case against one Narasinga Rao on a charge of rioting at Kovilpatti.

* 190 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that the case against Narasinga Rao, member of the Provincial Congress Committee and 29 other Congressmen filed by the Crown before the Subdivisional Magistrate, Kovilpatti, on a charge of rioting at an anti-Hindi meeting was withdrawn by the Government;

(b) if so, what the reasons are which induced the Government to withdraw the case against these Congressmen; and

(c) whether the Government will lay on the table all the correspondence relating to the above referred case?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) & (b) The facts are as follows:—

A disturbance occurred in connexion with an anti-Hindustani meeting at Ettaiyapuram in the Tinnevely district on the night of the 13th November 1938 which the organizers insisted on holding in spite of the very strong and overwhelming local opinion against the objectives of the meeting. The large crowd which gathered was opposed to the anti-Hindustani movement and began to disturb the speakers. Later some persons from the neighbouring houses started throwing stones. The darkness helped them to carry on this hooliganism. As the disturbance increased the meeting was abandoned, and after some difficulty the Police dispersed the crowd and protected and escorted the speakers and organizers of the meeting. The Government having perused the reports on the occurrence were of the opinion that the meeting should not have been convened

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at all as the people in the area were overwhelmingly against the holding of the meeting in view of the provocative and scurrilous language commonly used by some of the speakers at such meetings. They decided that no purpose would be served under such circumstances by launching any prosecutions based on doubtful identification evidence. The District Magistrate was informed accordingly. No petition to withdraw any case was received from the accused or anyone else.

" (c) It is not in the public interest to do so."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Am I to understand that Government are receiving in every case a report about the nature of the case and the Government are deciding the advisability of proceeding with the case or not? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" No, Sir. Not in every case a report is received, but in respect of this anti-Hindi agitation or any political agitation, wherever there is disturbance or riot, the District Magistrate is in close touch with the Government."

DR. C. RAMALINGA REDDI:—" May I ask the Hon. the Prime Minister whether the District Magistrate recommended the withdrawal of the case? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" As I have already said, we cannot publish the correspondence between the officials and the Government." (Hear, Hear.)

DR. C. RAMALINGA REDDI:—" May I know why the responsibility was taken by the Government? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The presumption itself is wrong."

SRI B. NARAYANASWAMI NAYUDU:—" May I know whether Mr. Narasinga Rao is a member of the Provincial Congress Committee? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I am sorry it is not possible to correct every mistake in every question."

SRI B. NARAYANASWAMI NAYUDU:—" May I know whether it is a fact that Mr. Narasinga Rao was a member of the Provincial Congress Committee? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I am not in a position to answer the question either as a Minister or as a private gentleman. I am not in a position to give information whether Mr. Narasinga Rao is a member of the Provincial Congress Committee. I do not know technically as a Prime Minister; but even as a private gentleman, I am not able to give the answer."

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I know whether the Prime Minister knows that he is a Congressman or not? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I do not know. But I take it it must be so, as it is in the question. "

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Was it not reported by the subordinate officials? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" No. "

S. K. AHMED MEERAN SAHIB BAHADUR:—" When the police charge-sheeted them knowing that they could identify the people and prove the case, how did the Government come to know that it is of doubtful identification? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" It is wrong to say that all the evidence was there. I have given the circumstances of the case and it can be inferred from it that the arrests were made at the time of the disturbance at night. It is wrong to imagine that there was or was not the evidence. "

DR. C. RAMALINGA REDDI:—" What was the Advocate-General's opinion? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" It is not usual, Sir, but if hon. Member thinks that such cases should be referred to the Advocate-General and questions like identification and evidence, I must respectfully say it is not correct. "

DR. C. RAMALINGA REDDI:—" May I offer an apology and state that I raised that point because I wanted to save the Government the imputation that they were acting on doubtful motives? My object was to save the Government from that legitimate imputation. "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I thank the Member for explaining exactly his attitude. The Advocate-General will be of no use in such an action, because it is a matter of evidence and facts and there is nothing to give opinion on such matters. "

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Did the Government consult the Public Prosecutor? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" As I have already said, I am not going to place on the table all our correspondence in respect of this matter. I have given the circumstances and it should be enough for hon. Members to see the difficulty in the case. Let me also add with regard to the insinuations that are involved in the supplementary

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questions, that the same policy has been adopted, either one or the other where there is a predominant population against a particular movement carried on in an acute and active spirit. We wish to prevent a clash. "

Measures taken for giving assistance to people who have lost their house property by accidental fires.

* 191 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the names of the villages and of the municipalities where there were accidental fires in Chittoor and Ceded districts during the last five years;

(b) the value of the property lost in each village and municipality by these fires;

(c) what measures are taken by the Government to enable the poor people to rebuild their houses;

(d) whether any free grants for thatch and bamboos are made by the Government for rebuilding the houses and if so, whether they are sufficient for the purpose; and

(e) whether the Government propose, in deserving cases to grant money, also, in addition to the free grant of bamboos, etc., to rebuild the houses?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (a) to (c) The Government have not complete information as only fire accidents involving serious damage to life and property or which require relief in excess of the powers of the subordinate authorities are reported to the Government.

" (d) Yes; adequate grants are made where necessary.

" (e) Suggestions if any made at the proper time will be considered by the Government. There is no prohibition in the rules against such a grant. "

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—" May I enquire, Sir, whether the Government have received any representations from the people affected asking them to grant money also in addition to the free grant of bamboos, etc., for building houses? "

THE HON. SRI V. I. MUNISWAMI PILLAI:—" Not to the Government. "

Number of candidates for seats in Government Training College, Rajahmundry, and number of those selected from Nellore district.

* 192 Q.—SRI L. SUBBARAMA REDDI: Will the Hon. the Minister for Education be pleased to state—

(a) how many candidates applied from the Nellore district for seats in the Training College, Rajahmundry, in 1938:

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- (b) how many of them were admitted and on what basis;
 (c) what the total number is of candidates who applied for seats for admission in the Government Training College, Rajahmundry; and
 (d) how many of them were selected from each district and on what basis?

THE HON. SRI C. J. VARKEY:—“(a) Sixteen candidates applied.

“(b) Four were admitted. Six candidates were actually selected, but two did not appear for admission. The selection of the six candidates was made on the general grounds which apply to all admissions, viz., representation of communities, representation of districts, representation of schools; preference being given to candidates with previous teaching experience.

“(c) Two hundred and ninety-seven.

“(d) The number of candidates selected from the several districts was as follows:—

Vizagapatam—12	Nellore—6
East Godavari—29	Kurnool—2
West Godavari—17	Chittoor—4
Kistna—15	Anantapur—4
Guntur—17	Bellary—1

“The basis of selection was the same as that explained in the answer to clause (b).”

Necessity for appointing to the Science Lecturers' post in the Government Training College, Rajahmundry, one conversant with Telugu.

* 193 Q.—SRI B. BHEEMA RAO on behalf of Sri D. Sri-ramamurti: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government are aware of the fact that the lecturer of science in the Government Training College, Rajahmundry, has not been conducting any criticism lessons and not been giving model lessons for the B.Ed. students, ever since he took charge, owing to his ignorance of the local vernacular, i.e., Telugu;

(b) whether the Government are aware that these two kinds of work are being done by model school assistants who are not qualified to handle college classes; and

(c) if the answers to (a) and (b) are in the affirmative, whether the Government propose to take any necessary action in the interests of the institution and students of that College?

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THE HON. SRI C. J. VARKEY:—“(a) Yes.

“(b) Yes, but the work referred to is not teaching college classes, but handling school classes for which the school assistants are fully qualified.

“(c) The Government have no reason to believe that the interests of students are being adversely affected.”

Appointment of a European as the Agent of Government of India in Burma.

* 194 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state—

(a) whether his attention has been drawn to the news appearing in front page of the *Indian Express*, dated the 7th February 1939 (evening edition) under the heading “Madras Government's Policy of De-Indianization”; and

(b) whether it is a fact that the Madras Government pleaded with the Central Government for the appointment of a European officer as the Government of India's Agent in Burma?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) & (b) The answer is in the negative. The facts are that in June 1938, when conditions were normal in Burma, the Government of India in consultation with the Madras Government selected a comparatively junior Indian I.C.S. Officer for appointment as their first Agent in Burma and he was to have joined the appointment about the end of September 1938. Meanwhile serious riots broke out in Burma and in view of the changed conditions the Madras Government considered that a very senior officer should be sent to Burma with the least possible delay and this was accepted by the Government of India. Because the officer of suitable seniority immediately available happened to be a European, it is wrong to infer that the selection was made on that ground. The question of race did not weigh with the Madras Government in making the selection.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Will the Government write to the Government of India to appoint a non-official Indian to the next vacancy?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“If this suggestion meets with general public approval, it may be made.”

DR. C. RAMALINGA REDDI:—“May I know the reason why the Hon. Minister thinks that it does not?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“The burden should not be put that way. We must first know that it is not put down on ground of racial discrimination and that it is wanted by everybody.”

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Financial position of forest panchayats.

* 195 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to refer to the Administration Report on the working of the Forest Panchayats for 1937–38 and to state—

(a) why no rent is shown against the 10 forest panchayats of South Kanara with 3.04 square miles of forests to manage; and

(b) what steps Government have decided to take or contemplate taking

(1) for improving the financial position of the panchayats, and

(2) for more interest being roused among panchayatdars in the management of forests?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The ten panchayats manage individually very small extents. Their income is small; it was considered that it was not necessary to recover any rent from them from out of their problematical surpluses.

“(b) (1) & (2) The matter is under consideration of Government.”

Relief for tenants of ryotwari landlords.

* 196 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Revenue be pleased to refer to his answer given to my unstarred question No. 15 on 12th December 1939, and to state—

(a) what measures are decided upon or contemplated to relieve the tenants of ryotwari landlords;

(b) whether Government have considered the provisions made in the Malabar Tenancy Act for giving fixity of tenure to Kanamdars and Verumpattamdars in Malabar, subject to certain conditions by way of compensation or solatium to the landlords as applicable to tenants in South Kanara *mutatis mutandis*; and

(c) whether any measures have been under contemplation for the relief of tenants of mirasdars and other ryotwari landlords in districts other than Malabar and South Kanara?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The Government are considering requests from tenants for the amendment of the Malabar Tenancy Act.

“(b) The provisions of the Malabar Tenancy Act are, by the terms of the Act, applicable only to Malabar. The Government have not examined the question whether similar provisions would be suitable for application to South Kanara.

“(c) The answer is in the negative.”

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MR. J. A. SALDANHA:—“May I know whether Government contemplate giving some sort of fixity of tenure to tenants outside the district of Malabar?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The Government have got a proposal in that connexion and it may be announced later on.”

Inclusion of villages in Chandragiri taluk under the jurisdiction of Tirupati District Munsif's Court.

* 197 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: With reference to the answer given to clauses (a), (b) and (c) of my starred question No. 96 on the 25th March 1938 by the then Minister for Courts and Prisons, will the Hon. the Minister for Law be pleased to state—

(a) whether the information referred to in the answer has been called for; if so, whether it will be placed on the table of the House; and

(b) whether, as mentioned in the answer given to a supplementary question, the question of inclusion of the villages in the Chandragiri taluk under the jurisdiction of the Tirupati District Munsif's Court was considered; if so, what the decision of the Government is?

THE HON. DR. P. SUBBARAYAN:—“(a) The information^a is laid on the table of the House.

“(b) The matter is under consideration.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“With regard to clause (b) in view of the fact that Government have got full information, whether they will now at least consider the desirability of including such of the villages as are very near to Tirupathi within the jurisdiction of the Tirupathi District Munsif's Court instead of asking them to go about 40 miles to Chittoor?”

THE HON. DR. P. SUBBARAYAN:—“I have already stated that the matter is under consideration.”

Alleged suspension of the Headmaster, Board Boys' School, Panchanathikkulam, Tiruturaipundi taluk.

* 198 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that the President, District Board of Tanjore, suspended on 24th January 1939 the Headmaster, Board Boys' School, Panchanathikkulam, Tiruturaipundi taluk and communicated the said suspension order by telegram; and

(b) if so, what the charges against him are, for which he was suspended?

^a Printed as Appendix III on pages 231–232 infra.

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THE HON. SRI C. J. VARKEY:—“(a) & (b) The Government have no information, but they have called for it.”

Certain particulars about the candidates deputed for training at Wardha and the manner in which their services are proposed to be utilized by the Government.

* 199 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: With reference to the answer given to starred question No. 171 at the meeting held on 23rd February 1939, will the Hon. the Minister for Education be pleased to state—

(a) the date on which each of the three officers is due to retire;

(b) the conditions laid down or agreed upon, if any, between those three officers and the Government after they were deputed to undergo training at Wardha;

(c) whether any departmental action was at any time taken against any of the three officers;

(d) if so, against whom and for what reasons;

(e) how the Government propose to utilize the services of these three officers;

(f) at what place the training school will be opened; and

(g) whether these three officers only had the enthusiasm and new outlook which were required for the selection?

THE HON. SRI C. J. VARKEY:—“(a) The three officers are due to retire on the dates specified below:—

M. S. Sundareswara Ayyar—15th February 1941.

K. N. Rangaratna Sastri—13th November 1957.

S. K. Venkatarama Ayyar—8th January 1951.

“(b) No conditions were laid down or agreed upon.

“(c) The answer is in the negative.

“(d) Does not arise.

“(e) & (f) The matter is under consideration.

“(g) No such claim was made on behalf of the three officers.”

Certain particulars about the Wardha Scheme of Education.

* 200 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Education be pleased to place on the table a brief statement which will furnish the following particulars with regard to the Wardha Scheme of Education—

(a) the total period within which a pupil can complete his course;

(b) how the Government propose to introduce the scheme, i.e., whether stage after stage and district after district or in the whole presidency at once;

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(c) the total number of teachers required for introducing the scheme in the whole presidency and in how many years the Government expect to train them;

(d) the total amount required for training the required number of teachers; and

(e) the period for which each teacher should undergo the training to get the necessary certificate?

THE HON. SRI C. J. VARKEY:—“(a) to (e) The whole question is under consideration.”

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—NOMINATION TO THE HOUSE COMMITTEE.

MR. PRESIDENT:—“I have to announce to the House that Mr. D. M. Reid, who was nominated to the House Committee under Rule 143 of the Madras Legislative Council Rules, has since resigned his membership of the Council and I have nominated Sir Frank Birley as a member of the House Committee.”

III.—PRESENTATION OF SUPPLEMENTARY STATEMENT OF EXPENDITURE FOR THE YEAR 1938-39.

* THE HON. DR. T. S. S. RAJAN:—“Sir, I beg to present the Demands for Grants for further expenditure and the Detailed Supplementary statement of expenditure thereof for the year 1938-39.”

The House then adjourned to meet again at the Banqueting Hall at 11 a.m. on Saturday, the 25th March 1939.

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APPENDIX I.

[Vide answer to starred question No. 184 asked by Sri V. Ganga Raju at the meeting of the Legislative Council held on the 21st March 1939, page 215 supra.]

Statement of cases brought to the notice of the Government where the ex officio President, District Board, Guntur, re-opened matters disposed of by his predecessor.

Subject matter.	Nature of action taken by Government.
1 Payment of premium from Provident Fund towards Life Insurance of employees of the late Ongole District Board.	The legal position was explained to the ex officio president, district board.
2 Modification of punishment inflicted on Sri D. V. Venkatraman, Overseer.	The Government declined to interfere with the orders of the President of the late Ongole District Board.
3 Entrustment of contracts to Sri D. Kristnamma.	The ex officio president, district board, was directed to give effect to the former president's orders.
4 Cancellation of orders of President, late Ongole District Board, regarding text-books.	The Government did not interfere.
5 Reinstatement of teacher, Jogamma.	The matter is under consideration.

APPENDIX II.

[Vide answer to starred question No. 189 asked by Sri Rao Bahadur M. Ramakrishna Reddi at the meeting of the Legislative Council held on the 21st March 1939, page 219 supra.]

Statement showing the number of men drafted from other districts consequent on the introduction of prohibition in the Salem, Chittoor and Cuddapah districts.

Name of the district to which men were transferred.	Name of the district from which men were transferred.	Number of Sub-Inspectors.	Number of head constables.	Number of constables.
(1)	(2)	(3)	(4)	(5)
Salem district	Malabar	2	..	..
	Coimbatore	..	7	12
	Trichinopoly	2	7	12
	Tinnevely	1	2	13
	South Arcot	1	2	13
	Ramnad	1	2	13
	North Madura	1	2	13
	South Madura	1	1	13
	Tanjore	1	2	12
	Chingleput	1	3	12
	North Arcot	1	4	12
	Total	12	32	125
Chittoor district	Anantapur	3	6	25
	Guntur	3	4	17
	Kurnool	1	..	..
	Nellore	1	2 *	8
	Total	8	12	50
Cuddapah district	Kurnool	3	6	25
	Bellary	3	4	10
	Nellore	2	2	10
	Total	8	12	45

* Acting head constables.

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APPENDIX III.

[Vide answer to starred question No. 197 asked by Sri Rao Bahadur M. Ramakrishna Reddi at the meeting of the Legislative Council held on the 21st March 1939, page 227 supra.]

Question No. 96.

Will the Hon'ble the Minister for Courts and Prisons be pleased to state—

- the names of taluks in Chittoor district that fall under the jurisdiction of Chittoor and Tirupati Munsif's Courts ;
- the respective distances of such villages in Chandragiri taluk as fall under the jurisdiction of Chittoor Munsif's Court ;
- whether it is a fact that some of the villages about two miles from the Tirupati Munsif's Court fall under the jurisdiction of the Chittoor Munsif's Court about forty miles away.

* * * *

Answer.

(a) *Jurisdiction of the District Munsif's Court, Chittoor.*

- The whole of the revenue taluk of Chittoor.
- The whole of the revenue taluk of Palmaner as newly constituted.
- The Pakala, Panapakam and Chandragiri firkas of the revenue taluk of Chandragiri.
- The area comprised within the limits of the Kangundi zamindari, except the 22 below-ghat villages.

Jurisdiction of the District Munsif's Court, Tirupati.

- The Tirupati firka of the revenue taluk of Chandragiri.
- The Kalahasti zamindari.
- The Narayanavanam taluk of the Karvetinagar zamindari.

(b) A statement^a is annexed.

(c) The answer is in the affirmative. This is because these villages are comprised in the revenue firka of Chandragiri taluk which is attached to the Chittoor District Munsif's Court.

^a Vide Appendix page 232 infra.

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Statement.

Pakala firka of the revenue taluk of Chandragiri.

Name of village.	Distance from Chittoor. MILES.	Distance from Tirupati. MILES.
1 Jakkadona	18	25
2 Oddepalle	20	22
3 Adenapalle	20	22
4 Pakala	18	23
5 Gorpadu	19	24
6 Peddaramapuram	21	25
7 Ganigapenta	23	28
8 Maddinayanipalle	22	32
9 Mogarala	24	27
10 Thotathimmiahpalle	24	27
11 Damalcheruvu	22	28
12 Padipatlabylu	23	28
13 Ramireddigaripalle (Kalloorpoliem zamin) ..	33	45
14 Devalampeta	38	46
15 Kallur	25	43
16 Venkatadasaripalle	30	32
17 Bodireddigaripalle	30	33
18 Bandaruvaripalle (Pulicherlapoliem zamin) ..	29	31
19 Reddivaripalle (Pulicherlapoliem zamin) ..	22	32
20 Mangalampet (Pulicherlapoliem zamin) ..	31	43
21 Ramireddigaripalle (Pulicherlapoliem zamin) ..	32	44
22 Ganamvaripalle (Pulicherlapoliem zamin) ..	31	42
23 Vallivedu	29	31
24 Kavetigaripalle	29	31
25 Ellankivaripalle	30	32
26 Rajavaripalle	31	32
27 Vallivettivaripalle	30	32

Panapakam firka of the revenue taluk of Chandragiri.

1 Agarala	31	10
2 Aitepalle	31	10
3 Mamandur	30	11
4 Mungilipat }	28	13
5 Kothapalle	25	17
6 Kalroipalle	24	17
7 Panapakam	37	10
8 Kotala	35	10
9 Pullayyagaripalle	18	24
10 Chinnaramapuram	22	20
11 Kondreddi Khandrigai	42	13
12 Bheemavaram	22	19
13 Gadanki	22	19

Chandragiri firka of the revenue taluk of Chandragiri.

1 Perooru	37	4
2 Cherlopalle	36	5
3 Pudipatla	36	5
4 Mallavaram	35	6
5 Sanambatla	34	7
6 Thondavada	35	6
7 Dornakambala	34	10
8 Chandragiri	34	7
9 Reddivaripalle	34	7
10 Narasingapuram	34	7
11 Mittapalem	34	7
12 Ramireddipalle	35	8
13 Arepalle	34	10
14 Nagapatla	35	10
15 Seshapuram	36	12
16 Thummalagunta (Inam)	38	3
17 Ramanjapalle (Inam)	37	4
18 Gollapalle (Inam)	37	4
19 Kalur (Inam)	36	5
20 Pathakalva (Inam)	38	3
21 Paidipalle (Inam)	34	6
22 Chintagunta	25	25

THE MADRAS LEGISLATIVE COUNCIL.

Saturday, 25th March 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Utilization of forest trees for industrial purposes.

* 201 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to refer to the answer given to my question No. 379 on 27th August 1927, in the Legislative Council on the subject of utilization of forest trees for industrial purposes and to state what progress has been made in this matter since 1927 and what steps the Government are taking for the development of industries out of forest products?

THE HON. SRI V. I. MUNISWAMI PILLAI:—"The ground covered is extensive and it is difficult to give an exhaustive answer. A brief statement * giving the information is, however, laid on the table."

MR. J. A. SALDANHA:—"The cultivation of cashewnut is mentioned here as one of the aims of the department. I want to know, Sir, what use they would make of the fruit. May it not be used for the production of power alcohol, if not liquor?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"It will be considered, Sir."

Statement showing various particulars regarding loans granted under the Madras State Aid to Industries Act.

* 202 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Industries and Labour be pleased to place on the table a statement showing the following particulars in respect of each of the persons who applied for a loan under the provisions of the State Aid to Industries Act for the period commencing from 1st March 1938 up to date—

(1) name of the industry;

(2) name of the owner if individual or the name of the Managing Director if it is a concern;

* Printed as Appendix I on pages 272-273 infra.

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- (3) amount of loan applied for;
- (4) whether loan was sanctioned or refused or is pending disposal;
- (5) if sanctioned, the amount with the rate of interest and with the period of repayment;
- (6) if refused, the reasons for the same; and
- (7) amount collected so far, if any?

THE HON. SRI V. V. GIRI:—“(1), (2), (3), (4), (5) & (6) Two statements* furnishing the information are placed on the table of the House.

“(7) No amount has yet been collected as in no case has the time for repayment of the loan fallen due.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“With reference to item No. 13, may I know the nature of the recommendations of the Board of Industries?”

THE HON. SRI V. V. GIRI:—“The matter is under consideration.”

Cottage industries and the necessity for centralizing them.

* 203 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) what the cottage industries are that the Government propose to start this year and whether any arrangements have been made to make them an economic success;

(b) whether the Government have considered the necessity of centralizing all the cottage industries and placing them on an organized basis; and

(c) whether any cottage industries have been subsidized or started by the Government in Andhra Desa; if so, what they are?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The Government have no such proposal before them.

“(b) Yes. The attention of the hon. Member is invited to the chapter on “Cottage industries” in paragraphs 42–46 at pages 28–34 of the Administration Report of the Department of Industries for the year ending 31st March 1938 which has been placed at the disposal of the Press. The Government are also taking steps to establish a central commercial museum cum emporium in Madras, where the products of cottage industries will be displayed free and to which similar institutions in each district may in due course be affiliated. They have recently instructed district Collectors to study and report ways and means for the

* Printed as Appendix II on pages 274–283 infra.

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development of the existing cottage industries in the districts and for the establishment of new industries for which facilities exist. In this connexion they have under their consideration the question of decentralizing the agency for the grant of financial assistance under the Madras State Aid to Industries Act, 1922, so that aid may be within easy reach of the village cottage worker.

“(c) The hand-spinning and khadi manufacturing industry in Andhra Desa is receiving substantial assistance out of the grant of about two lakhs of rupees placed at the disposal of the All-India Spinners' Association for the development of the hand-spinning movement. In addition to this, a special grant and subsidy for this purpose have been given to two centres in the famine areas of the Ceded districts. The cottage and small-scale woollen industries which are being run on co-operative lines in the Andhra Desa are also receiving grants-in-aid from the Government. Further the usual grants-in-aid for training students in cottage industries are distributed to several industrial schools in the areas. A few cottage workers in these parts have been granted aid under the State Aid to Industries Act.”

DR. C. RAMALINGA REDDI:—“May I know what the amounts spent so far under each item are?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Notice, Sir.”

MR. J. A. SALDANHA:—“What steps have the Government taken to establish museums in the district centres?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“I have already said that the Collectors have been instructed to find ways and means and as the hon. Member knows, a few museums have already been established.”

Publication of the Madras Presidency Administration Report, 1937–38.

* 204 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Information be pleased to state whether the Administration Report of the Madras Presidency for 1937–38 has been published or whether its publication has ceased and to state the reason for the delay or stoppage of the publication?

THE HON. SRI S. RAMANATHAN:—“The Administration Report of the Madras Presidency for 1937–38 is under issue. The report is usually issued about the beginning of March. The printing of the report has taken rather longer than usual this year owing to the inclusion for the first time of maps and graphs some of which are rather difficult to print. I am now in a position to inform the hon. Member that it has been decided to release the report on the 27th instant.”

[25th March 1939]

Transfer of suits from Devakottai Sub-Court to Ramnad Sub-Court at Madura.

* 205 Q.—SRI A. RANGASWAMI AYYANGAR: Will the Hon. the Minister for Law be pleased to state—

(a) whether it is a fact that civil appeals from suits concerning the people of Sattur and Srivilliputtur munsifi were transferred by the District Judge of Ramnad to the Subordinate Judge's Court of Devakottai for disposal in the year 1938;

(b) whether it is a fact that several original suits were transferred from Devakottai Sub-Court to Ramnad Sub-Court at Madura in 1938-39;

(c) whether the Government have received any representations on the hardship consequent on the transfer of suits from Devakottai to other courts and consequent on the abolition of the Additional Sub-Judge's post at Devakottai; and

(d) if so, what action the Government have taken on those representations?

THE HON. DR. P. SUBBARAYAN:—“(a) Ten appeals from suits concerning the people of Sattur munsifi and seven appeals from suits concerning the people of Srivilliputtur munsifi were transferred in July 1938 from the Sub-Court, Ramnad, to the Sub-Court, Devakottai.

“(b) Thirty original suits were transferred in January 1939 from the Sub-Court, Devakottai, to the Sub-Court, Ramnad, consequent on the abolition of the appointment of the Additional Sub-Judge, Devakottai.

“(c) The answer is in the affirmative.

“(d) The Government are considering the matter.”

SRI A. RANGASWAMI AYYANGAR:—“Are the Government aware of the considerable hardship caused by the transfer and re-transfer of suits and appeals from one place to another?”

THE HON. DR. P. SUBBARAYAN:—“I am aware of these; but administrative convenience has also to be taken into consideration.”

SRI A. RANGASWAMI AYYANGAR:—“Are the Government aware of the distance between Devakottai and Sattur?”

THE HON. DR. P. SUBBARAYAN:—“I think the hon. Member can give me the credit for knowing the distance between the two places.”

MR. J. A. SALDANHA:—“May I request the Hon. Minister to say what the distance is for the enlightenment of other hon. Members?”

THE HON. DR. P. SUBBARAYAN:—“I do not know why the hon. Member from South Kanara is very anxious to know the distance.”

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MR. J. A. SALDANHA:—“I am as anxious as anybody else. I am sure it would be repeated in other places. These transfers of suits and appeals is not only causing great hardship to the parties concerned, but involves extra cost both to the parties and pleaders.”

THE HON. DR. P. SUBBARAYAN:—“I do not know, Sir, if the hon. Member has read what I said in the other House that we are considering the convenience of the litigants. The question will also be taken into consideration in the matter of the abolition of courts.”

Pending suits in Devakottai Sub-Court.

* 206 Q.—SRI A. RANGASWAMI AYYANGAR: Will the Hon. the Minister for Law be pleased to state the number of suits pending in 1938 in the Devakottai Sub-Court?

THE HON. DR. P. SUBBARAYAN:—“Two hundred and fifty-five original and eighty small cause suits were pending at the end of the year 1938 in the Subordinate Judge's Court, Devakottai.”

SRI A. RANGASWAMI AYYANGAR:—“Will the Government consider the advisability of the disposal of suits by the establishment of an additional sub-court?”

THE HON. DR. P. SUBBARAYAN:—“No, Sir.”

SRI A. RANGASWAMI AYYANGAR:—“Are the Government aware of the fact that on account of the large pendency of suits, suits have to be transferred to other courts and the litigant public is put to considerable hardship?”

THE HON. DR. P. SUBBARAYAN:—“There is a proposal now by the litigant public that it will be more convenient to have it at Karaikudi. I do not know if the hon. Member will consider it more convenient.”

SRI A. RANGASWAMI AYYANGAR:—“Between Devakottai and Karaikudi, is there much difference?”

THE HON. DR. P. SUBBARAYAN:—“There will be much difference as Karaikudi is twelve miles from Devakottai.”

SRI A. RANGASWAMI AYYANGAR:—“Is the Hon. Minister for Law aware of the considerable hardship caused by transferring suits from Devakottai to Madura?”

THE HON. DR. P. SUBBARAYAN:—“I am aware of the hardship. That is why I am considering the allocation of courts in the Ramnad district.”

[25th March 1939]

Difficulties experienced in cashing cheques at Tiruppattur treasury and establishment of a treasury at Devakottai.

* 207 Q.—SRI A. RANGASWAMI AYYANGAR: Will the Hon. the Minister for Law be pleased to state—

(a) the amount received through (1) court-fee stamps, (2) non-judicial stamps, and (3) poundage fees, for the last ten years from the Devakottai Sub-Courts;

(b) the amount of deposit in the treasury at Tiruppattur through the Devakottai Sub-Courts;

(c) whether it is a fact that order-cheques are not issued and whether the vakils are required by the Treasury Officer at Tiruppattur to personally present cheques; and

(d) whether the Government propose to take steps for the establishment of a treasury at Devakottai?

THE HON. DR. P. SUBBARAYAN:—“(a) A statement ^a is laid on the table.

“(b) The amount of deposit was Rs. 4,22,383-5-11 on 24th February 1939.

“(c) The answer to the first part of the question is in the affirmative. The answer to the second part of the question has been called for.

“(d) The proposal to locate a treasury at Devakottai has been carefully considered, but, for financial reasons, the Government are unable to give effect to it at present.”

SRI A. RANGASWAMI AYYANGAR:—“Do the Government consider that the amount of court-fee received in Devakottai court is inconsiderable?”

THE HON. DR. P. SUBBARAYAN:—“Not at all; it is quite considerable.”

SRI A. RANGASWAMI AYYANGAR:—“If so, will the Government give effect to the memorial by having an additional Sub-Court in Devakottai?”

THE HON. DR. P. SUBBARAYAN:—“I have already answered in the negative.”

SRI A. RANGASWAMI AYYANGAR:—“Are the Government aware of the hardship caused by the cheques having to be cashed in Tiruppattur?”

THE HON. DR. P. SUBBARAYAN:—“I have already fully dealt with the question. If the hon. Member presses for an answer, he may not get exactly what he wants.”

^a Printed as Appendix III on page 284 infra.

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SRI A. RANGASWAMI AYYANGAR:—“Will Government issue instructions to the Treasury Officer at Tiruppattur to issue order cheques instead of bearer cheques?”

THE HON. DR. F. SUBBARAYAN:—“This suggestion of the hon. Member which is very valuable will be considered.”

Application fees fixed for appointment to various posts in Government service and fees for menial posts.

* 208 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI on behalf of Sri B. Narayanaswami Nayudu: Will the Hon. the Prime Minister be pleased—

(a) to place on the table a statement showing the amount of fees fixed for payment along with the applications for appointment to the various posts under the Government in the Subordinate Service both in the mufassal and in the City offices and in the office of the Public Service Commission; and to state

(b) whether it is a fact that a fee of Rs. 5 was fixed for applications for menial posts such as peons, muchis, etc., which is not refundable;

(c) if so, whether that procedure is still in vogue and if not, when it was first introduced and when it was cancelled; and

(d) what the total receipt in this item is in each office?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The rates of fees are as follows:—

	RS.
(1) For posts for which selection is made by the Commission	10
(2) For posts for which selection is <i>not</i> made by the Commission—	
(a) if the maximum pay of the post is Rs. 50 and above	10
(b) in other cases	5

These fees are levied only if selections are to be made after advertisement.

“(b) & (c) On 16th October 1937, an order was issued covering cases of selection for posts below Rs. 50. But on 10th November 1938, the Madras Inferior Service was excluded from the purview of the order.

“(d) The collection of the information from each office in each department will involve considerable time and labour. The amount collected on this account during the period 10th October 1937 to 10th November 1938 could not be appreciable. In fact it has been ascertained that the revenue was nil so far as the office of the Board of Revenue and the Survey department are concerned.”

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—Will the Government consider the desirability of refunding the amount collected from the inferior services, that is peons and others? ”

THE HON. SRI C. RAJAGOPALACHARIAR:—“ I do not think it is possible, Sir, but the suggestion will be considered. It is difficult to make refunds of money collected and spent.”

Panchayat Officer, Orathanad, Tanjore district, and his alliance with the Congress party and appointment of honorary and paid Panchayat Officers.

* 209 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI on behalf of Sri B. Narayanaswami Nayudu: With reference to the answer given to starred question No. 127 on 27th January 1939, will the Hon. the Minister for Local Administration be pleased to state—

(a) the native place of Mr. P. A. Ramakrishna Reddi, B.A., Panchayat Officer, Orathanad, Tanjore district;

(b) whether he is still continuing in office;

(c) if not, who the present Panchayat Officer is;

(d) whether the said Ramakrishna Reddi or the new Panchayat Officer, if any, or their close relations are members of the Congress party;

(e) why the Government appointed honorary officers for certain panchayats and paid officers for others; and

(f) whether the Government have ascertained before appointing paid Panchayat Officers whether persons who would be willing to work as honorary Panchayat Officers were available in those places or not?

THE HON. SRI B. GOPALA REDDI:—“ (a) He belongs to South Arcot.

“ (b) The answer is in the negative.

“ (c) Sri T. Swaminathan, B.A.

“ (d) The Special Officers appointed do not belong to the Congress party. The Government do not have a list of the relations of the Special Officers; nor is there any information as to the party or parties to which those relations belong. Even if the candidates for Special Officers' posts have relations belonging to the Congress party, this is no longer a bar to their appointment.

“ (e) & (f) Honorary Special Officers are appointed only to panchayats whose finances do not permit the appointment of paid Special Officers.”

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SRI K. MADHAVA MENON:—“ Is relationship to Congressmen a disqualification for Government service? ”

THE HON. SRI B. GOPALA REDDI:—“ It is not.”

SRI K. MADHAVA MENON:—“ Is relationship to Justice party members a monopoly for Government service? ”

THE HON. SRI B. GOPALA REDDI:—“ Perhaps it was so previously.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ May I know whether there is justification for the suggestion conveyed in the supplementary question? ”

THE HON. SRI B. GOPALA REDDI:—“ The question put is whether the said Ramakrishna Reddi or the new Panchayat Officer or their close relations are Congress members. That is a question which I cannot answer.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ With regard to the supplementary question, Sir, may I know whether there is any intention to show that the questioner alleges any disqualification for Congressmen or any other party? ”

THE HON. SRI B. GOPALA REDDI:—“ Mr. Madhava Menon will answer it.”

THE RT. HON. V. S. SRINIVASA SASTRI:—“ Considering that the whole of this Council is expected to take interest even in the supplementary questions, may I suggest, Sir, that when the Leader of the Opposition puts his supplementary questions, he should take care that he is audible and the whole thing does not degenerate into a conversation? ”

District boards amalgamated in December 1938 and election of presidents and vice-presidents to those boards.

* 210 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Local Administration be pleased to state—

(a) what the district boards are which were amalgamated during December 1938;

(b) on what dates and hours, meetings were convened for the election of presidents and vice-presidents of the respective amalgamated boards; and

(c) whether the Government fixed the dates and hours and asked the ex officio presidents to convene meetings on such dates and hours?

THE HON. SRI B. GOPALA REDDI:—“ (a) No district boards were amalgamated during December 1938.

“ (b) & (c) In view of the answer to clause (a) the questions do not arise.”

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Grant of leave to Government servants and action taken by Government against heads of departments violating the rules.

* 211 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Prime Minister be pleased to state—

(a) whether heads of departments can grant leave on half average pay to subordinates when leave on full average pay is due and the absence is supported by a medical certificate; and

(b) if the reply is in the affirmative, whether he will state the rules justifying such action; if the reply is in the negative, what action do the Government propose to take against an officer who violates the rules?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) Yes, if the Government servant has asked for leave on half average pay or if the maximum amount of leave on average pay that can be granted at any one time, namely, eight months, has been exceeded.

“(b) Fundamental Rules 81 (b) and 87 (a).

“In the interest of discipline Government deprecate reference in the Legislature to matters in which individual Government servants can make their representations to an appellate authority.”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“May I ask, Sir, whether it is the intention of the Government that Members of this House should not bring to the notice of the Government any irregularities committed by their subordinates with regard to the grant of leave in some of the departments?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I have expressed my request to hon. Members in what I have said, namely, that we deprecate references in the Legislature to matters in which an individual Government servant can make representations to a proper appellate authority. Otherwise, we would reduce the Government servants to a position in which they would have to be continually seeking the assistance of Members of the Legislature and politics will then, I submit, enter into the permanent service.” (The Rt. Hon. V. S. Srinivasa Sastri: “Hear, hear.”)

S. K. AHMED MEERAN SAHIB BAHADUR:—“Sir, the question is put in a general way and it has no reference to any particular individual. Does the Hon. the Prime Minister mean that Members must not put questions even in a general way, though they might relate to particular individuals, without mentioning names?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“What I request very earnestly is that we should maintain a correct

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attitude in substance and it cannot be maintained if we merely keep up the form of a general question when the intention is reference to a particular case.”

S. K. AHMED MEERAN SAHIB BAHADUR:—“Perhaps the hon. Member may know the case, but the whole House does not know it and we take it in a general sense. I think deprecation is a matter concerning all members.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“A general question is all right and hon. Members may have the answer; but I make this suggestion that when the questioner who knows the individual case is approached by the Government servant, he should say, ‘This is not right; I should not do it.’”

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“When the Member is not approached by any subordinate and he puts the question on a general principle, I think the Government need not have that idea.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I deprecate something that is wrong which all hon. Members will admit to be wrong; I say nothing more. I do not want this thing to grow up. I hope hon. Members will co-operate with me in this; it is a very good thing. I repeat again that we should not make permanent servants imagine that they have to get relief from Members of the Legislature instead of by making their own representations when under the Fundamental Rules they have every opportunity to make such representations.”

Reserved forests and the extent leased out to private agencies for raising plantations of hill produce.

* 212 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to lay on the table of the House a statement showing—

(a) the total area of reserved forests in the Province and the area that was set apart as village reserves bordering reserved forests to cater to the requirements of the agriculturists;

(b) the number of acres of the reserved forests that was leased out to private agencies to raise plantations of hill produce such as rubber, tea and coffee and the income thus realized;

(c) the total area of teak plantation under artificial regeneration;

(d) the total collection of timber by departmental agency and by consumers and purchasers apart from fuel and bamboos; and

(e) the various posts abolished in the Forest department in the year 1938 under retrenchment and the amount thus saved?

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THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The area of reserved forests at the end of March 1938 is 18,396 square miles. A report has been called for from the Chief Conservator of Forests on the other point raised by the hon. Member.

“(b) & (c) A report has been called for.

“(d) The quantities removed by departmental agency and purchases in 1937–38 were 18,21,000 and 17,72,000 cubic feet, respectively.

“(e)—

	Approximate savings.
	Rs.
Six posts of Madras Forest Service officers	38,300
Clerks, accountants, draughtsmen, rangers, foresters, etc.	23,700 ”

Reconstruction of Kallukatti tank in Karaikudi.

* 213 Q.—SRI A. RANGASWAMI AYYANGAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the municipality of Karaikudi passed a resolution to improve and reconstruct the Kallukatti tank in Karaikudi;

(b) whether in pursuance of the same, the municipality was undertaking the repairs;

(c) whether the Government stopped the carrying out of the repairs; if so, when and at whose instance and what the reasons were therefor;

(d) whether the Government are aware that great inconvenience is caused to the public by reason of the unfinished state of repairs of the Kallukatti tank; and

(e) whether the Government propose to take any action in the matter; if so, what and when?

THE HON. SRI T. PRAKASAM:—“(a) to (c) The Municipal Council, Karaikudi, in its resolution No. 162, dated 12th May 1938, resolved to reduce the Kallukatti tank to the dimensions of 125 feet by 125 feet. The municipality commenced the work without obtaining the previous permission of the Collector of Ramnad. The Government on 27th June 1938 directed the stoppage of the work pending orders as it was represented to them by a deputation of Nattukottai Chettiyars that a minimum size of 218 feet by 208 feet was required for purposes of the annual floating festival connected with the Sri Koppudaya Nayagi Amman temple of Karaikudi.

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“(d) The Government have no reason to believe that any great inconvenience is being caused to the public by reason of the temporary stoppage of work.

“(e) Orders have been issued.”

Measures, if any, to check adulteration of coffee with chicory.

* 214 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state what steps are being taken against sale of coffee adulterated with chicory or coffee husk or other stuffs without indication thereof on the labels affixed outside the tins in which coffee powder is sold?

THE HON. DR. T. S. S. RAJAN:—“The addition to coffee of any substance other than chicory is prohibited by rules framed under the Madras Prevention of Adulteration Act. Any breach in this regard is punishable with fine. In the case of a mixture of coffee and chicory, it has been prescribed by rules that the percentage of these two substances should be exhibited in a label which should be affixed to the tin or other receptacle containing the mixture.”

Measures for the reformation of prisoners.

* 215 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to refer to the answer given on 14th December 1938 to my question No. 112 and to state what the proposals are for reducing penalties in prisons as a measure for the reformation of prisoners and what orders have been passed thereon?

THE HON. DR. P. SUBBARAYAN:—“The Government have issued orders on one point: the Prisons Act, 1894, provides that the number of stripes that can be inflicted on a prisoner as a form of prison punishment should not exceed thirty. The Government have issued orders that the number of stripes to be inflicted on a prisoner should not exceed twenty and twelve according as a prisoner is an adult or adolescent. Other points are under consideration.”

MR. J. A. SALDANHA:—“Will that make much difference?”

THE HON. DR. P. SUBBARAYAN:—“The difference is that between 30 and 20, Sir.”

Delay in the disposal of cases in civil courts.

* 216 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to state—

(a) whether Government have noticed inordinate delays in the administration of justice in civil courts in the districts;

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(b) if so, what the causes have been found to be for such delays; and

(c) what steps are being taken to reform the administration of justice to secure more prompt disposal of litigation?

THE HON. DR. P. SUBBARAYAN:—“(a) The Government have noticed delay in the disposal of suits in civil courts.

“(b) & (c) The matter is engaging the attention of the Government.”

Outbreak of fire in cinchona plantations on the Anamalai Hills.

* 217 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the facts connected with the recent fire in the cinchona plantations on the Anamalai Hills reported in the Press;

(b) the extent of the fire and the damage caused;

(c) the cause or causes of the fire;

(d) the steps taken to quench the fire;

(e) the officers held responsible for negligence by absence or default otherwise but for which the fire might have been prevented or abated; and

(f) what steps Government are going to take to repair the damage caused and what the approximate cost thereof will be?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a), (c) & (e) A report of occurrence of fire on 7th March 1939 in the Government Cinchona Plantation in the Anamalais was received on the 8th March 1939. The Government propose to hold an enquiry into the origin and cause of the fire.

“(b) About 360 acres of the plantation are reported to have been burnt and the quantity of bark in the affected area is estimated at about 6 lakhs of pounds, a portion of which may be salvaged.

“(d) The staff and labour force of the plantation did all that was possible to combat the fire, with the help of the local police and the labourers employed in the neighbouring estates.

“(f) As the occurrence is very recent, proposals for the repair of the damage have not yet been formulated.”

MR. J. A. SALDANHA:—“May I enquire, Sir, how many persons were burnt and how many were injured in this fire accident?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“One girl died and about eight persons were hurt.”

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DR. C. RAMALINGA REDDI:—“Is any compensation proposed to be paid to the injured persons by the Government?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“We have not received the full report of the occurrence and we will then consider the matter.”

DR. C. RAMALINGA REDDI:—“May I hope Government will take a sympathetic view of the matter when the report is received and considered?”

MR. J. A. SALDANHA:—“May I know what agency has been appointed by the Government to make the enquiry?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The Collector of Coimbatore has been asked to make the enquiry.”

Weight of Sri E. V. Ramaswami Naicker undergoing imprisonment in Bellary Central Jail.

* 218 Q.—SRI RAO BAHADUR. N. R. SAMIAPPA MUDALIYAR:—Will the Hon. the Prime Minister be pleased to state—

(a) whether his attention has been drawn to the news appearing on page 2 of the Tamil daily *Viduthalai*, dated 6th March 1939, under the heading the English translation of which is ‘Periyar E.V.R. in Bellary’; and

(b) whether it is a fact that Ramaswami Periyar has lost 17 lbs. in his weight?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) & (b) The answer is in the negative. Enquiries have shown that the weighing machine in the Penitentiary showed 5 lb. more and the Bellary machine 4 lb. less than the true weight in every case. After corrections, the position is this as regards Sri Ramaswami Naicker’s weight: On admission into the Penitentiary it was 184 lbs. After treatment in the General Hospital it was 177 lbs. On 4th March 1939 at Bellary it was 177 lbs.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know, Sir, whether the Government are aware that as per latest information Mr. Ramaswami Naicker lost 22 lbs. since the date of his conviction and 7 lbs. after his removal to Bellary?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I do not know the source and the reliability of the information that is supplied to me by the Leader of the Opposition here. If he got the information from any one who took the information from the jail, it is just likely, let me warn him, that that

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information will be vitiated by what I have intimated. Messrs. Avery & Co. have come and examined these two machines and they have reported that the weighing machine at the Penitentiary was continually recording 5 lb. more than the correct weight and that the Bellary machine continues to record 4 lb. less than the correct weight. If we get information in an indirect manner, we are likely to be misled by these errors."

MR. J. A. SALDANHA:—"May I ask, Sir, whether there is anything wrong in these weighing machines?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"It was a matter well known to some of us that these weighing machines were all wrong. But I may again repeat here, that they do go wrong sometimes and have to be corrected."

MR. J. A. SALDANHA:—"Why not purchase some superior machine?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"It is just this superior machine that goes wrong."

THE HON. MR. YAKUB HASAN:—"Even in commercial business houses, where the prosperity of a business depends on the accuracy of the scales, they do sometimes go wrong and they are periodically inspected and corrected."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Considering the loss in the weight of the gentleman, may I ask the Hon. the Prime Minister to examine him through a doctor in whom he has confidence—or may I suggest Dr. Guruswami Mudaliyar?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I have said in the other House and I say it again here that the Government will do everything that they consider it is their duty to do in regard to the health of their prisoners. As regards this particular case, I must also tell the hon. Member that the loss or gain of weight is not the only thing to be considered in regard to health. It is just likely that when a certain maximum is reached a difference of one or two pounds really does not matter at all. But as regards the general question of looking after the prisoners' health, I have no doubt we shall be able to do all that is just, proper and considerate in the matter; and Government do not stand in need of being reminded of their duties, especially in a case of this kind."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"In view of the fact that there is a strong feeling that the medical officer who examined him at Bellary is only a Sub-Assistant

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Surgeon—that is my information and if I am wrong I am prepared to be corrected—will the Hon. the Prime Minister allow Dr. Guruswami Mudaliyar to examine him?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"From my experience of the jail at Bellary, I can say that very good medical assistance in the shape of the local District Medical Officer is constantly available and every week he also goes round the jail. Apart from that, if there is any request that a particular doctor should look after a particular prisoner when there is any illness, it will certainly be considered. But there is no such thing now; the report received from the medical officer at Bellary is to the effect that the prisoner is in a satisfactory condition."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—11-30
"May I know whether dates and grapes are not allowed to him a.m. from outside?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"As an 'A' class prisoner he is entitled to supplement his diet at his own cost. The things that are stopped in the jail are only stopped for reasons of fear of infection or making the health of the prisoner worse. Anything that will contribute to his health will be certainly allowed by the medical officers concerned."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I know why dates and grapes at his own cost are not allowed to him in the jail? Will the Hon. Premier see that instructions are issued to the medical officers to see that these things are allowed to the prisoner?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"If this matter had been brought to my notice, certainly I would have gone into it. Everything depends on what sort of dates and grapes are brought at the gate; the doctor has to be very careful about them, and the Superintendent has to be very careful about them. If there is anything more in which any proper representation has to be made I should be ready to receive any such representation and make necessary arrangements."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I know whether the Government cannot take action on the representation which I now made? Do they require any further representations?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"A supplementary question on the spot here is not quite satisfactory; because we should know what the grapes and dates are. Suppose it is bought at the bazaar; the jail authorities are responsible for the health of the prisoner."

[25th March 1939]

Alleged death of an anti-Hindi prisoner one Mr. Thalamuthu Nadar due to an attack of dysentery.

* 219 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that one Mr. Thalamuthu Nadar, an anti-Hindi prisoner, died of dysentery at the General Hospital;

(b) if so, from what date he was suffering from the disease, when he was removed to the General Hospital and when he died; and

(c) whether the report of the medical officer who first noticed the disease and also the subsequent reports will be placed on the table?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The answer is in the affirmative.

“(b) The deceased prisoner fell ill on 6th March 1939 and was removed to the jail hospital for treatment on the same date. He was removed to the General Hospital on 10th March 1939 and died there on the 11th March 1939.

“(c) The report of the Medical Officer is that the prisoner was of poor physique and was in poor health on admission to the Penitentiary. He was 15 lbs. below his physical equivalent, emaciated and anæmic. He was classified under the category ‘indifferent health and medium labour.’ In jail he gained 4 lbs. in three weeks and was improving steadily in health. On 6th March 1939, however, he complained of frequent watery motions and abdominal pain, and was immediately removed to the jail hospital for treatment. In the evening there was some mucus and blood. His pulse was then 88, and his respiration 24. His temperature was normal. He had in all ten motions that day. The dysentery was not of a severe type at its onset, and there was nothing to indicate that it would take an acute turn. Probably his power of resistance was very low. On 9th March 1939, his condition was very satisfactory. The patient himself stated that he was feeling much better and asked to be allowed to walk to the latrine; but he was not allowed to do so. He had only four motions on that day. It was only on 10th March 1939 that his condition took a sudden turn for the worse and he had several motions. He was immediately transferred to the General Hospital, Madras, as an in-patient. A motion was examined in the Penitentiary Hospital microscopically and in the King Institute of Preventive Medicine, Guindy, microscopically and culturally with negative results.

“He was treated and nursed most carefully in the General Hospital but unfortunately without success.”

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UNSTARRED QUESTIONS

Administration of the funds of certain educational and medical institutions of the Vizianagram estate.

56 Q.—SRI P. VEERABHADRASWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) what the total income derived is by the Vizianagram estate from the Maharaja's English College, the Sanskrit College, Music College, and the Maharaja's hospital and the total expenditure and the net cost to the estate for each of these institutions;

(b) whether the net cost is met from the ordinary revenue of the estate or from devasthanam funds; and

(c) the various items of retrenchment effected by the Court of Wards in the expenditure of the estate after the Court of Wards assumed management of the estate, and the total amount saved?

A.—(a) Appended statement * No. I gives the particulars asked for.

(b) The net cost is met from the ordinary revenue of the estate.

(c) Appended statement * No. II gives the particulars asked for. (The statement does not show the effect of the revision and abolition of certain allowances and establishments, etc., as the full effects of the changes will be known only when the accounts for fasli 1348 are closed.)

Difference in rates on electric power served by Government and by private bodies.

57 Q.—SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that the rates charged on electricity for various uses are higher in the areas served by Government than those in the areas served by private licensees and municipal licensees;

(b) the figures showing the respective rates charged in the respective areas;

(c) whether the Government propose to relax the restrictions imposed on power used for small industries; if so, when and how; if not, why not;

(d) what the control exercised by the Government is over private electric licensees in regard to the rates charged by them for industrial, agricultural and domestic purposes; what the maximum rate permitted in each of these cases is; whether the

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Government propose to effect any reduction in rates charged by licensees for domestic and other uses of electricity; what the percentage of profit made is by the respective private licensees over the capital invested over their concerns; and

(e) what the various ways are by which the Government are rendering financial help to the electrical undertakings owned by municipalities in the Presidency; whether it is a fact that these undertakings are suffering from lack of capital; how many of these are sound and how many are suffering for want of enough capital; whether the Government have any proposal of purchasing these concerns for themselves or giving financial help to such of those as are suffering from lack of sufficient capital?

4.—(a) The rates charged by Government are not higher than those charged by any company or municipal licensee except that the Trichinopoly-Srirangam licensees charge a slightly lower rate than that charged by Government for domestic lighting and agricultural purposes.

(b) The rates charged by the licensees are different in different areas according to conditions of each area. It will take considerable time and labour to prepare a complete statement of the rates and it is not proposed therefore to furnish the information asked for.

(c) No restrictions are imposed on the use of power for small industries.

(d) The licences issued prescribe the maximum rates for different purposes and the licensees cannot charge above these rates. Before commencing supply the licensees are required to get the approval of Government for the retail rates which they propose to adopt. In areas covered by Government Hydro-Electric and Thermal stations the bulk supply agreements entered into with distributing licensees contain suitable provisions for reduction of rates.

It is not possible to furnish a statement of the maximum rates prescribed in various licences owing to the time and labour involved in preparing it.

There are no general proposals before Government for the reduction of rates charged by licensees. Each case is taken up as and when necessary.

Appendix D-1 of the Administration Report of the Electricity Department for 1937-38 contains such information as is available regarding the profits made by various licensees.

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(e) Loans are granted by Government to Municipal Councils for financing their electrical undertakings. The Government have no information that any municipal undertaking is suffering from lack of capital. The other points raised do not arise.

Medium of instruction in Catholic Secondary Schools in South Kanara.

58 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Education be pleased to refer to that portion of my speech on the Budget Estimates for 1939-40 on the 23rd February 1939 which refers to the medium of instruction in Catholic Secondary Schools in South Kanara, specially Mangalore, and to state—

(a) whether Government have received representations from any Catholics of Mangalore on the subject; and

(b) what action Government have taken or contemplate taking thereon?

A.—(a) The answer is in the affirmative.

(b) The schools in question have been exempted from adopting the mother tongue as the medium of instruction for one year and the question of continuing the exemption will be considered in due course.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—DISCUSSION OF SUPPLEMENTARY STATEMENT OF EXPENDITURE FOR THE YEAR 1938-39.

MR. PRESIDENT:—"The House will now proceed to the discussion of the Supplementary Statement of Expenditure for the year 1938-39."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Mr. President, I rise to make a few representations. In doing so, I wish to quote statistics first, and I shall leave whatever I have to say by way of arguments to the end. The representation of Muslims in the services is a subject that has assumed great importance. This Government have issued a communiqué, dated the 20th February, and I shall quote only relevant portions from it. It says: 'Statements are sometimes made and the impression is encouraged to be created that Muslims are inadequately represented in the public services under the control of the Government of Madras.' Sir, with regard to this statement I may at once say that I am not accusing the Government for their non-representation in the services to-day. It may be due to so many . . ."

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SRI A. RANGASWAMI AYYANGAR:—" May I know whether the general discussion of the entire policy of the Government is now open, or only discussion with reference to the policy of Government relating to the supplementary grant? "

MR. PRESIDENT:—" Only that relating to the supplementary grant."

S. K. AHMED MEERAN SAHIB BAHADUR:—" Sir, I only want to discuss the policy of the Government with regard to this point, because the Government have taken a definite stand. I was practically avoiding this question till now, because it is not fair, and it is perhaps better to avoid it in the interests of the general welfare of all communities. But now the Government have come forward with a definite policy and made a statement that Muslims are adequately represented. I shall pick out one sentence from the communiqué issued by the Hon. Minister for Public Information. It runs thus:

'Statements are sometimes made and the impression is encouraged to be created that Muslims are inadequately represented in the public service under the control of the Government of Madras.'

MR. PRESIDENT:—" I am afraid I must ask the hon. Member to confine himself to the particular item for which the supplementary grant is required. The hon. Member is going into the educational policy of the Government."

S. K. AHMED MEERAN SAHIB BAHADUR:—" Not the educational policy of Government, Sir."

MR. PRESIDENT:—" Then on what particular grant is the hon. Member speaking? "

S. K. AHMED MEERAN SAHIB BAHADUR:—" Demand VIII—Heads of Provinces, Ministers and Headquarters Staff."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Sir, section 81 of the Government of India Act, runs thus:

'If in respect of any financial year further expenditure from the revenues of the Province becomes necessary over and above the expenditure theretofore authorized for that year, the Governor shall cause to be laid before the Chamber or Chambers a supplementary statement showing the estimated amount of that expenditure, and the provisions of the preceding sections shall have effect in relation to that statement and that expenditure as they have effect in relation to the annual financial statement and the expenditure mentioned therein.'

"It is under this provision that we have presented the supplementary statement of expenditure. To infer from this that we can go through the whole policy of the Government as on the introduction of the primary Budget would rather lead to an absurd position. For it comes to this: the whole debate that we have once had when the Budget was introduced, could be brought in under this section. If the hon. Member's assumption, so to say, is accepted, we would have a double deliberation and a repetition

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of the whole procedure we have once had. I submit section 81 merely lays down the procedure that has to be adopted. I submit in the case of 'supplementary statement of expenditure' we have simply to follow the procedure adopted in the case of the primary Budget; that is, there is to be a presentation and then a discussion of the same. Surely that discussion should not be just like the general discussion following the presentation of the primary Budget; it should be confined to the items relating to the statement of further expenditure; otherwise, we have to go through a discussion lasting for a series of days, which certainly cannot be the intention of section 81. So if we restrict ourselves to discussing any of the items contained in the supplementary statement of expenditure, it would be quite enough."

S. K. AHMED MEERAN SAHIB BAHADUR:—" Even assuming what the Hon. Premier said is correct . . ."

MR. PRESIDENT:—" What the Hon. Prime Minister said is correct."

S. K. AHMED MEERAN SAHIB BAHADUR:—" If you say so . . ."

MR. PRESIDENT:—" Yes, I say it now."

S. K. AHMED MEERAN SAHIB BAHADUR:—" Whether we should have a discussion in which we can cover the entire ground of the field of administration in each and every department, it is for you to say. With regard to the particular grievance I am raising, it may be that because the time at our disposal is short, we shall have to confine ourselves to one or two points. Otherwise there is no use in allotting a day for discussion. This is only a statement of supplementary expenditure, and unless there is an opportunity given to discuss the policy of the Government on any particular head, we cannot say whether the amount spent on any particular head of expenditure ought to have been spent."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" The position is this: at the time of the general discussion of the Budget it was not possible to bring up this statement of supplementary expenditure. The general policy of the Government was discussed then. Now this statement of supplementary expenditure is presented, and an opportunity is given to discuss this statement, so that there is an additional opportunity given for the discussion of the additional expenditure. So no question of discussion of general policy arises, but only a discussion of which items of expenditure are important and which are not important."

DR. SIR K. V. REDDI NAYUDU:—" Sir, this is a matter of general importance to the whole House, and I consider the privileges of the House are involved in this matter. It is true,

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as the Hon. Premier has stated, that we are not expected to go through the whole ground, just as we did when the original budget was presented to the House. But the Hon. Prime Minister has not shown where he draws the line. Does he mean that we cannot at all discuss the general policy? Does he mean that we shall have to confine ourselves to the particular items before us and say how far that item is necessary, how far it is objectionable and so on? Considering the section itself, which has now been read to us, you will find that no limitation has been made in the procedure that is adopted here; because it is to be on the same lines as the procedure followed on the previous occasion when the original Budget was presented. If it was intended by Parliament that the discussion in the matter of these supplementary grants should be confined to the particular items of grant as regards the policy and the quantum of expenditure, then necessarily I should have thought that the Parliament would have made it plain, as it has made plain so many other matters in the Act. Admitting, Mr. President, that we should have some limit to the discussion here on these matters, it is only right that our privilege of speaking on these matters should not be so drastically cut as the speech of the Hon. the Premier indicated. I appeal to him to let us know where he would draw the line and how far he would allow us. In that case we may place before the House what we have to say. Otherwise it affects one of the fundamental principles of democratic Government and of representative institutions, namely, that the privilege of the House has to be maintained. You, Sir, as the custodian of the privileges of the House will be pleased to consider that point."

* THE HON. DR. P. SUBBARAYAN:—"The hon. Gentleman who has just spoken has been as long as I have been in the old Council and he knows well that in the old House when supplementary demands were presented, the Presidents have said one after the other and it has been approved by your predecessors that discussion on supplementary demands should be confined to the demand put before the House and not to the whole field of Governmental administration."

DR. SIR K. V. REDDI NAYUDU:—"I am not aware of any such ruling of the President and it is better that the Minister gives us a reference. But I know from experience that on several occasions speeches like the one made by my friend Mr. Meeran were made."

* THE HON. DR. P. SUBBARAYAN:—"I am sorry that the hon. Gentleman has informed the House in the way in which he has done on this occasion. I cannot quote the proceedings because I have not got it here. From the time of Sir P. Rajagopalachari right down to the last President, Mr. Reddiyar, all

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the Presidents have given the ruling that the discussion should not cover the whole field of administration, but should be confined to the points raised."

KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"For nine years I have been in this House and I distinctly remember that the Presidents have given the ruling as stated by Dr. Subbarayan."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I may just point out in addition to the valuable expert evidence which have been placed before us, that the sections in the Government of India Act dealing with the procedure simply lay down the procedure as to presentation and grant. As to what exactly the discussion should be, is left to the general principles. In the rules made for the Assembly as well as the Council, there are specific rules with regard to supplementary grants that the discussion should be confined to those grants; and that must have been the basis of the rulings just now referred to. I will read for instance the specific rule. In fact this House cannot have a greater right than the Assembly and I think there is a corresponding rule for the Assembly also. Rule 131 says: 'The demand for supplementary grants shall be dealt with as though they were demands for grants provided that the discussion of a demand for a supplementary grant shall be confined to the details of which it is composed.' That is to say, there is no reference to a general discussion as in the case of the annual Budget; and even in regard to the particular demand for grant it must be confined to the details of which the demand is composed. This should be sufficient basis for us to proceed and on lines which common sense dictates. Otherwise we will be repeating twice and thrice what has been said in the House."

SRI A. RANGASWAMI AYYANGAR:—"May I point out, Sir, that it is not a supplementary debate on the grants but a debate on the supplementary grants?" (Laughter.)

MR. PRESIDENT:—"I rule that in the case of supplementary demands criticism must be strictly confined to the details of which they are composed and Members cannot go into the policy underlying the demand."

S. K. AHMED MEERAN SAHIB BAHADUR:—"May we take it, Sir, that we have got here several demands for grants? An Hon. Minister wants seven lakhs under a particular head. Can I not say that the representation of Muslims is inadequate? Should I only limit remarks as to whether additional machinery with regard to electric installation was necessary or unnecessary or can I also say that in the department there is inadequate representation? May I point out to the Minister for Public Health

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when he moves a grant under that head for a certain amount for his department, that the Muslims are inadequately represented in that department?"

MR. PRESIDENT:—"No, you cannot say that."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Then, I do not want to say anything at all."

* MR. J. A. SALDANHA:—"Mr. President, confining myself to the grant, I wish to make some remarks both by way of suggestion and criticism. I shall be dealing with the last item, that is in connexion with the extension of the Council Hall. It is stated there that the Legislative Council meeting is to be held in the Council Hall after making the additions and alterations. I wish to know how this could be arranged. It is intended that the meetings of the Council and the Assembly will be held at different times. If simultaneous meetings have to be held, that might lead to much inconvenience. If any Assembly meetings are held in the hall and the Council also has to meet simultaneously, it seems the Council meeting will have to be held in the adjoining hall which was formerly the Committee Room. I hear that is the intention. I want to know how arrangements will be made for the reporters and visitors and others who are anxious to watch the proceedings of the Council."

"May I particularly enquire, Sir, whether rules or standing orders will be placed before the House at an early date as regards the hours of sitting of the two Houses? At present this is a matter of arbitrary arrangement. Amending the standing orders is the privilege of the House and that privilege has been denied to us for the last two years. I wanted to place some amendments before the House and when I sent the amendments it was suggested to me that I might await the amendment of the standing orders by a Standing Committee appointed by the President of this House and the Speaker of the other House."

MR. PRESIDENT:—"The hon. Member is going beyond the scope of the supplementary grant."

* MR. J. A. SALDANHA:—"I want to know what the rules will be."

MR. PRESIDENT:—"That is a separate question altogether. That is not at all within the scope of the grant."

* MR. J. A. SALDANHA:—"It is not a question of mere expenditure of money. It is a question of adjustment of relationship between the two Houses. We are already labouring under an inferiority complex in this House and it should not continue. We should see that we are not placed in a worse condition than what we are in now. That is all that I ask."

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"Then let me go to Grant XXXIII, serial No. 8, Hydro-electric Schemes. I am glad to learn from a statement made in the Legislative Assembly yesterday that in regard to South Kanara and Malabar, steps have been taken for their getting electric power. I hope it will be done as soon as possible. What I am emphasizing is this—the inadequate arrangement for the primary necessity of the villages. This is the reply given to a question of mine the other day:—

'Since the inception of the Pykara Hydro-Electric Scheme in April 1933, 193 villages have been supplied with electricity at an expenditure of Rupees 19.23 lakhs and since the inception of the Mettur Hydro-Electric Scheme in November 1937, 12 villages have been supplied with power at a cost of Rs. 3.42 lakhs in that area. Nearly the whole of the electric power supplied to the villages was for pumping sets. The use of electric power for cottage industries is being popularized by propaganda and every effort is being made to bring the benefits of electricity to the small farmer and villager.'

"So far it has been found that the use has been only for pumps. The use for cottage industries is being made by propaganda. The best method of popularizing it is by the Government taking steps not only to bring electricity within the reach of the agriculturists, but to make it popular among them and also cheap. Under the recent Bill I am afraid that electricity will not be so cheap as it ought to have been for agricultural and industrial purposes."

"Then, in connexion with the Mettur scheme it is stated here that the Chief Engineer for Irrigation reported that the extensive additions to Cauvery-Mettur Project were essential as a protective measure and that the work should be completed before July 1938. Why was not this protective measure foreseen? The Council in the olden days used to be vigilant in such matters, especially these unforeseen works springing up suddenly. They do spring up not for want of conscientious care, but for want of prudent and skilled care in formulating schemes. This was urged before the Government in 1928 and a committee was appointed with myself as the convenor to investigate into the charges of want of foresight and care and that Committee submitted a report of about fifty pages and the report was placed before the Council 12 and several measures of economy were taken. Now, Sir, after noon. 1930, while complimenting the department for the conscientious care that it has been bestowing and for the amount of labour and service it has rendered, several hon. Members including myself pointed out that there had been a lot of carelessness in formulating the scheme. There was much extravagance and considerable waste of money. We have been urging on the Government that the department should be much more careful in preparing estimates. I find that year after year the same sort of careless expenditure is being incurred. That adds to the expenditure and it also adds to the rates to be charged to the agriculturists of Tan-

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jore and elsewhere. In a recent speech made in the other House, I think, it was Sir Pannir Selvam that pointed out that the cultivators in the delta were not taken into confidence and consulted as regards this extra expenditure. In this case, I want to know why this extra expenditure was not foreseen and why protective measures should be undertaken without obtaining the previous sanction of even the Government by the Chief Engineer who dealt with the matter. I think it was in 1928 that I suggested the desirability of appointing a vigilance efficiency committee to look after this Mettur and other projects, to avoid waste. It is the lack of such a check, like the audit check, that has been responsible for these things. I hope that at least in future they will take sufficient steps to prevent such improvident expenditure of an irresponsible character.

“Next I wish to refer to Grant XXVI—Civil Works—Grants-in-aid—Water-supply and Drainage Schemes. I am not going to say anything against it; but there is a sentence in the Detailed Supplementary Estimates which says that there is a saving under 39, Public Health, of Rs. 1,34,000. I am at a loss to understand how there can be a saving. From my experience as a member of the periodical conference held by the Collector of my district in connexion with schemes for the benefit of the health of the villagers by increasing water-supply and all that, I can say that whenever such questions are raised, the Collector says that there is no money and the Government also say that there is no money available. When such is the case, I wonder how there could be a saving. I hope the Hon. Minister for Health will kindly explain how the Government allowed such a saving to be made especially when there is a large demand for increasing water-supply and other measures.

“Now, Sir, in regard to Industries, I would like to bring to the notice of the House that there is not a single grant made to the Co-operative Weaving Society which was started last year in Mangalore for the welfare of the weavers. When questions are asked as to why no help was given, the Government give all sorts of excuses. I hope the Government will make enquiries into the matter and see that justice is done to this society.

“I wish also to refer to another subject of importance and that is in connexion with the purchase of cinchona bark and quinine and also in regard to the Anamalai Plantations—other charges—wages and working expenses. Sir, the Anamalai Plantations were started in about 1925, but in another place it is stated that increased provision is due to the following circumstance; that the Anamalai Plantations are still ‘in course of development.’ It is really a wonder that even after fourteen years of its working it is still in the course of development. Now

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we learn that a portion of it is burnt; no remarks can be made because this matter is *sub judice*. Therefore I cannot say anything more on that subject, but this much I can say: that it has been a white elephant and it is rightly called ‘Anamalai’ because ‘Anai’ means an elephant in Tamil. There has been any amount of carelessness and negligence in management and this can be seen from the figures furnished by the reports themselves. Of course, I have not got the reports with me now; but since I have taken a great deal of interest in the matter since its inception, I have been closely following the reports year after year and I have been persisting in my agitation that quinine should be distributed cheap; so much so that in 1930 the then Law Member once remarked that the cheap supply of quinine was due to my agitation. Now the cost of it has been reduced; I hope it will be still further reduced. It was also ordered that quinine should be distributed free all over the Presidency. Now, Sir, in regard to these Plantations I put a number of questions because I was given to understand that the Government of India somehow or other wanted to deprive this Government of their management—I do not know for what reason. But I am glad that in spite of the Government of India, the Government stuck to their guns and it was, I think, probably due to the interference and agitation of Dr. Rajan when he was a Member of the Indian Legislative Assembly that it is now secure in the hands of the Local Government. I recently put a number of questions on this subject because it was an old hobby or old love of mine. That is why I have been drawing the attention of the Government off and on to this matter and I think I am justified in saying that in the public interest the Government should be more vigilant in regard to this white elephant, namely, the Anamalai Plantations. I hope they will appoint a special officer who will possess not only the capacity but also the willingness, earnestness and honesty in dealing with the matter. It was stated that at last the Superintendent was able to rear a nursery and that too after fourteen years and he was congratulated on that. I am unable to understand, Sir, why this additional expenditure on this could not be foreseen and why it was not placed before this House.

“In regard to the Veterinary department, it is stated that a provision of Rs. 12,600 only was made in the budget for 1938-39 in the expectation that certain sera required by the Department will be manufactured in the local serum institute. Due to postponement of the local manufacture of sera to the next year, their purchase had to be made from Muktesar and the additional expenditure anticipated on this account is Rs. 82,000. A sum of Rs. 21,100 has been found by reappropriation and the balance required is Rs. 60,900. Now, Sir, evidently this Muktesar does

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not produce serum-simultaneous. In the olden days the Government were spending annually about 4 lakhs a year in getting what is called 'serum-alone' which was worse than useless. The serum-simultaneous method was introduced in Mysore long ago and people began to agitate why they should go to far off Muktesar. At last the then Finance Member, Sir T. E. Moir, asked for a grant for this serum-alone and I opposed it then and the Hon. Finance Member assured me that in future the Government would manufacture serum-simultaneous at Madras and that adequate provision for that would be made in subsequent budgets. I want to know from the Government whether this serum-simultaneous method, which is the only method that is efficacious has not replaced the old system of serum-alone method.

**12-15
p.m.**

“ Then, Sir, I find there is some grant made for the **Dakshina Bharat Hindi Prachar Sabha**. I am myself taking much interest in it. I am the President, though only the nominal president, of the **Prachar Sabha at Mangalore**. I am glad the Government have provided funds for the training of Hindi teachers. So far as **South Kanara** is concerned, I would submit that Hindi or Hindustani should be introduced compulsorily at least in all schools in which Konkani speaking children predominate. Konkani is very much allied to Hindustani both belonging to the **Aryan family of languages like English**. In the multi-lingual district of **South Kanara**, six lakhs of people out of the total population of

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13 lakhs speak Tulu, about a lakh speak the Dravidian Malayalam and only $2\frac{1}{2}$ lakhs speak Kannada, a Dravidian tongue and the official language of the district; and about 3 lakhs speak Konkani (belonging to the Aryan family). So the only solution for this multilingual district is the introduction of compulsory Hindustani at least in all Konkani schools. Already as a step in that direction Hindustani has been introduced in some of our schools with a majority of children of the Konkani people.

"I see some provision is made for Survey-Settlement operations. Many of us thought that we had done away with the Survey parties altogether. A sum of Rs. 1,04,000 has been asked for under this head."

SRI V. GANGA RAJU :—“ Mr President, గౌరవనీయులగు రెవెన్యూ మంత్రిగారు శుభ్రమ గోదావరి, తూర్పు గోదావరి, కృష్ణా జిల్లాలో సంభవించిన తుఫానువల్ల నష్టపడిన ప్రదేశములను దర్శించి రైతుల కష్టముల నివారించుటకై ఉదారముగా రెమిక్షన్ నిచ్చుటకు తమ దిగువ ఉద్యోగస్తుల కుత్తరువులనిచ్చిరి. కాని ఈ రెమిక్షనులన్నియు అచట నష్టపడినవారికి వెందినవని ప్రభుత్వమువారు తలచినయడల వారు పొరబడుచున్నారని తెలుపుటకు నేను చింతించుచున్నాను. కారణ మేమనగా రెమిక్షను యిచ్చుటలో నిజముగా నష్టపడినవారికి రావలసిన రెమిక్షనుల చేరక వారి ప్రక్కనున్న పొలకుబడి గలిగినవారికిని, ఖాములు బాగుగా పండిన దిగువ ఉద్యోగస్తుల మొగ మాటమువల్లన, తదితర కారణములవల్లను బాగుగా పంటలు పండిన ఖాములుగలవారికే ఈ రెమిక్షనులు చాలా భాగము ముట్టినవి. ఈ సందర్భములో సాంగోసాంగముగా ఎటుగనివారికి శ్రీ గా॥ రెవెన్యూ మంత్రిగారు తెలుపుచు వచ్చిన గ్రామ పంచాయితీలు చాల యవసరమని ప్రజలకు దృఢముగా నర్థమగు గల్గినది. కారణ మేమనగా, శ్రీ రెవెన్యూ మంత్రిగారు చెప్పిన విధముగా గ్రామ పంచాయితీ లున్నయడల ఇట్టి యన్యాయములు జరుగుట కేమాతమును అవకాశముండక నిజముగా నష్టపడినవారికే సహాయము జరిగియుండెడిది. కావున త్వరలో పంచాయితీల చట్టమును శాసన రూపంగా ప్రవేశపెట్టవలసినదని ప్రభుత్వమువారిని కోరుచున్నాను.

“మన రాజధానిలో అన్ని జిల్లాలలోను బంస్సులను Inspect చేయటకు బస్ ఇన్స్పెక్టర్లున్నారు. కాని పశ్చిమ గోదావరి జిల్లాలో అట్టి బస్ ఇన్స్పెక్టర్లు లేరు. అందువల్ల జిల్లా సూపరింటెండెంటుగారివద్దకు ఇన్స్పెక్టరుకొరకు వెళ్ళిన బంస్సులు వారము పది రోజులకు తక్కువకాకుండా ఇన్స్పెక్టర్ చేయబడి తిరిగి వచ్చుటలేదు. అందువల్ల బంస్సు యజమానులకు చాలా నష్టము వచ్చుచున్నది. బంస్సు యజమానుల కిట్టి నష్టము కలుగకుండాయిండుటకుగాను ప్రభుత్వమువారు వెంటనే పశ్చిమ గోదావరి జిల్లాలోకూడా బస్ ఇన్స్పెక్టర్లను నియమించెదరని నమ్ముచున్నాను.

“పబ్లిక్ వర్క్స్ శాఖావారు ప్రజలువద్దని పంత్ మొఠపెట్టుకొన్నను, రీ మోడలింగు పద్ధతి నింకను ప్రవేశపెట్టుచునేయున్నారు ఈ పద్ధతి ప్రజలకు, వారి భూములకు చాలా నష్టదాయకమైనది. నే నెరిగిన ఒక గ్రామమునకు రీ మోడలింగు చేయుటకు ఒక లక్ష నలుబదివేలవరకు ఖర్చుపెట్టున్నారు. ఈ గ్రామములో ఇంత

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call for a report, if necessary, and intimate to the Inspector of Local Boards their view-point so that he does not discourage panchayats from applying for installing electricity and radio."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Which panchayat?"

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"A number of panchayats. The matter is reported in the *Madras Mail* also. A report may be called for whether that newspaper report is correct. I was told by some of the members of the panchayats also that he said like that."

* THE HON. SRI V. I. MUNISWAMI PILLAI:—"Mr. President, my hon. Friend Mr. Saldanha referred to the enormous amount spent on the cinchona plantations in the Anamalais. He took exception to a sentence in the explanatory note—to the fact that the cinchona plantations are in the process of making. I may tell him, Sir, that we have about 20,000 acres of land allotted for cinchona plantation in Anamalais and due to a working plan brought about a few years back, it was decided to bring 2,300 acres more under cinchona cultivation. But due to circumstances beyond the control of the Government, due to what is called a disease known as Dieback and also to pests of bison, the Government had to change the working plan from about 2,300 to about 939 acres. We have about 939 acres of cinchona plantations in the Anamalais and I may tell the hon. Member that it is still under making and it will take a few more years to complete the entire operations of the cinchona plantations in the Anamalais. Moreover, planting and bringing to fruition cinchona plantations is not a matter of a year or two. He was also alarmed at the news of a fire which broke out in the Anamalais this year. I may tell him, Sir, that about 360 acres have been burnt, but we have not received the final report and also the amount of loss that will be incurred on this score. But from unofficial news I find that the loss will not be heavy, because the fire that broke out in the forest had extended to a distance of about three miles away from the cinchona plantations and penetrated through mature blocks. Though the staff took great care to maintain the fire parties, it was beyond the control of the whole staff and the labouring population of other estates numbering about 600 who had come to the spot, and with all the efforts made it was not possible to arrest the fire. I think, Sir, that once a fire has attacked a cinchona tree, it is necessary that it should be cut and the bark removed, which operation is going on, and I am sure that the loss as anticipated in the next report will not be very heavy."

"Mr. Saldanha also referred, Sir, to the expenditure that had to be incurred in getting serum from Muktesar. He referred to the 'serum-alone' and the 'serum-simultaneous' methods of

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inoculation. But what is meant in this report is not the serum for that contagious disease among the cattle, but it is for arresting the spread of a disease known as blackquarter. Already in the Serum Institute, they are producing several kinds of sera and vaccines required for these diseases, but this is for a separate disease which I have already stated. I might tell my hon. Friend, Sir, that a great improvement has been made in the Serum Institute and the accounts revealed that it was possible to make a great saving in having our own institute in this Province. I know that for many years this Government had to spend a large amount in getting the required sera, vaccines and other things from Muktesar, but after the establishment of this institute, we have been able to save a great deal of money. I would request my hon. Friend Mr. Saldanha to visit this institute and see for himself how greatly matters veterinary have been improving of late. This special serum could not be manufactured in the Serum Institute for want of space. Unfortunately the buildings that have been sanctioned for this purpose could not be completed and as a result we have to get the serum from Muktesar."

"He also referred, Sir, to the grants to the weavers' association not reaching the weavers themselves. I may tell him, Sir, that the Government do not make grants or pay subsidies to individual weavers. But money is given to the Provincial Handloom Weavers' Association which doles subsidies to the primary societies in the various districts. If there are weavers who have not been benefited, it is for them to approach the primary society so that they may get due facilities from the primary society."

MR. J. A. SALDANHA:—"On a matter of personal explanation, Sir. It is this primary society that applied for aid from the Provincial Society and that was not given. I brought the matter to the notice of the Government by way of an interpellation but the answer that was given was not at all satisfactory. I only request that some further enquiries be made why this primary society was refused aid." 12-45 P.M.

* THE HON. SRI V. I. MUNISWAMI PILLAI:—"Well, Sir, the primary society which my hon. Friend refers to might not have given all the particulars required or followed the prescribed rules. However, I assure the hon. Member that I shall consider this matter and see how we can help this primary society he has in view."

"Of course the hon. the Leader of the Opposition referred to certain veterinary posts which have not been filled up in his district. I shall certainly consider that matter."

* THE HON. SRI C. J. VARKEY:—"Mr. President, I would like to make just one or two observations on the remarks made by two of the hon. Members of this House. First, with regard

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సాక్షు ప్రభుత్వమువారు ఖర్చు పెట్టుటవల్ల ప్రజల కేవలమైన లాభములును కలుగుటలేదు సరికదా, సరిగా భూములు తడుపు సమయములో దిగువ ఉద్యోగి స్థూల వార్జన్యమునకు లోను గావలసివచ్చుచున్నది. ఇందువల్ల లంచగొండి తనముకూడా చాలా ఎక్కువగును. ప్రభుత్వమువారికికూడా ఈ రీతి మోడలింగు పద్ధతిపైన ఇంత ముత్తమును పెచ్చించుటవల్ల వివిధమైన అదనపు శిస్తు వచ్చుటలేదు. అందువల్ల ప్రభుత్వమువారి రీతి మోడలింగు పద్ధతిపై ఖర్చు పెట్టు ధనమును శబ రిజర్వాయర్ మొదలైన స్క్రీములపై ఖర్చు పెట్టి డెబ్బా భూముల కింకను ఎక్కువగా నీటి సమపాయము చేసినచో చాలా లాభకరముగానుండును కాబట్టి ప్రభుత్వమువారి విషయములలో శ్రద్ధ పూనకలెనని కోరుచున్నాను.

“ సత్యాగ్రహాద్యము నాటినుండియు, అంతకుముందునుండియు ప్రభుత్వ పాఠశాలలను బహిష్కరించి జాతీయ సంస్థలలో విద్య నభ్యసించినవారికి నేడు ప్రభుత్వ డ్యోగములలో ప్రవేశించుటకు వీలుగల్గుటలేదు. కాబట్టి ప్రభుత్వమువారు జాతీయ సంస్థలలో విద్య నభ్యసించినవారికి కూడా ఒక ప్రమాణ మేర్పఱచి వారు ప్రభుత్వ డ్యోగములలో ప్రవేశించుటకు సావకాశము గల్గించవలెనని కోరుచున్నాను.

“ మన దేశములోని ఇతర రాష్ట్రములలో కొన్నిచోట్ల ఆంగ్ల ఇండియన్ సార్వెయ్లకును, సబ్ ఇన్స్పెక్టర్లకును తిన్న భేదములను తొలగించినారు. కాని మన రాష్ట్రములలో ఇంకను అట్టి తేడాను రూపు మాపకుండుట చాలా విచారకరము. కారణ మేమనగా ఆంగ్ల ఇండియన్ సార్వెయ్లకును, సబ్ ఇన్స్పెక్టర్లకును భేదముండుటవల్ల ఆంగ్ల ఇండియన్ తెగవారు వారు భారతీయులమని తెలిసికొనుట కెన్నటికిని వారికి సావకాశముండక వారు భారతీయులకంటె యెక్కువ వారమనే దురభిప్రాయములలో పడియుండును. కాబట్టి ఈ ఆంగ్ల ఇండియన్ తెగవారి కట్టి దురభిప్రాయము తొలగుటకును, భారతజాతీయతకు బలము చేకూర్చుటకును, భారతీయులలోనే ఇట్టి తేడా లుండుట చాలా నష్టదాయకమని తెల్పుచు, ప్రధాన మంత్రిగారి విషయములలో శ్రద్ధవహించి వెంటనే ఇట్టి తేడాను తొలగించెదరని వక్రమున్నాను.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ In what language am I to speak, Sir, may I speak in Tamil? ”

MR. PRESIDENT:—“ If you are able to speak properly and correctly in English, speak in English; otherwise you may speak in your mother-tongue.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“ I shall deal first with the Grant for Education. A demand is made for the grant of a token sum of Rs. 100 for the deputation of three officers of the Education department to attend a short course of training at Wardha. I do not object to the expenditure incurred by deputing the three officers to Wardha. One of the three officers deputed will retire in March 1941. The question of giving effect to the scheme is said to be still under the consideration of the Government. It would have been better if the Government had selected a person who will retire some time later. If the period of training is to be extended beyond 1941, the Government will be

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compelled either to extend the period of office of this gentleman or they will have to allow the amount spent on this officer to become waste.

“ The other point which I would like to refer to is with regard to the grant to the Hindi Prachar Sabha. I wish to make it clear that I am not objecting to the grant especially as it has been stated that the expenditure is to be met from the donation made specifically for this purpose. But I would like to take this opportunity to refer to the policy of the Government with regard to the question of compulsion. The Hon. the Premier has stated in his reply to the Budget debate that he has got evidence to show that not even one parent or even one student objected to the introduction of the scheme. If that is a fact, I ask, Sir, why should there be compulsion? If the people are really willing to learn the language, why should you not make it optional? I have no objection to your employing a Hindi teacher for every school and giving option to the boys and the parents to study or not to study Hindi. If the assertion of the Prime Minister is correct, I do not think there will be any difficulty in accepting my suggestion. If, on the other hand, it is not correct, as we think, then I would ask where the justification is for compulsion. This question has been discussed *ad nauseum*. I do not want to dwell more on this subject, but only expect a definite reply from the Hon. the Premier about this suggestion of mine.

“ One word about the Veterinary grant. I take this opportunity to bring a fact to the notice of the Government. In my district there are five posts of Touring Veterinary Officers. None of the posts has been filled up and all of them are vacant now. I am told that owing to the dearth of men, these posts are not filled up. I hope the Government will enquire into the matter and see that Touring Veterinary Officers are provided soon, as this is the time for the outbreak of diseases.

“ The other question that I want to bring to the notice of the Government is with regard to electricity and radio. The other day the Hon. the Minister for Public Works stated in the other House that they are not going to grant any more licences either to a local body or to private companies or individuals as they are not encouraging rural services. I am glad of it. The Government now want a supplementary grant for investigating the possibilities of getting locally-made cheap receiving sets for villages. It is a welcome proposition. But the Inspector of Local Boards who toured in my district last week is reported to have discouraged the putting up of electric lights and radios by panchayats. I am also told that he took them to task for having installed electric lamps and also advised them not to instal radio sets. I hope it is not the view of the Government. I hope the Government will

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the other side as 'compulsion.' That is all the compulsion that is there and I pointed out that nobody has objected. If the boys or parents of boys have objected there is something to look into the matter. That is the position I have taken up. But, if the hon. Member agrees with me that really nobody has objected, may I ask him the question: 'When nobody has objected, should we still discuss about it and what is the need for further suggestions about it?' (Sri Rao Bahadur N. R. Samiappa Mudaliyar: 'I think there are objections; I do not accept that position.') That is to say, I am stating it as a fact that no pupil has objected; and I hope this is not contested. I would like to know whether the hon. the Leader of the Opposition contradicts this; you are not in a position to contradict it."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"It is not a fact that not one of the pupils or parent of a boy objected; I contradict that statement."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I do not understand what exactly the hon. Member has in his mind; but I may say this: not one pupil has raised any objection. Then regarding the objection of the parents, I may say there was one girl whose father said, 'I do not like this', and the girl was withdrawn. Otherwise, there is not a single other case of objection out of the 30,000 pupils, either of a pupil or parent or any other boy or girl, in regard to the matter. This is the position. Anyway we are not taking votes now with regard to the subject of education or the objection of boys or of parents of boys. I have stated facts as they are. It seems to me, there is not much force in the contention that there is any religious or conscientious objection in this matter; and if there is no religious or conscientious objection or no objection raised as a matter of fact in regard to education, it is barren discussion, in my humble opinion. But, let me tell hon. Members that I am prepared for everything, provided there is reasonableness on all sides. There is nothing here to prevent anything being done by the Government, because this is not a matter of fanaticism; this is not a matter of religion or of conscience. The question is one of educational propriety, convenience and good of the boys and girls concerned. There is nothing more. Even this, let me say, as it comes from my respected friend leading the Opposition in this House, it will have every consideration from the hands of Government even at this late stage. If there is no fanaticism on the other side and if there is no indirect utilization on the other side, there is no difficulty for any adjustment that is necessary. I do not think I need detain the House longer. With regard to the other matters I think my Colleagues have dealt with the various branches of the administration to which references were made."

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MR. PRESIDENT:—"The discussion of the Supplementary Statement of Expenditure for the year 1938-39 is concluded. The House will meet again in the first week of May to consider the Bills that may come up for consideration from the Assembly; and as for the exact date of the meeting, it will be communicated to the hon. Members when it is decided upon."

"The House will now stand adjourned *sine die*."

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to the Wardha Scheme, I am glad that my hon. Friend, Mr. Saldanha, is beginning to appreciate the worth of the scheme, and I am sure, others too will begin to realize its worth when they give unprejudiced thought to that subject. When the cry of the country is for more and more vocational education and practical secondary education, I am sure, there will be greater volume of support to this Wardha Scheme when we find it possible to introduce it. Indeed, as a preliminary step for a successful working of the Wardha Scheme, we require specially trained teachers. After all, in education, it is men that matter, and not method; and, therefore, when we have a sufficient number of really well-trained Wardha teachers, we will be able to spread the system on a larger scale. Meanwhile, we are on the look-out for a proper site and building for the much-needed training school on the Wardha lines. It is not, of course, possible for us to consider the question of sending people to such a long distance as Wardha, as Mr. Saldanha seems to imply when he said that a larger number of teachers should have been sent there for training. Therefore it was that we got three persons trained there; and one or two district boards also got two or three of their teachers trained there; so that with this material on our staff, we can start our own training school, and we can thus get a large number of teachers trained at a much cheaper cost."

MR. J. A. SALDANHA:—"As a matter of personal explanation, Sir. When the question of a building is thought of for this purpose, may I suggest that the Forest College at Coimbatore, which has since been closed, might be used for the purpose of this proposed school?"

* THE HON. SRI C. J. VARKEY:—"Sir, in reply to the suggestion of my hon. Friend, Mr. Saldanha, I may say that it is also one of the buildings on which we have our eyes."

"Now, as regards to the query raised by the Hon. the Leader of the Opposition regarding the persons deputed by the Government, I may say that, indeed, one of them is about to retire after two years; but that is just the reason why we have chosen him—an edlerly man—while the two others are of a younger age. Though he might be the oldest of the band, in fact he has the necessary enthusiasm and the outlook, as I once remarked in answer to the hon. Member's question. So, Sir, he will give the lead to make the school well established, and we can have the benefit of his training. When he retires, the other two younger men and the several others that may come year after year, will continue the torch he might be lighting."

"Now, Sir, as regards the mother-tongue, Mr. Saldanha referred to the various difficulties in his own district of South Kanara. Indeed, I may say that I too know the district well,

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and I know also the difficulty in the matter of introducing one common medium of instruction, which may be possible in a bilingual, but not in a multi-lingual district like South Kanara. But I may assure the hon. Member that the intellectual resources of the Government are not exhausted, and we will be able to find a successful solution of this problem in course of time."

"Of course, there is no use in my speaking here again on the question of Hindustani as a language of compulsory study. English is the language of compulsory study when we see that only a few people can understand English to-day; and when there will be no such need for this language as a medium of instruction or as the medium of communication in this country after some years more, I do not see how we can legitimately and reasonably oppose the adoption of a language of our own. As a matter of fact, all self-respecting nations have been taking interest in having a language as the *lingua franca* of their country. If any member of the House, including the hon. the Leader of the Opposition, could suggest any other language of our own—not any outside language—as our *lingua franca*, it will then be a matter for our consideration. But as long as nobody has suggested any other language, we have to stand firm on the ground that Hindustani has a better claim than any other language, and we want one common language in a few years time. In course of time when we will have our own mother-tongue as the language of Court and of business, there must be a connecting link between the different provinces and provincial Governments, and that language must be our own language. In fact, there is no other language as far as anybody could see which has a better claim in this respect than Hindustani. Mr. Saldanha's enthusiasm has gone so far as to suggest Hindustani not only as a subject of compulsory study in the first, second and third forms, but also as the medium of instruction as well. I congratulate him on his enthusiasm, and he is, like Cromwell, much ahead of his time."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I do not think I need detain the House long, but I may give this assurance that all the suggestions that have been made—constructive suggestions that have been made—will be given every consideration. These are only supplementary demands and they have only furnished an occasion for suggestions; and the criticisms on the demands themselves have not been adverse."

"So far as the statement made by the Leader of the Opposition with regard to Hindustani that 'if no single boy objected to this, what is the need for keeping it as compulsion?', I say, there is no compulsion beyond the fact that this is introduced in the regular curriculum of schools; there is no more compulsion. It is introduced in the curriculum of schools and this has been called by

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APPENDIX I.

[Vide answer to starred question No. 201 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 25th March 1939, page 233 *supra*.]

Utilization of forest trees for industrial purposes.

The greater part of the timber produced in the departmental forests is sold in auction and it enters multifarious industries. Some twelve lakhs of cubic feet are sold in this way in a year valued at about Rs. 7,25,000.

Apart from these routine activities, special fellings are being made by the department for the supply of railway sleepers to the railway. 350,000 cubic feet of teak, ironwood and irumbogam are used for the purpose every year valued at about Rs. 4,30,000.

Telegraphic poles, match-woods, woods suitable for plywood, spokes and felloes, kolmarams and chattams, etc., are also being exploited. Timbers suitable for slate frames standing in the forests are being sold annually to users. Evergreen timbers for the masts of ships and for other miscellaneous purposes are also being sold to users, standing in the forest, on an increasing scale.

With regard to other forest products the cultivation of lac, which is a departure of recent origin in this Province, is being undertaken on a fairly large scale in two districts and is now being extended to four other districts; production this year is expected to reach about 150,000 lb. of stick lac. There is one small lac factory in existence already for converting the lac into finished products, and a scheme is under consideration for its transfer to a more central position and its expansion.

Plantations of silver wattle are being started for the benefit of the tanning trade and the planting eventually of some 20,000 acres is contemplated. Plantations of avaram for tanning bark are also being formed.

Plantations of cashew, in which there is now a large export trade, are also being formed on a considerable scale.

Experiments have been carried out at Wardha on the possibility of the manufacture of handmade paper from grasses and lantana as a cottage industry, some of which are encouraging. Big schemes for the manufacture of paper from bamboo and eta reed on a factory scale have been formulated in outline, in two districts, and the adoption of both by different commercial interests is under consideration.

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The initiation of a plywood industry in the Anamalai forests is also being considered.

The cultivation of cardamoms in reserved forests is being encouraged and many thousands of acres have been leased for the purpose. The Forest department also collects departmentally and markets large quantities of wild cardamoms.

Some 1,100 tons of sandalwood of a total value of Rs. 6,65,000 are exploited annually. Two separate firms are considering the erection in Madras of sandalwood oil distilleries, for which they are being offered facilities.

The initiation of Cinnamon plantations is under consideration.

The departmental collection of certain valuable tree gums on a large scale will be possible in the near future and experiments are proceeding.

Applications for State aid received during 1938—cont.

Serial number	Date of receipt of application	Name and address of the applicant	Amount of aid applied for	Purposes of aid	Amount of aid sanctioned	Date of disbursement	Remarks
12	6th June 1938.	Sri P. Chinnathambi Mudaliyar, Coimbatore.	Rs. 500	For beedi manufacture.	..	..	The application was rejected as this cottage industry has no bearing on the economic development of the country. (G.O. No. 440, Development, dated 22nd February 1939).
13	11th June 1938.	The Indian Steel Rolling Mills, Limited, Mount Road, Madras. Managing Director: Sri C. Rajam.	Subscription of shares to the value of Rs. 1,10,000 and Rs. 1,10,000 and Rs. 8 lakhs.	For re-rolling, etc.	..	..	The application was considered by the Board of Industries at its meeting held on 12th September 1938 and was referred to Government with the Board's recommendations. The question of competition with the Tata Iron and Steel Company, Ltd., is being negotiated. The application was rejected as the security was inadequate (G.O. No. 320, Development, dated 3rd March 1939).
14	24th June 1938.	The President, the Madras Muslim Industrial Association, Nuzvid. President: Muhammad Abdul Salam Sahib Bahadur.	5,000	For the construction of a rice mill and groundnut mill.	..	..	The report of the valuation of buildings by the Public Works Department is awaited, as the Chief Engineer has referred the matter to the Government. The application was considered by the Board of Industries at its meeting held on 30th January 1939 when the Board desired to have information as to the competition with the Tata Iron and Steel Company, Limited.
15	4th July 1938.	The Industrial Engineers and Merchants, Limited, Madras. Governing Director: Sri G. Nagarajan.	50,000	For the re-rolling industry at Beawada.	..	..	The applicant who was addressed about five times to specify the value of security has failed to reply so far. The application will be placed before the next meeting of the Board of Industries for rejection by the Director of Industries and Commerce.
16	4th July 1938.	Pandikazala Kumbaluri, Arund taluk, Madurai.	750	For coir yarn industry	..	..	

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17	6th July 1938.	Syed Afeez Meah, Cuddalore.	500	For toy manufacture.	..	..	The applicant is changing the name of the society for the loan with the result that the Collector has been addressed about the solvency of the last named society. The Collector has been reminded on 7th February 1939 by the Director of Industries and Commerce.
18	12th July 1938.	The Madras Cottage Industries Home, Nuzvid. Applicant: Muhammad Abdul Salam Sahib Bahadur.	11,000	For starting cotton spinning and weaving and a number of industries.	..	..	The application was subsequently withdrawn by the applicant.
19	12th July 1938.	The Indian Wheelwrights Corporation, Limited, Madras (proposed to be floated). Applicant: L. S. Krishnan.	Subscription of shares of 50 per cent, viz., Rs. 50,000.	For the manufacture of rollers for bullock carts and juteas.	..	..	The application was rejected as the security was inadequate and the applicant's competency to run the business was doubtful. (G.O. No. 439, Development, dated 22nd February 1939).
20	13th July 1938.	Sri E. V. Harish, Washermanpet, Madras.	1,500	For starting soap manufacture in Madras.	..	..	The report from the Collector was received on 18th December 1938. The applicant has been requested to state whether he would like to have a loan instead of a subsidy as it is not likely that a subsidy will be granted for this purpose. He was last addressed on 19th January 1939 by the Director of Industries and Commerce.
21	25th July 1938.	Sri P. V. Hanumantha Rao, Panayam, Kurnool district.	Annual grant of Rs. 5,000 for 5 years and subsidy of Rs. 4,000 for the purchase of machinery.	For fruit canning and preserving.	..	..	The disbursement is pending for want of certain documents from the applicant who was last addressed on 19th January 1939. The Government Solicitor has also been addressed on 30th January 1939 to expedite the draft deed of mortgage.
22	4th August 1938.	Mr. S. T. David, Kayapuram, Madras.	3,000	For working his home mill at Ennore.	Rs. 3,000 repayable in 5 years at 5 per cent interest. (G.O. No. 3161, Development, dated 23rd December 1938).	..	

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23	12th July 1938.	The Madras Cottage Industries Home, Nuzvid. Applicant: Muhammad Abdul Salam Sahib Bahadur.	11,000	For starting cotton spinning and weaving and a number of industries.	..	..	The application was rejected as the security was inadequate and the applicant's competency to run the business was doubtful. (G.O. No. 439, Development, dated 22nd February 1939).
24	12th July 1938.	The Indian Wheelwrights Corporation, Limited, Madras (proposed to be floated). Applicant: L. S. Krishnan.	Subscription of shares of 50 per cent, viz., Rs. 50,000.	For the manufacture of rollers for bullock carts and juteas.	..	..	The application was rejected as the security was inadequate and the applicant's competency to run the business was doubtful. (G.O. No. 439, Development, dated 22nd February 1939).
25	13th July 1938.	Sri E. V. Harish, Washermanpet, Madras.	1,500	For starting soap manufacture in Madras.	..	..	The report from the Collector was received on 18th December 1938. The applicant has been requested to state whether he would like to have a loan instead of a subsidy as it is not likely that a subsidy will be granted for this purpose. He was last addressed on 19th January 1939 by the Director of Industries and Commerce.
26	25th July 1938.	Sri P. V. Hanumantha Rao, Panayam, Kurnool district.	Annual grant of Rs. 5,000 for 5 years and subsidy of Rs. 4,000 for the purchase of machinery.	For fruit canning and preserving.	..	..	The disbursement is pending for want of certain documents from the applicant who was last addressed on 19th January 1939. The Government Solicitor has also been addressed on 30th January 1939 to expedite the draft deed of mortgage.
27	4th August 1938.	Mr. S. T. David, Kayapuram, Madras.	3,000	For working his home mill at Ennore.	Rs. 3,000 repayable in 5 years at 5 per cent interest. (G.O. No. 3161, Development, dated 23rd December 1938).	..	

Vide answer to starred question No. 202 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 5th March 1939, page 234 *supra*.]

STATEMENT I.

Applications for State aid received during 1938.

Sl. No.	Date of receipt of application.	Name and address of the applicant.	Amount of aid applied for.	Purposes of aid.	Amount of aid sanctioned.	Date of disbursement.	Remarks.
1	17th March 1938.	The Toilet Manufacturing Company, Limited, Chittoor. (Information regarding the name of the Managing Director is not available.)	Cash credit of Rs. 5,000 and subscription of shares Rs. 10,000.	For working capital ..	..	..	The application is under the consideration of Government.
2	18th March 1938.	Messrs. Motamaru Seetharamayya and Sons, merchants, Vizianagram. (Managing Director's name not known.)	15,000	For oil extraction ..	..	..	The applicants subsequently withdrew their application.
3	26th March 1938.	Sri V. L. Venugopal, Standard Tile and Clay Works, Tiruvellore, Madras.	Loan of Rs. 10,000.	For the manufacture of saltglazed stoneware sewage pipes.	..	..	The machinery offered as security was not available for inspection. The Board of Industries considered the application at its meeting held on 30th January 1939 and desired the assets to be further valued.
4	26th March 1938.	Sri M. Rangaswami, Brucepet, Bellary.	Subscription of shares of Rs. 6 lakhs in a company proposed to be floated by him.	For the manufacture of hardware articles, toys, cycles, plywood, etc.	..	..	The application was rejected as the Board was not convinced of the soundness of the scheme or of the ability of the management to conduct successfully the manufacture of so many different articles (G.O. No. 1850, Development, dated 30th July 1938).

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5	12th April 1938.	Sri Vyaburi Mudaliyar, Tirubuvanam, Tanjore district.	1,000	For silk handloom weaving.	..	..	The application was rejected as the security was not adequate.
6	Do.	Sri Sivarama Mudaliyar, Tirubuvanam, Tiruvudimarudur, Tanjore district.	Amount not specified.	Do.	..	..	Do.
7	26th April 1938.	The Madras Sugars, Limited, Mount Road, Madras. Executive Directors: Diwan Bahadur T. Raghuveiah and Rao Bahadur C. Tadulinga Mudaliyar.	Subscription of 10 per cent of the share capital of Rs. 3 lakhs.	Sugar manufacture ..	..	..	The Board of Industries at its meeting held on 26th June 1938 recommended the grant of subscription of Rs. 15,000 subject to the condition that among others the investigation proves that a sufficient supply of coconut and palm jaggery is available from prohibition areas. The investigation is being made in consultation with the Collector's of the districts concerned.

[25th March 1939]

8	12th May 1938.	The Indian Canning Industries, Limited, Bezbarra, Chairman of the Board of Directors: Sri Raja M. Venkataratnam Appa Rao Bahadur, Zamindar of Vuyyur.	Subscription of 200 shares of the value of Rs. 20,000.	Canning industry ..	Subscription of shares of the value of Rs. 10,000. (G.O. No. 3186, Development, dated 23rd December 1938).	..	The payment of the subscription is pending since the company has not satisfied the conditions of the grant.
9	25th May 1938.	The Andhra Ayurvedic Pharmacy, Limited, Madras. Managing Director: Dr. A. Lakshminipathi.	8,000	For developing the pharmacy.	..	..	The application was rejected on the ground that the grant of a loan on the security of the movable assets of the pharmacy would be attended with risk (G.O. No. 2890, Development, dated 20th October 1938).
10	26th May 1938.	Sri R. Srinivasanurthi, Annamalaiagar.	450	For starting knitting industry.	..	..	The application was rejected as it was considered that the industry has no bearing on the economic development of the country (G.O. No. 518, Development, dated 3rd March 1939).
11	4th June 1938.	Miss J. Eveline, Mangalore.	Loan of subsidy of Rs. 200	For purchasing sewing machines.	..	..	The application was rejected as the Board considered that the co-operative society of which the applicant is a member ought to finance her. (G.O. No. 459, Development, dated 23rd February 1939).

Applications for State aid received during 1938—cont.

Serial number	Date of receipt of application.	Name and address of the applicant.	Amount of aid applied for.	Purpose of aid.	Amount of aid sanctioned.	Date of disbursement.	Remarks.
23	6th August 1938.	Sri T. T. Ramacharya, Gudiyattam, South Arcot.	Rs. 500	For installing a coffee grinding machine.	..	..	The application was rejected as there was no reason for reconsideration—G.O. No. 2497, Development, dated 10th October 1938.
24	10th August 1938.	Sri S. T. Vilayaraman, Tranquebar, Tanjore district.	750	For starting a confectionery industry.	..	..	The application was rejected as the security was inadequate and as the applicant's competency was doubtful—G.O. No. 521, Development, dated 3rd March 1939.
25	10th August 1938.	Sri S. Perumalsami Nayudu, Tirubuvanam, Tanjore district.	100	For silk handloom weaving.	..	..	The applicants withdrew their applications when the local Revenue Inspector investigated into the value of the security.
26	10th August 1938.	Sri P. Velasa Mudaliyar, Tirubuvanam, Tanjore district.	500	Do.	..	..	The application was rejected as the Board of Industries did not consider this a suitable case for the grant of aid under the Act as the supply of sugarcane can very well be arranged through a sugarcane growers co-operative society—G.O. No. 451, Development, dated 23rd February 1939.
27	16th August 1938.	The Kalyanpur Sugar Mills, Limited, Kalyanpur.	50,000	For sugar industry.	..	..	The application was rejected as there are no initial industrial assets as required under section 9 of the Act—G.O. No. 522, Development, dated 3rd March 1939.
28	18th August 1938.	Sri N. P. Subbanna Bhat, Heryadka, South Kanara.	5,000	For starting a soap and chemical works.	..	..	The application was rejected as the Board of Industries considered that it was desirable to eliminate middlemen as far as possible—G.O. No. 519, Development, dated 3rd March 1939.
29	19th August 1938.	Sri T. Dharmalinga Mudaliyar, Annasagar, Salem.	1,000	For dyeing and weaving industry.	..	..	

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30	23rd August 1938.	Sri Palle Lakshminathan Sethu Narayanarao, Ramachandrapuram, East Godavari district.	3,000	For developing his printing industry.	..	..	The Collector's report was received on 23rd January 1939 and the application will be placed before the next meeting of the Board by the Director of Industries and Commerce.
31	30th August 1938.	Sri S. V. Ganespathy, Mylapore, Madras, on behalf of the Madras Fertilizers and Chemicals Limited, proposed to be floated.	Contribution to the capital of the company by way of shares of Rs. 2 lakhs and supply of electric energy at concessional rates.	For manufacture of fertilizers such as ammonium sulphate, etc.	..	..	The usual notice inviting objections to the grant of aid was published and in response to this notice, the Madras Chamber of Commerce sent in its objection and its supplementary objection was received only three days ago. The objections will be heard by the Director and the application placed before the next meeting of the Board of Industries.
32	5th September 1938.	Sri Nalamveetil Kunhiraman, Palitkunnu P.O., North Malabar.	1,500	For handloom weaving industry.	..	..	The application was rejected as it was considered desirable to eliminate middlemen—G.O. No. 481, Development, dated 23rd February 1939.
33	8th September 1938.	The Andra Scientific Company, Limited, Madras, Proprietor of the Managing Agency Sri A. R. Murthi.	Rs. 50,000 subscription of shares or in the alternative a loan of Rs. 50,000.	For the manufacture of scientific instruments, apparatus, etc., in their factory at Masulipatam.	..	..	The application was considered by the Board of Industries at its meeting held on 8th January 1939 when certain further information was called for by the Board. This is being collected by the Director of Industries and Commerce.
34	10th September 1938.	The India Gold Prospecting and Mining Syndicate, Limited, Madras, Managing Agent, Narayanadas Girardas.	Rs. 1 lakh subscription of shares and debenture loan of Rs. 8 lakhs.	For gold mining industry in the Kuppan Zamindari.	..	..	The usual notice inviting objections was published and objections were heard in December 1938. The remarks of the company on the objections were received only a few days ago. The application will be placed before the next meeting of the Board by the Director of Industries and Commerce.
35	13th September 1938.	The West Coast Canneries, Limited (proposed to be formed), Managing Agents The Kalyanpur Sugar Mills, Limited, South Kanara, President of the Board of Directors Sri A. Srinivas Pal, Kasaragod.	Subscription of 10 per cent of shares, viz., Rs. 50,000 and grant of 40 per cent of 4000 bote lands.	For starting a fruit and vegetable canning and preserving factory.	..	..	As the scheme was on too ambitious a scale the Board expressed the opinion that it would be prepared to consider an application on a more modest scale. Orders were issued accordingly in G.O. No. 460, Development, dated 23rd February 1939.

Applications for State aid received during 1938—cont.

Serial number	Date of receipt of application.	Name and address of the applicant.	Amount of aid applied for.	Purpose of aid.	Amount of aid sanctioned.	Date of disbursement.	Remarks.
36	21st September 1938.	Sri V. S. R. Ayyangar, Madras.	Rs. 1,000	Ivory carving and allied works.	..	..	The application was rejected as the applicant appears to be a native of Travancore State.—G.O. No. 517, Development, dated 3rd March 1939.
37	22nd September 1938.	Sri A. Dharmaraju, Vinayapattam.	1,000	For the manufacture of brass sign boards, electric fittings, etc.	..	Rs. 1,000 payable in 6 equal annual instalments at 5 per cent interest.—G.O. No. 482, Development, dated 23rd February 1939.	....
38	29th September 1938.	Sri M. Ratnam, Vepery, Madras.	2,000	For tin printing, celluloid novelties, photo-stores, etc.	..	Rs. 1,000 payable in 10 instalments at 5 per cent interest.—G.O. No. 456, Development, dated 23rd February 1939.	....
39	7th October 1938.	Sri Doddaghatta Hanumantha Rao, Doddaghatta, Anantapur district.	4,000	For the preparation of jaggery from date juice.	..	..	The Collector's report on the valuation of the security and Assistant Industrial Engineer's report are awaited. They were received on 11th January 1939 by Director of Industries and Commerce.
40	7th October 1938.	Messrs. K. V. Ratnam & Bros., Rajahmundry, on behalf of "Ratnam Pens, Ltd.", a company proposed to be formed by the Proprietors K. Venkataratnam and Sri K. Sathyamurthy.	Subscription of shares for Rs. 5,000.	Manufacture of fountain pens.	..	..	The details of the proposal are awaited from the applicant, who were last addressed on 10th January 1939, by the Director of Industries and Commerce.

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41	8th October 1938.	The Grama Kaithorhill Adivrithi, Sangam, Ltd., Pittagudi, Proprietor of the Managing Agency Sri T. V. Krishnamoorthi Sastry.	750	Reviving cottage industries such as hand weaving, paddy husking, etc.	..	..	The reports from the Collector and the Principal, Government Textile Institute, were received on 17th January 1939 and the application will be placed before the next meeting of the Board by the Director of Industries and Commerce.
42	8th October 1938.	Messrs. D. Raja Maw-nay & Co., Ltd. The Proprietors Chemical Medras Industries, Madras, Managing Director Mr. D. R. Maw-nay.	50,000	For the manufacture of pharmaceutical products.	..	..	The application was considered by the Board of Industries at its meeting held on 30th January 1939 when the Board desired to have the latest audit report of the company, etc., and the information has been called for.
43	11th October 1938.	Sri N. M. Rama Raju, Thenn, on behalf of "The N. K. R. Anti-Septic Dressings Co., Ltd.," proposed to be formed.	Subscription of shares of the value of Rs. 10,000.	For the manufacture of sterilized surgical cotton wadding.	..	..	The application is under the consideration of Government.
44	4th November 1938.	Sri R. Shamugha Mudaliyar, Tirubuvanam, Tanjore district.	2,000	For silk handloom weaving.	..	..	The application was rejected as the security was inadequate.—G.O. No. 525, Development, dated 3rd March 1939.
45	4th November 1938.	Sri K. Kandaswami Mudaliyar, Tirubuvanam, Tanjore district.	2,000	Do.	..	..	Do.
46	10th November 1938.	Sri Mannathkandy Kunmaran, Calicut.	5,000	For handloom weaving and oil milling industry.	..	..	The reports from the Collector and the departmental officers are awaited. They were last reminded on 7th February 1939 by the Director of Industries and Commerce.
47	12th November 1938.	The Radio Crafters, 20, Second Line Beach, Madras, on behalf of a limited company which is proposed to be floated. Proprietor Sri Avadiappa Chettiyar.	Subscription of 10 per cent of shares, viz., Rs. 10,000.	For the manufacture of Radios.	..	..	After consulting the Radio Engineer, Provincial Broadcasting, the applicants were addressed for information on 21st December 1938 and reminded on 26th January 1939. Their reply is awaited by the Director of Industries and Commerce.
48	17th November 1938.	Avanna Pump Corporation, 20, Second Line Beach, Madras. Proprietor Sri Avadiappa Chettiyar.	Subscription of 20 per cent of shares viz., Rs. 20,000.	For the manufacture of water pumps.	..	..	The applicants have not yet replied to Director of Industries and Commerce letter, dated 23rd November 1938, and to the two subsequent reminders.

Applications for State aid received during 1938--cont.

Serial number	Date of receipt of application.	Name and address of the applicant.	Amount of aid applied for.	Purpose of aid.	Amount of aid sanctioned.	Date of disbursement.	Remarks.
49	20th December 1938.	Sri Bhuseetty Subbayya, Kancharapalem, Vizagapatam.	Rs. 500	For preparing fine mortar by ghauli.	..	..	The report of the Collector who was addressed on 24th December 1938 is awaited. He is reminded by the Director of Industries and Commerce.

STATEMENT II.

Applications for State aid received during 1939.

1	7th January 1939.	Messrs. Narasimham & Co., Ltd., Madras, Managing Director Sri G. Narasimham.	50,000	For the manufacture of inks.	..	..	The Collector's report has just been received. The application will be placed before the next meeting of the Board by the Director of Industries and Commerce.
2	12th January 1939.	E. S. Mohammed Ibrahim Sahib, Timnevelly.	1,000	For kora mat manufacture.	..	..	The applicant's reply as to the name of the surety is awaited by the Director of Industries and Commerce.
3	23rd January 1939.	The Andhra Chemical Corporation, Ltd. (Proposed to be formed), Tanuku, West Godavari. Managing Director Sri J. P. Sastri.	(1) 10 per cent subscription of issued capital, viz., Rs. 30,000. (2) Drawal of 50,000 gallons of water free of cost from the Nidadavole Main channel. (3) Extraction of 3,000 tons of wood fuel per annum from East and West Godavari forests free of cost.	For the manufacture of potassium salts from the ash of gingelly plant and of plantain tree.	..	..	The Superintendent, Kerala Soap Institute, has been consulted and his report is awaited by the Director of Industries and Commerce.

[25th March 1939]

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4	23rd January 1939.	Raja Bahadur G. Krishnamachariar, Hyderabad, Deccan.	(1) Rs. 3 lakhs (loan or overdraft). (2) Grant of water from Mettur project. (3) Electric energy at cheap rate.	For developing the Chetti Chavadi Mines (in Salem district—magnesite deposit) and manufacture of magnesium by product.	..	..	The applicant was addressed for further information on 28th January 1939 by the Director of Industries and Commerce.
5	23rd January 1939.	The Metal Industries, Ltd., Shoranur, Managing Director Rao Sahib V. K. Menon and Sri E. Velappu Nair.	6,000	For developing their industry.	..	..	The application will be placed before the next meeting of the Board by the Director of Industries and Commerce.
6	8th February 1939.	Sri K. P. Subbiah Pillai, Timnevelly.	2,000	For the manufacture of carbon paper.	..	..	....

NOTE.—A great deal of work is involved in the final disposals of these applications. The need for action at several intermediate stages of the life of an application explains the long interval of time that elapses between the receipt of an application and its final disposal.

[25th March 1939]

APPENDIX III.

[Vide answer to starred question No. 207 asked by Sri A. Rangaswami Ayyangar at the meeting of the Legislative Council held on the 25th March 1939, page 238 *supra*.]

Statement.

Year.	Amount received through.					
	Court-fee stamps.		Non-judicial stamps.		Poundage fees.	
	(1)	(2)	(3)	(4)	(5)	(6)
		RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1929		..	632 4 0	..	..	..
1930		..	1,231 1 0	..	..	..
1931		..	3,407 4 0	..	..	..
1932		1,85,856 14 0	3,178 8 0	..	..	..
1933		1,75,053 6 0	3,550 14 0	..	..	..
1934		1,70,568 10 0	5,345 8 0	5,358 5 0 *	..	..
1935		1,50,244 7 0	4,159 8 0	11,556 7 0	..	..
1936		1,37,868 13 0	6,493 0 0	12,183 2 0	..	..
1937		1,31,147 3 0	6,313 4 0	7,441 13 0	..	..
1938		1,22,003 10 0	40,792 6 0	10,707 7 0	..	..

REMARKS.—Figures under column (2) for 1929 to 1931 and under column (4) for 1929 to 1933 and January to May 1934 are not furnished as registers are not available having been destroyed under the rules.

* Only for June to December 1934.

APPENDIX IV.

[Vide answer to unstarred question No. 56 asked by Sri P. Veerabhadraswami at the meeting of the Legislative Council held on the 25th March 1939, page 251 *supra*.]

Statement I.

Name of the Institution.	Receipts including grants-in-aid in fiscal 1947.		Charges in fiscal 1947.		Net cost to the estate.	
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Maharaja's College including High School and lower classes.	76,553 12 1	1,38,730 10 10	57,176 14 9	..	..	..
Sanskrit College	2,364 0 0	13,828 13 11	11,464 13 11	..	..	..
Musli College	.. .. .	4,983 2 0	4,983 2 0	..	..	..
Maharaja's Hospital for men	41 9 6	20,459 6 7	20,417 13 1	..	..	..

Statement II.

Retrenchments effected.

	In round figures per annum.
	RS.
1 Conveyance, house-rent and graduate allowances abolished	12,500
2 Retrenchment in Workshop establishment	10,300
3 Do. Electrical establishment	7,300
4 Do. Out-stations establishment	8,600
5 Do. several departments classified under general term "Fort department"	82,000
6 Do. contingencies of the Fort department including Electrical Workshop, Out-stations, etc.	1,56,200
7 Savings due to revision of scales of pay of the staff in the College (full effect of savings will be seen only in future years as and when the men on old scales retire)	12,800
Total	2,89,700

PERSONNEL OF THE GOVERNMENT OF MADRAS.

GOVERNOR OF MADRAS.

HIS EXCELLENCY LORD ERSKINE, G.C.I.E.

MEMBERS OF THE COUNCIL OF MINISTERS.

- 1 THE HON. SRI C. RAJAGOPALACHARIAR, Prime Minister, in charge of the Public and Finance Departments.
- 2 THE HON. SRI T. PRAKASAM, Minister in charge of the Revenue Department.
- 3 THE HON. MR. YAKUB HASAN, Minister in charge of the Public Works Department.
- 4 THE HON. DR. P. SUBBARAYAN, Minister in charge of the Law Department.
- 5 THE HON. DR. T. S. S. RAJAN, Minister in charge of the Public Health Department.
- 6 THE HON. SRI V. I. MUNISWAMI PILLAI, Minister in charge of the Agriculture and Rural Development Department.
- 7 THE HON. SRI V. V. GIRI, Minister in charge of the Industries and Labour Department.
- 8 THE HON. SRI S. RAMANATHAN, Minister in charge of Administration Reports and Public Information Department.
- 9 THE HON. SRI B. GOPALA REDDI, Minister in charge of the Local Administration Department.
- 10 THE HON. SRI C. J. VARKEY, Minister in charge of the Education Department.

PRINCIPAL OFFICERS OF THE MADRAS LEGISLATIVE
COUNCIL.

President.

THE HON. DR. U. RAMA RAO.

Deputy President.

SRI K. VENKATASWAMI NAYUDU.

Panel of Chairmen.

1. KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR.
2. THE RT. HON. V. S. SRINIVASA SASTRI.
3. SRI T. A. RAMALINGAM CHETTIYAR.
4. „ V. V. JOGAYYA PANTULU.

Secretary to the Council.

SRI D. K. V. RAGHAVA VARMA, B.A., B.L.

THE MADRAS LEGISLATIVE COUNCIL.

THIRD SESSION OF THE LEGISLATIVE COUNCIL UNDER THE GOVERNMENT OF INDIA ACT, 1935.

Thursday, 11th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Revenue of various municipalities and district boards in the Presidency, and the allotment set apart for public health expenditure.

* 220 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Local Administration be pleased to state—

(a) what the total income is of each municipality and district board during each of the years from 1936 to 1938 and what the amount spent is by each municipality and district board towards public health expenditure and what the proportion is between the two, during the years 1936–38;

(b) what the public health establishment is of each municipality and district board in the Presidency during the year 1937–38; and

(c) what the total income of the Corporation of Madras was during the year 1937–38, what the amount spent by the Corporation towards public health expenditure was and what the public health establishment of the Corporation of Madras is?

THE HON. SRI B. GOPALA REDDI:—“(a) Statements ^a showing the figures for the years 1936–37 and 1937–38 are appended.

“(b) Details regarding the Public Health establishment of Municipal Councils and District Boards in 1937–38 are not readily available.

“(c) A statement ^a showing the income and expenditure referred to and a statement ^a of Public Health establishment of the Corporation of Madras for 1938–39 are appended.”

^a Printed as Appendix I on pages 57–63 infra.

[11th May 1939]

SRI B. NARAYANASWAMI NAYUDU:—“ May I ask whether details regarding the Public Health establishment of Municipal Councils and District Boards in 1937-38 will be placed on the table of the House? They have not been supplied now.”

THE HON. SRI B. GOPALA REDDI:—“ Yes, they will be placed on the table of the House.”

Recommendations of the Lee Commission and the extent to which they were carried out.

* 221 Q.—MR. J. A. SALDANHA: With reference to the answers given to my questions No. 255 on the 14th March 1927 and No. 1651 on the 27th March 1930 in the old Legislative Council, will the Hon. the Prime Minister be pleased to state—

(a) the latest developments in carrying out the recommendations of the Lee Commission and the percentage of Indians in each department of the Government;

(b) the reasons for the pace varying from the recommendations of the Commissioners; and

(c) the various superior services that have been provincialized since the date of the Lee Commission's recommendations and how far vacancies have been filled in?

THE HON. SRI C. RAJAGOPALACHARIAR:—“ (a) A statement ^a is laid on the table of the House.

“ (b) The orders of the Secretary of State on the recommendations of the Lee Commission are being given effect to.

“ (c) The following Services have been provincialized:—

- (1) Indian Agricultural Service,
- (2) Indian Veterinary Service,
- (3) Indian Educational Service,
- (4) Indian Service of Engineers,
- (5) Indian Forest Service.

The cadres of the corresponding Provincial Services are being increased according to the necessities of each service.

“ As regards the Indian Medical Service the position is as stated in the answer to question No. 1651, dated 27th March 1930, with the modification that the number of civil appointments to be reserved in Madras for Indian Medical Service Officers has been reduced from 23 to 21 (15 for British Officers and 6 for Indians), excluding the leave reserve of 5 posts (4 for British Officers and 1 for Indian) as against 6 in 1930.”

^a Printed as Appendix II on pages 64-65 *infra*.

[11th May 1939]

Statement showing the number of gazetted officers to whom extension of service was granted.

* 222 Q.—SRI RAO BHANUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Prime Minister be pleased to state whether he will place a statement on the table of the House stating the total number of gazetted officers to whom extension of service was granted during the period from 1st January 1928 to 1st January 1939, and also the following particulars with regard to each of the officers:—

- (1) Name, designation and the salary of the officer;
- (2) the community to which he belonged;
- (3) date of the order by which the extension was granted; and
- (4) the period for which the extension was granted?

THE HON. SRI C. RAJAGOPALACHARIAR:—“ A statement ^a is placed on the table.”

Proposal, if any, to notify the temples of Sri Someswaraswami and Sri Janardanaswami of Gunupudi, Bhimavaram taluk, under the Hindu Religious Endowments Act and objections, if any, to such notification.

* 223 Q.—SRI P. PEDDI RAJU: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the Government have proposed to notify the temples of Sri Someswaraswami and Sri Janardanaswami of Gunupudi, Bhimavaram taluk, West Godavari district, under section 65-A of Madras Act II of 1927;

(b) whether it is a fact that a scheme for the administration of the temples was framed by the District Court of Godavari in O.S. No. 33 of 1904;

(c) whether it is a fact that the Madras Hindu Religious Endowments Board has originally given notice to the trustees that the Board intends filing a suit for the modification of the scheme settled by the District Court in O.S. No. 33 of 1904; and if so, why the said proposal has been dropped;

(d) whether the Government will be pleased to place on the table a copy of the order of the Hindu Religious Endowments Board calling upon the trustees to file objections against the proposed notification of the temples and the order approving the notification with the grounds therefor;

(e) whether the trustees as well as the public objected to the notification;

(f) whether it is a fact that the Board passed certain proceedings on 7th September 1938 on grounds which were not alleged in the original notice;

^a Printed as Appendix III on pages 66-68 *infra*.

[11th May 1939]

(g) what the income of the temple lands is during the years 1935, 1936, 1937 and 1938; and whether it is a fact that the income is rising from year to year;

(h) whether it is a fact that large amounts of subscriptions have been collected by the present trustees during the last two years and that the temples and the surroundings have been substantially renovated;

(i) whether it is a fact that none of the Commissioners of the Board has inspected the temples or the accounts in spite of the requests from the present trustees;

(j) whether it is a fact that various important Gazetted Officers, Swamis and Madathipathis visited the temples during the last three years and wrote in the Visitors' Book very favourable remarks about the upkeep and management of the temples by the present trustees; and

(k) whether it is a fact that the accounts of the temples kept by the present trustees are being regularly audited from year to year?

THE HON. DR. T. S. S. RAJAN:—“(a) The Hindu Religious Endowments Board have decided to notify the temples to be subject to the provisions of Chapter VI-A of the Act and have now addressed Government separately in the matter.

“(b) Yes.

“(c) Yes. The proposal to file a suit was dropped by the Board since it thought that notification proceedings would be a more effective and less expensive remedy than the filing of a suit to modify the scheme.

“(d) The Government do not think it necessary to place the notice issued by the Hindu Religious Endowments Board on the table but are ready to give the questioner any further information he may require. The attention of the hon. Member is invited to the answer to clause (a) of the question. Government have not yet passed orders.

“(e) The trustees and some worshippers filed objections to the notification.

“(f) The order passed on 7th September 1938 relates to the reasons given in the notice of notification.

“(g) The following are the particulars of income for the years under reference:—

			Increase.		
RS. A. P.			RS. A. P.		
1935	...	...	918	9	0
1936	...	...	1,326	7	9
1937	...	...	1,390	5	2
1938	...	...	1,438	0	0

“There has been a rise in the income from year to year.

[11th May 1939]

“(h) It is learnt from the Board's Inspecting Officer who made a local enquiry that the present trustees did not collect any subscriptions, that they did not maintain any accounts to show that they have collected subscriptions and that they got a portion of the temple compound wall repaired from out of the temple funds.

“(i) The Commissioner did not inspect the temples but held an enquiry into the management on 26th November 1937 at Ellore.

“(j) Yes.

“(k) The accounts of the temple kept by the present trustees were not audited regularly from year to year. The present trustees came into office in June 1935. The accounts were audited from 1st January 1932 to 1st January 1937 but not subsequently.”

Closure of Andhra Paper Mills, Rajahmundry.

* 224 Q.—SRI D. SRIRAMAMURTI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether the Government are aware of the sudden closure of the Andhra Paper Mills Co., Ltd., Rajahmundry, on the 22nd December 1938;

(b) how far the Government are responsible for the closure;

(c) how much money of the Indian public is sunk into this company and what the total number of the shareholders is;

(d) how much the Managing Agents have invested in the company;

(e) how many workmen have been thrown out of employment; and

(f) whether the Managing Agents have no intention of re-starting this company; if so, what steps the Government propose to take to revive this industry and bring it to a success?

THE HON. SRI V. V. GIRI:—“(a) Yes; the Government are aware of the closure of the mills.

“(b) The Government do not hold themselves in any way responsible for the closure.

“(c) A sum of Rs. 18,66,242-6-8 has been invested in the company by the Indian public. The total number of shareholders is Rs. 3,696.

“(d) Rs. 7,00,000.

“(e) 456.

“(f) They have agreed to resume the working of the mill at an early date.”

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Canning industry and the aid given to it by Government.

* 225 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how far the company for canning mangoes and pine-apples at Bezwada referred to on page 19 of the Administration Report of the Department of Industries, 1937-38, has progressed and with what aid from Government; and

(b) whether other such companies have been formed and asked for aid from Government?

THE HON. SRI V. V. GIRI:—“(a) The Company referred to is the India Canning Industries, Ltd., Bezwada. It was registered as a limited company on 22nd December 1937 with the object of canning fruits, vegetables, fish, etc. The necessary plant has been set up and commercial canning operations commenced in July 1938. It is reported that the company has canned about 100,000 lb. of fruits, fish, and meat.

“The Government have agreed to take shares in the company to the value of Rs. 10,000 subject to certain conditions.

“(b) The Kalyanpur Sugar Mills applied for subscription of shares by the Government of the value of Rs. 50,000 in the projected company “The West Coast Canneries, Ltd.” Their application was considered by the Board of Industries and they were informed that the board would be prepared to reconsider the matter if an application on a more modest scale was made.”

MR. J. A. SALDANHA:—“Are the Government aware that mangoes are very cheap in South Kanara and that large quantities of them are produced there? Will encouragement be given for the formation of a company in South Kanara on a limited scale to encourage its canning?”

THE HON. SRI V. V. GIRI:—“With regard to mangoes, I take the information from the hon. Member. As regards the rest of the question I shall look into it.”

Grazing fees in reserved and panchayat forests.

* 226 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased—

(a) to place before the House a statement showing the rates of grazing fees in force in Government reserved forests and panchayat forests in the several districts, and the extent to which they have been increased or reduced during the last three years; and to state;

(b) what proposals there are for reducing or abolishing grazing fees and what action Government propose taking?

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THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) A statement * giving the information is laid on the table.

“(b) As the hon. Member is aware, grazing fees have already been reduced by half in the departmental forests. The rates in some of the panchayat forests also have been reduced. The Board of Revenue will consider the question of reduction of rates in the remaining panchayat forests when the agreements with the panchayats come up for renewal.”

MR. J. A. SALDANHA:—“Is the Hon. Minister aware that in the Bombay Presidency, grazing fees have already been abolished altogether? The Government are going to get several crores by means of the Sales Tax. May I enquire whether the Government would consider the proposal which I have made already for abolishing altogether the grazing fees?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“I do not think the Government have any idea of abolishing altogether the grazing fees.”

MR. J. A. SALDANHA:—“May I ask whether the Government have ascertained how the Bombay Government have been able to abolish the grazing fees altogether?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“We have considered the question and we have come to a conclusion. We have reduced the fees by half.”

Distribution of quinine and its products.

* 227 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased—

(a) to place before the House a statement showing—

- (1) the total quantity of quinine sulphate febrifuge, totaquina tablets distributed free in the malarial areas;
- (2) the cost of the tablets of each kind so distributed;
- (3) the agencies through which they were distributed;
- (4) the areas in which the distribution was made in the years 1938-39; and to state;

(b) whether it is proposed to extend the distribution of the tablets free and if so, to what areas and at what cost; and

(c) what steps are adopted to make the treatment more popular and effective?

THE HON. DR. T. S. S. RAJAN:—“Information has been called for.”

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Non-official organizations for carrying on health propaganda.

* 228 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state—

(a) what non-official associations exist in the various districts for carrying on health propaganda;

(b) whether there has been a Health and Welfare Association in Mangalore for this purpose;

(c) whether the Health Officers of South Kanara district and the Municipality of Mangalore are members of that association and whether those Health Officers have enlisted the co-operation of the association for carrying on health propaganda; and

(d) whether, in view of the Madras Public Health Act being enforced in this Province, Government have issued instructions or propose issuing instructions for organizing official co-operation with such associations and enlisting the support of non-official agencies for carrying on a health crusade all over the Province?

THE HON. DR. T. S. S. RAJAN:—“(a) A statement * is laid on the table.

“(b) & (c) It is understood that there is no such association in the South Kanara district.

“(d) Instructions in this regard will be issued.”

MR. J. A. SALDANHA:—“For the information of the Hon. Minister, I may say that I am a member of the Health and Welfare Association in Mangalore for over ten years. I am just now the President of the association. Will the Government make further enquiries about the existence of this association?”

THE HON. DR. T. S. S. RAJAN:—“The existence of the association has had to be announced to this House by the President of the association. As far as the activities of the association are concerned, so far as the Government are aware they are as good as dead. No information is available in the matter.”

Stocks of quinine salts purchased by various bodies in the Province of Madras as compared with the stocks purchased by other Provinces.

* 229 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to refer to Appendix B to the Administration Report of the Cinchona Department for 1937–38 and—

(a) to explain for the small quantities of quinine salts purchased by the Madras Government Hospitals and the Medical

* Printed as Appendix V on pages 99–102 infra.

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Stores Depot at Madras and the local bodies in this Presidency as compared with the stocks purchased by the Medical Stores at Bombay, the Central Provinces and Burma; and

(b) to state whether the Government are taking steps to have larger quantities of the salts purchased by the Government hospitals and the Medical Stores and institutions under their control?

THE HON. DR. T. S. S. RAJAN:—“(a) & (b) The total quantity of quinine salts purchased by this Government, the local bodies in this Province and the Madras Medical Stores Depot is much more than the quantities purchased by the Central Provinces and the Medical Stores Depots in other Provinces, but it is less than the quantity purchased by Burma. Only the quantity of quinine salts absolutely necessary for the medical institutions, etc., in this Province is obtained. The Government do not consider it necessary to take steps to have larger quantities purchased than are required.”

MR. J. A. SALDANHA:—“May I enquire whether, for purposes of larger use by the public and for charity the Government should not purchase larger quantities of quinine?”

THE HON. DR. T. S. S. RAJAN:—“No Government is justified in buying larger quantities than it is necessary for its requirements.”

Delay in the publication of the administration reports of the various departments of the Government.

* 230 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Administration Reports and Public Information be pleased to place before the House, a statement showing the dates on which the administration reports of the several departments of Government for 1937–38—placed at the disposal of the Press and made available to the Members of the Legislature in January and February 1939—had been received in the Secretariat and to state the causes of the delay in the receipt or publication of each of them?

THE HON. SRI S. RAMANATHAN:—“A statement * is laid on the table of the House.”

MR. J. A. SALDANHA:—“I do not find any mention of the report in connexion with education. We have just received copies of the report . . .”

MR. PRESIDENT:—“It is not a supplementary question.”

* Printed as Appendix VI on pages 103–105 infra.

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Honorary surgeons appointed for the City hospitals.

* 231 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased—

(a) to place before the House a statement showing the names of honorary surgeons appointed for the Madras City hospitals since 1928 with their community, caste, the districts of their birth, the period for which these appointments were made; and to state

(b) whether an extension was given to any of them and if so, for how long and for what reasons;

(c) how many vacancies of honorary surgeons for the City hospitals were advertised since 1st January 1938 up to date;

(d) who all applied for the vacancies (with names, religion and caste, qualifications and practical experience); and

(e) how these applications were disposed of?

THE HON. DR. T. S. S. RAJAN:—“(a) to (e) Two statements^a furnishing the information required by the hon. Member are laid on the table.”

Alleged enrolment of teachers of Tiruturaipundi Board High School as members of Congress party.

* 232 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Education be pleased to state whether it is a fact that some of the teachers of the Board High School, Tiruturaipundi, have enrolled themselves as members of the Congress party?

THE HON. SRI C. J. VARKEY:—“The answer is in the affirmative. Steps are being taken to ensure full compliance with the terms of G.O. No. 1503, L.A., dated the 25th April 1938, which prohibits municipal and local board officers and servants from taking part in or subscribing in aid of any electioneering party organization.”

Administration of Kallimodu Chatram Funds vested with the Tanjore District Board.

* 233 Q.—SRI B. NARAYANASWAMI NAYUDU: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether it is a fact that a choultry was constructed at Tiruturaipundi from out of the Kallimodu chatram funds which is now under the management of the Tanjore District Board;

(b) if so, what the purpose is for which the choultry was constructed;

(c) whether the permission of the District Judge was obtained to divert the said Kallimodu chatram funds for the construction of this building;

^a Printed as Appendix VII on pages 106-108 infra.

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(d) if so, what the conditions imposed by the District Judge are when sanctioning the diversion;

(e) whether there is any working rule framed for observance in the said choultry;

(f) whether it is a fact that the Congress election office was opened in one of the rooms of the said choultry; and

(g) if so, what the period is during which the said office was kept in that building?

THE HON. DR. T. S. S. RAJAN:—“(a) The Tiruturaipundi choultry was constructed out of the Kallimodu chatram funds.

“(b) Its purpose is to provide a rest-house or halting place for travellers in Tiruturaipundi on the model of the Rajah's choultry at Tanjore.

“(c) & (d) It is reported that the permission of the District Judge was obtained to divert the said Kallimodu chatram funds for the construction of the choultry and that no conditions were imposed by the District Judge then.

“(e) No rules have been framed and there are no special rules other than those in vogue in other rest houses.

“(f) & (g) It is reported that elections were held there for a day by the local Congress organization, certain individuals occupied the chatram on payment of the usual rent and that no permission appears to have been granted by the district board to open any election office in the chatram.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know whether the gentlemen who occupied the rooms in the choultry sent any letter to the district board asking for permission to hold the elections?”

THE HON. DR. T. S. S. RAJAN:—“If the hon. Member wants the information, Sir, if he puts down a question, I shall call for further information.”

SRI B. NARAYANASWAMI NAYUDU:—“May I know whether this occupation was after the elections, and after the advent of the Congress Ministry into office? I am asking with reference to clause (f).”

THE HON. DR. T. S. S. RAJAN:—“Evidently it is so, because we have occupied office now for nearly two years. I do not know whether this question relates to something that happened two years ago.”

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Parents' consent, if any, for teaching Hindi compulsorily in schools.

* 234 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: With reference to the Hon. the Prime Minister's reply to the Budget debate in the Council, will the Hon. the Minister for Education be pleased to state—

(a) whether the consent of the parents is being obtained in the schools wherein Hindi is taught compulsorily; and

(b) whether he is prepared to allow freedom to the boys to choose to learn Hindi or not?

THE HON. SRI C. J. VARKEY:—“(a) & (b). Hindustani is taught as part of the course in Forms I to III. The teaching of no subject is made dependent on the opinions of individual pupils or parents where no question of religious or conscientious objection is involved.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“My question relates to the statement made by the Hon. the Prime Minister at the time of the Budget debate. May I ask the Hon. the Prime Minister now whether he countermands that statement?”

MR. PRESIDENT:—“It is not a supplementary question.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“It is directly opposite to the statement made by the Hon. the Prime Minister. That is why I am asking the question.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“The answer given by the Minister for Education is not contrary at all to anything that I said anywhere.” (Laughter.)

SRI L. SUBBA RAO:—“May I ask whether there is any objection raised by the parents in regard to this matter?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I do not think it arises out of this question; but as far as I am aware, the parent of not a single boy objected out of the 30,000 pupils. The parent of one girl wanted his girl to be withdrawn, and that girl was permitted to be withdrawn.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I ask whether the Government have made any arrangements to consult the parents on this matter?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“There is no necessity for any special arrangements, Sir. There is sufficient agitation of which the hon. the Leader of the Opposition is aware. Parents all know their rights; they pay the fees every month, they send their children to school, willingly, it is presumed.”

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“The Hon. the Prime Minister asks me to let him know the contradiction that I referred to. He said it was not compulsory in regard to Hindi. Was that not included along with English and other subjects about which the boys or parents have no option to say whether they are willing to study that subject or not?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“If it is a question of argument, English is taught as part of the course in Forms I to III. Arithmetic is taught as part of the course in Forms I to III, and Hindustani also is taught as part of the course in Forms I to III. There is some amount of compulsion and the same amount, I presume, in respect of all.”

SRI T. C. SRINIVASA AYYANGAR:—“Is there any provision for parents being consulted in respect of other subjects?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“The position is perfectly clear, Sir. The parents are not consulted with reference to each item of the curriculum. The parents make up their minds; the children make up their minds, and the curriculum is published. If you call any particular subject compulsory in one sense, it is right, because it is part of the curriculum, but there is no compulsion in it.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Is it not a fact that there is a group called optional subjects?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“If a distinction is made between optional and Group A, we may say that this is Group A. Even optional is compulsory. One optional must be taken. The option is only between some subjects and not altogether.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“My question is whether Government will be pleased to make this one of the optionals?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I shall again consider the proposal, Sir.” (Laughter.)

Municipalities which have opened beggar homes and Government control over beggars.

* 235 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Law be pleased to state—

(a) the names of municipalities that have already opened and contemplate opening “beggar homes” to control the movements of beggars and thus check the beggar nuisance;

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(b) the names of the municipalities that requested the Government to grant contribution to them to open such beggar homes in their respective jurisdiction and to take early steps to enact a Bill to control the movements of beggars in this Province; and

(c) whether the Government propose to introduce necessary legislation to solve the beggar problem and if so, when and on what lines?

THE HON. DR. P. SUBBARAYAN:—“(a) The Government have no information at hand.

“(b) No district municipality has made such a request.

“(c) The Government consider that this is a problem which must be tackled primarily by constructive work on the part of the local bodies concerned. If and when beggar homes and similar institutions are provided by any local bodies, the Government will be prepared to consider any necessary or useful legislative measures on the subject.”

Waiting sheds for bus-passengers.

* 236 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Local Administration be pleased to state whether Government in co-operation with local bodies or the latter in co-operation with the former have built stands or sheds for passengers by motor buses at important stations with facilities for waiting passengers to sit and take refreshments, and lavatories and other such amenities of life and if so, in which places in the districts of South Kanara and Malabar, and at what cost to Government?

THE HON. SRI B. GOPALA REDDI:—“Under the provisions of the Madras Local Boards Act, 1920, and Madras District Municipalities Act, 1920, local bodies may provide cart-stands which include bus-stands also. The provision of amenities such as shelter for passengers, lavatories, etc., at the cart-stands is not compulsory under the said Acts. Nevertheless the Government have issued executive instructions directing panchayats to provide such amenities. The Government have no information as to the places where the cart or bus stands have been opened or whether the amenities referred to have been provided at those stands.”

MR. J. A. SALDANHA:—“Will the Government ascertain how far the wishes of the Government have been carried out by the panchayats especially in Malabar and South Kanara?”

THE HON. SRI B. GOPALA REDDI:—“I shall ascertain from the panchayats in those districts.”

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MR. J. A. SALDANHA:—“May I also ask whether in several places in Mysore, such sheds have been built; and if so, will the Government ascertain what sort of sheds have been built in Mysore and introduce them in this Presidency?”

THE HON. SRI B. GOPALA REDDI:—“As far as finances permit, they will be asked to provide these amenities.”

Development of coir industry.

* 237 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to state what steps have been taken by Government in 1938-39 and are contemplated to be taken in 1939-40 for the development of the coir industry in South Kanara, Malabar, and other districts with large coconut plantations?

THE HON. SRI V. V. GIRI:—“A coir demonstration party with headquarters at Beypore in the Malabar district held classes during 1938-39 to demonstrate and teach improved methods of coir working especially in the production of thinner and more evenly twisted yarns. The party will continue its work during 1939-40. The departmental coir making machinery has been lent to a co-operative society at Amalapuram in the East Godavari district free of charge for the purposes of demonstration and training of apprentices. Government are employing a demonstrator to assist the society in its work and have permitted the Leather Research Chemist to supervise the work. Improved methods of coir working will be demonstrated in other districts as and when necessary.”

MR. J. A. SALDANHA:—“May I know if the coir demonstration party exists now in South Kanara, and is going out for demonstration purposes?”

THE HON. SRI V. V. GIRI:—“Notice.”

Welfare of labourers in plantations.

* 238 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to refer to his answers to my starred question No. 1 and unstarred question No. 37 answered on 21st December 1937 and 22nd March 1938, respectively, on the subject of welfare of labourers in plantations and to state whether the Government have arrived at a decision; if so, what it is?

THE HON. SRI V. V. GIRI:—“Yes. A copy* of the orders passed concerning the welfare of labourers in plantations on the Anamalais is placed on the table of the House.”

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MR. J. A. SALDANHA:—" May I know why Government have confined it to the Anamalais only and whether they have in view the passing of orders in regard to other plantations? "

THE HON. SRI V. V. GIRI:—" Yes, Sir."

MR. J. A. SALDANHA:—" Will Government be able to enforce the order without being fortified by legislative powers? "

THE HON. SRI V. V. GIRI:—" I hope so."

Statistics regarding people addicted to drink evil.

* 239 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state whether the Government have taken or propose to take a census approximately showing—

(1) the number of people in the several communities given to drinking liquors and those who by custom have sanction for drinking among themselves; and

(2) the number of people among them given to the habit of excessive drinking calculated to undermine their health and disturb public and domestic peace?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (1) & (2) The answer is in the negative."

MR. J. A. SALDANHA:—" May I enquire how the Government have introduced Prohibition without statistics of the drinkers and the drunkards? "

THE HON. SRI V. I. MUNISWAMI PILLAI:—" We have been able to find out what the real feeling in the country is."

Measures for the relief of indebtedness among owners of small and large industries.

* 240 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to refer to his answer to my question No. 5 (c) on the 21st December 1937 and to state—

(a) whether Government have enquired into and ascertained the extent of depression and distress among owners of large and small industries on account of indebtedness caused by high interest exacted by capitalists, as well as other causes;

(b) whether Government contemplate measures for their relief by legislation for reducing the rates of interest and accumulation by compound interest as in the case of agriculturists;

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(c) if so, in the case of which industrialists Government have such policy in view to begin with; and

(d) whether Government have in view a Money Lenders' Bill for the welfare of borrowers, especially industrialists?

THE HON. SRI V. V. GIRI:—" (a) The answer is in the negative.

" (b), (c) & (d) The Government have under consideration a Money Lenders' Bill which will apply to all classes of borrowers including industrialists and it is proposed to prescribe therein the maximum rates of interest to be charged on loans to all persons other than agriculturists. No other measures affecting industrialists are under contemplation."

MR. J. A. SALDANHA:—" May I enquire when this legislation will be brought in? "

THE HON. SRI V. V. GIRI:—" As early as possible."

MR. J. A. SALDANHA:—" 'Possible' is a vague term. Some sort of period may be given, such as six months or one year."

THE HON. SRI V. V. GIRI:—" Very soon, Sir." (Laughter.)

Publication of an industrial guide.

* 241 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to refer to the supplementary answer given on the 21st December 1937 to my question No. 7 (b) and to state whether steps are being taken to publish an industrial guide based on the advice given by the Industrial department to enquirers and its experience and special knowledge on the development of various industries?

THE HON. SRI V. V. GIRI:—" With reference to the answer given to the hon. Member in March 1938 in respect of his further questions on the subject, the Ninth Industries Conference did not make any recommendation on the subject of publication of an industrial guide. There is no proposal under the consideration of Government for the publication of such a guide. A note by Mr. L. B. Green, Director of Industries and Commerce, on 'the Economic Resources of the Province of Madras and Possibilities of their Development' will be made available to the public and circulated to the members of the Madras Legislature shortly."

MR. J. A. SALDANHA:—" May I ask who is the author? "

THE HON. SRI V. V. GIRI:—" I have stated that; Mr. L. B. Green."

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Depression among owners of handloom factories in South Kanara.

* 242 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether there is considerable depression among owners of handloom factories in South Kanara;

(b) what aids have been sought by them from Government or bodies aided by Government; and

(c) what relief has so far been given and with what success or failure and if the latter, why?

THE HON. SRI V. V. GIRI:—“(a) The Government are aware of the general condition of handloom weavers in this Presidency. But they have no particular information as regards the condition of owners of handloom factories in South Kanara.

“(b) & (c) An application for a loan under the Madras State Aid to Industries Act, 1922, was received by the Director of Industries and Commerce from a proprietor of a handloom factory in South Kanara. As the Board of Industries did not recommend the grant the Government had no option but to reject it.”

MR. J. A. SALDANHA:—“May I know whether the textile co-operative society in South Kanara did not apply for aid and whether it was granted or refused?”

THE HON. SRI V. V. GIRI:—“Notice.”

Objections, if any, to the message sent by the Premier on the reconversion of certain families from Christianity to Hinduism at Devakottai.

* 243 Q.—MR. J. A. SALDANHA: Will the Hon. the Prime Minister be pleased to state whether, having regard to his position as Premier, objections have been raised to the message sent by him on the occasion of the Shuddhi ceremony on the reconversion of certain families from Christianity to Hinduism at Devakottai, on the ground of breach of neutrality in regard to religions of the various communities?

THE HON. SRI C. RAJAGOPALACHARIAR:—“I answered it in the other House; I thought the hon. Member might not therefore put the question, Sir.

“Certain Harijan families in Devakottai taluk, who had recently adopted Christianity as a result of caste oppression known by the name of Nattar-Harijan trouble, went back

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to their old forms of worship and prayer. A formal public ceremony was gone through to mark the re-union of their families with their relatives who had continued in Hinduism.

“On this occasion a message was asked of me and I sent one. I presume this would have been asked of me even if I had not been Premier. I do not think my message could possibly amount to a breach of the Government's neutrality in regard to religions. My attachment to Hinduism and my desire for the removal of untouchability are consistent with the greatest regard and love for Christianity and those who profess it. My worshipful attitude towards Christ and His teachings was not inconsistent with the message I sent on this occasion which was not sent as from a Premier, but from a Hindu. I framed my greetings in words which particularly emphasised that the change over should not be in expectation of any material gain or advantage. I assure the hon. Member that he need have no apprehensions that liberty of faith will be jeopardized by me in any way.

“A copy* of the message I sent is placed on the table. It embodies my personal opinion and has nothing to do with Government.”

SRI A. RANGASWAMI AYYANGAR:—“May I know whether the Hon. the Premier has ceased to be a Hindu after he accepted office?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“On behalf of Government, I say No, Sir.” (Laughter.)

SRI A. RANGASWAMI AYYANGAR:—“Is it not a fact that the persons referred to got into Christianity because of the oppression meted out to them and after the establishment of the Harijan Sevak Sangh, the trouble practically ceased and therefore there was no longer any reason for their remaining in the Christian fold?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“What I know on the subject has been already answered by me, Sir.”

SRI T. C. SRINIVASA AYYANGAR:—“May I ask if the Hon. the Premier sent the message after the Harijans had definitely resolved to come back to Hinduism?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Not only after their resolution to come back, but after a formal function was fixed, some lady wrote to me on the subject saying that everything was fixed up and I should send my message to them; it was only at that stage that the message was sent. So, it must be long after the resolution.”

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MR. J. A. SALDANHA:—" May I know, Sir, when once a private gentleman takes up an official position as Premier, and sends a message, whether that message would not be misconstrued by the public as being sent in his public capacity? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I have already given the assurance in this respect and certainly the hon. Member who puts the question could have no such misapprehension."

Variations in land revenue in certain districts.

* 244 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Revenue be pleased—

(a) to place before the House a statement showing the increase or decrease of land revenue in British ryotwari areas in the districts of South Kanara, Coimbatore and Guntur for the faslis 1346, 1347 and 1348;

and to state—

(b) the causes of such fluctuations;

(c) the orders, if any, passed by Government or the Revenue Board sanctioning the increase or decrease;

(d) the remissions, if any, of the revenue sanctioned and effected in the districts mentioned in the specified years; and

(e) what the policy and programme of Government are as to the increase or decrease of land revenue for the next three years—1939-40, 1940-41 and 1941-42—in this Province?

THE HON. SRI T. PRAKASAM:—" (a) The attention of the hon. Member is invited to columns 58 to 61 in Statement No. 4 appended to the Jamabandi Reports for faslis 1346 and 1347. The figures for the current fasli are not yet available.

" (b) The fluctuations result from the combined effect of fresh grants of land, relinquishments, variations in the areas irrigated and in the areas in which second crop is raised, seasonal and other remissions, variations caused by the introduction of resettlements and changes resulting from acquisition, transfers of land from one head to another and other such causes.

" (c) The question is far too wide for a specific answer to be given. As indicated in the answer to clause (b), the fluctuations result from a variety of causes and orders in regard to several of them are issued both by the Board of Revenue and by the Government.

" (d) The attention of the hon. Member is invited to columns 34 to 49 in Statement No. 4 appended to the Jamabandi Reports.

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" (e) As indicated in the answer to clause (b), the amount of land revenue depends on a number of factors, some of which have nothing to do with the policy and programme of the Government. In so far as the factors dependent on the policy of the Government are concerned, the hon. Member is informed that there is no separate policy with regard to particular districts and that the general land revenue policy of the Government in regard to the Province as a whole is under consideration."

MR. J. A. SALDANHA:—" May I enquire, Sir, when this new policy of the Government is going to be carried out, for we have been told for the last three years that it has been under consideration? "

THE HON. SRI T. PRAKASAM:—" It is taking a definite shape and I think it will not be very long."

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—GOVERNMENT BILLS.

(1) THE MADRAS ENTERTAINMENTS TAX BILL, 1939 (L.A. BILL NO. 9 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Mr. President, I beg to move—

' that the Bill " to impose a tax on amusements and other entertainments in the Province of Madras (L.A. Bill No. 9 of 1939), as passed by the Assembly, be taken into consideration at once. '

" In doing so, I wish to explain that the main purpose of the Bill is to provincialize the whole of the tax on entertainments and to pay compensation to the local bodies concerned in respect of the amounts that they have hitherto been receiving from this source and to levy a tax on the lowest class of tickets also, thereby making all tickets liable to the provincial taxation, though it is small. This, hon. Members are aware, was one of the measures contemplated in the Budget itself when I introduced it, and the matter has been discussed more or less from all points of view. Certain amendments have been proposed which will be discussed later. I beg to move, Sir, that the Bill be taken into consideration at once."

SRI B. NARAYANASWAMI NAYUDU:—" May I enquire from the Hon. the Premier the probable yield of this tax and the share that will go to the local bodies? "

* THE HON. SRI C. RAJAGOPALACHARIAR:—" I think I have given it in the Budget speech; it is a few lakhs and I am not quite able to get at the exact figures now. I have already mentioned it in the Assembly and in this House that it is a few lakhs. It is

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not a question of the apportionment of the share. But all that the local bodies have hitherto been earning will be given to them; all those who were levying this tax will have it; and all those who did not care to levy this tax will not have it. According to this, all those who framed their financial schemes on the basis of this levy will be given the amount they have been earning hitherto."

SRI B. NARAYANASWAMI NAYUDU:—"I only wanted to know what amount on an average the local bodies will receive by this tax?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"Roughly a few lakhs. Do you want it separately?"

SRI B. NARAYANASWAMI NAYUDU:—"I want to know the total amount of the provincial tax that will go to the relief of the local bodies?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I will give it in the course of the debate."

DR. SIR K. V. REDDI NAYUDU:—"Sir, assuming that the entertainment places are increased in number and the number of visitors and spectators increase, will the local bodies be given the excess that will be then collected?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is not the scheme of the Act. The proposed measure is intended only to pay compensation to those local bodies which have hitherto been actually receiving the amount; and the scheme is to make the whole of the tax a provincial tax. Many of the entertainment companies move from place to place, except in large cities where they are fixed. The intention is not to leave the income from them as a local body's resource, but to make it a provincial source and to compensate the local bodies only in such cases where they have been receiving the money and only to that extent."

The motion was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 3.

S. K. AHMED MEERAN SAHIB BAHADUR:—"Mr. President, I have given notice of a small amendment as regards the definition of 'admission' in sub-clause (1), namely:—

'In the definition of "admission" in sub-clause (1), insert a semi-colon after the word "amusement" in line 3 and omit all the words occurring after it.'

"I have given notice of this amendment more in order to try to understand what exactly is meant by the term and if the Hon. the Premier will explain to me what exactly the import of it is,

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I will consider whether I should press my amendment or withdraw it. According to the definition, 'admission' includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment. The amendment which I have given notice of seeks to delete the words 'by taking part in an entertainment.' I suggest that by deleting those words, the meaning would be clear, but by retaining those words, it would be rather confusing. I am not able to understand the import of it. As I understand it, it may even mean this. If there is a drama and if there is an actor who takes part in the entertainment because he plays the part of some actor, and if he wants to get admission, he has to pay the tax or the entrance fee. I do not know whether the authors of the Bill meant that also and if they did not mean that, I would suggest the deletion of the words. If that is not so, I would like the Hon. Premier to explain the import of it. I know these words are there in the old Act. But, I think, here it is superfluous for it would lead to confusion. With these few words, Sir, I move my amendment."

SRI B. NARAYANASWAMI NAYUDU:—"I second the amendment, Sir. If a man goes to the stage and takes what may be called a dummy part, is he to pay a tax or not? As Mr. Meeran put it, it is not clear whether it is the intention of the authors that actors also should pay."

DR. SIR K. V. REDDI NAYUDU:—"There is also another doubt, Sir. Some members of the public including members of this House are sometimes asked to open a show or even to be present at such functions by invitation. Will they also be taxed?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I want to draw the attention of all the hon. Members who spoke just before this to the language of clause 4 in anticipation, which says:

'Except as otherwise expressly provided in this Act, there shall be levied, and paid to the Provincial Government, on all payments for admission to any entertainment, a tax (hereinafter referred to as the entertainments tax) at the following rates, etc.'

so that, the operative part of the Act, namely, clause 4 which puts the tax in motion, will not apply to any case where there is no payment for admission. The only question here is in regard to what is termed 'admission.' Payment is a necessary essential for taxation. Payment for admission is the phrase used in clause 4; and therefore in clause 3, 'admission' is defined thus:—

"admission" includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment.'

That is to say, if a man is admitted, not merely to see or hear and he took part also, and he is admitted on payment into the entertainment enclosure, that payment is taxed because, I do not know

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if hon. Members are aware that there are many forms of entertainment in which those who go in also take some little share in the thing to be done, though it is paid for. Of course, I am not quite familiar with all the phraseology of the matter, but I know there are a number of side-shows such as switchback and so on. I do not now wish to go into them and some hon. Members may know more about them than I do. There are many entertainments in which participation is also provided to the spectators; yet it is paid for. There are admissions for which payment is made and according to this definition, he takes part in the entertainment. It cannot be said, 'I pay for it and I entertain myself and therefore, I should not be asked to pay the tax.' Nor again could it be said that an actor who goes to the theatre for purposes of acting will have to pay the tax, the reason being that he has not to pay for his admission. If clauses 3 and 4 are read together, we will understand when the tax will be levied. Payment for admission is an essential condition. That being so, there need not be any apprehension in the minds of the hon. Mover and seconder of the amendment that actors will have to pay the tax or even Ministers and ex-Ministers who are asked to open a function, unless they pay for participating in that function."

The amendment was, by leave, withdrawn.

Clause 3 was put and carried.

Clause 4.

* S. K. AHMED MEERAN SAHIB BAHADUR :—" Mr. President, I move—

'Omit the whole of item (i) and renumber the other items.'

"The object of my amendment is to urge an exemption in the case of those tickets of not more than two annas. The section wants to tax people who get admitted on payment of not more than two annas, which means that even if the ticket costs six pies, the tax will have to be paid at the rate of three pies per ticket. I submit that there is no such provision of this kind in the original Act which is sought to be repealed by this Bill. That Act did not tax people getting admission on payment of less than two annas. I do not know for what special reasons this Government have inserted this provision in this Bill. Ordinarily in the villages, touring cinemas attract a good number of people. They are admitted ordinarily on payment of one anna and sometimes even half an anna. This Government which try to lessen the burden on the poor and shift it on to the shoulders of the well-to-do have introduced such a provision. I expected this Government not to insert such a provision in this Bill, especially when they want to repeal an enactment which did not contain this objectionable provision. The original enactment was intended ordinarily to be applicable to municipalities and urban localities though it could by notification be

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extended to other big towns. Even in such an Act which was intended to apply to urban areas, it was thought that poor people who usually have the entertainments on payment of tickets costing less than two annas, should be exempted from the levy. But now this Government want to provincialize the tax and to tax all people irrespective of the fact whether they are urban dwellers or rural people. When even the town people were intended under the old Act to be exempted in the case of tickets of the lower denominations, I fail to see the reason how the village people could be taxed in respect of them. I submit that this is not fair. I have to observe that this Government have not in the case of Guindy Race Club availed themselves of the maximum rate of 4 per cent which is prescribed under the Betting Tax Act. They have not so far tried to levy the maximum rate on all the moneys collected from the bookies and book-makers. They have increased the rate from $1\frac{1}{4}$ per cent to $2\frac{1}{2}$ per cent; but it has remained there stationary for the past two years. Though they have extended it to the Ootacamund Races, they have not availed themselves of the maximum rates prescribed under the Act. They are allowing those people to gamble and ruin themselves and the country. But they want to tax the poor people in the villages to the extent sometimes of 50 per cent of the value of the ticket. They pay for admission to entertainments. The Government themselves realize that the people in the rural parts must have some entertainments; some recreation for these people is in fact being provided by the Government by the installation of radios. While they are doing such things, they at the same time want to tax these poor people who go to some cinema for an hour or two, and that too with a ticket of an anna or half an anna. In this case, this is a recreation and entertainment; but in the case of the race club, it is gambling and nothing less than that. In the one case you put a tax on the lowest ticket whereas in the other you do not even avail yourselves of the maximum rates that have been prescribed. That apart, according to the general principle of the charging section of the Bill, namely, section 4, a tax of $12\frac{1}{2}$ per cent is contemplated whereas according to the item that is proposed to be omitted according to my amendment, the tax mounts up to 50 per cent. I, therefore, move that item (i) may be omitted."

SRI B. NARAYANASWAMI NAYUDU :—" I beg to second the amendment. I beg to submit that this is an example of the dynamic change in point of taxation which is claimed by the other side, namely, of shifting the burden from off the shoulders of the poor to those that could bear it. Even the old static Government which was responsible for the Act that is proposed to be repealed by this Bill provided that the cheaper seats should be exempt from the tax. But under the dynamic Government of to-day, they are all brought under the purview of the taxation and the villager

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who goes to a touring cinema on a payment of half an anna is required to pay a quarter anna to the exchequer. In fact this is not a new thing. The entertainments tax was introduced in England in 1916 and when the Labour Government came into power Mr. Snowden got it repealed. Even in 1931, when the Labour Government fell and the National Government was formed, when British finances were tumbling down and when Britain was training every nerve to replenish the coffers of the State to inspire confidence abroad, they provided for an exemption in the case of two penny tickets. Here an unresponsive bureaucratic Government exempted tickets below the value of four annas but this Government have provided that all tickets should be taxed. Even now in England, exemption obtains for tickets of six pennies and less. Not only that, children's entertainments are exempted. When that is the case, I cannot understand how those tickets could be taxed. The Hon. the Premier has been saying that the economic power of the masses has been seriously diminished on account of the prevalence of drink and that therefore he has introduced Prohibition. But the purchasing power that will be released by the introduction of this scheme he wants to undermine by the payment of such taxes. I do not know how the principles underlying the scheme of Prohibition could be reconciled to this. What he was hitherto spending on evil ways would not all be retained by him; he will now have to give some of it to the Chancellor. A state of emergency justifying the expectation of money from every class of people has not arisen. It is not as if we are having a war or an emergency where but for these things we would perish and where there is justification for every class, be they poor or rich, being required to pay to the exchequer. I feel, Sir, that the exemption ought to be granted."

* Mr. J. A. SALDANHA:—"Mr. President, I strongly support this amendment. I expected that the present Government with their sympathies to the poor would have lessened the tax on entertainment. Instead of that they come forward with a proposal to tax every ticket that is purchased for an entertainment. Especially is this very hard when by the introduction of Prohibition they have deprived the people of their pleasant drinks—drinks which kept them in a pleasant mood in the evenings. It is from that point of view that we view the thing and it is unfortunate that that pleasure of mind and body has been taken away from them because members of the Government have not experienced the pleasure of it. I am only referring to those that drink a little and it is only those that enjoy the pleasure of excitement which is quite necessary for human kind. The present Government want to turn the whole community into a community of ascetics and I submit it would not be inconsistent with their endeavours if they at least provide some innocent entertainment

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to the people by exempting their lower paid tickets from tax. Without doing that, they are going in the very opposite direction. I have therefore to urge upon the Government to accept the amendment in the interests of the people whose welfare they have close at heart—at any rate they pretend and profess that they have it close to their hearts."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The ques-¹² tion that has been raised is that there should be an exemption in the case of tickets of the lowest value as hitherto. I do not think that hon. Members are aware that the tax which is incorporated in the Bill is not going to be paid directly by those that are entertained. On the other hand, it will simply reduce the margin of profits that will be derived by the cinema-owner through the tickets of the higher value. We have gone into this matter in great detail. I have met many of the company gentlemen who are concerned with running these shows. It is quite obvious to them that it is possible to shift this tax that we are levying only in the case of the higher classes and not on the lower classes. The companies running these shows are not going to shift them on to the people, as they can never pay, and so they have to pay it themselves. However, whatever the indirect effect may be, the tickets which were hitherto exempt from tax, namely, four annas and below, are now to be taxed, we may say roughly, at six pies per ticket. This is considered wrong by hon. Members, because amusement should be free for these poor people specially. Though companies levy a small fee per ticket, as they cannot afford to give entertainments free, Government can dispense with the tax as they can afford to do so. That is the argument of hon. Members on the other side. I shall not contradict the propositions involved. All the same, I can only say this: the term 'poor' does not include everybody on earth. It is a relative term. There are poor people who do not go to these cinema shows; there are poor people who are poorer than those who are being contemplated as cinema goers in this Bill. So it is only those people who go to the cinema shows that are asked to pay. And when they pay two annas and anything more than that up to four annas to the cinema man, only six pies are taken out of them. So I do not see anything wicked in this.

"Comparisons were made between the tax levied on betting and this Entertainments Bill. The two are altogether different. The economic laws that apply to the two cases are also very different. The betting tax has been scaled in such a manner that Government may get some revenue out of it. If Mr. Narayanaswami Nayudu's advice is taken we give away the income from tickets below four annas, and that means the revenue will be lost to the State. So the essential point to be considered is whether tickets below four annas should be free. If they are to be free, the whole scheme will fail; there will be no revenue to Government; only the previous revenue will come, and that will go to the local boards, and we cannot have any revenue left after that.

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"A question was asked, 'how much do we expect from this measure?' We expect—I have been able to verify, after deducting expenditure for collection—about five to six lakhs out of this Bill. And nearly two lakhs will be given away to the local bodies. That is the position. Therefore there is nothing exorbitant or greedy in this proposal. I submit there is no reason to exempt this small ticket. It is true that we want entertainment for the poor class. But hon. Members need not be too eloquent on this form of entertainment. I am glad Mr. Saldanha put it on the same footing as drink. (Laughter.) If really hon. Members believe that this is high-class cinema, let them go to the villages and see them. I warn them against thinking so. I ask them to go and see them. There is nothing much good in them. But they are not so bad as to do any harm. Our people are good enough not to be spoilt. That is my sheet anchor. They are so good, so let them see them and get a little bit of entertainment. And when we find better entertainments, probably we may take steps to reform these entertainments, or do away with them altogether. There are also some very bad pictures, hon. Members should know, which we would like to sweep off at one stroke, irrespective of the fact whether thereby we get any revenue or not. To censure is not so easy."

SRI B. NARAYANASWAMI NAYUDU:—"May I know whether this is for reforming the shows, or whether it is only for revenue?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is only for revenue. That is why I ask hon. Members not to be too enthusiastic about entertainments. At the same time I confess I will not do away with this entertainment. If it is not regressive it will be allowed to continue. It is merely for a small revenue that this clause is introduced. If we dispense with this clause, the whole scheme of the Bill will be broken. Except items (i) and (ii) of this clause, the present Bill just incorporates the rates which are in existence."

The amendment was put and declared lost. Sri B. Narayanaswami Nayudu demanded a poll, and the House divided thus:—

Ayes.

- | | |
|---|---|
| 1 Sri Rao Bahadur N. R. Samiappa Mudaliyar. | 9 Sri Diwan Bahadur K. Daivasigamani Mudaliyar. |
| 2 " Diwan Bahadur R. Srinivasan. | 10 Sir Frank Birley. |
| 3 " B. Narayanaswami Nayudu. | 11 Sri D. Manjappa Hegde. |
| 4 " Rao Bahadur M. Ramakrishna Reddi. | 12 Mr. S. J. Gonsalves. |
| 5 S. K. Ahmed Meeran Sahib Bahadur. | 13 Khan Bahadur Hamid Sultan Maricar Sahib Bahadur. |
| 6 C. P. Mammoo Keyi Sahib Bahadur. | 14 Dr. Sir K. V. Reddi Nayudu. |
| 7 Red Abdul Wahab Bukhari Sahib Bahadur. | 15 Sri Rao Bahadur M. Raman. |
| 8 M. Hensman. | 16 Mr. J. A. Saldanha. |
| | 17 Sri T. C. Srinivasa Ayyangar. |
| | 18 " P. Peddi Raju. |

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Noes.

- | | |
|---|--|
| 1 The Hon. Dr. T. S. S. Rajan. | 12 Sri K. Venkataswami Nayudu. |
| 2 Sri R. Srinivasa Ayyangar. | 13 " T. A. Ramalingam Chettiyar. |
| 3 " V. V. Jogayya Pantulu. | 14 " D. Sriramamurti. |
| 4 " K. Madhava Menon. | 15 " V. Ganga Raju. |
| 5 " B. Bheema Rao. | 16 " L. Subba Rao. |
| 6 " A. Rangaswami Ayyangar. | 17 " P. Veerabhadraswami. |
| 7 " K. V. Rangaswami Ayyangar. | 18 " K. P. Malikarjunudu. |
| 8 " N. Sankara Reddi. | 19 " C. Perumalswami Reddiyar. |
| 9 " V. Vasantha Rao. | 20 " K. S. Sivasubrahmanya Ayyar. |
| 10 " S. A. S. Rm. Ramanathan Chettiyar. | 21 " S. K. Satagopa Mudaliyar. |
| 11 " M. Narayana Menon. | 22 Khan Bahadur Sir Mahomed Usman Sahib Bahadur. |

Ayes 18. Noes 22.

The amendment was lost.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—

"Mr. President, I beg to move—

'Omit items Nos. (ii) to (iv) and substitute the following:—

(i) is more than two annas but six annas and less—six pies.

(ii) is more than six annas but nine annas and less—nine pies.

(iii) is more than nine annas but twelve annas and less—one anna.

(iv) is more than twelve annas but less than one rupee eight annas—two annas.'"

MR. J. A. SALDANHA:—"On a point of order, Sir, the speech of the hon. the Leader of the Opposition cannot be heard by us here. (Laughter.) May I request you to direct him to speak through the microphone?"

MR. PRESIDENT:—"It is not a point of order." (Laughter.)

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—

"I do not wish to take up the time of the House, as I do not see any prospect of my amendment being accepted by the Government."

MR. PRESIDENT:—"You cannot anticipate it."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—

"I wish to ascertain from the Hon. the Premier one or two facts with reference to the statement he made just now. He said that there is no possibility of the tax below four annas ticket being shifted on to the cinema-goers, but will be paid by the gentlemen who run the show. May I know whether he got that assurance from the companies that they won't collect the tax from the two annas tickets? My amendment, if accepted, will not reduce appreciably any amount of the Government's share of the tax. I hope the Hon. the Premier will accept the amendment."

RAO BAHADUR M. RAMAKRISHNA REDDI:—"I second it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The question is, seeing that the minimum has already been decided upon,

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12-15 p.m. whether the rates above two annas, which are covered by items two to four in the Bill, as it stands, should be substituted by the lower rates which are prescribed in the amendment of Mr. Samiappa Mudaliyar. The proviso given notice of by the hon. Member is now out of the picture. These rates, which the hon. Member proposes, are less than the prevailing rates. The Bill as it stands keeps the prevailing rates intact except that the tax is to be levied on tickets of four annas and below and the rates are laid down. Now there is no reason whatsoever for the Government to bring in a measure to reduce the rates already prevailing. Therefore, I submit, Sir, the amendment has no justification.

“With regard to the question he has put whether there has been any assurance that these small tickets will not be enhanced in price with the addition of the tax that is levied, that should have been proposed in the previous amendment and not now; but for the information of the hon. Member I may say—but it is not anything like an assurance; it is merely a question of judgment—it will not be possible on account of the competition prevailing, for these companies to shift it, but they will have to cut it out of their own margins of profits and make it up out of the higher classes of tickets. That is what is likely to happen. That is what I stated and there is no such thing as an assurance. If any particular company tries to do it, they will soon find that another company will cut down the price of its tickets and the shifting will come to an end. That is only in respect of shifting of the lowest class of tickets that I refer, which however is not relevant to the purpose of the present amendment. The present amendment which proposes to lower the rates really cannot be accepted.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
“I do not press the amendment.”

The amendment was, by leave, withdrawn.

Clauses 4, 5, 6, 7, 8, 9, 10, 11 and 12 were put and carried.

Clause 13.

SRI B. NARAYANASWAMI NAYUDU:—“Sir, I move the amendment that stands in my name,—

‘Omit clause 13 and substitute the following:—

“From the proceeds of the tax collected under this Act every year, there shall be paid to each of the local authorities in the Presidency a sum equivalent to one-half of the tax realized in each of the local areas where such collections were made.”

“The object of this amendment is to aid the sources of local taxation of the local authorities. Burdens have been placed upon the local authorities especially under the recent Public Health Act and it is the duty of the Government to see that the resources of the local authorities are as far as possible augmented instead of being crippled. Perhaps the Hon. Minister for Local

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Administration has surrendered all his revenues on behalf of the local authorities to the Government. Or perhaps the local authorities have said ‘we have got so much of surplus of funds and you can take it.’ I want to know whether the local authorities are in such a prosperous condition that they do not want to raise their revenue by means of taxation on entertainments. First of all only such local authorities as have levied the tax will receive the contribution. The local authorities that have not levied the tax till now will not receive any contribution at all. Therefore the source of revenue for the local authorities, at least so far as these authorities are concerned, is withdrawn from them. Secondly so far as the local authorities that have been levying the tax are concerned, they will receive the contribution only by a sum equivalent to the average net annual income for the last three years. I dare say this revenue is not altogether satisfactory. Even this sort of revenue is now shut out. I submit the condition of the local authorities are not at all satisfactory. And therefore it is in the hope that this will be accepted by the Government that I move this amendment that one-half of the collection shall go to the local authorities concerned and the other half to the provincial revenue. Of course the Hon. the Premier might say that this is hereafter to be charged to the public revenue and not to the local revenue. Of course in this Presidency we know that this is not the only revenue that is being charged to public revenue, and they have got a good deal more. Therefore this amendment will relieve the local authorities and the relief should not be taken away by this Act. They should be paid the contribution in the proportion of half and half. I dare say the Public Health Act cannot be worked if the revenues of the local authorities are crippled like this. How are they going to carry out the provisions of that Act if their finances are crippled? Is it going to be a mere paper Act? I therefore submit, Sir, there is every reason for this amendment.”

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, the mover of the amendment said that the finances of these local bodies are being crippled by this proposal. I deny the charge. These local bodies have had an opportunity all these years to utilize the powers given to them and for one reason or another best known to them the local bodies have not even thought fit to levy this tax except in a few places. This clause as it stands provides that in every case where the local authority was in receipt of this income it will have compensation. It is only where they have not either cared to impose this tax, whatever the reasons may be, or if the present income is more than what they were getting, that the Provincial Government get the money and the local body does not get the money. There is no question of crippling their resources. The only question is whether we should give this money, because local bodies function in a worthy manner and they ought to be helped. It is not as if these few lakhs that we collect through this measure, either now or in the

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future will be available for making grants to local bodies. The grants to local bodies go up to a much higher order of figures altogether; for various purposes the Government are making grants and are bound to make grants whether they like it or not. But as regards these few lakhs I referred to, the local bodies will not rest content to receive a share, nor will it be wise for them to accept this even if we are willing to do, to restrict themselves to this. The only question is whether the sharing should take place in this manner, earmarked with reference to particular items or whether this tax should be a Provincial tax and the resources, the Provincial resources, except for the actual compensation that is to be paid for amounts already received and which will now not be received. The future expansion of this tax must be entirely a Provincial risk or a Provincial hazard. I do not think that there is any advantage gained for the local bodies in earmarking the various items like this. But if in the future, the Government think that circumstances are such, this tax will altogether be handed over to the local bodies. This they will be perfectly willing to do. I have no doubt about it. At present as I said this amendment could not be taken in as a complication of the measure that is proposed."

The amendment was put and lost.

Clauses 13, 14, 15, 16, 17, 18, 19 and 20 were put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move—

'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

(2) THE MADRAS DISTRICT MUNICIPALITIES AND LOCAL BOARDS (AMENDMENT) BILL, 1939 (L.A. BILL NO. 8 OF 1939) AS PASSED BY THE ASSEMBLY.

THE HON. SRI B. GOPALA REDDI:—"Sir, I beg to move—

'that the Bill^a further to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920, for certain purposes (L.A. Bill No. 8 of 1939) as passed by the Assembly be taken into consideration at once.'

"I may say that Section 43 of the Madras Local Boards Act gives power to the Government to remove any president or vice-president or a panchayat board or a district board, by notification who, in their opinion, wilfully omits or refuses to carry out or disobeys the provisions of the Act or any rules or lawful orders issued thereunder or abuses the powers vested in him. Under this section when action is taken against the president, in many cases, it has occurred that the very next day they were re-elected by the panchayat board or the district board as the case may be."

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SRI B. NARAYANASWAMI NAYUDU:—"May I know the several cases, Sir?"

THE HON. SRI B. GOPALA REDDI:—"If the hon. Member puts down a separate question, I will answer that question also. In the last four or five years, there were about thirty or forty presidents of panchayat boards who were removed from the presidencies, but they were re-elected immediately after their removal. Only to obviate this difficulty we have taken this power under this Bill. Originally, I wanted that the removed presidents should not be re-elected till a notification for the general election is sent. After a good deal of discussion in the other House, we have agreed to an amendment which reads 'or the expiry of six months from the date of the removal whichever is earlier.' Sometimes it may be that between the removal and the general election, there are two years to lapse. Under this amendment it has been accepted by the Government that after six months, the removed president can be re-elected. So I move this amendment to enable the Government to see that the removed president is not re-elected immediately. If the removed president is re-elected immediately, it nullifies the action taken by the District Panchayat Officer or the Deputy Inspector of Local Boards or the Inspector of Local Boards or the Government, who must have gone into the case. They have given notice, they have taken the explanation and after considering his explanation they have decided to remove the president from office. It is not fair that he should be re-elected immediately. So it is very necessary to have this provision in the Local Boards Act. And in the same way, Sir, it is the case with the Municipalities Act, under sub-section (1) of section 40. It is given in the Objects and Reasons as to why it is necessary for the Government to exempt certain properties of the Government from local taxation. With these few words, I beg to move that this amending Bill be taken into consideration at once."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, 12-30 p.m.
I must oppose the amendment that has been proposed before this House. It is the curious privilege of the Minister for Local Self-Government to carry out all measures that relate not really to local self-government but, as it has been transformed into, local administration. I was wondering what the meaning of that transformation of the language was, why after the Ministry came into office, they changed the name and associated the name of Lord Ripon into what may be called Local Administration. But subsequently, they justified all these changes and the question is whether this House is going to sanction this kind of local administration. We had instances already how local self-governing bodies have been interfered with regarding their powers and privileges. The road establishment practically has been taken out of their hands. The assistant engineers whom he wanted to provincialize, the Hon. Mr. Gopala Reddi, takes into his hands. They had a public health officer and the Hon. Dr. Rajan said 'I

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want the public health officers under the Public Health Bill ' and therefore he took away the public health officer. Not only that. With regard to the control of traffic on the roads which are vested in the local boards, what has been done? The Road Traffic Board was constituted, and until day before yesterday all the presidents of district boards begged the Government to introduce some other kind of representation or add to the representation already there. Then we have just now the instance of how the Local Self-Government Minister has surrendered the finances to the Provincial Government, has given away practically all the expanding revenues and the boards which have had the power of taxation have had that power taken away. And, to crown all these we now have this Bill. Do you know what the effect of this will be? He wants to drive the nail into the heel of the president. In the China Bazaar, you have a certain figure, the figure of a child placed on the table; if you screw, its leg will be up; if you don't screw it will be down. That is the position that will be created by this Bill. What is the position here? The position has been that if he disobeys the persistent order of the Government, there is the power vested in the Government and they could remove him. That is the position that has been existing all along from the very inception of local boards and municipalities, from 1920 onwards to 1938. The question has been asked, 'What are the instances in which presidents have wilfully abused their powers and have been re-elected?' The only answer was with regard to certain panchayats, but with regard to the chairmen of municipalities or the presidents of district boards in respect of whom this Bill seeks modification, no figures have been given. Surely, if the Hon. Minister wants this House, to alter this system he ought to have laid before this House the instances of such abuse of powers. So far as I know, so far as municipalities are concerned, there is one instance and that is the Trichinopoly Thevar affair. But that was long, long ago. I learn from the Leader of the Opposition, that it was before the Congress came into power. What was done? Did they want to take away the power of election and the power for the person to stand for election? No.

"You can dissolve the board. Of course that is a delicate business. If the Hon. Mr. Gopala Reddi is going to dissolve a board, what will happen? They will go before the electorate and the question whether the Hon. Minister is right or the elected member is right will have to be faced by the electorate. Suppose the majority is not backing the president in his abuse of powers. Then what happens? They can easily remove him if they are not backing him. It is only if the majority is backing him that the question arises. How is this sought to be solved now? This Bill says he shall not stand for election. There sets in what is called demoralization. In the Guntur Board, for instance, there is a chairman who is a non-Congress man now . . ."

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THE HON. SRI C. RAJAGOPALACHARIAR:—"Do not give particulars about them."

SRI B. NARAYANASWAMI NAYUDU:—"All right. In a certain municipality there is a chairman who was a member of the Congress party but who is now opposed to it. Notices were sent that he should be removed. If he is to stand for election he will get in again. But if this law is there, what will happen is there will be some other person who will want to become the chairman. There will be a difference. There will be a split and therefore there will be a deterioration. There will be again what may be called demoralization. You have got the power to dissolve the board itself. That power has been existing and that is the power that has been used in the previous instances when probably presidents of district boards and chairmen of municipalities abused this power. What will now happen would be this. There will be an issue as to who is his master: Is the district board, his master so far as the position of the district board is concerned, or is the local Government his master? Of course, if you like, by all means dissolve the board itself and send them to the electorate and then fight and see about it. Therefore I say that you interfere with the local body with regard to its power and patronage and at the same time you are also interfering with the real constitution. I do not know from where this precedent of law was got, whether it was got from the Congress constitution which can say 'You don't go to the electors, but go to the dictator.' Whatever it may be, the result is that we have got the law against the interests of popular Government and I do think that the Hon. Minister has to be congratulated for his efforts in converting Local Self-Government into Local Administration."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"I also oppose this Bill, Sir. It is liable to be abused. After all, under the previous system of Government it cannot be said to have had complete party Government. Under the Provincial Autonomy we are going to have, and we are having to-day, complete party Government entirely under the discipline of the party and it is quite possible that a gentleman may happen to be the president or the chairman of a local board or a municipality who does not belong to the party in power. So, in such a case if he is removed, though he has got the backing of the electorate he will be disqualified from standing. Of course, I quite realize the position and I am willing to arm Government with a certain power if they are willing to make out a case that there has been violent abuse of the present powers under the Act, that is to say, if they could give facts and figures and show that chairmen of municipalities or presidents of district boards who have been removed under orders of the Government have been re-elected in a number of cases, so much so, necessitating this provision. I could understand it. Whether it can even then be supported or not is a

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different matter. But without any data whatsoever, on the mere fact that such a possibility could arise, we cannot make any provision for it. Of course, I am aware of the fact that the Hon. the Minister for Local Administration gave out that in thirty or forty cases of panchayat boards there have been such cases. Barring them, there have been a number of municipalities and district boards wherein such a thing has not happened. So, I will oppose this Bill for this reason that this Bill is liable to greater abuse than the abuse which they want to remove."

DR. SIR K. V. REDDI NAYUDU:—"May I add a word in opposition to this measure, Sir? Ordinarily when a chairman is chosen by the members of a local body, panchayat or district board or municipality, it means that he has the confidence of the members concerned and any action of that chairman or president based, perhaps on his impertinence (Sri B. Narayanaswami Nayudu: Supposed impertinence!), on his unwillingness to do certain acts may occasionally result in his removal. The question arises, 'Whose will is to prevail in selecting a chairman?' If he has got a majority in the council it means that the majority wants that very president over again. And, if Government should take power to remove him simply because he was re-elected, it comes to this that the election is rendered into a sorry farce and mockery. Again, Sir, the re-election of a person who has been removed may be based upon certain principles on which that body differs from the Government which removed the president. We have known, Sir, in the British Parliament itself when questions about Catholics arose there were persons who were elected and were sent out of the House. The same person was re-elected until at last Parliament found it necessary to change the law itself. Therefore, Sir, the re-election of a person who has been removed by the Government might mean a mandate from the people or a desire of the people to show that they differ from the policy of the Government. I do not in the least say that the Government ought not to have the power to remove a person when he has committed certain faults which ought not to have been committed under the provisions of the particular law. But at the same time cases might happen in which presidents have been removed, not because they have violated particular provisions of the law but for other reasons. They have been referred to and it is not necessary for me to go into the details, because it is not my purpose to blame the persons who were responsible for such results. But what I do say is this: if the will of the people is to be carried out, if Local Self-Government means anything like a reality, I should think, Sir, the only possible way in which a second re-election can be avoided is by dissolving the local body. They have got ample power under the Act to dissolve the local body. And, as my hon. Friend, Mr. Narayanaswami Nayudu has pointed out, if the people—I mean the voters apart from the councillors who elected the person as their president—also are of the same opinion that the same

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person should be elected, that in that person they have confidence and that the administration of the board or the municipality or the panchayat as the case may be is better carried on by that particular person, and if they feel also that his removal is in reality unjustifiable, then, Sir, it is a mandate of the people to the Government. I should therefore think, Sir, that unless at least the cases are specified in which this power is taken if it is to be a general vague and indefinite thing, it might depend entirely on the will of the Hon. Minister or of his advisers and in many cases probably of his supporters. In particular cases that would lead to great hardship, not to speak of abuses. I therefore oppose this Bill."

12-45
p.m.

* MR. T. C. SRINIVASA AYYANGAR:—"I am sorry I have to differ from the remarks of the three hon. Members who spoke on the other side. If I understand correctly, the remedy of Sir K. V. Reddi is to dissolve the board. In such cases, supposing there is a fresh election and there is faction in a village, a man who has been removed oftentimes contrives to come again immediately. Unless this temptation is removed there will be difficulties in the matter. Some of us who have had experience of administration of some local bodies sometime or other in our lives, can easily recall instances of persons who were removed, coming in by election soon after. It is very proper that in the interest of administration, that there must be a short time, say six months, before such people seek election. The minority oftentimes suffers in all these cases. Therefore, it is a very proper provision which is sought to be enacted."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Mr. President, I rise to oppose this Bill. This is an undemocratic measure. I am surprised in these advanced days of democracy that a Government which boasts of being a people's Government and is never tired of giving itself a good certificate should have thought fit to bring in such a measure. Though the provision for the removal of the presidents and chairmen has been on the statute book for a long time, it was not invoked except in one solitary instance, viz., in the case of the chairman of the Trichinopoly Municipal Council. Even my Hon. Friend Dr. Subbarayan, when he was the Chief Minister, did not himself avail of the provisions of this section though he was never generous in his dealings with his political opponents who happened to be presidents of local boards. But what did the Congress Party do, when the Chairman of the Trichinopoly Municipal Council was removed? They not only incited him to defy the provisions of the law and the rules and regulations but actually encouraged him to defy the authority of the Government and supported him in his re-election. The then Government did not think it worthwhile to bring in a piece of legislation such as this, though they were sure of his re-election. When he was re-elected, they invoked the provisions of the other section, viz., supersession.

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After the expiry of the period of supersession, the Congress party headed by the Hon. the Premier, made frantic efforts to install him in the chairman's gadi."

THE HON. SRI B. GOPALA REDDI:—"How is this relevant, Sir?"

MR. PRESIDENT:—"I do not think it is relevant."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:--
"I bow to the ruling of the Chair. I am trying to compare the actions of the much-maligned Justice party and the present administration. Anyhow I leave it at that. The Hon. the Minister for Local Administration is not able to give even a single instance of a district board president who was removed and who was re-elected after his removal. But he said that there are instances of 30 or 40 panchayat boards. I believe that all these instances must have arisen only after the advent of the Congress Government. To ascertain that, I have tabled an interpellation, but it has not been replied. But, if the Hon. Minister says how many persons were elected before the advent of the Congress Government, and how many were elected after the advent of the Congress Government, it will be helpful to the discussion. But now, Sir, most of the presidents belong to the Congress party. Only three belong to the other parties. One is a rebel from the Congress party. I am stating the fact. He defied the mandate of the Congress and stood against the Congress candidate and won. The Congress party threatened to take action against him, but when he, in his turn, threatened to resign his seat in the Assembly and challenged the party to put up another candidate against him, the Congress party did not take any action."

THE HON. DR. P. SUBBARAYAN:—"I want to know how all this is relevant to the discussion."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:--
"I am only replying to the Minister for Local Administration."

MR. PRESIDENT:—"The hon. Member will restrict his remarks to the subject-matter before the House."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:--
"If he had not interrupted, I would not have referred to it."

MR. PRESIDENT:—"The hon. Member may proceed."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:--
"There are only two other presidents who do not belong to the Congress party. I do not think there are many chairmen of municipal councils who belong to other parties. Therefore I think this measure is mainly intended to be used to prevent the presidents of panchayat boards who may be removed by the Government from seeking re-election. As my friend, Mr. Ahmed Meeran, put it, party Government has come to stay and the present Government, if I may say so, is not immune from party

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predilections. If you would permit me, I would give two or three instances of panchayat boards wherein the present Congress Government shows its partiality. I do not know if I will be allowed. If I am allowed, I will say."

MR. PRESIDENT:—"Partiality," is a word which the hon. Member is not allowed to use."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:--
"Differential treatment' I will say 'between the Congress party and the other party.' I would like to refer to specific instances relating to panchayat boards in my district and I shall deal with the Mudikondan Village Panchayat Board first. Mudikondan is a small village but noted for its wealth. It is the centre of the money-lending Vathima Brahmans. It is generally believed that the poorest among them would be worth at least Rs. 50,000. Out of the 31 persons entitled to vote in election to this House in that village, 30 are Vathima Brahmans. Barring municipal towns, this is the one village where we find the largest number of voters to this Council. I am referring to these in order to show the wealth of this influential Vathima Brahman community in the village. But in the election to the panchayat board, which was held three years ago, no member of this community was elected. In September last, I saw the notification of the Government removing the president of the said panchayat on the ground of alleged disobedience of Government order. I wanted to know what the Government order was, and I addressed the Secretary, Local Administration Department, to furnish me with a copy of the Government order, which the said president is supposed to have disobeyed. In reply to my letter I got a communication from the Under Secretary to the Education and Public Health Department to the effect that 'The Government do not as a rule furnish copies of unpublished Government records and they therefore regret their inability to comply with your request.' Subsequently I learn that four of the Vathima Brahmans of that village had jointly installed a rice mill adjacent to the dwelling houses and applied for a licence to the president of the panchayat board, who refused to grant it. The Government, on the representation of the millowners, seem to have issued directions to the president to grant the licence. This order of the Government is alleged to have been disobeyed by the president. That seems to be the cause for his removal from his office. Let me now take up the question of pre-union panchayat boards. The President of the Papanasam Panchayat Board is alleged to have misappropriated certain funds of the panchayat, for which, it appears, a notice was issued by the Government asking him to show cause why he should not be removed from his office. It seems that he approached a powerful member of the Congress party in the Assembly of my district for help."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Am I entitled to raise a point of order? This is really getting bad. When a man is charged with misappropriation, very carefully it is said

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it is alleged. But while speaking on a discussion of a legislative measure, I submit that it is hardly relevant, or proper or in order at all."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" If the Hon. the Prime Minister will wait for a few minutes, he will understand."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Allegations cannot be made with regard to particular events, because all the papers in the Madras Presidency will reprint them and it is certain that it will prejudice Congressmen. Is it possible to prove it or disprove it here? "

SRI B. NARAYANASWAMI NAYUDU:—" The question of the powers of the executive is in question and therefore the behaviour of the Government towards these panchayats does arise constitutionally. What else is the power for? "

* THE HON. SRI C. RAJAGOPALACHARIAR:—" But allegations should be made not with regard to individual transactions. It is possible to raise points and ask what the remedies are. It is quite proper to ask like that, but I cannot seize the opportunity of a Bill and defame A, B or C."

MR. PRESIDENT:—" The hon. Member will resume his speech."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" My point in referring to that, Sir, will be known immediately. Sometime later the panchayat board received a notice to show cause why it should not be superseded for having not checked the president. Finally the board was superseded and a special officer was appointed. It is not known what happened to the first notice issued to the president. This is instance No. 2."

MR. PRESIDENT:—" I think that will do. The hon. Member may go on."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" It is really relevant. If I do not bring to the notice of the House how the Government have shown their differential treatment with regard to the panchayats, there is nothing to speak here and I crave your indulgence."

MR. PRESIDENT:—" You have dealt with two cases."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" I have reserved worse cases to the last. (Laughter.) These are not very good cases."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Let me make my position clear. All that I request is that there should be no libelling or defamation. It is quite open to the member to point out any defects in the administration, but it is wrong to make allegations based on facts so-called, which are not proved and which cannot be accepted as true."

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* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" I shall confine myself to facts accepted by the Government. I hope you will allow me to proceed further."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" The next instance that I want to refer to is about the Kodavasi Panchayat Board. It was superseded in the year 1936 by the Inspector of Local Boards and Municipal Councils under the previous regime. After that it was reconstituted in March 1937. In the election, the Congress party secured only four seats while the remaining seats were captured by the others and this resulted in the election of a non-Congressman as president. As it is customary with the Congress party, they secured the signature of the president to their creed after his election as president. This provoked the majority and naturally the majority did not co-operate with him."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Is that a correct and proper statement to make, Sir? The hon. Member said that as it is customary with the Congress party they secured the signature of this very estimable gentleman after he was elected by the other side."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" I do not think there is anything improper in saying that."

SRI B. NARAYANASWAMI NAYUDU:—" Can I not say that the Congress party is doing like that in the country? "

* THE HON. SRI C. RAJAGOPALACHARIAR:—" You can very well say so, though we do not do it."

SRI B. NARAYANASWAMI NAYUDU:—" But I have a right to say that we believe that they are doing so."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" The Deputy Inspector of Local Boards and Municipal Councils who inspected the panchayat, presumably under instructions of the Government, recommended the supersession of the panchayat board."

THE HON. SRI B. GOPALA REDDI:—" Certainly not. What is the basis for this presumption, Sir? "

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" I accept the correction, Sir. The president who evidently had the information in advance, resigned his presidentship."

THE HON. SRI C. RAJAGOPALACHARIAR:—" Resigned his presidentship? "

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Yes, Sir. On the 20th of July 1938 the panchayat met under the presidency of its vice-president and considered the notice issued by the Government and requested the Government to give them three months' time to rectify the defects and to keep the matter pending till then. The District Board of East Tanjore considered the notice at its meeting held on 25th July 1938 and resolved to depute the president of the district board to inspect the panchayat and submit

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his report for the next meeting of the board. For the information of hon. Members I may say that the President of the East Tanjore District Board at that time was Mr. Subbaraya Chettiyar, a Congress M.L.A. The Government passed orders on the 25th August superseding the panchayat stating that the panchayat board had not explained the charges framed against it and that several petitions were still being received from the villagers and the members, some welcoming the supersession and others resenting it and that the board had been torn by faction. The Government did not consider that an inspection of the panchayat by the president was under the circumstances necessary and did not propose to wait till the report of the president of the East Tanjore District Board was considered by it but appointed one Mr. Soundararaja Ayyangar from South Arcot as Special Officer.

"The next instance is that of the Tiruturaipundi Panchayat Board. This panchayat board was also superseded by the Inspector of Local Boards in 1936 and was reconstituted in June 1937. In the election, the Congress party secured seven seats as against eight seats secured by the other party. On the day preceding the day fixed for the election, the Presidents of the East and West Tanjore District Boards who are the big guns of the Congress party in my district, the Parliamentary Secretary to the Minister for Law, Sirdar Vedaratnam Pillai, the Deputy Leader of the Congress Legislative party, the President of the Negapatam Temple Committee and, in fact, all the worthies of the Congress party in the district mustered strong to capture the presidentship of the Tiruturaipundi Panchayat Board. What did they do? They selected a young man of 20 years for the presidentship of the board!"

THE HON. SRI B. GOPALA REDDI:—"The hon. Member could have contested that election in a court of law. No member who is below 21 years can be a president."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"It is not my business to contest it."

THE HON. DR. P. SUBBARAYAN:—"As long as it is not contested in a court of law, it must be presumed that the person elected is elected under the law and is therefore entitled to hold office."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"That is why I have added that he is a young man. His qualifications are that he is the son of the president who was in office when the board was superseded in the year 1936 and that his father-in-law is a prominent voter in the constituency in which the President of the East Tanjore District Board stood for the election to the district board."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I would advise the hon. Member to omit all personal references."

MR. PRESIDENT:—"Yes, certainly."

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"On the date of the election he was elected by a majority of one vote."

SRI K. MADHAVA MENON:—"Is that not sufficient?"

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Yes, it was sufficient . . ."

* * * * *

MR. PRESIDENT:—"The hon. Member is not entitled to say all that."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I agree to withdraw it."

THE HON. DR. T. S. S. RAJAN:—"I move that the statement made by the Leader of the Opposition should be deleted from the proceedings of the Council."

SRI B. NARAYANASWAMI NAYUDU:—"I oppose it. We must consider the whole question of privileges of members. If the remarks made by the Leader of the Opposition are thus deleted from the proceedings, when no-confidence motions are moved and charges of corruption come up, they will be similarly ruled out. Are we not entitled to make such statements?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is very easy for a third person to say all that. The member who has made the statement sees the mistake of it, I believe, and says 'I do not want to make such statements.' Reason must be allowed to prevail and not heat. Mr. Narayanaswami Nayudu says 'I do not care. It should be there.' It is easy for him to say that, because he has not made the statement. It is the Leader of the Opposition that has made the statement and agrees that it might be expunged."

SRI B. NARAYANASWAMI NAYUDU:—"The question is whether the rules of the House compel expunging certain statements, because they are defamatory or whether they allow them. It is not a question of heat, but it is a question of privilege. The Leader of the Opposition has made certain statements. Is he entitled to make those statements? If he is entitled to make them, they must stand on record and, if he is not entitled to make them, they should be expunged."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The reason which I urged was that not only it was defamatory, but that it was highly improper. It was wrong from every point of view to make such a statement. Therefore I appeal to the Chair and to the member concerned to withdraw that statement and not to pursue that line. It is not merely a question of defamation. But even confining ourselves to slander and defamation, I submit it is

* Objection was taken to a statement made by Mr. Samiappa Mudaliyar and it was expunged from the official report on a motion made by the Leader of the House subsequently.

[Sri C. Rajagopalachariar] [11th May 1939]

not proper to allow defamatory statements to be made unless they become absolutely necessary in which case we may observe certain forms. But in this case, it is highly improper from every point of view to make a statement of that kind. The hon. Member realized, I imagine, his mistake. If he can substantiate the statement which he made here, he became guilty of a serious lapse of moral duty at the time."

DR. SIR K. V. REDDI NAYUDU:—"It involves, in my opinion, a question of the privilege of the House, to be told that a member of this House, whether he is the Leader of the Opposition or any other member of this House, cannot use his personal knowledge in speaking in this House regarding a particular instance which came to his knowledge."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I have never said that he cannot use his personal knowledge. If he says that he has personal knowledge that a person was given bribe."

DR. SIR K. V. REDDI NAYUDU:—"It is for him to say that he would stand by it or not."

KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"The greatest privilege of this House is to keep up its moral tone."

MR. PRESIDENT:—"The hon. Member, Mr. Samiappa Mudaliyar will not proceed in that strain."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I entirely agree with the principle enunciated by Sir Mahomed Usman, but I would like to tell him it was not violated."

MR. PRESIDENT:—"All that statement that the hon. Member has made must be expunged from the proceedings of the House."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Accepting the suggestion of the Hon. the Leader of the House, I agree, to cut short unnecessary arguments in this debate, to the deletion of this passage from the proceedings."

* THE HON. DR. T. S. S. RAJAN:—"I move that the statement made by the Leader of the Opposition to which objection was taken be expunged from the proceedings of the Council."

SRI B. NARAYANASWAMI NAYUDU:—"If it is really a question of privilege it must be referred to a committee. Tomorrow the majority might move that my speech may be deleted from the records. Even proper speeches will be deleted like that."

MR. PRESIDENT:—"Now the case is different. The hon. Member need not presume all that."

SRI B. NARAYANASWAMI NAYUDU:—"I submit that a question like this should be submitted to a Committee of Privileges. Who is to decide whether a privilege has been abused? It is not a question of majority opinion. This is a question affecting the inherent right of the House."

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* THE HON. DR. T. S. S. RAJAN:—"I did not ask the House to expunge all that has been said by the hon. the Leader of the Opposition on this occasion. In the course of his remarks the hon. Member made certain allegations which he himself is willing to withdraw. I move that that should be formally omitted from the proceedings of the House. There is nothing in it which curtails the privileges of members. We are all concerned in making the proceedings of the House worthy of the House and fit for being printed and published. I want to protect the honour of the House and therefore move this motion."

SRI B. NARAYANASWAMI NAYUDU:—"I am equally interested in the honour of the House. But if the hon. the Leader of the Opposition is withdrawing his remarks, I am not going to say anything further."

THE HON. DR. T. S. S. RAJAN:—"He is willing to withdraw them."

The motion to expunge the statement of Mr. Samiappa Mudaliyar to which objection was taken was put and carried."

MR. PRESIDENT:—"The hon. Member must now bring his remarks to a close."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Again, Sir, the faction did not cease. The Deputy Inspector of Municipal Councils went there again and submitted a report to the Government."

"The Government accepted the report of the Deputy Inspector and issued a notice to the panchayat board to show cause why it should not be superseded. This order was dated 21st July 1938. The said Government Order was taken for consideration at the meeting of the District Board of East Tanjore held on 25th July 1938 without previous notice to the members of the Board, and before the receipt of the explanation of the panchayat board, the District Board passed a resolution to the effect that the panchayat board need not be superseded in view of the assurance given by the President of the Panchayat Board to remedy the defects as early as possible. The panchayat board considered the notice at a meeting held on 3rd August 1938. At this meeting, the President of the Panchayat Board did not allow four of its members to take part in the meeting on the ground that they had lost their membership on account of failure to attend meetings of the board for three months. No notice was given to them as required by the Act, informing them that they had ceased to be members. I understand the Inspector of Local Boards had directed the President of the Panchayat Board to treat them as members till the matter was decided by the District Judge, as contemplated in the Act. The Board so constituted without allowing the four members to take part merely resolved that the Board need not be superseded and this resolution was communicated to the Government. The Government which took the

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Kodavasal Panchayat to task for not explaining the charges framed against it, had coolly accepted this decision of the panchayat board. When I enquired into the reason for accepting the decision of the Tirutturaipundi Panchayat Board and for not acceding to the request of the Kodavasal Panchayat Board, viz., to allow them time for three months, the Hon. the Minister on the floor of this House stated that it was a confidential matter.

“ These are but a few instances to show the partiality of the Congress Ministry. Whatever may be the future system of Government, there is no denying the fact that now the party system has come to stay and the Government of to-day should be conducted as far as possible on the basis of equity and justice to all, so that there may be healthy growth of the Parliamentary system of democratic Government.

“ I would like to ask my Hon. Friend the Minister for Local Administration whether he would like to accept the principle enunciated in this Bill if it were extended to the party in power. Let me make myself quite clear what I mean. How the party in power will feel if the British Parliament were to introduce a measure by which the Governor could remove the Ministry and also prevent it from seeking re-election, because it was removed by him? Will the Hon. Minister for Local Administration tolerate even for a moment a measure of that kind? If he can object to such a measure being brought against him and his party, how can a similar measure be brought against others? Is this democracy? Is this party system of Government? Is this fair, I ask? So, if they agree to the principle of party Government and the Government being run by the majority party which gets the largest number of votes at the elections, then let them go and face the electorate and get their verdict. Why should they fight shy of going to the people and get their verdict in the matter? I hope the party in power will now realize the seriousness of this question and will not proceed further with this Bill.”

THE HON. SRI B. GOPALA REDDI:—“ I am thankful to the hon. the Leader of the Opposition for having given a sermon on the working of democracy. He asked, if the British Government were to say that the Congress Ministries be removed and if the Governor should ask them to go to the electorate how would the Congress Ministries face such a question? May I ask him whether he is aware of a rule in the Electoral Rules that if I fail to give election return to the Collector within a prescribed time, I am debarred from being a Member of the Assembly and I cannot take part in the election for the Assembly for a period of five years to come, although I have been elected by a thumping majority previously? Is this democracy? Has he ever given his attention to this aspect of the question? If we are to conduct the elections, we should have to frame certain rules and abide by them and there is nothing undemocratic about it. Member after member has been giving instances on this

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question of supersession of panchayats. I do not like that our district board officials, or Deputy Inspectors or Inspectors should be coerced by other members of the Congress party or by the members of the Justice party. If certain members of the Justice party want that the Deputy Inspector must write his report according to their wishes, I cannot allow it, and no Government can tolerate it. I am not a Minister for Local Maladministration but I am a Minister for Local Administration. Therefore I must put a stop to maladministration wherever it exists, whether it is in Kistna or the Tanjore District Board.

“ The hon. the Leader of the Opposition has given instances to show how supersession of certain panchayat boards has been effected. He himself has given dates to show how certain panchayat boards were superseded in the year 1936 and reinstated afterwards and again superseded in 1938. These villages are habitually factious villages, and if possible, I mean abolishing the panchayats in those villages.

“ Sometimes it is stated that party Government has come to stay in this country, but hereafter so far as the administration of local boards and panchayats is concerned, we must proceed cautiously. While they are all satisfied with the administration of all bigger things such as the Police department, the Law and the Jails being entrusted in the hands of a particular party, perhaps they are afraid that panchayats should not be entrusted in the hands of a party in power. That is not the way to look at things. These small factions and quarrels are not only features of the panchayat boards, but they are also features of this very Legislature also. Sir, I need not worry about the suggestion made that ‘ for other reasons they sometimes supersede.’ That is a general and vague insinuation. I need not bother about it. Nobody has objected to the incorporation of section 43 in the Madras Local Boards Act of 1920 and nobody has objected to the removal of the president. Specifically it has been stated there that for certain reasons a president can be removed and nobody has objected to the existence of such a provision as far as I can see. That section is there since 1920 and it has been working all these years. The previous Government did not experience any difficulty. I may say in this connexion that about 45 presidents of panchayat boards were re-elected and out of them only about 7 or 8 were re-elected on the 14th July 1937. The majority of them were superseded and re-elected previous to our coming into office. What happens is this; invariably wherever a president has been removed, he is again re-elected. And so, if we have to supersede the panchayat boards or the local boards wherever the removed presidents have been re-elected, then it will create a lot of discontent among the people. Supposing there are 16 members in a panchayat board out of whom 9 members as against 7 re-elect a removed president, and yet

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has been appointed by this Government. The panchayat officer's report is the original basis for the enquiry and then it goes to the Deputy Inspector and the Inspector and naturally we have to accept their recommendations. So, if the hon. the Leader of the Opposition is objecting to the recommendations of the panchayat officers, the Deputy Inspectors and the Inspector, I do not know how I can help him."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I am not objecting to them. My objection is that they were not accepted by Government."

THE HON. SRI B. GOPALA REDDI:—"I do not know what was not accepted by the Minister."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"The recommendation of the Inspector in the case of Tiruturai-pundi Panchayat Board."

THE HON. SRI B. GOPALA REDDI:—"He himself has said that the Inspector recommended supersession in one case and recommended that no action need be taken in another case and that I accepted the recommendations."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"No. My charge is that the Hon. Minister did not accept the recommendation. The Inspector recommended supersession in both cases and not in one only as stated by the Hon. Minister."

THE HON. SRI B. GOPALA REDDI:—"I do not know, Sir. I have not got the details before me. But I can say that as far as I am concerned I have no interest in Tanjore. I had been there only once, two years ago. I have no personal contacts there."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I never imputed personal motives. I only referred to party considerations."

THE HON. SRI B. GOPALA REDDI:—"Whether party or personal, I cannot bifurcate myself into compartments. I have no place here unless I am a party-man. It must be made clear that whatever I do, I do as a Congressman and as a Minister."

SRI B. NARAYANASWAMI NAYUDU:—"That is exactly the complaint."

THE HON. SRI B. GOPALA REDDI:—"That is exactly my strong point. Under these circumstances, I submit that there is nothing undemocratic in asking a person who has been removed to keep aside for six months. Hon. Members do not object to supersession or dissolution or removal of the president. As long as they do not object to these things, they need not object to this also. This provision will work well and it has satisfied all the sections in the other House."

The motion that the Bill be taken into consideration was put to the House and declared carried.

A poll was demanded and the House divided thus:

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Ayes.

- | | |
|----------------------------------|-----------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 14 Sri T. C. Srinivasa Ayyangar. |
| 2 Sri B. Bheema Rao. | 15 " D. Sriramamurthi. |
| 3 " Madhava Menon. | 16 " V. Ganga Raju. |
| 4 " V. V. Jogayya Pantulu. | 17 " L. Subba Rao. |
| 5 " R. Srinivasa Ayyangar. | 18 " P. Peddi Raju. |
| 6 " A. Rangaswami Ayyangar. | 19 " P. Veerabadradaswami. |
| 7 " K. V. Srinivasa Ayyangar. | 20 " K. P. Mallikarjunudu. |
| 8 " N. Sankara Reddi. | 21 " C. Perumalswami Reddiyar. |
| 9 " V. Vasantha Rao. | 22 " K. S. Sivasubrahmanya Ayyar. |
| 10 " S. A. S. Rm. Ramanathan | 23 " S. K. Satagopa Mudaliyar. |
| Chettiyar. | 24 Khan Bahadur Sir Mahomed Usman |
| 11 " M. Narayana Menon. | Sahib Bahadur. |
| 12 " K. Venkataswami Nayudu. | 25 Sri D. Manjappa Hedge. |
| 13 " T. A. Ramalingam Chettiyar. | |

Noes.

- | | |
|----------------------------------|--------------------------------|
| 1 Sri Rao Bahadur N. R. Samiappa | 6 Sayeed Abdul Wahab Bukhari |
| Mudaliyar. | Sahib Bahadur. |
| 2 " B. Narayanaswami Nayudu. | 7 Sir Frank Birley. |
| 3 " Rao Bahadur M. Ramakrishna | 8 Mr. S. J. Gonsalves. |
| Reddi. | 9 Khan Bahadur Hameed Sultan |
| 4 S. K. Ahmed Meeran Sahib | Maracair Sahib Bahadur. |
| Bahadur. | 10 Dr. Sir K. V. Reddi Nayudu. |
| 5 C. P. Mammoo Keyi Sahib | 11 Sri Rao Bahadur M. Raman. |
| Bahadur. | 12 Mr. J. A. Saldanha. |

Ayes : 25. *Noes* : 12.

The motion was carried.

Clause 2 was put and carried.

Clause 3.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Sir, I beg to move the following amendment:—

'Insert the following words after the word 'person' occurring in line 1:—

"other than the president and the vice-president of a panchayat board."

I have said what I wanted to say with regard to this amendment already. I want to press this amendment for the acceptance of the House. My only suggestion is that party politics should not be introduced at least in the village panchayats. The Hon. Minister said that he generally accepts the recommendations of the panchayat officers and the Inspector. But that is not relevant to the issue. The Justice Party delegated the powers of supersession of panchayat boards and the removal of panchayat board presidents to the Inspector of Local Boards. The Congress Ministry has withdrawn that power and kept that power with them. That shows that they are not willing to repose their confidence in their subordinates and want to have all power themselves. With these words, I commend this amendment."

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supposing according to the suggestion of my hon. Friend Mr. Narayanaswami Nayudu, we supersede the board instead of removing the re-elected President, and order a fresh election of the whole board, and ask all the members to go to the polls, the 7 people who have been in a minority and who had nothing to do with the re-election of the president, have also to suffer. I ask, 'Is that democracy?' I submit it is not. So, the best way is to keep the man out. I do not penalize him. I say 'if the General Elections are coming in two or three months, you stand for election and get yourself re-elected and again become president.' That is what we say. You know in villages that a president is re-elected, because he has a party in his own hands. If the president is charged there, such of the members of the boards whose support he has resented such a charge. Because they resent we cannot ignore section 43. We cannot allow the president to disobey our orders. Nobody objected to the presence of section 43. As far as I have studied the conditions of the panchayat boards and local boards, and indeed in the case of panchayat boards, we have not removed a single president of a panchayat board. As far as I can see, since 1920, whatever Ministry was in power, whether it was Subbarayan's Ministry, or Panagal's Ministry and Muniswami Nayudu's Ministry, no president of the district board was removed. After the Congress Government has come into power, no district board president has been removed. As far as the chairmen of municipal councils are concerned, I do not contemplate removing any of them. One hon. Member naively said that a notice was sent to the Chairman of the Municipal Council, Guntur, and afterwards we kept quiet, because we want that gentleman to be re-elected. Perhaps we were satisfied with the explanation given by the chairman and therefore we did not proceed with the matter further.

"Sir, Mr. Narayanaswami Nayudu repeatedly said that we are not encouraging the growth of local self-Government in this Province. He said 'You have passed the Public Health Act; you have provincialized the Assistant Engineers' Service and so on and so forth.' Sir, local self-Government does not mean inefficiency. Local Self-Government does mean efficiency. When we provincialized the Service of Assistant Engineers great objection was taken by Mr. Narayanaswami Nayudu. But if I remember right, ever since the days of Panagal's Government a great majority of the district boards, at least three-fourths of them have accepted this principle. We referred this matter to the district boards and they said we want provincialization of the Assistant Engineers' posts. They have been agitating for this reform since 1920 and we have done our duty according to the wishes of the district boards. Simply because the Kistna District Board did not like the treatment given to the Assistant Engineers, so it does not mean that the Government will have to accept the policy dictated by the Kistna District Board.

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"By the formation of the Road Traffic Board, we were able to collect 50 lakhs of rupees as revenue and the whole of this revenue we gave to the municipalities and district boards. The amount that we were giving them previously was between 30 and 40 lakhs of rupees. And let us ask any passenger who is habitually using these buses, the bus owners and the management. Do they say that they have suffered after this reform? The Board consists among others of the District Magistrate, the District Superintendent of Police, the District Board President, and a non-official member who is usually a Member of the Legislature who safeguards the interests of the general public. It has not worked badly. I learn from reliable sources that the scheme is working well and that the bus owners and the lorry owners are satisfied. Sometimes they complain about the high tariff.

"As regards public health, I am sorry that the information asked for could not be made available by the office to-day. It will not work hard against local bodies, but that again is not relevant to the issue. So I am faced with this alternative. When a man who is removed is re-elected, should I supersede the whole Board or shall I say to the man, 'You keep aside for six months and let the Board elect somebody else'. I do not interfere with the election. I am only saying that the man who has been removed should not be re-elected. The man who has been removed will have many supporters and one of them may be elected. It is not my business to stop it. Only I say to the man who has been removed: 'You are held responsible for this maladministration. We have after very careful enquiry through so many officers removed you. You stand aside for six months. If there is a general election in the meanwhile, you may stand as a candidate and become a member and become a president even. We do not object to it. But if the election is far off, you keep aside for six months.' There is nothing undemocratic in this; there is nothing to preach about democracy here on this occasion.

"With regard to the panchayat board to which reference was made it was a packed body. Elections were held a long time ago. There were about 12 or 16 members. We removed the chairman. The presumption is that as long as he continues to be the chairman he has a majority. We knew when we took action and issued the notice that he had a majority. We called for an explanation and gave some time. When we were not satisfied with the explanation we removed him. I may also say, Sir, that frequent references are made to party Government. I have also answered that question on the floor of the House and pointed out that in 99 per cent of the cases it is the Inspector's recommendation that has been accepted by the Government. If it is said that the panchayat officers, the Deputy Inspectors and the Inspector have all become Congressmen all of a sudden because the Congress has come into office, I have no answer to give. I may remind hon. Members that all the panchayat officers were appointed during the Justice regime and not during the Congress regime. No panchayat officer

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SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—" I second it."

THE HON. SRI B. GOPALA REDDI:—" Sir, if I accept the amendment, it will knock the bottom out of the Bill which is mainly meant for the panchayats. If I exempt the presidents and vice-presidents of panchayats, it will make no sense. The whole thing will be nullified by accepting the amendment.

" As regards the delegation of powers to the Inspector, I think I have answered this question already on the floor of the House. But I have disagreed with the Inspector only in a few cases with regard to supersession. That shows that the Government are not unnecessarily interfering with the discretion of the Inspector. I need not say anything at length on this amendment. I am sorry I cannot accept it."

The amendment was put and lost.

Clauses 3 and 1 and the Preamble were put and carried.

THE HON. SRI B. GOPALA REDDI:—" Sir I move —
' that the Bill be passed into law '."

The motion was put and carried.

The House then adjourned to meet again at 11 a.m. the next day.

III.—PAPERS LAID ON THE TABLE OF THE HOUSE.

a (1) G.O. No. 77, Finance, dated 28th March 1939, regarding the authentication by His Excellency the Governor of the Schedule of the Second Supplementary Statement of authorized further expenditure for the year 1938-39.

a (2) G.O. No. 78, Finance, dated 31st March 1939, regarding the authentication by His Excellency the Governor of the Schedule of authorized expenditure for the year 1939-40.

a b (3) G.O. No. 375, Development, dated 14th February 1939, regarding certain amendments to the Madras Commercial Crops Markets (Election) Rules.

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APPENDIX I.

[Vide answer to starred question No. 220 asked by Sri B. Narayanaswami Nayudu at the meeting of the Legislative Council held on the 11th May 1939, page 5 supra.]

(1)

Total income under all accounts except advances, deposits and capital of Municipal Councils in 1936-37 and 1937-38, public health expenditure during the period and their percentage.

Name of municipality.	Income, 1936-37.	Public Health expenditure 1936-37.	Percentage of column (3) to column (2).	Income, 1937-38.	Public Health expenditure 1937-38.	Percentage of column (6) to column (5).
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	RS.	RS.		RS.	RS.	
1 Anantapur	74,107	21,060	28	92,794	20,683	22
2 Hindupur	1,09,980	16,586	15	1,38,470	13,543	10
3 Tadpatri	56,563	14,951	26	76,319	14,899	20
4 Gudiyattam	83,466	22,590	27	86,641	26,940	31
5 Tirupattur	65,156	16,670	26	88,142	21,116	24
6 Tiruvannamalai ..	1,05,470	37,911	36	1,08,046	39,688	37
7 Vaniyambadi	67,948	35,247	51	68,524	31,502	46
8 Vellore	2,76,215	1,25,750	46	2,84,196	1,37,111	48
9 Walajapet	53,665	11,229	21	49,064	9,923	20
10 Chidambaram	97,840	42,772	44	1,05,623	47,464	45
11 Cuddalore	2,13,694	77,324	36	2,21,243	1,16,582	53
12 Villupuram	82,338	14,934	18	88,395	20,313	23
13 Adoni	1,52,046	69,422	46	1,68,321	45,961	27
14 Bellary	3,38,063	1,09,596	32	3,71,824	1,27,399	34
15 Hospet	1,04,817	19,912	19	1,63,412	23,763	15
16 Chingleput	73,423	32,692	45	75,732	37,674	49
17 Conjeevaram	2,85,692	71,111	25	2,90,071	72,096	25
18 Saidapet	1,19,620	34,637	30	1,20,660	36,421	30
19 Chittoor	83,583	22,688	27	91,748	24,956	27
20 Tirupati	77,011	29,325	38	77,640	28,319	36
21 Coimbatore	7,05,399	3,30,974	47	8,90,044	3,18,135	36
22 Dharapuram	63,733	18,165	29	67,827	18,131	27
23 Erode	2,19,969	66,712	30	1,96,719	71,981	37
24 Pollachi	3,26,357	32,997	10	1,54,026	33,135	22
25 Tirupur	1,41,415	23,725	17	2,53,858	24,138	9
26 Udamalpet	65,418	23,151	35	81,600	22,859	28
27 Cuddapah	1,29,284	47,844	37	1,38,715	46,081	33
28 Prodatpur	88,850	31,634	36	85,613	31,463	37
29 Cocanada	3,71,977	1,77,815	48	4,30,998	1,08,866	25
30 Peddapuram	57,052	26,754	47	52,272	12,697	24
31 Rajahmundry	2,92,981	1,01,562	35	3,33,594	1,15,666	35
32 Ellore	2,49,837	86,597	35	2,55,199	87,276	34
33 Palacole	1,11,667	45,849	40	1,73,716	45,274	26
34 Chirala	58,937	8,216	14	66,103	10,587	16

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Name of municipality	Income, 1936-37.	Public Health expenditure, 1936-37.	Percentage of column (3) to column (2).	Income, 1937-38.	Public Health expenditure, 1937-38.	Percentage of column (6) to column (5).
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	RS.	RS.		RS.	RS.	
35 Guntur	2,86,259	90,937	32	2,75,613	92,997	34
36 Narasaraopet	64,516	10,961	17	76,010	18,075	17
37 Ongole	65,808	16,968	26	67,183	17,802	26
38 Tenali	1,09,118	30,498	28	1,29,241	34,268	27
39 Mangalore	2,14,096	70,917	33	2,15,179	78,546	36
40 Udipi	26,503	8,461	32	54,171	9,342	17
41 Berwada	5,44,562	1,52,831	28	4,81,377	1,62,203	34
42 Gudivada	was not constituted			41,543	10,076	24
43 Masulipatam	2,67,738	96,270	36	2,75,230	98,463	36
44 Kurnool	2,31,587	65,277	28	2,38,715	66,884	28
45 Nandyal	1,18,031	27,771	24	1,14,611	33,543	29
46 Bodinayakkanur	64,909	29,483	45	90,512	30,508	34
47 Dindigul	1,92,470	62,096	32	2,09,384	65,044	31
48 Kodalkanal	83,341	24,444	29	61,468	30,111	49
49 Madura	16,10,150	6,14,204	38	1,486,686	6,78,564	46
50 Palni	1,09,913	23,327	23	55,031	48,568	46
51 Periyakulam	69,167	29,651	43	79,013	29,244	38
52 Calicut	4,07,111	1,21,082	30	4,27,015	1,94,376	45
53 Cannanore	1,29,054	30,629	25	1,36,695	30,755	23
54 Cochin	64,715	26,651	41	94,399	28,002	30
55 Palghat	1,50,177	40,719	27	1,48,662	40,362	27
56 Tellicherry	1,16,349	40,318	35	1,09,079	40,591	37
57 Nellore	2,16,401	94,924	44	2,45,285	97,474	39
58 Coonoor	2,30,599	69,226	30	1,48,513	61,959	42
59 Ootacamund	4,50,425	1,10,522	25	5,04,172	1,77,192	35
60 Devakottai	was not constituted			99,696	24,439	25
61 Karaikudi	1,10,867	31,534	28	1,02,705	36,261	35
62 Sivakasi	34,477	12,678	36	32,480	10,868	33
63 Srivilliputtur	63,527	20,626	32	62,204	20,015	32
64 Virudunagar	1,80,321	34,401	19	1,62,041	39,382	26
65 Salem	4,95,459	1,49,210	30	5,88,400	1,54,975	26
66 Kumbakonam	2,93,006	1,19,652	41	3,08,376	1,20,047	39
67 Mannargudi	56,511	20,173	36	53,047	21,290	40
68 Mayavaram	1,25,495	26,108	21	1,29,596	27,915	22
69 Negapatam	2,39,810	86,979	36	1,92,119	91,022	47
70 Tanjore	3,97,413	1,29,201	33	2,75,800	1,81,426	35
71 Tiruvarur	60,877	17,275	28	71,849	17,295	24
72 Palamcottah	98,646	38,630	39	1,13,847	28,300	25
73 Tirunelveli	2,06,943	77,708	38	1,92,575	77,653	40
74 Tuticorin	3,45,572	1,65,506	48	3,54,913	1,65,875	47
75 Karur	1,07,615	40,046	37	1,34,617	29,395	22
76 Srirangam	1,23,218	29,060	24	1,05,557	38,174	36
77 Trichinopoly	6,68,535	2,85,682	43	6,40,626	3,01,848	47
78 Anakapalli	93,922	26,556	28	86,109	30,623	36
79 Bimlipatam	43,011	8,695	20	42,156	9,699	23
80 Chittoor	69,768	14,497	21	70,729	14,552	21
81 Vizagapatam	3,14,350	1,41,145	45	3,16,762	1,81,873	43
82 Vixianagram	1,89,082	86,102	46	2,17,065	94,018	43

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Total income of District Boards in 1936-37 and 1937-38, Public Health expenditure during the two years and their percentage to the income.

Name of district board.	Income in 1936-37 under all accounts except advances and capital.	Public Health expenditure in the year 1936-37.	Percentage of columns (3) to (2).	Income in 1937-38 under all accounts except advances and capital.	Public Health expenditure in the year 1937-38.	Percentage of columns (6) to (5).
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	RS.	RS.		RS.	RS.	
1 Anantapur	7,15,029	82,152	11	6,83,865	77,786	11
2 Arcot, North	11,73,908	1,45,581	12	11,64,734	1,34,953	12
3 Arcot, South	15,41,121	1,16,929	8	17,08,185	1,36,490	8
4 Bellary	6,36,092	67,421	11	6,42,883	72,374	11
5 Chingleput	10,79,564	1,11,942	10	10,81,505	1,19,142	12
6 Chittoor	8,58,361	57,393	7	8,58,150	81,888	10
7 Coimbatore	18,12,069	1,63,831	9	19,39,738	1,78,906	9
8 Cuddapah	5,87,000	63,325	12	5,91,265	63,839	11
9 Godavari, East	16,80,424	1,48,243	9	18,41,253	1,67,023	9
10 Godavari, West	13,76,344	90,665	7	16,28,890	85,127	5
11 Guntur	16,40,129	1,25,671	8	16,72,340	1,30,450	8
12 Kanara, South	10,58,950	81,705	8	11,18,994	91,033	8
13 Kistna	19,53,393	1,24,787	6	16,57,303	1,59,033	9
14 Kurnool	8,05,617	87,742	11	9,23,649	85,100	9
15 Madura	16,90,795	1,31,091	8	14,77,899	1,56,018	10
16 Malabar	21,45,576	1,81,208	8	21,89,367	1,92,119	9
17 Nellore	8,80,803	1,17,374	13	9,12,145	1,22,668	13
18 Nilgiris, The	3,18,548	80,754	10	3,21,784	38,486	10
19 Ramnad	13,69,781	1,64,916	12	13,22,394	1,80,268	14
20 Salem	14,06,651	1,31,688	9	14,75,179	1,42,130	10
21 Tanjore	20,11,835	2,18,786	11	20,99,183	2,22,644	11
22 Tinnevely	13,98,963	1,15,907	8	14,15,552	1,46,457	10
23 Trichinopoly	12,40,297	86,060	7	12,37,788	1,02,502	8
24 Vizagapatam	19,60,049	2,19,505	11	19,03,365	2,23,576	12

(2)

Statement showing the total income under all accounts and total expenditure on public health of the Corporation of Madras in 1937-38.

Name of local body.	Total income under all accounts.	Public health expenditure.				Percentage of Public Health expenditure to the total income.			
(1)	(2)	Medical relief.	Preventive medicine.	Water-supply and drainage.	Total.	Medical relief.	Preventive medicine.	Water-supply and drainage.	Total.
	RS.	RS.	RS.	RS.	RS.				
Corporation of Madras ..	72,75,555	2,87,379	16,16,054	16,69,140	35,72,573	3.9	22.2	22.9	49.0

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(3)

Public Health establishment of the Corporation of Madras.

Designation.	Number.	Designation.	Number.
1. Medical Relief—		1. Medical Relief—cont.	
(a) Hospitals—		(a) Hospitals—cont.	
(1) Raja Str Ramaswami		(2) Infectious Diseases	
Mudaliyar Lying-in-		Hospitals—cont.	
Hospital Establishment—		Labour—	
Matron	1	Operator for Steam	
Qualified Sick Nurses		Disinfector	1
and Midwives	2	Coolie for Steam Dis-	
Midwives	4	infector	1
Wireman	1	Dhobis	2
Storekeeper	1	Lascar for Wireman.	1
Compounders	2	Cooks	4
Peon	1	Cleaners, Ambulance	
Female Attendants	2	Car	2
Total	14	Male Sweepers	4
Labour—		Female Sweepers	2
Female Caste Cook	1	Male Totis	8
Do.	1	Female Totis	8
Waterwoman	1	Garden Maistri	1
Sweeper	1	Gardeners	3
Female Totis	8	Women Coolies	3
Gardener	1	Total	40
Do.	1		
Dhobis	1		
Do.	3		
Lascar	1		
Watchmen	2		
Total	21		
		(b) Dispensaries—	
2. Infectious Diseases Hos-		Establishment—	
pitals—		Sub-Assistant Surgeons.	24
Establishment—		Relieving Assistant	
Assistant Surgeon	1	Surgeon	1
Medical Officer	1	Compounders	40
Sub-Assistant Sur-		Relieving Compounders.	2
geon	1	Male Ward Attendants.	20
Do	1	Do. do.	4
Senior qualified Sick		Female Ward Attend-	
Nurse	1	ants	23
Qualified Sick Nurses.	3	Peons	23
Nurses	4	Attender for medical	
Do.	2	stores	1
Clerk	1	Transferred from C.W.S.	
Wireman	1	Lady Doctors	6
Compounders	2	Transferred from G.W.S.	
Male Ward Attendants.	7	Lady Doctors	2
Do.	2	Female Compounders	8
Female Ward Atten-		Peons	8
dants	7		
Do.	2		
Drivers, Ambulance			
Car	2		
Peons	3		
Do.	1		
Total	42		
		Venereal Clinics—(Tempo-	
		rary)—	
		Medical Officer	1
		Compounder	1
		Male Ward Attendant.	1
		Female Ward Attend-	
		ant	1
		Total	166

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Public Health establishment of the Corporation of Madras—cont.

Designation.	Number.	Designation.	Number.
1. Medical Relief—cont.		2. Preventive Medicines—cont.	
(b) Dispensaries—cont.		(3) Food adulteration—	
Establishment—cont.		Food Analyst	1
Labour—		Assistant Analyst	1
Watchman	1	Food Inspectors	3
Sweepers	3	Do.	1
Do.	1	Technician	1
Do.	4	Attendant	1
Scavengers	4	Peons	5
Male Toti	1	Total	13
Driver for Leprosy			
clinic	1		
Total	15		
		(4) Vaccination—	
2. Preventive Medicines—		Establishment—	
(1) Sanitation—		Medical officers in	
Establishment—		charge of Vaccination	
Health Officer	1	and Registration	6
Assistant Health Officer.	1	Do.	3
Do.	1	Female vaccinators	2
Head Clerk	1	Assistant vaccinators	36
Clerks	16	Do.	2
Do.	1	Peons	21
Do.	2	Total	70
Shorthand Typist	1		
Typist	1		
Clerical Attender	1		
Duffadars	2		
Peon (Cycle)	1		
Do.	11		
Sanitary Inspectors	1		
Do.	2		
Do.	12		
Do.	2		
Inspectors of Weights			
and Measures	1		
Do.	1		
Process Servers	16		
Magic Lantern Operator.	1		
Peons (out door)	18		
Total	94		
(2) Water Analysis—			
Establishment—			
Analyst	1		
Assistant Analyst	1		
Attender	1		
Do.	—		
Total	4		
Labour—			
Watchman	1		

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Public Health establishment of the Corporation of Madras—cont.

Designation.	Number.	Designation.	Number.
2. Preventive Medicines—cont.			
(5) Epidemic and endemic diseases—cont.			
Staff for destruction of dogs, etc.—			
Establishment—			
Electrician ..	1		
Labour—			
Watchmen ..	2		
Totals ..	2		
Total ..	4		
(6) Conservancy—			
(a) General—			
Establishment—			
Veterinary officer ..	1		
Section manager ..	1		
Clerks ..	4		
Do. ..	1		
Supervisors ..	2		
Sanitary Inspectors ..	1		
Do. ..	6		
Do. ..	16		
Depot Superintendent ..	1		
Do. ..	5		
Process servers ..	17		
Do. ..	7		
Peons ..	167		
Total ..	229		
(b) Cleaning of drains—			
Labour—			
Coolies for open drains, barrel carts, hand carts, silt-traps and syphons ..	592		
Do. ..	30		
Coolies for open drains, barrel carts, hand carts, silt-traps and syphons (boys) ..	151		
Do. ..	60		
Do. ..	20		
Main drain coolies ..	100		
Total ..	953		
(c) Cleaning of streets—			
Labour—			
Maistris ..	23		
Trolley sweepers, rubbish cart-sweepers, etc. ..	676		
Do. ..	30		
Motor lorry sweepers, ..	80		
Motor lorry maistri ..	1		
Total ..	810		
(d) Cleaning of latrines—			
Labour—			
Male scavengers ..	196		
Female scavengers ..	138		
Boys ..	71		
Total ..	405		
(e) Private scavenging—			
(i) Establishment—			
Peon ..	1		
Total ..	1		
(f) Trenching grounds and Pail depots—			
Establishment—			
Superintendents ..	7		
Engine driver ..	1		
Total ..	8		
Labour—			
Maistris ..	3		
Men ..	80		
Women ..	24		
Night watchmen ..	4		
Cleaner ..	1		
Driver ..	1		
Total ..	113		
(g) Incinerators—			
Establishment—			
Superintendents ..	2		
Assistant Superintendent ..	1		
Do. ..	1		
Total ..	4		
Labour—			
Firemen ..	6		
Maistris ..	3		
Male coolies ..	92		
Female coolies ..	40		
Boys ..	10		
Ash coolies ..	4		
Total ..	155		
(h) Maintenance of bullocks—			
Labour—			
Depot maistris ..	6		
Driver do. ..	18		
Trolley drivers ..	620		
Rubbish cart drivers, Lorries, etc., drivers. ..	20		
Reserve drivers ..	20		
Total ..	664		

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Public Health establishment of the Corporation of Madras—cont.

Designation.	Number.	Designation.	Number.
2. Preventive Medicines—cont.			
(6) Conservancy—cont.			
(i) Maintenance of carts—			
Labour—			
Carpenter maistry ..	1		
Rivetter ..	1		
Total ..	2		
(j) Maintenance of lorries—			
Establishment—			
Foreman, Lorry Station ..	1		
Driver ..	1		
Lorry Depot keeper ..	1		
Petrol clerk ..	1		
Total ..	4		
Labour—			
Drivers ..	31		
Do. ..	9		
Do. ..	6		
Firemen ..	4		
Cleaners ..	37		
Watchman ..	1		
Total ..	88		
(7) Births and Deaths—			
(i) Registration Charges—			
(a) Establishment—			
Medical Registrars of Births and Deaths ..	8		
(ii) Maternity and Child Welfare—			
Establishment—			
Lady Superintendent ..	1		
Maternity Supervisors ..	11		
Clerks ..	2		
Clerk Typist (Temporary) ..	1		
(7) Births and Deaths—cont.			
(ii) Maternity and Child Welfare—cont.			
Establishment—cont.			
Driver, Ambulance car ..	1		
Lady Doctors ..	4		
Health Visitors ..	17		
Do. ..	12		
Midwives ..	76		
Peons ..	39		
Total ..	164		
Chulai C.W. centre (Temporary)—			
Lady Doctor ..	1		
Maternity Supervisor ..	1		
Health Visitors ..	2		
Midwives ..	6		
Peons ..	3		
Total ..	13		
Labour—			
Cleaner for Ambulance car ..	1		
(iii) Burial and Burning grounds—			
Establishment—			
Peons ..	18		
Labour—			
Gardeners ..	14		
(8) Fire Protection—			
Establishment—			
Drivers ..	4		
Cleaners ..	8		
Police Inspector ..	1		
Total ..	13		

APPENDIX II.

[Vide answer to starred question No. 221 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 6 supra.]

Service. (1)	Recommendation of the Lee Commission. (2)	Present position.			Remarks. (7)
		Strength. (3)	Number of Europeans. (4)	Number of Indians. (5)	
Indian Civil Service.	A composition of 50 per cent Europeans and 50 per cent Indians should be attained in 15 years. The rate of recruitment should be 40 per cent Europeans and 60 per cent Indians until the above composition is reached. (a) Members of the Service. 166		83	82	49.4
Indian Police.	(b) Listed post-holders 19 A composition of 50 per cent Europeans and 50 per cent Indians should be attained in 15 years from the date on which the new scheme of recruitment comes into operation. The rate of recruitment shall be in the same proportion. The rate of recruitment should be 40 per cent Europeans and 60 per cent Indians in Madras where there is a combined cadre working both in the Roads and Buildings Branch (Transferred) and in the Irrigation Branch (Reserved).		1 45	18 26	94.7 96.1
Indian Service of Engineers.	The rate of recruitment should be 40 per cent Europeans and 60 per cent Indians in Madras where there is a combined cadre working both in the Roads and Buildings Branch (Transferred) and in the Irrigation Branch (Reserved).		22 (of whom 4 on leave preparatory to retirement).	24	52.1
Indian Agricultural Service.	The service should be provincialized and recruitment should rest entirely with the Local Government subject to the protection of the rights of existing members of the service. do.	10 (2 of which are vacant and Secretary of State has been asked to abolish them).	4 (of whom one is on leave preparatory to retirement and another has applied for leave).	40	Recruitment held in abeyance from 1933.
Indian Veterinary Service.	do.	2	2	..	Do.
Indian Educational Service.	do.	10*	3*	7*	70*
		4†	3†	1†	25†

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APPENDIX

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Indian Forest Service.	The rate of recruitment should be 25 per cent Europeans and 75 per cent Indians in provinces in which Forest administration is reserved.	47 (2 of which are vacant).	23 (one of whom is on leave preparatory to retirement).	22	46.8	Recruitment stopped in 1932.
Indian Medical Service.	The service shall be provincialized and recruitment should rest entirely with the Local Government subject to the condition that a minimum number of British Medical Officers should be maintained in the Civil Medical Service to meet the medical needs of British officers in the civil services and their families.	Posts now reserved for Indian Medical officers .. 19 Leave reserve. 7 Total .. 26	13 including leave reserve of 4, one post is vacant. Total 19.	7 1†	8 10	Number of posts protected for Indian Medical Service officers— vice officers in civil employ on 10th May 1928 .. 8 on 1st April 1937 .. 10 Total .. 18 (of the 18 officers 7 are counted against the reservation showing in column (5). There are now in all 32 officers of the Indian Medical Service in the Medical Public Health and Jail Departments of this Presidency.)

APPENDIX

*List of Gazetted officers granted extension of service by this Government during the period from
1st January 1928 to 1st January 1939—cont.*

Serial number, name, designation and salary of the officer. (1)	The community to which he belonged. (2)	The date of the order by which the extension was granted. (3)	The period for which the extension was granted. (4)
General Administration—			
14 Sri Diwan Bahadur T. Raghavayya, C.S.I., Collector on special duty as Chairman of the Malabar Tenancy Committee, Rs. 3,000.	Brahman	4th February 1928. 14th April 1928 .. 25th January 1936..	3rd November 1927 to 31st March 1928. 1st April to 21st April 1928. 29th January 1936 to 30th April 1936.
15 Sri Rao Bahadur A. A. Venkatarama Ayyar, Deputy Collector, Rs. 850.	Do.	..	..
16 Sri Diwan Bahadur K. V. Kunhiraman Nayar, Deputy Collee- tor, Rs. 850.	Non-Brahman	7th August 1937 .. 20th January 1938.	3rd September 1937 to 2nd May 1938. 3rd May 1938 to 2nd June 1938.
17 Sri T. Kuppuswami Ayyar, First Assistant, Board of Revenue, Rs. 460.	Brahman	{ 7th July 1930 .. 30th July 1930 .. 25th May 1931 ..	{ One month. One year. One month and 25 days.

APPENDIX

[11th May 1939]

APPENDIX IV.

[Vide answer to starred question No. 226 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 11 supra.]

Statement showing the rate of grazing fee in reserved forests under the control of the Forest department.

11th May 1939]

Name of division. (1)	Rate of grazing fee before 1st April 1939. (2)
WALTAIR CIRCLE.	
1 Golconda Agency ..	3 annas per cow unit.
2 Vizagapatam ..	Agency cattle—3 annas per cow unit. Plains cattle—8 annas per cow unit.
3 Upper Godavari ..	2 annas per cow unit.
4 Lower Godavari— Settlers ..	1 anna per head.
Local ..	3 annas per cow unit.
Alien ..	6 annas per cow, 12 annas per buffalo and 1½ annas per sheep.
5 Guntur— Kistna Mangroves ..	3 annas per cow unit.
Kondapalle Reserved Forest ..	Re. 1 per cow unit.
Other parts of the Guntur district.	8 annas per cow unit.
6 Nellore ..	Under kancha system—When permit system was in vogue 8 annas per cow unit.
	Under Departmental kancha system— Local cattle. Foreign cattle.
	ES. A. P. RS. A. P.
	Buffalo .. 1 4 0 1 8 0
	Cow or bull .. 1 0 0 1 4 0
	Sheep .. 0 6 0 0 8 0
Sriharikota ..	12 annas per buffalo, 8 annas per cow and 4 annas per sheep.

The rate has been reduced by 50 per cent with effect from 1st April 1938.

APPENDIX

APPENDIX III.

[Vide answer to starred question No. 222 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 11th May 1939, page 7 supra.]

List of Gazetted officers granted extension of service by this Government during the period from 1st January 1928 to 1st January 1939.

(1) Serial number and name, designation and salary of the officer.	(2) The community to which he belonged.	The date of the order by which the extension was granted.	(4) The period for which the extension was granted.
Judicial department—			
1 Mr. G. S. White, Registrar, High Court, Rs. 2,150	European	12th January 1932.	12th February 1933 to 11th February 1934.
		17th January 1933.	12th February 1934 to 11th February 1935.
		10th August 1934 ..	12th February 1935 to 11th February 1936.
		7th August 1935 ..	12th February 1936 to 11th February 1937.
		5th August 1936 ..	12th February 1937 to 11th February 1938.
2 Sri S. Andisundarachariyar, Deputy Registrar, Appellate Side, High Court, Rs. 1,080.	Non-Brahman	16th July 1930 ..	24th September 1930 to 23rd September 1931.
		26th March 1931 ..	24th September 1931 to 23rd September 1932.
		12th January 1932.	23rd September 1932 to 23rd September 1933.
3 Sri K. Kuppuswami Ayyar, Acting Second Assistant Registrar, O.S. and Permanent Sub-Assistant Registrar, High Court, Rs. 400.	Brahman	8th May 1929 ..	1st July 1929 to 30th June 1930.
		27th March 1930 ..	1st July 1930 to 30th June 1931.
		26th March 1931 ..	1st July 1931 to 30th June 1932.
4 Sri K. S. Lakshminarayana Ayyar, Sub-Judge, Acting as District Judge, Rs. 1,000.	Do.	16th March 1929 ..	22nd January 1929 to 15th February 1929.
		28th March 1929 ..	16th February 1929 to 28th February 1929.

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5 Sri M. R. Sankara Ayyar Sub-Judge, Acting District Judge, Rs. 850.	Do.	21st October 1931 ..	24th October 1931 to 15th December 1931.
		23rd November 1931.	16th December 1931 to 24th December 1931.
6 Sri U. Vaman Nayak, Sub-Judge, Rs. 800	Do.	10th February 1933.	16th January 1933 to 12th February 1933.
7 Sri R. Rangaswami Ayyangar, Sub-Judge, Acting District Judge, Rs. 850.	Do.	25th April 1938.	26th April 1938 to 7th May 1938.
Translator's department—			
8 Shams-ul-ulkama Lisanul Hikmat, Maulana Moulvi Muhammad Abdur Rahman Sahib Bahadur Shafir, Persian and Hindustani Translator to Government, Rs. 480.	Muhammadan	2nd September 1932.	One year.
Government Press—			
9 Mr. F. L. Gilbert, Superintendent, Government Press, Rs. 1,200.	European	3rd September 1928.	Eight months and twenty-two days.
		11th October 1928 ..	
Medical department—			
10 Sri Rao Sahib T. Sundara Reddi, Professor of Anatomy, Medical College, Madras, Rs. 1,300.	Non-Brahman	17th April 1929 ..	One year.
		20th March 1930 ..	Do.
Cinchona department—			
11 Mr. W. H. P. Collins, Superintendent, Cinchona plantations, Rs. 450—10—550—15—700.	European	8th July 1927 ..	25th September 1927 to 24th September 1928.
		10th September 1928.	25th September 1928 to 24th September 1929.
		19th September 1929.	25th September 1929 to 24th September 1930.
Public Works Department—			
12 Sir Clement Mullings, Engineer-in-Chief, Cauvery-Mettur Project, Rs. 3,000 plus special pay Rs. 300 plus O. P. E. 13-6-8.	European	9th April 1929 ..	9th April 1929 to 8th July 1929.
Secretariat of Legislature—			
13 Sri Diwan Bahadur R. V. Krishna Ayyar, Secretary, Madras Legislature, Rs. 1,500 plus personal pay of Rs. 100.	Brahman	15th October 1938 ..	16th August 1939 to 15th August 1940.

[11th May 1939]

Statement showing the rate of grazing fee in reserved forests under the control of the Forest department—*cont.*

Name of division. (1)	Rate of grazing fee before 1st April 1938. (2)	
BELLARY CIRCLE.		
1 Anantapur except the following areas:— (a) Madanapalle and Vayalpad taluks. (b) Vempalle and Ganganapalle Ranges. (c) Bellary Reserves	8 annas per cow unit. 6 annas per cow unit. Do. Do. Non-penda rate— Buffalo 12 annas, cow 8 annas and sheep 4 annas. Penda rate— Re. 1 per cow unit. 8 annas until 1930 under kancha system. Local cattle— 6 annas per cow unit. Foreign cattle— Re. 1 per head. 1 anna per head subject to a limit of 700 animals. The concessional rate was fixed by the Forest Member after personal visit in 1901. Bulmen half rate (3 annas per cow unit).	The rate has been reduced by 50 per cent with effect from 1st April 1938.
2 Kurnool	8 annas per cow unit.	
Kanigiri Range in South Kurnool	8 annas per cow unit.	Withdrawn in 1937.
3 Cuddapah	6 annas per cow unit.	
4 Chenupalle and Gopavarampalle villages.	1 anna per head subject to a limit of 700 animals. The concessional rate was fixed by the Forest Member after personal visit in 1901. Bulmen half rate (3 annas per cow unit).	
Sidhout and Cuddapah taluks	3 annas per cow unit.	
SALEM CIRCLE.		
1 Chittoor— Gudiyattam Range Other ranges— Local cattle Foreign cattle	8 annas per cow unit. 6 annas per cow unit. 12 annas per cow unit.	

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2 Vellore— Local cattle and plains cattle Foreign cattle Malayali cattle (Hill village areas).	8 annas per cow unit. Re. 1 per cow unit. 3 annas per cow unit.	The rate has been reduced by 50 per cent with effect from 1st April 1938.
3 North Salem— Krishnagiri range Other ranges	Sheep 3 annas, cow 8 annas, buffalo 12 annas. Sheep 4 annas, cow 8 annas, buffalo 12 annas.	
4 Central Salem— (a) Attur and Harur ranges (b) Shevaroy's north range (c) Shevaroy's south range (d) Cauvery range (e) Parts of Attur range within South Arcot district limits. (f) Hill Village System (Malayali cattle).	9 annas per cow unit. Sheep 3 annas, cow 8 annas, buffalo 12 annas. 9 annas per cow unit. Sheep 3 annas, cow 8 annas, buffalo 12 annas. Re. 1 per cow unit. 3 annas per cow unit.	
5 South Salem— Nannakkal range Other ranges	6 annas per cow unit. 9 annas per cow unit.	
COIMBATORE CIRCLE.		
1 North Coimbatore	8 annas per cow unit.	
2 South Coimbatore other than Compartment I of Punachi Working Circle. Compartment I of Punachi Working Circle (though closed under the working plan) was thrown open to grazing from 1930-31. Kollegal	8 annas per cow unit. Special rate of Rs. 2-8-0 per head of cattle, the number being restricted to 30. 8 annas a cow unit.	

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Statement showing the rate of grazing fee in reserved forest under the control of the Forest department—*cont.*

Name of division	Date of grazing fee before 1st April 1938.	
	(1)	(2)
COIMBATORE CIRCLE— <i>cont.</i>		
3 Madura—		
(a) Old Vayampatti range of Trichinopoly district now forming part of Ayyalur range.	..	12 annas per cow unit.
4 Tinnevely	..	8 annas a cow unit.
5 Tanjore—		
(a) Kodiakadu Reserved Forests.	8 annas a cow or buffalo.	
(b) Talayanar Reserved Forests (opened to grazing in July 1932).	Re. 1 a cow unit; Rs. 2 a buffalo.	
OOTACAMUND CIRCLE.		
1 South Kanara	..	Cow 6 annas; buffalo 10 annas.
2 Wynasad	..	Cow 8 annas; buffalo Re. 1.
3 Palghat—		
(a) Palghat range	..	Ordinary— Re. 1 a cow unit.
(b) Mannarghat range	..	8 annas a cow unit.
(c) Portion in Coimbatore district—		
(i) Bolampatti range	..	8 annas a cow unit.
(ii) Anaitatty blocks	..	Re. 1 a cow unit.
(iii) Palghat range	..	Do.
The Nilgiris—		
(a) Ordinary	..	3 annas per cow unit.
(b) Foreign	..	8 annas per cow unit.
(c) Slaughter cattle from Mysore ..	..	3 annas per 50 per day.
(d) Toda cattle	..	Free.

The rate has been reduced by 50 per cent with effect from 1st April 1938.

Statement showing the grazing rates in the panchayat forests in the Presidency.

Panchayat.	Rates of grazing fees till 1938.				Present rate.		
	Buffalo.	Cow.	Sheep.		Buffalo.	Cow.	Sheep.
(1)	(2)	(3)	(4)		(5)	(6)	(7)
<i>Anantapur.</i>							
Anantapur	1 0 0	0 8 0	0 4 0		RS. A. P.	RS. A. P.	RS. A. P.
<i>South Kanara.</i>							
Bogotigunjikadu	0 2 0	0 1 0	..		..	..	..
Volaikadu	0 4 0	0 2 0	..		..	..	..
Hathunandikadu	0 1 0	0 1 0	..		..	..	..
Benglehadi	0 2 0	0 1 0	..		..	..	..
Herurkadu	0 1 0	0 1 0	..		..	..	..
Padubette Hathunandikadu ..	0 4 0	0 2 0	..		..	..	..
Belpukadu	0 4 0	0 2 0	..		..	..	..
Ramasamudrakadu	0 12 0	0 6 0	0 3 0		No change.	..	..
Gathinapadarakadu	0 4 0	0 2 0	..		..	..	..
Katpallakadu	0 3 0	0 2 0	..		..	..	..
<i>Vizagapatam.</i>							
Peddapalli	0 12 0	0 6 0	0 3 0		..	..	..
Bayyavaram	0 12 0	0 6 0	0 3 0		..	..	..
Regupalem	0 12 0	0 6 0	0 3 0		..	..	..
Gokivada	0 12 0	0 6 0	0 3 0		..	..	..
Yenavaram	0 12 0	0 6 0	0 3 0		..	..	..
Kalavalapalli	0 12 0	0 6 0	0 3 0		..	..	..
Adakula	0 6 0	0 3 0	0 1 6		..	..	..
Venkatapuram	0 12 0	0 6 0	0 3 0		..	..	..
<i>Rannad.</i>							
Kothangulam	0 8 0	0 4 0	..		..	..	..

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.			Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffalo. (5)	Cow. (6)	Sheep. (7)
<i>Ovidipach.</i>						
Cheemalapenta	0 12 0	0 6 0	0 3 0			
Machenur	0 12 0	0 6 0	0 3 0			
Lebaka	0 12 0	0 6 0	0 3 0			
Kommaddi	0 12 0	0 6 0	0 3 0			
Palagiri	0 12 0	0 6 0	0 3 0			
Appayapalle	0 12 0	0 6 0	0 3 0			
Uppalur	0 12 0	0 6 0	0 3 0			
Diguvapatnam	0 12 0	0 6 0	0 3 0			
Dhodyan	0 12 0	0 6 0	0 3 0			
Yamavaram	1 0 0	0 8 0	0 4 0			
Venkayakalva	0 12 0	0 6 0	0 3 0			
Naktavaripalle	0 12 0	0 6 0	0 3 0			
Mangapatnam	1 0 0	0 8 0	0 4 0			
Kosinapalle	1 0 0	0 8 0	0 4 0			
Taliproddattur	0 12 0	0 6 0	0 3 0			
Densapalle	1 0 0	0 8 0	0 4 0			
Sirigepalle	0 12 0	0 6 0	0 3 0			
Bhogalakatta	0 12 0	0 6 0	0 3 0			
Settiviripalle	1 0 0	0 8 0	0 4 0			
Gandikota	1 0 0	0 8 0	0 4 0			
Peddandlur	1 0 0	0 8 0	0 4 0			
Bondalakunta	1 0 0	0 8 0	0 4 0			
Janganurajupalle	0 13 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Rameswaram	0 13 0	0 6 0	0 3 0			
Kallur	0 13 0	0 6 0	0 3 0			
Mittananiapalle	0 13 0	0 6 0	0 3 0			
Jandlamoram	0 13 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Chilamkur	0 12 0	0 6 0	0 3 0			
Kalanalla	1 0 0	0 8 0	0 4 0			

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Rangampalle	0 12 0	0 6 0	0 3 0	No change.		
Pattur	0 12 0	0 6 0	0 3 0			
(Concessional rate.)	0 4 0	0 2 0	0 1 0			
Yerraballa	1 0 0	0 6 0	0 3 0			
Ambakkapalle	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Murarihintala	1 0 0	0 8 0	0 4 0			
Lingala	0 12 0	0 6 0	0 3 0	No change.		
Kommanutala	1 8 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Velidandla	0 12 0	0 6 0	0 3 0			
Thaliki	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Paidipalem	0 12 0	0 6 0	0 3 0	0 12 0	0 6 0	0 3 0
Mallela	1 0 0	0 8 0	0 4 0			
Cherlopalle	0 12 0	0 6 0	0 3 0			
Tsunatapalle	0 12 0	0 6 0	0 3 0			
Farnatikona	0 12 0	0 6 0	0 3 0			
Vandadi	0 12 0	0 6 0	0 3 0			
Kanamamari	0 12 0	0 6 0	0 3 0	No change.		
Madhavaram	0 12 0	0 6 0	0 3 0			
Tsakibanda	0 12 0	0 6 0	0 3 0			
Eguvakottivedu	0 12 0	0 6 0	0 3 0			
Polimerapalle	0 12 0	0 6 0	0 3 0			
Sibyala	0 12 0	0 6 0	0 3 0			
Kesapuram	0 12 0	0 6 0	0 3 0			
Surablu	0 12 0	0 6 0	0 3 0			
Kurnutala	0 12 0	0 6 0	0 3 0			
Nulivedu	0 12 0	0 6 0	0 3 0			
<i>Coimbatore.</i>						
Arsahatur	3 0 0	2 0 0	1 0 0			
Chennimalai	3 0 0	2 0 0	1 0 0			
Ekkatampalayam	3 0 0	2 0 0	1 0 0			
Punjai Dalavapalayam	3 0 0	2 0 0	1 0 0			
Palatholuvu	2 0 0	1 0 0	0 8 0	No change.		
Dalavoipattanam	2 0 0	1 0 0	0 8 0			
Garudanakottai	2 0 0	1 0 0	0 8 0			
Udhiyur	1 0 0	0 8 0	0 4 0			
Modur, Blocks I and II	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Modur, Block III	1 0 0	0 8 0	0 4 0			
Alatti	1 0 0	0 8 0	0 4 0			

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.				Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)		Buffalo. (5)	Cow. (6)	Sheep. (7)
<i>Coimbatore—cont.</i>							
Vachinampalayam	0 0	0 8 0	0 4 0	No change.	0 8 0	0 4 0	0 2 0
Odenthurai	1 0 0	0 8 0	0 4 0				
Thekkampatti	1 0 0	0 8 0	0 4 0	No change.			
Ettimadai	1 0 0	0 8 0	0 4 0				
Periakallipatti	1 0 0	0 8 0	0 4 0				
Thoppampalayam	1 0 0	0 8 0	0 4 0				
Alampalayam	1 0 0	0 8 0	0 4 0				
Panayamballi	1 0 0	0 8 0	0 4 0				
Shenbagaputhur	1 0 0	0 8 0	0 4 0				
Andiyur	1 0 0	0 8 0	0 4 0				
<i>Salem.</i>							
Kallavi	1 2 0	0 9 0	0 4 6	No change.			
Katteri	1 2 0	0 9 0	0 4 6				
Pudur Pungani	1 2 0	0 9 0	0 4 6	No change.	..	0 6 0	0 3 0
Vellakkal	1 2 0	0 9 0	0 4 6				
Elavambadi	1 2 0	0 9 0	0 4 6				
Sundamalai	1 2 0	0 9 0	0 4 6				
Harur	1 2 0	0 9 0	0 4 6				
Thammisettipatti	1 2 0	0 9 0	0 4 6	No change.	..	0 4 0	0 1 6
Kilmarupur	1 2 0	0 9 0	0 4 6				
Vedapatti	1 2 0	0 9 0	0 4 6				
Ganapathipatti	1 2 0	0 9 0	0 4 6				
Sellampatti	1 2 0	0 9 0	0 4 6				
Kettavadihempatti	1 2 0	0 9 0	0 4 6				
Ammapet	1 2 0	0 9 0	0 4 6				
Sunkaraballi	1 2 0	0 9 0	0 4 6				
Ramenaballi	1 2 0	0 9 0	0 4 6				
Elagiri	1 2 0	0 9 0	0 4 6				

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Gunnissetthalle	..	0 9 0	0 4 6	No change.	..	0 4 6	0 2 3
Varanepalle	..	0 9 0	0 4 6				
Mattakal	..	0 8 0	0 4 0				
Thogarapalli	..	0 8 0	0 4 0				
Udedrugam	..	0 8 0	0 4 0				
Elathur	1 2 0	0 8 0	0 4 6	No change.	..	0 4 6	0 2 3
Gonur	1 0 0	0 8 0	0 4 0				
Thottipatti	1 0 0	0 8 0	0 4 0				
Kolnalkampatti	1 0 0	0 8 0	0 4 0				
Suriyanalai	1 0 0	0 8 0	0 4 0				
Pakkanad	1 0 0	0 8 0	0 4 6	No change.	..	0 4 6	0 2 3
Virapandi	1 0 0	0 8 0	0 4 6				
Murugapatti	1 0 0	0 8 0	0 4 6				
Vedapalli	1 0 0	0 8 0	0 4 6				
Gazalnakampatti	1 0 0	0 8 0	0 4 6				
Kattuveppalaipatti	1 0 0	0 8 0	0 4 6	No change.	..	0 4 6	0 2 3
Ponnarampatti	1 0 0	0 8 0	0 4 6				
Kondayampalli	1 0 0	0 8 0	0 4 6				
Thandrayapuram	1 0 0	0 8 0	0 4 6				
Keeripatti	1 0 0	0 8 0	0 4 6				
Seeliyampatti	1 0 0	0 8 0	0 4 6				
Gudamalai	1 0 0	0 8 0	0 4 6				
<i>Madurai.</i>							
Chinnamanur	0 12 0	0 12 0	0 6 0	No change.	..	0 6 0	0 3 0
Sengurichi	0 12 0	0 12 0	0 6 0				
Kalvarpatti	1 8 0	0 12 0	0 6 0	No change.	0 12 0	0 6 0	0 3 0
Gollapatti	1 8 0	0 12 0	0 6 0				
Allinagar	1 8 0	0 12 0	0 6 0	No change.	1 0 0	0 8 0	0 4 0
Veerapandi	1 8 0	0 12 0	0 6 0				
Pappapatti	1 8 0	0 12 0	0 6 0	No change.	0 12 0	0 6 0	0 3 0
Nariampatti	1 8 0	0 12 0	0 6 0				
Tenkarai	1 8 0	0 12 0	0 6 0	No change.	..	0 6 0	0 3 0
Vilacheri	1 8 0	0 12 0	0 6 0				
Naluthi vanpatti	1 8 0	0 12 0	0 6 0	No change.	..	0 6 0	0 3 0
Thadyampatti	1 8 0	0 12 0	0 6 0				
Manuthu	1 8 0	0 12 0	0 6 0				
Pudur	1 8 0	0 12 0	0 6 0				

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.				Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffalo. (5)	Cow. (6)	Sheep. (7)	
<i>Madura—cont.</i>							
Moongipatti ..	..	0 8 0	0 5 0	0 12 0	0 6 0	0 3 0	
Arukkampatti ..	..	0 4 0	0 2 0	No change.	No change.	No change.	
Pallepatti ..	..	0 8 0	0 4 0				
Narasingsampatti ..	..	0 12 0	0 6 0				
Mannadimangalam ..	1 8 0	0 12 0	0 6 0	1 0 0	0 8 0	0 4 0	
Sivagnanapuram ..	1 8 0	0 12 0	0 6 0	No change.	No change.	No change.	
Sengattampatti ..	1 8 0	0 12 0	0 6 0				
Nadakottai ..	1 8 0	0 12 0	0 6 0				
<i>East Godavari.</i>							
Anuru ..	1 0 0	0 8 0	0 4 0	No change.	No change.	No change.	
Murari ..	2 0 0	1 0 0	0 3 0				
Kogida ..	1 0 0	0 8 0	0 4 0				
Dharbhagudem ..	0 6 0	0 3 0	0 1 6				
Jeelugumilli ..	(local) 0 12 0 (alien)	(local) 0 6 0 (alien)	(local) 0 3 0 (alien)				
<i>West Godavari.</i>							
Bandamcherla ..	0 10 0	0 5 0	0 2 6	0 8 0	0 4 0	0 2 0	
Chintalapudy ..	0 12 0	0 6 0	0 3 0	No change.	No change.	No change.	
Makkinavarigudem ..	0 12 0	0 6 0	0 3 0	0 8 0	0 4 0	0 2 0	
Raghavapuram ..	0 12 0	0 6 0	0 3 0	0 10 0	0 5 0	0 2 6	
Todigalapudi ..	0 12 0	0 6 0	0 3 0	0 8 0	0 4 0	0 2 0	
Velagalapalli ..	0 12 0	0 6 0	0 3 0	0 10 0	0 5 0	0 2 6	
Yerraguntapalli ..	0 12 0	0 6 0	0 3 0	0 10 0	0 5 0	0 2 6	

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Ramasingsavaram	..	0 12 0	0 6 0	0 3 0	No change.	0 3 0	ES. A. P.	ES. A. P.
Mutyalapalli	..	0 12 0	0 6 0	0 3 0				
Nochugunta	..	0 12 0	0 6 0	0 3 0				
Ungutur	..	0 12 0	0 6 0	0 3 0				
Nallejerla	..	0 12 0	0 6 0	0 3 0				
Dubacherla	..	0 12 0	0 6 0	0 3 0				
<i>Kistna.</i>								
Bandar Fort	..	0 12 0	0 6 0	0 3 0	No change.	0 3 0	ES. A. P.	ES. A. P.
Pedapatnam	..	0 12 0	0 6 0	0 3 0				
Ullipalem	..	0 6 0	0 3 0	0 1 6 0				
Tadepalli	..	0 12 0	0 8 0	0 4 0				
Velagalam	..	0 12 0	0 8 0	0 4 0				
Konduru	..	1 0 0	0 8 0	0 4 0	No change.	0 4 0	ES. A. P.	ES. A. P.
Jangalapalli	..	1 0 0	0 12 0	0 4 0				
Dasullapalem	..	0 12 0	0 10 0	0 4 0				
Veluvadam	..	0 8 0	0 4 0	0 2 0				
Ganapavaram	..	1 0 0	0 10 0	0 3 0				
Vellatur	..	..	0 8 0	0 2 0	No change.	0 2 0	ES. A. P.	ES. A. P.
Ramannapet	..	0 8 0	0 6 0	0 3 0				
Pochampalli	..	1 0 0	0 10 0	0 2 0				
Gundaboyinapalem	..	0 8 0	0 6 0	0 2 0				
Jaggayyapet	..	1 0 0	0 8 0	0 4 0				
Budavada	..	1 0 0	0 8 0	0 4 0	No change.	0 4 0	ES. A. P.	ES. A. P.
Ravirala	..	0 12 0	0 6 0	0 3 0				
Bhutsupad	..	..	0 8 0	0 4 0				
Chillakallu	..	..	0 8 0	0 4 0				
Gandreyi	..	..	0 12 0	0 4 0				
<i>Kurnool.</i>								
Matrupalle	..	0 10 0	0 5 0	0 2 6	No change.	0 4 0	ES. A. P.	ES. A. P.
Ramallakota, East	..	1 0 0	0 8 0	0 4 0				
Ramallakota, West	..	1 0 0	0 8 0	0 4 0				
Emboy	..	1 0 0	0 8 0	0 4 0				
Katarkonda	..	1 0 0	0 8 0	0 4 0				
Betamcherla	..	..	0 8 0	0 4 0	No change.	0 4 0	ES. A. P.	ES. A. P.
Kotlaburaya	..	1 0 0	0 8 0	0 4 0				
Eddupenta	..	1 0 0	0 8 0	0 4 0				

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat.	Rates of grazing fees till 1938.				Present rate.		
	Buffalo.	Cow.	Sheep.	(2)	Buffalo.	Cow.	Sheep.
(1)	RS. A. P.	RS. A. P.	RS. A. P.	(3)	RS. A. P.	RS. A. P.	RS. A. P.
<i>Kurnool—cont.</i>							
Peapally	1 0 0	0 8 0	0 4 0	0 4 0	No change.		
Pattikonda	1 0 0	0 8 0	0 4 0	0 4 0			
Jonnagiri	1 0 0	0 8 0	0 4 0	0 4 0			
Erragudi	1 0 0	0 8 0	0 4 0	0 4 0			
Pendekal	1 0 0	0 8 0	0 4 0	0 4 0			
Juggoli	1 0 0	0 8 0	0 4 0	0 4 0			
Gundlakonda	1 0 0	0 8 0	0 4 0	0 4 0			
Kappatrala	1 0 0	0 8 0	0 4 0	0 4 0			
Karumanchi	0 10 0	0 5 0	0 2 6	0 2 6			
Loddipalle	0 10 0	0 5 0	0 2 6	0 2 6			
Velgode	1 0 0	0 8 0	0 4 0	0 4 0			
Bilakalagudur	0 8 0	0 4 0	0 3 0	0 3 0	0 10 0	0 5 0	0 2 6
Ramavaram	0 12 0	0 6 0	0 4 0	0 4 0	No change.		
Yadawada	1 0 0	0 8 0	0 4 0	0 4 0	0 10 0	0 5 0	0 2 6
Ganapavaram	0 12 0	0 6 0	0 3 0	0 3 0			
Yerragondapalem							

Tinnevely.

Sivalarkulam	1 0 0	0 8 0	0 4 0	0 4 0			
Patmanagaram	2 8 0	1 4 0	0 10 0	0 10 0			
Gangalkondan	1 0 0	0 8 0	0 4 0	0 4 0	No change.		
Talayuthu	1 8 0	0 12 0	0 6 0	0 6 0			
Muthur	1 0 0	0 8 0	0 4 0	0 4 0			
Melapattam	2 0 0	1 0 0	0 4 0	0 4 0			
Sivalaperi	1 0 0	0 8 0	0 4 0	0 4 0			

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Nellore	2 0 0	1 0 0	0 8 0	0 8 0			
Ammancherla	1 4 0	0 10 0	0 5 0	0 5 0			
Dontali							
Kondlapudi							
South Mopur	1 8 0	0 12 0	0 6 0	0 6 0			
Kondamur							
Kakatur							
Chemudugunta							
Kanupur, East	1 4 0	0 10 0	0 5 0	0 5 0			
Kanupur, West	1 8 0	0 12 0	0 6 0	0 6 0			
Cherukundi	2 0 0	1 0 0	0 8 0	0 8 0			
Madamanur	1 8 0	0 12 0	0 6 0	0 6 0			
Muthukur	1 4 0	0 10 0	0 5 0	0 5 0			
Survepalle	1 0 0	0 12 0	0 6 0	0 6 0			
Uggumudi	1 8 0	0 12 0	0 6 0	0 6 0			
Pernod	1 8 0	0 12 0	0 6 0	0 6 0			
Venod	1 8 0	0 12 0	0 6 0	0 6 0			
Gudtur	1 8 0	0 12 0	0 6 0	0 6 0			
Chakioherla	0 8 0	0 8 0	0 4 0	0 4 0	No change.		
Ch. lamcherla	1 0 0	1 0 0	0 4 0	0 4 0			
Yelurpad	1 0 0	1 0 0	0 4 0	0 4 0			
Chagolli	1 8 0	1 0 0	0 4 0	0 4 0			
Moglicherla	1 8 0	1 0 0	0 4 0	0 4 0			
Ravur	1 0 0	1 0 0	0 4 0	0 4 0			
Chinalaterpi	1 0 0	1 0 0	0 4 0	0 4 0			
Bhimavaram	1 0 0	1 0 0	0 4 0	0 4 0			
Thettu	1 0 0	1 0 0	0 4 0	0 4 0			
Ulavapad	1 0 0	1 0 0	0 4 0	0 4 0			
Potlur	1 0 0	1 0 0	0 4 0	0 4 0			
Pakala	1 0 0	1 0 0	0 4 0	0 4 0			
Karedu	1 0 0	0 8 0	0 4 0	0 4 0			
Gudur	1 0 0	0 12 0	0 4 0	0 4 0			
Kannavaripalem							
Vallipadu	1 4 0	0 12 0	0 6 0	0 6 0			
Momidi	1 0 0	0 10 0	0 5 0	0 5 0			
Yellesiri	1 4 0	0 12 0	0 6 0	0 6 0			
Temmanapatnam	1 0 0	0 12 0	0 5 0	0 5 0			
Kothapatnam	1 0 0	0 12 0	0 4 0	0 4 0			

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.			Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffalo. (5)	Cow. (6)	Sheep. (7)
<i>Nellore—cont.</i>						
Zammalapalem ..	..	1 0 0	0 8 0	RS. A. P.	RS. A. P.	RS. A. P.
Siripuram ..	..	1 0 0	0 5 0			
Rudrakota ..	..	0 12 0	0 4 0			
Timmalapenta ..	..	0 10 0	0 4 0			
Zakkapallegrudur ..	..	0 12 0	..			
Dagedarthi ..	..	0 12 0	..			
Kothapalli Kanaragunta ..	..	1 8 0	0 6 0			
Marripad ..	..	0 12 0	0 6 0			
Turimerla ..	..	0 12 0	0 6 0			
Talamnobi ..	..	0 12 0	..			
Kattumapalem ..	..	1 8 0	0 6 0			
Sangan ..	..	1 8 0	0 6 0			
Vorveru ..	..	1 8 0	0 6 0			
Batrakagolu ..	..	0 12 0	0 6 0			
Ammavaripalem ..	..	0 12 0	0 6 0			
Anantagaram ..	..	0 12 0	0 6 0			
Beddavolu ..	..	1 0 0	0 8 0			
Bonnavararam ..	..	0 12 0	0 6 0			
Boylachiruvella ..	..	1 8 0	0 6 0			
Chejerla ..	..	1 0 0	0 5 0			
Dubagunta ..	..	0 12 0	0 6 0			
Gowavaram ..	..	1 0 0	0 5 0			
Godipad ..	..	1 0 0	0 5 0			
Kakivaya ..	..	1 0 0	0 5 0			
Kaluvaya ..	..	0 12 0	0 6 0			
Kothapalli ..	..	0 12 0	0 6 0			
Kodithurthi ..	..	1 0 0	0 5 0			
Minigala ..	..	1 0 0	0 5 0			
Pedda Annalur ..	..	1 0 0	0 5 0			

No change.

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Perumana ..	0 14 0	0 5 0	0 4 0	..	0 8 0	..
Pongur ..	1 0 0	0 5 0	0 4 0	..	No change.	..
Pongodu ..	1 0 0	0 5 0	0 4 0	..	No change.	..
Rajavolu ..	1 0 0	0 5 0	0 4 0	..	0 8 0	..
Ramaswamidipalli ..	0 12 0	0 6 0	0 4 0	..	No change.	..
Sreekotani ..	1 0 0	0 5 0	0 4 0	..	0 8 0	..
Vengampalle ..	0 12 0	0 6 0	0 4 0	..	No change.	..
Varikuntapad ..	0 2 0	0 1 0	0 4 0	..	0 8 0	..
Vasili Babul tope ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Vengalasyakalem ..	1 0 0	0 4 0	0 4 0	..	0 8 0	..
Hannuntunipad ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Hajipuram ..	1 0 0	0 4 0	0 4 0	..	0 8 0	..
Raviguntapalli ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Reddigaripalli ..	1 0 0	0 4 0	0 4 0	..	0 8 0	..
Pedacherlapalli ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Kanigiri ..	1 0 0	0 4 0	0 4 0	..	0 8 0	..
Chenchureddipalle ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Naramarella ..	1 0 0	0 4 0	0 4 0	..	0 8 0	..
Ayyavaripalle ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Inimerla ..	0 8 0	0 4 0	0 2 0	..	0 8 0	..
Tummar-oddipalli ..	1 0 0	0 4 0	0 4 0	..	No change.	..
Peda Irilapad ..	1 0 0	0 8 0	0 4 0	..	0 8 0	..

Guntur.

Chimakurthi ..	0 12 0	0 8 0	0 4 0	..	No change.	..
Karlalalem ..	0 5 0	0 5 0	0 2 0	..	0 4 0	..
Pittalavaripalem ..	1 0 0	0 8 0	0 4 0	..	No change.	..
Motupalli ..	1 0 0	0 8 0	0 4 0	..	0 8 0	..
Vadarevu ..	1 8 0	0 12 0	0 4 0	..	0 4 0	..
Pullaripalem ..	1 0 0	0 8 0	0 4 0	..	No change.	..
Perecherla ..	1 0 0	0 8 0	0 4 0	..	0 4 0	..
Enamadala ..	1 0 0	0 8 0	0 4 0	..	No change.	..
Chowdavaram ..	1 0 0	0 8 0	0 4 0	..	0 4 0	..
Undavalli ..	1 0 0	0 8 0	0 4 0	..	No change.	..
Mangalagiri ..	1 0 0	0 8 0	0 4 0	..	0 4 0	..
New Nidumukkala ..	0 8 0	0 6 0	0 3 0	..	0 3 0	..
Lemalle ..	0 8 0	0 6 0	0 3 0	..	0 3 0	..

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat (1)	Rates of grazing fees till 1938.			Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffalo. (5)	Cow. (6)	Sheep. (7)
<i>Nellore—cont.</i>						
Vendodu	1 8 0	0 12 0	0 6 0			
Vodurbudanam	..	0 12 0	0 6 0			
Vedicherla	1 0 0	0 12 0	0 4 0			
Vindur	..	0 12 0	0 6 0			
Bhyravaram	..	1 0 0	0 4 0	No change.		
Duttalur	..	1 0 0	0 4 0			
Gandipalem	..	1 0 0	0 4 0			
Gavadi	..	1 0 0	0 4 0			
Kondureddipalli	..	1 0 0	0 4 0			
Krishnapuram	1 8 0	1 0 0	0 4 0			
Marripad	..	1 0 0	0 6 0	..	0 8 0	..
Nandavaram	..	0 12 0	0 6 0			
Nandipad	..	1 0 0	0 4 0	No change.		
Yipelagunta	..	1 0 0	0 4 0			
Ranganaidupalli	..	1 0 0	0 4 0			
Ticcavaram	0 12 0	0 12 0	0 7 0	..	0 8 0	..
Udayagiri	1 8 0	0 12 0	0 4 0			
Yemkolingundlamadatala	..	1 0 0	0 4 0			
Ayyagaripalem	..	1 0 0	..			
Bradavole	..	0 12 0	0 6 0			
Cherlopalli	1 0 0	0 12 0	0 6 0			
Cheekavole	..	0 12 0	0 6 0			
Chaganam	..	0 12 0	..			
Chittalur	..	0 12 0	0 6 0			
Cheepinapi	..	0 12 0	..			
Chintalapalem	..	0 12 0	..			
Dachur	..	0 12 0	..			
Duggunta	..	0 12 0	0 6 0			

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Gilakapad	1 0 0	0 12 0	0 6 0			
Gundavole	1 0 0	0 12 0	0 6 0			
Gulimbeela	1 0 0	0 12 0	0 6 0			
Grittdalore	1 0 0	0 12 0	0 6 0			
Jeeppalli	1 0 0	0 12 0	0 6 0			
Kannipad	1 0 0	0 12 0	0 6 0			
Marlapudi	1 0 0	0 12 0	0 6 0			
Marapur	1 0 0	0 12 0	0 6 0			
Megalur	..	0 12 0	0 6 0			
Nernur	1 0 0	0 12 0	0 6 0			
Nellopalli	..	0 12 0	..			
Palcherlapad	..	0 12 0	..			
Podalakur	..	0 12 0	0 4 0			
Penubarthi	..	0 12 0	..			
Pulikolu	..	0 12 0	0 6 0			
Potegunta	..	0 12 0	0 6 0			
Rajepalem	..	0 12 0	0 6 0			
Siddavaram	1 0 0	0 12 0	0 6 0			
Sydepuram	1 0 0	0 12 0	0 6 0			
Todeti	1 0 0	0 12 0	0 6 0			
Tumhalatalapur	..	0 12 0	0 6 0			
Tarimerla	..	0 12 0	..			
Thuruppoondla	..	0 12 0	..			
Utkur	..	0 12 0	0 4 0			
Vadlepudi	..	0 12 0	..			
Vavintaparthi	..	0 12 0	..			
Venitabhi	1 0 0	0 12 0	0 6 0			
Yetur	1 0 0	1 0 0	0 8 0			
Timmasamudaram	1 8 0	0 12 0	0 6 0			
Tallepalem	0 12 0	0 12 0	..			
Mannbolu ad	..	1 0 0	0 8 0			
Veligandla	..	1 0 0	0 8 0			
Kudimaladinneped	1 0 0	0 12 0	0 8 0			
Bitragunta	0 12 0	0 12 0	0 8 0			
Gattupalli	..	1 0 0	0 8 0			
Kothipalli	1 0 0	1 0 0	0 8 0			
Lingaraju agraharam	..	1 0 0	..			
Budangunta	0 12 0	0 8 0	..			
Kavali	..	0 8 0	0 4 0			

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panohayal.	Rates of grazing fees, till 1985.			Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffaloes. (5)	Cow. (6)	Sheep. (7)
Pedemaddur	0 8 0	0 6 0	0 3 0	RS. A. P.	RS. A. P.	RS. A. P.
Kanepalle	1 0 0	0 8 0	0 4 0			
Kubedpuram	1 0 0	0 8 0	0 4 0			
Nenaliyuri	1 0 0	0 8 0	0 4 0			
Kanapadu	1 0 0	0 12 0	0 4 0			
Dodleru	1 0 0	0 8 0	0 4 0			
Gundlapalli	..	0 8 0	0 4 0			
New Guttikonda..	1 0 0	0 8 0	0 4 0			
New Rajupalem	1 0 0	0 8 0	0 4 0			
Bellamkonda	1 0 0	0 8 0	0 4 0			
Inumetla	1 0 0	0 8 0	0 4 0			
Guavayipalem	..	0 8 0	0 4 0			
Nagarsipalli	..	0 8 0	0 4 0			
Uppamagalur	..	0 8 0	0 4 0			
Vankayalaped	..	0 8 0	0 4 0			
Konavidu	1 0 0	0 8 0	0 4 0			
Makteswarani	..	0 8 0	0 4 0			
Gorrepadu	..	0 8 0	0 4 0			
Kopparam	1 0 0	0 8 0	0 4 0			
Kondurru	..	0 8 0	0 4 0			
Nekarikal	1 0 0	0 8 0	0 4 0			
Kondramutla	1 0 0	0 8 0	0 4 0			
Murthipapuram	1 0 0	0 8 0	0 4 0			
Pamidipadu	..	0 8 0	0 4 0			
Newkottapalem	..	0 8 0	0 4 0			
Agnikondala (Vinukonda block)	1 0 0	0 8 0	0 4 0			
Agnikondala (Guttikonda)..	1 0 0	0 8 0	0 4 0			
Muppalla	..	0 8 0	0 4 0			
New Mupparazavariipalem	1 0 0	0 8 0	0 4 0			

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Tangeda	..	1	0	0	0	8	0	0	4	0
Madugula	..	..	..	..	..	0	8	0	0	4
						Bull	1-0-0			
Daids	..	..	..	..	..	0	8	0	0	4
Gemalapad	..	1	0	0	0	0	8	0	0	4
New Vamayaram	..	1	0	0	0	0	8	0	0	4
Regulagadda	..	1	0	0	0	0	8	0	0	4
New Piduguralla	..	1	0	0	0	1	0	0	0	4
Konanki	..	1	0	0	0	0	8	0	0	4
Pilpita	..	1	0	0	0	0	8	0	0	4
New Madinapad	..	1	0	0	0	0	8	0	0	4
Madinapad	..	1	0	0	0	0	8	0	0	4
Macherla	..	..	..	..	..	0	8	0	0	4
Kottapalli	..	1	0	0	0	0	8	0	0	4
Mandadi	..	1	0	0	0	0	8	0	0	4
						Bull	0-12-0			
Veldurthi	..	1	0	0	0	0	8	0	0	4
Gundlapad	..	1	0	0	0	0	8	0	0	4
Durgi	..	..	..	..	..	0	8	0	0	4
						Bull	1-0-0			
Chambhampad	..	..	..	..	..	0	12	0	0	6
Jettipalem	..	..	..	..	..	0	8	0	0	4

Trichinopoly.

Ayyenarpalayam	..	1	2	0	0	9	0	0	4	6
V. Kalathur	..	1	2	0	0	9	0	0	4	6
Venbayur	..	1	2	0	0	9	0	0	4	6
Kariyanur	..	1	2	0	0	9	0	0	4	6
Kurumbalur	..	1	2	0	0	9	0	0	4	6
Nannaiyur	..	1	2	0	0	9	0	0	4	6
Narathamangalam	..	1	2	0	0	9	0	0	4	6
Perviyavadangalai ..	..	1	2	0	0	9	0	0	4	6
Perali ..	..	1	2	0	0	9	0	0	4	6
Chatiramanai	..	1	2	0	0	9	0	0	4	6
Siruvaichur	..	1	2	0	0	9	0	0	4	6
Tiruppayar	..	1	2	0	0	9	0	0	4	6

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Statement showing the grazing rates in the panchayat forests in the Presidency—*cont.*

Statement showing the grazing rates in one pound per acre

Present rate.

Panchayat.		Rates of grazing fees till 1908.					Present rate.		
(1)	Trichinopoly—cont.	Buffalo.		Cow.		Sheep. (4)	Buffalo.		
		(2)	ES. A. P.	(3)	ES. A. P.		(5)	(6)	(7)
	Velur ..	1	2	0	0	0	4	6	ES. A. P. ES. A. P. ES. A. P.
	Veppanthattai ..	1	2	0	0	0	4	6	
	Sithali ..	1	2	0	0	0	4	6	
	Kilapuliur ..	1	2	0	0	0	4	6	
	Vilangudi ..	1	2	0	0	0	4	6	
	Alcoi-Kilnatham ..	1	2	0	0	0	4	6	
	Kanguli ..	1	2	0	0	0	4	6	
	Mudukulam ..	1	2	0	0	0	4	6	
	Periyavalayam ..	1	2	0	0	0	4	6	
	Sathambadi ..	1	2	0	0	0	4	6	
	Sluvacheri ..	1	2	0	0	0	4	6	
	Thathanur ..	1	2	0	0	0	4	6	
	Thirukonam ..	1	2	0	0	0	4	6	
	Uliyakudi ..	1	2	0	0	0	4	6	
	Vettiavarvetu ..	1	2	0	0	0	4	6	
	Mavilipatti ..	1	2	0	0	0	4	6	
	Ponnusangampatti ..	1	2	0	0	0	4	6	
	Pulivalam ..	1	2	0	0	0	4	6	
	Kuricimalai ..	1	2	0	0	0	4	6	
	Viramachampatti ..	1	2	0	0	0	4	6	
	Naduvalur ..	1	2	0	0	0	4	6	
	Kottathur ..	1	2	0	0	0	4	6	
	Vellakkalpatti ..	1	2	0	0	0	4	6	
	Thinnanur ..	1	2	0	0	0	4	6	
	Edumalai ..	1	2	0	0	0	4	6	
	Maramaredipalayam ..	1	2	0	0	0	4	6	
	Nedungur ..	1	2	0	0	0	4	6	
	Thachankurichi ..	1	2	0	0	0	4	6	
	Omampur ..	1	2	0	0	0	4	6	
	Muthiyankurichi ..	1	2	0	0	0	4	6	
	Thunnamur ..	1	2	0	0	0	4	6	

No change.

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[illegible]

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat.	Rates of grazing fees till 1938.				Present rate.			
	Buffalo.	Cow.	Sheep.		Buffalo.	Cow.	Sheep.	
	(2) *	(3)	(4)		(5)	(6)	(7)	
(1)	RS. A. P.	RS. A. P.	RS. A. P.		RS. A. P.	RS. A. P.	RS. A. P.	
<i>Chingleput</i> —cont.								
Edamichi ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Koikipadagai ..	1 8 0	0 12 0	0 6 0	No change.				
Muduraipakkam ..	1 8 0	0 12 0	0 6 0					
Mittanamalli ..	1 8 0	0 12 0	0 6 0					
Perumbakkam ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Tambaran ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Tirumallavoyal ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Vadakkupattu ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Mannur ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Vattambakkam ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Nalhur ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Meyyur ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Maganim ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Puduppair ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Thanderai ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Kavanur ..	2 0 0	1 0 0	0 8 0		1 0 0	0 8 0	0 4 0	
Siruvanjur ..	1 8 0	0 12 0	0 6 0	No change.				
Pulrambakkam ..	1 8 0	0 12 0	0 6 0					
Palavakam ..	1 8 0	0 12 0	0 6 0					
Venbedu ..	1 8 0	0 12 0	0 6 0					
Pallippam ..	1 4 0	0 10 0	0 5 0					
Malipore ..	1 2 0	0 9 0	0 4 6		1 0 0	0 8 0	0 4 0	
Senjiagam ..	1 8 0	0 12 0	0 6 0	No change.				
Nayapallam ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Kollanur ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Nemalur ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Mukkambakkam ..	1 8 0	0 12 0	0 6 0					

Santhavelur ..	1 8 0	0 12 0	0 6 0	No change.				
Alamadhi ..	1 8 0	0 12 0	0 6 0					
Irugulam ..	1 8 0	0 12 0	0 6 0					
Manali ..	1 8 0	0 12 0	0 6 0					
Erumaivettipalayam ..	1 8 0	0 12 0	0 6 0		1 0 0	0 8 0	0 4 0	
Nannangalam ..	1 12 0	0 14 0	0 7 0					
Rajepalayam ..	1 8 0	0 12 0	0 6 0					
Kattukolathur ..	1 8 0	0 12 0	0 6 0					

Chittoor.

Bandarlappalli ..	0 12 0	0 6 0	0 3 0	No change.				
Bodaguttapalli ..	0 12 0	0 6 0	0 3 0					
Dakshinapathipolliem ..	0 12 0	0 6 0	0 3 0					
Cheelapalli ..	0 12 0	0 6 0	0 3 0					
Chinnamreddikandigai ..	0 12 0	0 6 0	0 3 0					
Chintepenta ..	0 12 0	0 6 0	0 3 0					
Chitrapara ..	0 12 0	0 6 0	0 3 0					
Gandlappalle ..	0 12 0	0 6 0	0 3 0					
Gudipala ..	0 12 0	0 6 0	0 3 0					
Gundlappalle ..	0 12 0	0 6 0	0 3 0					
Irala ..	0 12 0	0 6 0	0 3 0					
Keenatipalli ..	0 12 0	0 6 0	0 3 0					
Mahimandalam ..	0 12 0	0 6 0	0 3 0					
Nampalle ..	0 12 0	0 6 0	0 3 0					
Nannamangalam ..	0 12 0	0 6 0	0 3 0					
Kalappalle ..	0 12 0	0 6 0	0 3 0					
Panatoor ..	0 12 0	0 6 0	0 3 0					
Paradarami ..	0 12 0	0 6 0	0 3 0					
Patnam ..	0 12 0	0 6 0	0 3 0					
Pennur ..	0 12 0	0 6 0	0 3 0					
Polavaram ..	0 12 0	0 6 0	0 3 0					
Puthalpet ..	0 12 0	0 6 0	0 3 0					
Putramadidi ..	0 12 0	0 6 0	0 3 0					
Reddigunta ..	0 12 0	0 6 0	0 3 0					
Tavanampalle ..	0 12 0	0 6 0	0 3 0					
Veerisetipalli ..	0 12 0	0 6 0	0 3 0		0 8 0	0 4 0	0 2 0	
Viludonipolliem ..	0 12 0	0 6 0	0 3 0	No change.				
Alapalle ..	0 12 0	0 6 0	0 3 0		0 6 0	0 3 0	0 1 6	
Kannanapalle ..	0 12 0	0 6 0	0 3 0					

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Statement showing the rates of grazing fees till 1938.		Present rates.		
Panchayat.	Buffalo. (2)	Cow. (3)	Sheep. (4)	Sheep. (7)
(1)	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
<i>Chittoor—cont.</i>				
Samarejupalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Samudrapalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Thondavada ..	0 12 0	0 6 0	0 3 0	0 1 6
Pakala ..	0 12 0	0 6 0	0 3 0	0 1 6
Damalcheruvu ..	0 12 0	0 6 0	0 3 0	0 1 6
Pedipatlabylu ..	0 12 0	0 6 0	0 3 0	0 1 6
Bandrevu ..	1 0 0	0 8 0	0 4 0	0 1 6
Chinnatippesamudram ..	0 12 0	0 6 0	0 3 0	0 1 6
Devalcheruvu ..	1 0 0	0 8 0	0 4 0	0 1 6
Gangireddipalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Gollipalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Gopidinne ..	0 12 0	0 6 0	0 3 0	0 1 6
Kalicherla ..	0 12 0	0 6 0	0 3 0	0 1 6
Maddireddigaripalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Mathivaripalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Musalikunta ..	1 0 0	0 8 0	0 4 0	0 1 6
Pepipalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Peddamanandem ..	0 12 0	0 6 0	0 3 0	0 1 6
Peddapoliem ..	0 12 0	0 6 0	0 3 0	0 1 6
Sivapuram ..	1 0 0	0 8 0	0 4 0	0 1 6
Rangasamudram ..	0 12 0	0 6 0	0 3 0	0 1 6
Thambhallapalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Veligallu ..	0 12 0	0 6 0	0 3 0	0 1 6
Kothavaripalli ..	0 12 0	0 6 0	0 3 0	0 1 6
Sompalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Noodenakalva ..	0 12 0	0 6 0	0 3 0	0 1 6
Mellecheruvu ..	0 12 0	0 6 0	0 3 0	0 1 6
Kambanvaripalle ..	0 12 0	0 6 0	0 3 0	0 1 6
Guttapaliem ..	0 12 0	0 6 0	0 3 0	0 1 6
Marella ..	0 12 0	0 6 0	0 3 0	0 1 6

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Marriped ..	0 12 0	0	0 6 0	0						
Reddivaripalle ..	0 12 0	0	0 6 0	0						
Burusupalle ..	0 12 0	0	0 6 0	0						
Pasavandupalle ..	0 12 0	0	0 6 0	0						
Nadimcherla ..	0 12 0	0	0 6 0	0						
Gorankonda ..	0 12 0	0	0 6 0	0						
Gornatlapalle ..	0 12 0	0	0 6 0	0						
Nayanicheruvupalle ..	0 12 0	0	0 6 0	0						
Vagalla ..	0 12 0	0	0 6 0	0						
Vayalped ..	0 12 0	0	0 6 0	0						
Vepulabylu ..	0 12 0	0	0 6 0	0						
Talupula ..	0 12 0	0	0 6 0	0						
Sanambetla ..	0 12 0	0	0 6 0	0						
<i>Bellary.</i>										
Guddadahesalli ..	0 10 0	0	0 5 0	0						
Isiri ..	0 10 0	0	0 5 0	0						
Dibbanakal ..	0 12 0	0	0 6 0	0						
Bellekal ..	0 10 0	0	0 5 0	0						
Halvi ..	1 0 0	0	0 8 0	0						
Kotikal ..	0 12 0	0	0 6 0	0						
Kachapuram ..	0 12 0	0	0 6 0	0						
Adoni Municipality ..	1 0 0	0	0 8 0	0						
Banavasi ..	0 12 0	0	0 6 0	0						
Kadimetha ..	0 12 0	0	0 6 0	0						
Bolagota ..	0 12 0	0	0 6 0	0						
Arikera ..	0 12 0	0	0 6 0	0						
Neranki ..	0 12 0	0	0 6 0	0						
Yellarthi ..	0 12 0	0	0 6 0	0						
Suluvoiy ..	0 12 0	0	0 6 0	0						
Mincheri ..	0 8 0	0	0 4 0	0						
Vadrahonnur ..	0 12 0	0	0 6 0	0						
Halakundi ..	0 12 0	0	0 6 0	0						
H. Siddapuram ..	0 12 0	0	0 6 0	0						
Nemakal ..	0 12 0	0	0 6 0	0						
Hirehal ..	0 12 0	0	0 6 0	0						
Rathbhavivanka ..	0 12 0	0	0 6 0	0						
Mallepuram ..	0 12 0	0	0 6 0	0						

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.				Present rate.			
	Buffalo.		Cow.		Buffalo.		Cow.	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
<i>Bellary—cont.</i>								
Gollapalli	0 12 0	0 6 0	0 3 0	No change.				
Rayadrug	0 12 0	0 6 0	0 3 0					
T. Veerapuram	0 8 0	0 4 0	0 2 0					
Konthanapalli	0 12 0	0 6 0	0 3 0					
Hospet	0 12 0	0 6 0	0 3 0					
Ingali	0 12 0	0 6 0	0 3 0					
Papinayakanahalli	0 12 0	0 6 0	0 3 0					
Dharmasagar	0 12 0	0 6 0	0 3 0					
Godiganur	0 8 0	0 4 0	0 2 0					
Tornagal	0 12 0	0 6 0	0 3 0					
Joga	0 12 0	0 6 0	0 3 0					
Daroji	0 12 0	0 6 0	0 3 0					
Kamalapur	0 12 0	0 6 0	0 3 0					
Venkatapur	0 12 0	0 6 0	0 3 0					
K. Timmapur	0 12 0	0 6 0	0 3 0					
Upparahalli	0 12 0	0 6 0	0 3 0					
Ubba agandi	0 12 0	0 6 0	0 3 0					
Malapur	0 12 0	0 6 0	0 3 0					
Vitapur	0 12 0	0 6 0	0 3 0					
Chikkantapur	0 12 0	0 6 0	0 3 0					
Metriki	0 12 0	0 6 0	0 3 0					
Arsanahal	0 10 0	0 5 0	0 2 6					
Nagathibesapuram	0 12 0	0 6 0	0 3 0					
Kanvihalli	0 12 0	0 6 0	0 3 0					
Kadathi	0 10 0	0 5 0	0 2 6					
Thorarikatti	0 10 0	0 5 0	0 2 6					
Alagilewada	0 8 0	0 4 0	0 2 0					
Bendigiri	0 8 0	0 4 0	0 2 0					
Kyarakatti	0 8 0	0 4 0	0 2 0					

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Halavagal	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Chigateri	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Nichavvanahalli	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Kanchegiri	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
M. Kallehalli	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Nichapur	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Uchangidrug	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Hyarada	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Kalikatti	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Harkanahal	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Adivinallanakeri	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Desanahalli	0 10 0	0 5 0	0 2 6	0 6 0	0 3 0	0 1 6
Hulagapuram	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Chintrapalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Kollaragabatta	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Hirahagadli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Sogi	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Bennikal	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Boppalapuram	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Kottur	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Ghajapuram	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Chiribi	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Sunkadakal	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Sooladahalli	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Mangapuram	0 8 0	0 4 0	0 2 0	0 6 0	0 3 0	0 1 6
Nimbalageri	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Bennikal	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Hosahalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Chikkobenahalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Gundumunugu	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Jummanahalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Hulkunta	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Chornur	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Gudekota No. I	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
" No. II	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Ramadurgam	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Shidegal	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Appayanahalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6
Shelappanahalli	0 12 0	0 6 0	0 3 0	0 6 0	0 3 0	0 1 6

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.				Present rate.			
	Buffalo. (2)		Cow. (3)		Buffalo. (5)		Cow. (6)	
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
<i>Bellary—cont.</i>								
Gollalagammanahalli ..	0 12 0	0 6 0	0 6 0	0 3 0	No change.	No change.	No change.	No change.
Kakuppi ..	0 12 0	0 6 0	0 6 0	0 3 0	0 6 0	0 3 0	0 3 0	0 1 6
Soovenahalli ..	0 12 0	0 6 0	0 6 0	0 3 0	No change.	No change.	No change.	No change.
Keriaginahalli ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
<i>North Arcot.</i>								
Kilkolathur ..	1 0 0	0 8 0	0 8 0	0 4 0	0 8 0	0 4 0	0 4 0	0 2 0
Korandigudi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Agaran ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Adiyathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Selmanatham ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Unai ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Othiyathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kilachur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Munjurpet ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Vallam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Palamadi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Mothupalayam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Narayanakuppamroyandapuram ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Chinnampettai ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Narasinganthur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Veeranandal ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Karianangalam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Melchengam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Melpadur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kilvanambady ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Eriyur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Melkauppur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Vadamathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Melpuldiyur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Gudalore ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.

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Muthanore ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Radhapuram ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Peelal ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kuthadi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Vandanthangal ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Karasamangalam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Chengi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kalambat ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Malayambat ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Melkoil ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kanguppam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Negai ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Nallapadi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Chendathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Narkoor ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Pallakuppam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Togatur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Thothunanathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Belur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Vellakuttar ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Nandi'valam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Timmanacherikuppam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Vorsehur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Pungunam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Ayilam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Sennaleri ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kuppam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Jambaholam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Armanur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Armanur (Arkonam) ..	6 0 0	3 0 0	3 0 0	0 4 0	No change.	No change.	No change.	No change.
Ur,yur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Velur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Adaiyanur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Annamalai ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Nathamundi ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Kilathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Maruthuvambady ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Wariapuhur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Panaiyur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Perumanam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Sellankuppam ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.
Sirakolathur ..	1 0 0	0 8 0	0 8 0	0 4 0	No change.	No change.	No change.	No change.

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Statement showing the grazing rates in the panchayat forests in the Presidency—cont.

Panchayat. (1)	Rates of grazing fees till 1938.			Present rate.		
	Buffalo. (2)	Cow. (3)	Sheep. (4)	Buffalo. (5)	Cow. (6)	Sheep. (7)
<i>North Arcot—cont.</i>						
Udirampoondi ..	1 0 0	0 8 0	0 4 0	No change.		
Vetavalam ..	1 0 0	0 8 0	0 4 0			
Kadaladi ..	1 0 0	0 8 0	0 4 0			
Martudittu ..	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Thennadimangalam ..	1 0 0	0 8 0	0 4 0			
Padagam ..	1 0 0	0 8 0	0 4 0			
Punubekkam ..	1 0 0	0 8 0	0 4 0	No change.		
Alidamangalam ..	1 0 0	0 8 0	0 4 0			
Seyyanandal ..	1 0 0	0 8 0	0 4 0			
Ettivadi ..	1 0 0	0 8 0	0 4 0			
Thuluvapushpagiri ..	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Padavedu ..	1 0 0	0 8 0	0 4 0	0 8 0	0 4 0	0 2 0
Pullavakkam ..	1 0 0	0 8 0	0 4 0			
Meranam ..	1 0 0	0 8 0	0 4 0			
Tendappanthangal ..	1 0 0	0 8 0	0 4 0			
Enadavadi ..	1 0 0	0 8 0	0 4 0			
Ponnur ..	1 0 0	0 8 0	0 4 0			
Vengunam ..	1 0 0	0 8 0	0 4 0			
Badur ..	1 0 0	0 8 0	0 4 0			
Nambodu ..	Not permitted.	0 8 0	Not permitted.			
Visamangalam ..	1 0 0	0 8 0	0 4 0			
Nedugunam ..	1 0 0	0 8 0	0 4 0	No change.		
<i>South Arcot.</i>						
Cuddalore division, 2 panchayats ..	2 0 0	1 0 0	0 8 0			
Tiruko ylor division, 32 panchayats ..	1 0 0	0 8 0	0 4 0			
Tindivanam division, 31 panchayats ..	1 0 0	0 8 0	0 4 0			
Chidambaram taluk, 1 panchayat ..	2 0 0	1 0 0	0 8 0			
Vr. ddhachalam taluk, 10 panchayats ..	1 6 0	0 12 0	0 6 0			
One panchayat in Vriddhachalam taluk.	1 4 0	0 10 0	0 5 0			

APPENDIX V.

[Vide answer to starred question No. 228 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 12 supra.]

LIST OF VOLUNTARY HEALTH ASSOCIATIONS FUNCTIONING IN THE DISTRICTS OF MADRAS PRESIDENCY.

Serial number and name of district.	Name of association.	Constitution.	Object of the association.
1 Chingleput ..	Village Improvement Association, Adyar.	Formed by the local residents. There is a Secretary for the Association.	Improving the Rural Sanitation and bringing to the authorities the needs of the locality and doing propaganda work.
2 East Godavari ..	(1) Argya Sanithi, Ramachandrapuram. (2) Health Association, Pithapuram.	President, Secretaries, Treasurer, etc.	To work for the improvement of public health and sanitation. Activities confined only during Health Week celebrations.
3 West Godavari ..	(1) Tank Leprosy Association, Bhimavaram. (2) Village Development Committee, Elamanchi Narasapur.	President, District Munsif; Members, Officials and non-officials.	Leprosy relief. Treatment to indigent lepers twice a week and one meal on the days of the treatment and propaganda.
4 Guntur ..	Seva Sanithi, Bapadla ..	Registered Public Association	To do social service and to promote the welfare of the masses.
5 North Arcot ..	(1) Church of Scotland, Arkonam (Welfare centre). (2) Board High School, Voluntary Corps, Cheyyar. (3) The National Missionary Society of India, Puram village branch, Tirupattur taluk.	Rev. Silver, President An associated body affiliated to the South India Boys Scout Association. Honorary Secretary, Local Supervisor, etc.	Health propaganda work is also carried on. Rural welfare—attending to maternity cases in the centre at Arumbakkam, sick and dressing of women—of the patient. Citizenship training and welfare work—Helping in festival, clearing of slums and propaganda work. To give relief to the sick and suffering women and children for simple ailments.
6 South Arcot ..	The South Arcot District Dhanvantari competitive Examination League. (1) Jana Abhivriti Sangam, Trivadi. (2) Aladikunni Health Association, Orathanadu.	Patrons, President, Executive Committee of nine members and General Secretary. President, Vice-President, Secretary and twelve members.	To give propaganda on matters of health, first aid in food and Indian drugs by leaflets and conducting examinations and awarding prizes. Just begun to function. To do anti-mosquito work.
7 Tanjore ..	(1) Jana Abhivriti Sangam, Trivadi. (2) Aladikunni Health Association, Orathanadu.	President, Vice-President, Treasurer and Executive Committee of members both officials and non-officials.	Health Propaganda and village sanitation—not working now.
8 Tirunelveli ..	Child Welfare Association, Tenkasi.	President, Vice-President, Treasurer and Executive Committee of members both officials and non-officials.	Feeding of babies with milk and lectures on health and sanitation.
9 Trichinopoly ..	Young Men's Indian Association, Jiyapuram.	President, Secretary and Members	Rural reconstruction work and propaganda on health and welfare problem. The attention of the authorities is invited to rectify sanitary defects.
10 Health Unit Poonamallee.	(1) Magadu Adi-Dravida Mem-beas Sangam. (2) Women's League, Mangadu. (3) Adi-Dravida Sangam, Melachery. (4) Majid of Pattu (5) Adi-Dravida Sangam, Chinna-pancherry.	Elected by the people Do. Do. Do. Do.	To promote health activities and to improve their social aspects. Do. Do. Do. Do.
11 * Vizagapatam ..	(1) Youth League Association, Lakshminarasapeta, Chittoor taluk. The Association started an adult school for panchamas and others. It is progressive, cherries and farries cleaned every day by a sweeper, a library of about 200 books. Panchama patients treated freely by native doctors.	Thirty-five members in total. Seven Executive members.	For the betterment of the village and the villagers. To help the poor and the needy. To be religious and pray God.

* The Association started an adult school for panchamas and others. It is progressive, cherries and farries cleaned every day by a sweeper, a library of about 200 books. Panchama patients treated freely by native doctors.

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LIST OF VOLUNTARY HEALTH ASSOCIATIONS FUNCTIONING IN THE MUNICIPALITIES IN MADRAS PRESIDENCY.

Serial number and name of municipality.	Name of association.	Constitution.	Object of the association and tangible work done, if any.
1 Anantapur ..	Maternity and Child Welfare Centre, Anantapur.	By the public	Attending to labour cases and taking care of children by feeding etc.
2 Calicut ..	1 Malabar Welfare Committee ..	President, Vice-President, Secretary and Treasurer and seven members.	Taking care of the expectant mothers and young children.
3 Cannanore ..	2 Women Indian Association (Welfare Branch) ..	Honorary Superintendent with an advisory body of five members.	Do.
4 Chingleput ..	Public Health Association, Cannanore.	President, Vice-President, Secretary, Joint Secretary, Treasurer and a few committee members.	To promote public health by propaganda especially during health week celebrations.
5 Cocanada ..	Municipal Health Association, Chingleput.	President and about 25 ordinary members ..	To collect funds for running the Health Week.
6 Coimbatore ..	Health Service League, Cocanada.	Constituted in 1934	To do slum clearing and help the municipal sanitary staff in public health activities.
7 Cojseveram ..	The Health First League, Coimbatore.	Constituted by some prominent persons of the town.	To help the citizens to improve physically and mentally towards the attainment of human perfection. To promote the health of the masses by propaganda.
8 Cuddapah ..	National Health and Baby Week Association, Cojseveram.	Chairman of the municipal town is the President of the Association, Commissioner, the Vice-President and Health Officer, the Secretary. A few leading citizens are the members of the executive committee.	For conducting Health Week celebrations.
9 Devakottah ..	Maternity and Child Welfare Association, Cuddapah.	Collector, the President, Mrs. Dr. Janaki Abdul Karim as Secretary and others as members.	To conduct maternity and child welfare work.
10 Dharapuram ..	Health Association, Devakottah.	The Association was formed in May 1937 with leading officials and non-officials as members.	To concert health measures and improvements in the town.
11 Dindigul ..	Lady Health Workers' Association.	Started under the auspices of Health and Baby Week, 1937.	To take part in public health activities by lectures, talks, etc. amongst the women throughout the year.
12 Gudiyattam ..	Health and Child Welfare Association, Dindigul.	Consisting of local merchants, officials and non-officials.	To promote the health of this town in all possible ways. The association started a child welfare centre in 1928 and handed it over to the municipality after some time.
13 Hcspet ..	(1) Child Welfare Association, Gudiyattam.	Consisting of officials, non-officials, medical people and ladies as members of the managing committee.	To educate the masses (on the lines of utilizing the services of qualified midwives for conducting labour cases and on the advantages of feeding infants at regular hours feeding about 12 children. Gives off bath once a week. Propaganda pregnant women.
14 Karaikudi ..	(2) Municipal Vigilance Committee, Colimbatore.	Municipal councillors, teachers and medical people.	To educate the masses on Public Health, watch the health of the town and suggest remedial measures.
15 Madura ..	The Health and Welfare Association, Hospet.	President, Vice-President, Secretary, Joint Secretary, residents of the town as members.	The members of the committee meet the Public Health staff and offer suggestions to and on.
16 Masulipatam ..	District Leprosy Council ..	Wife of the present Collector is the President. The M.H.O. and a lady doctor are the Joint Secretaries and several officers and public are the members.	To promote the health of the town by improving its amenities and educating and aiding the people in such matters and conducting a bath centre for children of the poor in which daily baths are given.
17 Mayavaram ..	Anti-Mosquito Association, Mayavaram.	Vice-President, Secretary and other residents as members.	To carry on health propaganda, to improve the sanitation of the town in conjunction with the municipality to celebrate health week, etc.
18 Nellore ..	Mrs. Woodhouse Baby-Welcome Home, Kambadipalem (maintained by Red Cross).	Twenty-five members, 5 committees ..	To do propaganda on public health by lectures exhibitions and arranging the H.W. celebrations and to co-operate with other similar associations in creating a public health conscience among the people.
19 Ongole ..	Child Welfare Centre, Ongole ..	President, Vice-President and five members.	To educate the public by propaganda and to root out mosquito trouble in the town.
20 Palamcottah ..	District Medical Association ..	Constituted by all Registered Medical Officers.	The association was mainly responsible for the M.T. taking anti-mosquito measures.
21 Rajahmundry ..	Maternity and Child Welfare Association, Rajahmundry.	District Judge as President, and the Chairman, Municipal Council, Commissioner, and M.H.O. as ex-officio members and other non-officials.	To carry on Child Welfare and maternity work.
22 Saidapet ..	The Saidapet Health Association.	Consists of 4 classes of members, patrons, life members and honorary members, President, Secretary and Treasurer and ten other members elected by the general body.	To conduct meetings regarding health subjects and lectures are given monthly.
23 Tanjore ..	Health Association, Tanjore ..	Ex-officio Executive Committee Members, patrons, and life members and elected members.	Propaganda work by arranging health exhibition at important centres.
24 Trichinopoly ..	(1) The Trichinopoly District Health Association including the Ladies Committee.	A President, Vice-President, and two Secretaries elected from among the governing body and governing body elected by the members (President, Vice-President and Secretary elected).	The association was started only on 1st January 1938 and a Child Welfare centre has since been opened.
25 Virudunagar ..	(2) Bharathi Sabodani Sangam, Trichinopoly.	President and Secretary elected from among members.	To promote the health and welfare of the people, amelioration and relief of the poor and sick—has provided a small—lying in-home running an ante-natal clinic—employs a midwife for domiciliary work and employs an honorary woman Medical Officer.

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14 Karaikudi ..	The Karaikudi Health Association, Karaikudi.	President, Vice-President, Joint Secretaries, executive committee, etc.	To carry on health propaganda, to improve the sanitation of the town in conjunction with the municipality to celebrate health week, etc.
15 Madura ..	District Leprosy Council ..	Wife of the present Collector is the President. The M.H.O. and a lady doctor are the Joint Secretaries and several officers and public are the members.	To do propaganda on public health by lectures exhibitions and arranging the H.W. celebrations and to co-operate with other similar associations in creating a public health conscience among the people.
16 Masulipatam ..	The Health Committee, Masulipatam.	Vice-President, Secretary and other residents as members.	To educate the public by propaganda and to root out mosquito trouble in the town.
17 Mayavaram ..	Anti-Mosquito Association, Mayavaram.	Vice-President, Secretary and other residents as members.	The association was mainly responsible for the M.T. taking anti-mosquito measures.
18 Nellore ..	Mrs. Woodhouse Baby-Welcome Home, Kambadipalem (maintained by Red Cross).	Twenty-five members, 5 committees ..	To carry on Child Welfare and maternity work.
19 Ongole ..	Child Welfare Centre, Ongole ..	President, Vice-President and five members.	To conduct meetings regarding health subjects and lectures are given monthly.
20 Palamcottah ..	District Medical Association ..	Constituted by all Registered Medical Officers.	Propaganda work by arranging health exhibition at important centres.
21 Rajahmundry ..	Maternity and Child Welfare Association, Rajahmundry.	District Judge as President, and the Chairman, Municipal Council, Commissioner, and M.H.O. as ex-officio members and other non-officials.	The association was started only on 1st January 1938 and a Child Welfare centre has since been opened.
22 Saidapet ..	The Saidapet Health Association.	Consists of 4 classes of members, patrons, life members and honorary members, President, Secretary and Treasurer and ten other members elected by the general body.	To promote the health and welfare of the people, amelioration and relief of the poor and sick—has provided a small—lying in-home running an ante-natal clinic—employs a midwife for domiciliary work and employs an honorary woman Medical Officer.
23 Tanjore ..	Health Association, Tanjore ..	Ex-officio Executive Committee Members, patrons, and life members and elected members.	To educate the people on public health to investigate special problems in regard to Public Health such as Beggar Nuisance and to devise ways and means of dealing with them.
24 Trichinopoly ..	(1) The Trichinopoly District Health Association including the Ladies Committee.	A President, Vice-President, and two Secretaries elected from among the governing body and governing body elected by the members (President, Vice-President and Secretary elected).	To carry on propaganda on health and sanitation. Ladies Committee.—To educate the poor people in cherries, free distribution of milk to babies and expectant mothers—visiting the markets and trying to improve their conditions.
25 Virudunagar ..	(2) Bharathi Sabodani Sangam, Trichinopoly.	President and Secretary elected from among members.	The sangam maintains two Baby Welfare Homes, giving bath and ragi ganjee to the deserving infants, and carry on health propaganda work. Members of the sangam are carrying on health propaganda work.
26 Virudunagar ..	Health Association, Virudunagar.	President, Vice-President, two Joint Secretaries and a treasurer, members both officials and non-officials.	To educate the public in regard to Public Health by propaganda. Periodical lectures are conducted in different parts of the town. Leaflets regarding the cause and prevention of diseases are printed and distributed to the public.

LIST OF VOLUNTARY HEALTH ASSOCIATIONS FUNCTIONING IN THE MUNICIPALITIES IN MADRAS PRESIDENCY—cont.

Serial number and name of municipality.	Name of association.	Constitution.	Object of the association and tangible work done, if any.
26 Vhsagapatam ..	Health, Maternity and Child Welfare, Vizagapatam.	A President, Vice-President, a Treasurer and a Secretary and patrons, two committees.	Health propaganda which is concentrated at the Health Museum at the Municipal office intended for the education of school children. All elementary school children are brought in batches on Saturday afternoons to the Museum and they are taught by the Sanitary Inspectors and teachers. A cinema show is also given after going round the museum and a Maternity and Child Welfare Centre is going to be organized very soon.
7 Madras ..	{ (1) The National Health Association of Southern India, Royapetta, Madras. (2) Health Propaganda Board, Madras.	The Patron and President, Chairman, Vice-Chairman, an Honorary Secretary and Treasurer, Executive Committee, Chairman, Members and Honorary Secretary and Treasurer.	To conduct an organized and continuous educative propaganda amongst the masses in the general principles and practice of personal and public health and sanitation in order to awaken the sanitary conscience of the community. The Health Propaganda Board was constituted for the purpose of stimulating and promoting an interest in and a knowledge of all matters connected with the general and personal health of the population of Southern India, the encouragement of sanitary and hygienic habits amongst all classes of the people, etc.; for the diffusion of information concerning epidemics and the means of combating them and for such other objects cognate to the promotion of public health as may be decided upon by the Board.
28 Tirupattur M.T. ..	The Tirupattur Maternity and Child Welfare Centre.	Managing Committee has been constituted with one of the lady members to supervise the work.	To promote health and welfare of the children.

* The Association is not functioning at present.

† The municipality was constituted in April 1937 and an association was started in May 1937.

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APPENDIX V L.

[Vide answer to starred question No. 230 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 13 supra.]

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Name of the Administration Report for 1937-38 placed at the disposal of the Press and made available to the members of the Legislature in January and February 1939.	(1)	(2)	(3)	(4)	(5)	(6)
	Date on which it was due in Department of the Secretariat and period covered by the report.	Date on which it was received in the department concerned.	Cause of the delay in receipt, if there is any.	Date of publication.	Cause of delay in publication, if there is any.	
1 Civil and Criminal Courts Statistics.	15th October 1938 (1937-38 calendar year).	15th October 1938.	No delay	3rd January 1939.	No delay. Orders were issued on 5th November 1938. The period from then to 3rd January 1939 was taken up with the checking and printing of a large mass of statistics.	
2 Part I—Public Works Department Administration Report.	5th October 1938 (1937-38 official year).	1st November 1938.	Due to strike in the Government Press and delay in receipt of statements from the presidents of district boards.	14th February 1939.	Copies of expenditure diagrams in colours were awaited by the Superintendent, Government Press, from the office of the Director of Survey.	
3 Administration Report relating to the Settlement of Land Revenue (Jamabandi) for fasli 1347.	31st December 1938 (from 1st July 1937 to 30th June 1938 fasli year).	29th December 1938.	No delay	15th February 1939.	No delay. The due date of publication was 15th February 1939. Within the period from the 1st January to 15th February 1939 the report had to be scrutinized in detail and printed.	
4 Agricultural Department.	31st July 1938 (official year).	10th August 1938.	No delay	3rd January 1939.	The Superintendent, Government Press, took 51 days for publication.	
5 Administration Report of the Forest Panchayat, 1937-38.	1st October 1938 (from 1st July 1937 to 30th June 1938).	19th October 1938.	19 days delay. It was due to late receipt from one Collector.	3rd February 1939.	The delay in publication was due to printing. Instead of 20 days allowed to the Press for publication, 44 days were taken by it.	

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Name of the Administration Report for 1937-38 placed at the disposal of the Press and made available to the members of the Legislature in January and February 1939.	(1)	Date on which it was due in Department of the Secretariat and period covered by the report.	(2)	Date on which it was received in the department concerned.	(3)	Cause of the delay in receipt, if there is any.	(4)	Date of publication.	(5)	Cause of delay in publication, if there is any.	(6)
6 Administration Report of the Fisheries Department.		1st November 1938 (from 1st April 1937 to 31st March 1938).		2nd November 1938.		No delay		26th January 1939.		The report, which should have been published on 20th January 1939, was released for publication on 26th January 1939. The six days' delay was in the Press.	
7 Administration Report of the Cinchona Department.		15th October 1938 (from 1st April 1937 to 31st March 1938).		3rd November 1938.		Not much delay		27th January 1939.		The report should have been published on 25th November 1938. The delay was due to (1) late receipt of the report in the Secretariat, (2) correspondence with the Director for reconciliation of certain discrepancies and (3) the Press taking 1 month and 14 days for publication after return of the proof to it instead of 10 days' limit allowed.	
1 Administration Report of the Industries Department, 1937-38.		Due on 15th August 1938 (from 1st April 1937 to 31st March 1938).		14th October 1938.		Delay in getting the report printed by Director of Industries and Commerce.		31st January 1939 (due date 20th October 1938.)		Delayed again in the Press. Government have already taken action in the matter.	

Name of the Administration Report for 1937-38 placed at the disposal of the Press and made available to the members of the Legislature in January and February 1939.	(1)	Date on which it was due in Department of the Secretariat and period covered by the report.	(2)	Date on which it was received in the department concerned.	(3)	Cause of the delay in receipt, if there is any.	(4)	Date of publication.	(5)	Cause of delay in publication, if there is any.	(6)
9 Forest Administration Report, 1937-38.		15th October 1938 (from 1st April 1937 to 31st March 1938).		18th October 1938.		Delay of only 3 days		2nd March 1939.		There was some delay in Government passing orders on the report. The Press took 1 month and 15 days to publish the report while it is allowed only 10 days for publication after the return of a proof to the Press.	
10 Medical Schools Annual Report.		15th August 1938 (Period 1st July 1937 to 30th June 1938).		13th October 1938.		Certain discrepancies had to be settled in consultation with the Principal, Stanley Medical College.		13th February 1939.		Press took nearly two and a half months of which a portion was covered by holidays.	
11 Report of the Director of Public Health, 1937 and Administration of Vaccination for 1937-38.		1st July 1938 (Calendar year 1937 and Official year 1937-38).		2nd July 1938.		No delay		6th February 1939.		The delay was mainly in printing.	
12 Triennial Report on the working of the Civil Hospitals and Dispensaries in the Madras Presidency.		25th June 1938 (Period January 1935 to December 1937).		6th September 1938.		There was unavoidable delay in getting individual reports and in getting printed statements owing to a strike in the Government Press.		20th February 1939.		There were some errors in the figures furnished by the Surgeon-General. These had to be rectified and the proof had to be sent to the Surgeon-General before orders were given for striking final copies. There were heavy statements to be printed. The Press had also to attend to other urgent work such as Agenda and Proceedings of the Legislative Assembly.	
13 Indian Medical School and Hospital.		15th August 1938 (Period 1st July 1937 to 30th June 1938 for school and calendar year for hospital).		2nd November 1938.		There was unavoidable delay in the compilation of the statistics incorporated in the report.		8th February 1939.		There were heavy statements to be printed. The Press had also to attend to other urgent work such as Agenda and Proceedings of the Legislative Assembly.	
14 Town Planning Report.		1st August 1938 (Official year 1937-38).		31st October 1938.		The delay is probably due to the absence of Personal Assistant on leave.		14th February 1939.		....	
15 Government Press Report.		15th September 1938 (Official year 1937-38).		22nd September 1938.		Not much delay in receipt of the report.		27th January 1939.			

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Statement showing the appointments of Honorary Surgeons advertised and applications received since 1st January 1938—*cont.*

Serial number and name of institution.	Number of posts of Honorary Surgeons advertised.	Name of candidates applied.	Qualification.	Religion.	Practical experience.	How the applications have been disposed of.
4 Government General Hospital, Madras.	One Honorary Surgeon (in place of Sri B. M. Sundaravadanam).	Mr. A. F. Larrado	M.B.B.S. (Mad.), I.M. (Ind.), F.R.C.S. (Eng.).	Christian	Resident House Surgeon in Government General Hospital, Madras, since 1934-35. Chief Medical Officer, Bikaner State, for four and a half years.	The services of Sri B. M. Sundaravadanam were extended up to 15th December 1940.
5 Government Royappa Hospital, Madras.	One Honorary Surgeon (in place of Dr. M. R. Grandhi, M.B.B.S.).	Sri C. T. Rangaswami.	M.B.B.S., & S. (Glas.).	Brahman	Working as Honorary Assistant Medical Officer in the Surgical Unit in Government General Hospital for five years.	Sri C. B. Krishnaswami, Honorary Assistant Medical Officer in Venerable department, was appointed.

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APPENDIX VIII.

[Vide answer to starred question No. 238 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 19 supra.]

The Hon'ble Ministers in charge of Industries and Labour, Agriculture and Rural Development, and Public Health have had occasion recently to investigate on the spot the conditions of labour obtaining in the Plantations in the Anamalais. Mr. D. N. Strathie, C.I.E, I.C.S., whom Government subsequently deputed to examine these conditions in greater detail has, after consultation with the interests concerned, submitted a full and interesting report. In the light of the material before them, the Government now proceed to make the following recommendations. The Commissioner of Labour is requested to communicate them to the planting community and see that they are carried out fully and effectively.

Pre-employment advances.—The Government observe that pre-employment advances to workers carry no interest and do not, as a general rule, exceed Rs. 5 in case. In some cases, however, the amounts exceed this figure. The Government consider it desirable to discourage large pre-employment advances and are of the view that in no case should such advances exceed Rs. 20. The Government also consider that no pre-employment advance should be recoverable from the worker unless it has been disbursed in the presence of a village officer or some higher revenue official and unless the transaction has been reduced to writing and attested by the officer present. A copy of the document should be given to the worker and the original should be sent to the employer through the maistri concerned. The Board of Revenue is requested to issue necessary instructions to Collectors in the matter.

2. *Medical examination.*—The workers are now medically examined on arrival at the estate and those that are found unfit are sent back home. A suggestion was made that the planters should be required to arrange for the medical examination of all workers at the foot of the hills. But the Planters' Association, Valparai, is against the suggestion both on account of the extra cost involved in running a camp at Vannanthurai and also by reason of the inconvenience to labourers themselves who will have to break their journey at this camp. It has also been pointed out that the labourers rejected are usually sent back at the expense of the estate concerned. In view of these facts the Government will not insist on the medical examination of labourers at the foot of the hills, but consider that all estates should make it a universal rule to pay the expenses home of any labourer brought up by the maistris and refused work. The Commissioner of Labour is requested to report to Government the decision of the Planters' Association, Valparai, in the matter.

3. *Housing.*—Housing conditions in the estates require improvement. The Government are however glad to observe that this question is already receiving the careful attention of the planters

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and that improved types of buildings are being erected. The Commissioner of Labour is requested to obtain and furnish the Government with a statement showing the number of workers employed in each estate, the number and the type of quarters built for them and the accommodation provided for each worker or family of workers.

4. *Provision of Cumblies.*—Each worker, on his arrival at the estate, is now supplied with a cumby. In the rainy season the cumby gets wet during the day and thus becomes unfit for use at night. The Government consider that in addition to a cumby, each worker should be given a waterproof coat for his use.

5. *Supply of rice.*—Complaints have been made that the quality of rice supplied to the worker on the estates is bad and that the price is high when compared with the quality supplied. The Government consider that the worker should be allowed to purchase his own rice from the market. It should be possible in this manner to eliminate a fruitful source of discontent and constant friction between the workers and the planters.

6. *Weighment of leaf plucked.*—The Government are not satisfied with the system at present obtaining in regard to the weighment of the leaf plucked. Several abuses have come to notice and the Government consider that the following system should be adopted in the future :—

There should be a fortnightly or monthly card index in which the weight of leaf plucked by each worker should be entered each day at the place of weighment and at the end of the period the total amount of leaf collected should also be recorded in the card. Nothing should be entered in the card except in the presence of the worker concerned.

7. *Piece-work rates for plucking.*—The established piece-work rate for plucking is 3 pies per pound and the Commissioner of Labour says that it is on plucking that good wages are earned. Women are generally employed on this work and men only occasionally. The men earn on an average more than the basic rate, and in many estates they are paid the basic rate whether they earn it or not. The Commissioner of Labour says that those estates which do not follow this rule at present have undertaken to consider its adoption. The Government consider that a uniform method should be adopted in the case of all labourers, both men and women and that they should invariably be given the basic rate whether they earn it or not. The Commissioner of Labour is requested to report at the end of three months to what extent the above suggestion has been adopted by the estates.

8. *Basic rates.*—The Commissioner of Labour considers that as in the case of the higher paid employees on the estates the cuts imposed in the basic rates of wages during the period of depression should now be removed. The Government agree with the Commissioner of Labour and consider that this recommendation should be given effect to at least from 1st of May 1938. The tea industry

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is to-day prosperous enough to be able to afford to pay better wages to the workers. The basic rates of wages should accordingly be revised as follows :—

	Annas per day.			
Adults, male	..	..	..	8
" female	..	..	..	6
Adolescents, male	..	..	..	6
" female	..	..	..	5
Boys and girl's under 15 years of age ..	..	..	..	4

The Government agree with the Commissioner of Labour that there is no case for increase in wages in respect of coffee or cardamom estates.

9. *Method of settlement.*—The Commissioner of Labour has described in detail the three systems in vogue, viz., the Strict Settlement System, the Modified Settlement System and the Monthly Payment System. Under the last mentioned system wages are paid out monthly; under the Strict Settlement System they are carried forward to the end of the settlement period, the labourers being free in the meanwhile to draw upon their accounts and under the Modified Settlement System labourers are paid their monthly balances part of which they return for safe custody to the estates. The Commissioner of Labour points out that both in his view and that of the labourers the Settlement System is superior to the Monthly Payment System since it helps the labourer to learn and practice thrift. He reports that planters are prepared to sink their individual opinion and adopt the Monthly System if the Government so desire. The Government consider that labour should be gradually educated to stand on its own legs and to practise thrift for its own sake. Enforced thrift has but little moral value. The planters have wonderful opportunities to help to improve the moral tone of the labour force working under them. The Government consider that by paying wages every week or every fortnight they will help the workers to stand on their own legs. They are not however prepared to insist on such payments at present. The Government consider that each estate should afford an opportunity to its labour force to decide which particular system of settlement it desires to adopt and should accept that decision and act upon it. If the workers prefer the Strict or Modified Settlement System, the Government consider that they should be given the necessary facilities to withdraw their balances at fixed intervals if they so desire. The Government also consider that a uniform procedure should be adopted for disbursement of wages of workers in all estates. They consider that all payments of wages should be made in the immediate presence of the manager or some other responsible officer.

10. *Maternity benefit.*—The Government note with pleasure the decision of the planters to pay maternity benefit to their workers. The Commissioner of Labour reports that planters have agreed to pay bonus and to bear charges in connexion with the free feeding of the mother for a period of three weeks before entry into hospital and for another period of three weeks after leaving it.

APPENDIX VII.

[Vide answer to starred question No. 231 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 14 supra.]

I

Statement showing the names of Honorary Surgeons appointed in the Madras City Hospitals since 1928.

Serial number and name of institution.	Name of Honorary Surgeon.	Community and caste.	Name of district of birth.	Period for which appointment made.	If extension was granted to them.	For what period extension was granted.	Reasons for extension.
1 Government Royappa Hospital, Madras.	Sri B. M. Sundaravadanam, B.A., M.B., B.S., F.R.C.S.	Non-Brahman.	Civil and Military Station, Bangalore.	No limit is mentioned in the order of original appointment.	Nil	....	....
2 Government General Hospital, Madras.	Do.	Do.	Do.	Do.	Yes	Up to 15th December 1940.	Extension was granted to keep him for five years from date of his appointment at the Government General Hospital, viz., 16th December 1935.
3 Government Royappa Hospital, Madras.	Sri S. K. Menon, M.B., B.S., F.R.C.S. (Eng.)	Do.	Parur, Travancore State.	Five years from date of taking charge.	Nil	....	....
4 Government General Hospital, Madras.	Sri K. K. Chintan Nambiyar, M.B., B.S., F.R.C.S. (Edin.), F.R.C.S. (Eng.).	Do.	Malabar ..	Do.	Nil	....	....
5 Do.	Sri C. P. Vasanatha Menon, M.B., B.S., F.R.C.S. (Eng.).	Do.	Chittur (Cochin State).	Do.	Nil	....	....
6 Government Rayapuram Hospital, Madras.	Sri C. R. Krishna-swami, M.B., B.S., M.A.	Brahman	Madras ..	Do.	Nil	....	....

[11th May 1939]

II

Statement showing the appointments of Honorary Surgeons advertised and applications received since 1st January 1938.

Serial number and name of institution.	Number of posts of Honorary Surgeons advertised.	Name of candidates applied.	Qualification.	Religion.	Practical experience.	How the applications have been disposed of.
1 Government Royappa Hospital, Madras.	(1) One post of Honorary Surgeon (in place of Sri B. M. Sundaravadanam).	(1) Sri P. N. Ramasubrahmanyam.	B.A., M.B., B.S.	Brahman	Was temporary Sub-Assistant Surgeon and resigned. Was Honorary Assistant Surgeon at Madras.	Sri S. K. Menon was appointed as Honorary Surgeon.
		(2) Sri Rao Bahadur Dr. S. Padmanabha Sarma.	M.B.C.M.	Do.	Was Professor of Operative Surgery in the Medical College, Vizagapatam. Retired Civil Surgeon.	
		(3) Sri K. M. Sambanthan.	L.M.S. (Mad.), L.R. F.P. & S. (Edin.).	Non-Brahman	Was Honorary Assistant Surgeon at the Government Royappa Hospital.	
		(4) Sri C. R. Krishna-swami.	M.B.M.S. (Mad.).	Brahman	Was temporary Civil Assistant Surgeon and resigned. Was Honorary Surgeon in Government Rayapuram Hospital and resigned.	
		(5) Sri S. K. Menon.	M.B.B.S. (Bom.), F.R.C.S. (Eng.).	Non-Brahman	Was Honorary Assistant Medical Officer in the Venereal department of Government Rayapuram Hospital.	
2 Government Victoria Caste and Gotha Hospital, Madras.	One post of Honorary Woman Surgeon.	(No applications received.)				
3 Government General Hospital, Madras.	Two posts of Honorary Surgeons.	(1) Sri K. K. Chintan Nambiyar.	M.B.B.S. (Mad.), F.R.C.S. (Edin.), F.R.C.S. (Eng.).	Non-Brahman	Brilliant career in the Medical College and won prizes. Did research work under University of Madras. Took F.R.C.S. in 1936 and F.R.C.S. (England) in 1937. (Vide item 5 above)	Sri K. K. Chintan Nambiyar and Sri C. P. Vasanatha Menon were appointed as Honorary Surgeons.
		(2) Sri S. K. Menon.	M.B.B.S. (Bom.), F.R.C.S. (Eng.).	Do.	Was a Civil Assistant Surgeon in the department and resigned. Was Assistant to Professor of Surgery. Took F.R.C.S. (England).	
		(3) Sri C. P. Vasanatha Menon.	M.S., F.R.C.S. (Eng.).	Do.	Was Assistant to Professor of Surgery. Took F.R.C.S. (England).	
		(4) Sri C. R. Krishna-swami.	M.B., M.S. (Mad.).	Brahman	Vide item 4 above	

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The Government consider that it will be very interesting to publish relevant statistics as regards maternity benefit payments in the estates in the report on the Maternity Benefit Act. The Commissioner of Labour is requested to obtain and publish information in his administration report on the following points:—

- (1) The annual statistics of adult women population in each estate,
- (2) the number of child births in each estate per year,
- (3) the number of children born in estate hospitals annually,
- (4) the amount of bonus paid in each estate annually, and
- (5) the cost of free feeding for six weeks on each estate.

11. *Ban on re-employment of coolies.*—It has been represented that if a coolie on account of some misfortune gets into discredit in an estate, he is debarred from employment in any estate in the hills. The Government are not sure if there is any such rule. If there is, the Government trust that it is enforced only in extreme cases of indiscipline or insubordination of a grave character and that plenty of chance is given for a delinquent to turn over a new leaf.

12. The Government would like to express their thanks to the planting community on the Anamalais for the opportunities given to the Hon'ble Ministers who visited the hills to study the conditions of labour there.

APPENDIX IX.

[Vide answer to starred question No. 243 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 11th May 1939, page 23 supra.]

Message.

I am pleased to learn that so many Harijan families feel that they should go back to the faith of their ancestors. Our ancient Dharma is the clearest and shortest way to the Divine. If the heads of these families have felt the call and responded without thinking of any worldly profit, it will be a great blessing and event for rejoicing.

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APPENDIX X.

[Vide item II (1) at page 25 supra.]

L.A. BILL No. 9 OF 1939.

(As passed by the Assembly.)

A Bill to impose a tax on amusements and other entertainments in the Province of Madras.

WHEREAS it is expedient to provide for the levy by the Provincial Government of a tax on amusements and other entertainments, to repeal the Madras Local Authorities Entertainments Tax Act, 1926, and to provide for the payment of compensation to local authorities now levying a tax under the Act aforesaid; It is hereby enacted as follows:—

1. (1) This Act may be called the Madras Entertainments Tax Act, 1939. Short title, extent and commencement.

(2) It extends to the whole of the Province of Madras.

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Provincial Government may, by notification in the Official Gazette, appoint.

2. The Madras Local Authorities Entertainments Tax Act, 1926, is hereby repealed. Repeal of Madras Act V of 1927.

3. In this Act, unless there is anything repugnant in the subject or context— Definitions.

- (1) "admission" includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment;
- (2) "admission to an entertainment" includes admission to any place in which an entertainment is held;
- (3) "agriculture" includes horticulture and the breeding of animals of every description;
- (4) "entertainment" includes any exhibition, performance, amusement, game, sport or race to which persons are admitted for payment;
- (5) "institution" includes a company, society, club or other association of persons by whatever name called;

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previously used) issued by the Provincial Government and indicating the proper tax for such ticket, or

- (b) in special cases, with the approval of the Provincial Government, through a barrier which, or by means of a mechanical contrivance which, automatically registers the number of persons admitted,

unless the proprietor of the entertainment has made arrangements approved by the Provincial Government for furnishing returns of the payments for admission to the entertainment and has given security up to an amount and in a manner approved by the Provincial Government for the payment of the entertainments tax.

(2) Nothing in sub-section (1) shall be deemed to preclude the Provincial Government from requiring security from the proprietor of an entertainment for the payment of the entertainments tax in any other case.

Manner of
payment of
tax.

7. (1) The entertainments tax shall be levied in respect of each person admitted for payment, and in the case of admission by stamped ticket, shall be paid by means of the stamp on the ticket, and, in the case of admission otherwise than by stamped ticket, shall be calculated and paid on the number of admissions.

(2) The entertainments tax in the case of admission otherwise than by stamped ticket, shall be recoverable from the proprietor.

(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lump sum paid as a subscription or contribution to any institution, or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lump sum, but where the Provincial Government are of opinion that the payment of a lump sum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which the tax has not been in operation, the tax shall be levied on such an amount as appears to the Provincial Government to represent the right of admission to entertainments in respect of which the entertainments tax is payable.

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8. (1) The entertainments tax shall not be levied on payments for admission to any entertainment where the Provincial Government are satisfied—

Entertain-
ments ex-
empted from
payment of
tax.

- (a) that the entire gross proceeds of the entertainment are devoted to philanthropic, religious or charitable purposes without any charge on such proceeds for any expenses of the entertainment ; or
- (b) that the entertainment is of a wholly educational character ; or
- (c) that the entertainment is provided for purposes which are partly educational, cultural or scientific by an institution not conducted or established for profit ; or
- (d) that the entertainment is provided by an institution not conducted for profit and established solely for the purpose of promoting the public health or the interests of agriculture or of a manufacturing industry, and consists solely of an exhibition of articles which are of material interest in connexion with questions relating to public health or agriculture, or of the products of the industry for promoting the interests of which the institution exists or of the materials, machinery, appliances or foodstuffs used in the production of those products.

(2) The Provincial Government may, by general or special order, exempt any entertainment or class of entertainments from liability to the entertainments tax.

9. Where the Provincial Government are satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net proceeds, not more than twenty-five per cent of the gross proceeds have been deducted on account of the expenses of the entertainment, they shall repay to the proprietor the amount of the entertainments tax paid in respect of the entertainment.

Refunds in
certain
cases.

10. Any amount due on account of the entertainments tax may be recovered by the Provincial Government as if it were an arrear of land revenue.

Manner of
recovery of
tax.

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- (6) "local authority" means the Corporation of Madras, or a municipal council or a local board constituted under any enactment for the time being in force ;
- (7) "payment for admission" includes—
- (a) any payment made by a person who, having been admitted to one part of a place of entertainment, is subsequently admitted to another part thereof, for admission to which a payment involving a tax or a higher tax is required ;
- (b) any payment for seats or other accommodation in a place of entertainment ; and
- (c) any payment for any purpose whatsoever connected with an entertainment which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment ;
- (8) "prescribed" means prescribed by rules made under this Act ; and
- (9) "proprietor" in relation to any entertainment includes any person responsible for the management thereof.

Tax on payments for admission to entertainments.

4. Except as otherwise expressly provided in this Act, there shall be levied, and paid to the Provincial Government, on all payments for admission to any entertainment, a tax (hereinafter referred to as the entertainments tax) at the following rates, namely :—

Where the payment, excluding the amount of the tax—

	Amount of tax.
(i) is not more than two annas ..	Three pies.
(ii) is more than two annas but less than six annas ..	Six pies.
(iii) is six annas or more but is less than twelve annas ..	One anna.
(iv) is twelve annas or more but is less than one rupee eight annas ..	Two annas.
(v) is one rupee eight annas or more but is less than two rupees eight annas ..	Four annas.

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	Amount of tax.
(vi) is two rupees eight annas or more but is less than three rupees eight annas ..	Eight annas.
(vii) is three rupees eight annas or more but is less than four rupees eight annas. ..	Twelve annas.
(viii) is four rupees eight annas or more but is less than six rupees eight annas ..	One rupee.
(ix) is six rupees eight annas or more but is less than nine rupees eight annas ..	One rupee eight annas.
(x) is nine rupees eight annas or more but is less than ten rupees	Two rupees.
(xi) is ten rupees or more ..	Two rupees in respect of the first ten rupees and two rupees for every ten rupees or portion thereof in excess of the first ten rupees.

5. The Provincial Government may, on the application of the proprietor of any entertainment in respect of which the entertainments tax is payable under section 4, allow the proprietor on such conditions as they may lay down—

Composition and consolidated payment of tax.

- (a) to compound the tax payable in respect of such entertainment for a fixed sum ; or
- (b) to pay the amount of the tax due by means of a consolidated payment at such percentage of the gross proceeds received by the proprietor on account of payments for admission to such entertainment and on account of the tax, as the Provincial Government may fix.

6. (1) Save in the cases referred to in section 5, no person shall be admitted for payment to any entertainment where the payment is subject to the entertainments tax except—

Admission to entertainments.

- (a) with a ticket stamped with an impressed, embossed, engraved or adhesive stamp (not

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Inspection.

11. (1) (a) Any officer authorized by the Provincial Government in this behalf may enter any place of entertainment while the entertainment is proceeding, and any place ordinarily used as a place of entertainment at any reasonable time, for the purpose of seeing whether the provisions of this Act or any rules made thereunder are being complied with.

(b) Every officer so authorized shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. Act XLV of 1860.

(2) The proprietor of every entertainment or the owner or person in charge of any place ordinarily used as a place of entertainment shall give every reasonable assistance to the inspecting officer in the performance of his duties under sub-section (1).

(3) If any person prevents or obstructs the entry of the inspecting officer, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be punished with fine which may extend to five hundred rupees.

Exemption from payment for admission.

12. The officer referred to in section 11 or any other officer who has to enter any place of entertainment in pursuance of a duty imposed upon him by or under this Act or any other law shall not be required to pay for his admission to the entertainment.

Payment of compensation to local authorities.

13. (1) From the proceeds of the tax collected under this Act every year, there shall be paid to each of the local authorities which were in receipt of an income from the tax levied under the Madras Local Authorities Entertainments Tax Act, 1926, during any part of the three years preceding the 1st April 1939, a sum equivalent to the average net annual income derived by such local authority during those three years from the tax so levied: Madras Act V of 1927.

Provided that from the amount payable under this sub-section to any local authority for the first year after the commencement of this Act, the net income derived by that authority from any tax levied on and after the 1st April of that year under the Madras Local Authorities Entertainments Tax Act, 1926, shall be deducted. Madras Act V of 1927.

Explanation.—In this sub-section, “year” shall mean the financial year.

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(2) The Provincial Government shall determine the sums which should be paid to local authorities under sub-section (1) and their determination shall be final.

14. The proprietor of any entertainment who— Penalties.

(a) admits any person for payment to any place of entertainment in contravention of the provisions of section 6, or

(b) fails to pay the tax due from him within the time prescribed, or

(c) fraudulently evades the payment of any tax due under this Act, or

(d) contravenes any of the provisions of this Act,

shall, on conviction by a Magistrate, be liable in respect of each such offence to a fine which may extend to five hundred rupees, and shall in addition, be liable to pay any tax which should have been paid.

15. The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence— Power to compound offences.

(a) where the offence consists of the failure to pay, or the evasion of, any tax payable under this Act, in addition to the tax so payable, a sum of money not exceeding five hundred rupees or double the amount of the tax payable, whichever is greater, and

(b) in other cases, a sum of money not exceeding five hundred rupees.

16. (1) The Provincial Government may make rules for securing the payment of the entertainments tax and generally for carrying into effect the purposes of this Act. Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, they may make rules—

(a) for the supply and use of stamps or stamped or embossed tickets, or for the stamping or embossing of tickets sent to be stamped or embossed, and for securing the defacement of stamps when used;

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- (b) for the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and for the payment of the tax on the transfer from one part of a place of entertainment to another, and on payments for seats or other accommodation;
- (c) for controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payments of a different amount) and for securing proper records of admission by means of barriers or mechanical contrivances;
- (d) for the checking of admissions, the keeping of accounts and the furnishing of returns by the proprietors of entertainments to which the provisions of section 5 are applied or in respect of which the arrangements approved by the Provincial Government for furnishing returns are made under section 6;
- (e) for the renewal of damaged or spoiled stamps and for the procedure to be followed on applications for refund under this Act or under the rules made thereunder;
- (f) for the keeping of accounts of all stamps used under this Act;
- (g) for the presentation and disposal of applications for exemption from payment of the entertainments tax, or for the refund thereof, made under the provisions of this Act;
- (h) for the collection of the entertainments tax under this Act and the powers to be exercised by the officers of the Provincial Government in that behalf;
- (i) for authorizing any local authority to collect the entertainments tax on behalf of the Provincial Government in the area within the jurisdiction of the local authority or any part of such area, for the payment of a commission to the local authority for making the collection, and for the powers to be exercised by the officers of the local authority in connexion with such collection;

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- (j) for the issue of passes by proprietors of entertainments for the admission of officers who have to perform any duty in connexion therewith or any other duty imposed upon them by law; and
- (k) for any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Provincial Government may provide that a breach thereof shall be punishable with fine which may extend to five hundred rupees.

(4) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than one month.

(5) All rules made under this section shall be published in the Official Gazette, and on such publication shall have effect as if enacted in this Act.

17. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Provincial Government, for any act done or purporting to be done under this Act, without the previous sanction of the Provincial Government. Bar of certain proceedings.

(2) No officer or servant of the Provincial Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

18. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Provincial Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of. Limitation for certain suits and prosecutions.

THE MADRAS LEGISLATIVE COUNCIL.

Friday, 12th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Alleged suspension of the trustees of Thiruvoimoor temple by the President, Negapatam Circle Temple Committee.

* 245 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the President, Negapatam Circle Temple Committee, made any representation to the Government with regard to an order passed by the Hindu Religious Endowments Board on the appeal preferred by the trustees of Thiruvoimoor temple, Negapatam taluk, against their suspension by him and the Government have passed orders and communicated their decision in G.O. Ms. No. 744, P.H., dated 28th February 1939;

(b) if so, whether he will place on the table the letter of the President, Negapatam Circle Temple Committee, and the Government Order, dated 28th February 1939, stated above; and

(c) what the section of the Hindu Religious Endowments Act is under which the Government passed the said order?

THE HON. DR. T. S. S. RAJAN:—“(a) Yes.

“(b) The order * is placed on the table of the House. The Government consider that it would be prejudicial to public interests to place the letter of the President, Negapatam Circle Temple Committee, on the table of the House.

“(c) The orders were not passed under any specific section of the Act, but in virtue of the Government's general responsibility for securing the due administration of the Act in the public interest. The orders are only of an advisory nature.”

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Proceedings,
etc., against
officers and
servants of
a local
authority
collecting
the tax.

19. If any local authority has been authorized under this Act to collect the entertainments tax on behalf of the Provincial Government, the provisions of sections 17 and 18 shall apply in regard to the officers and servants of such authority in the same manner as they apply in regard to the officers and servants of the Provincial Government.

Delegation
of certain
powers
of the
Provincial
Government.

20. (1) The Provincial Government may, by notification in the Official Gazette, delegate all or any of their powers under this Act except those conferred upon them by sub-section (3) of section 1, section 16 and this section, to any person or authority subordinate to the Provincial Government, and may in like manner withdraw any powers so delegated.

(2) The exercise of any powers delegated under sub-section (1) shall be subject to such restrictions, limitations and conditions, if any, as may be laid down by the Provincial Government, and shall also be subject to control and revision by them.

APPENDIX.

[Vide item II (2) at page 36 supra.]

L.A. BILL No. 8 OF 1939.

(As passed by the Assembly.)

A Bill further to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920, for certain purposes.

WHEREAS it is expedient further to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Madras District Municipalities and Local Boards (Amendment) Act, 1939.

Amendment
of sections
40 and 83,
Madras Act
V of 1920.

2. In the Madras District Municipalities Act, 1920—

(i) after sub-section (2) of section 40, the following sub-section shall be added, namely:—

“(3) Any person removed under sub-section (1) from the office of chairman or from the office of vice-chairman shall not be eligible

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for election to either of the said offices until the date on which notice of the next ordinary elections to the municipal council is published in the prescribed manner, or the expiry of six months from the date of the removal, whichever is earlier.”; and

(ii) in sub-section (1) of section 83, for clause (e), the following clause shall be substituted, namely:—

“(e) any irrigation work vesting in the Crown including the bed of a water-course, or any building or land adjacent and appertaining to such irrigation work; Crown lands set apart free for recreation purposes; and all such other Crown property (being neither buildings nor land from which in the opinion of the Provincial Government any income could be derived) as may from time to time be notified by the Provincial Government.”

3. In section 43 of the Madras Local Boards Act, 1920, after sub-section (2) the following sub-section shall be added, namely:—

Amendment
of section
43, Madras
Act XIV of
1920.

“(3) Any person removed under sub-section (1) from the office of president or from the office of vice-president shall not be eligible for election to either of the said offices until the date on which notice of the next ordinary elections to the local board is published in the prescribed manner, or the expiry of six months from the date of the removal, whichever is earlier.”

[12th May 1939]

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Is it not a fact that Government gave their opinion against a judicial finding of the Endowments Board?"

THE HON. DR. T. S. S. RAJAN:—"The Government did not give any finding on the decision of the Board; it was only the advice of the Advocate-General on which the Government gave the opinion."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"May I know whether the Government passed orders on the Tuticorin Temple Committee on the same question which the Government now say is *ultra vires* or against the provisions of the Act?"

THE HON. DR. T. S. S. RAJAN:—"That question does not arise out of this."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"My question is, On a similar question, the Government hold the view contrary to the view which they have taken now. Does it not arise on this, Sir?"

THE HON. DR. T. S. S. RAJAN:—"Those are two different orders issued on two different occasions on two different temple committees. Therefore, I say, this supplementary question does not arise out of the temple in question."

Abolition of Tuticorin and Tinnevelly Temple Committees.

* 246 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether it is a fact that the Government have abolished the Tuticorin and Tinnevelly Temple Committees; and

(b) if so, whether he will place on the table the notices given to the said temples to show cause against the proposal of the abolition and the replies of the committees thereon?

THE HON. DR. T. S. S. RAJAN:—" (a) Yes.

" (b) The Government do not think it necessary to place the papers on the table, but are ready to give the hon. Member any further information he may require."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Is it not a fact that one of the reasons which Government gave in regard to the Tuticorin Temple Committee was that the temple committee took disciplinary action against a trustee appointed by the Board?"

THE HON. DR. T. S. S. RAJAN:—"I cannot exactly remember all the details of the case, but I can say this much that the committee did act contrary to the instructions of the Board."

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Development of ceramic industry.

* 247 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Industries and Labour be pleased to refer to his answer given to my starred question No. 51 on 9th September 1937 and to state what further action has been taken and further developments have been made in regard to the measures proposed for the advancement of the ceramic industry, especially as to the manufacture of stone-ware and glazed articles and porcelain, the possibilities of which are described in the Report on the Ceramic Survey of the Madras Presidency published in 1934?

THE HON. SRI V. V. GIRI:—"The Government have sanctioned the conversion of the one-year course in pottery in the Government School of Arts and Crafts into a course in Ceramics extending over a period of three years. They have also agreed to take shares of the value of Rs. 20,000 in the East Coast Ceramic Industrials, Limited, Vizagapatam, which proposes for the present to manufacture drainage pipes, fire-bricks, roofing tiles and pickle and acid jars."

MR. J. A. SALDANHA:—"Will the Government be pleased to open a school for ceramics in Mangalore?"

THE HON. SRI V. V. GIRI:—"That is being considered."

Burnt up cases of leper patients in Tirumani Leper Settlement and provision for housing cases thrown out.

* 248 Q.—MR. J. A. SALDANHA: With reference to G.O. Ms. No. 4535, Education and Public Health, dated 19th December 1938, will the Hon. the Minister for Public Health be pleased to state—

(a) how burnt up cases of leper patients in the Tirumani Leper Settlement will be dealt with;

(b) if such cases are not to be treated in that settlement, how many of the patients will be thrown out of it and what measures will be adopted to house them and take care of them;

(c) whether Government have now ascertained approximately how many leper patients will be thrown out from the leper asylums to which capitation grants were given as a result of the carrying out of the Government order mentioned above; and

(d) whether Government have ascertained if any charitable institutions have undertaken housing and caring of such thrown out patients?

THE HON. DR. T. S. S. RAJAN:—" (a) & (b) It is not possible to give the correct number of the patients who will be thrown out. When the Government Order under reference was issued, there were twenty-two cases. Fifteen of them have since been discharged; two are dead; and the remaining five

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are receiving special treatment in order to enable them to leave the settlement as early as possible.

"The Commissioner, Corporation of Madras, was consulted whether the discharged patients could be admitted into the Poor House maintained by the Corporation in the city. He has replied to the effect that there is now no accommodation for them in that institution, but that it will be possible to house them in the Home for lepers and syphilitic beggars which the Corporation proposes to start.

"(c) No.

"(d) The information has been called for."

MR. J. A. SALDANHA:—"Are Government prepared to give any subsidies to the Madras Corporation or other bodies concerned to house these lepers and street beggars?"

THE HON. DR. T. S. S. RAJAN:—"Sir, it is a hypothetical question and a hypothetical commitment."

MR. J. A. SALDANHA:—"The question is a practical one and has actually arisen everywhere where people are thrown out. It is a question of practical importance, whether where Government cannot themselves run poor houses, they would be prepared to subsidise other bodies?"

THE HON. DR. T. S. S. RAJAN:—"My hon. Friend fails to understand that his question is still hypothetical. No cases have been submitted to the Government for grants or bounties or subsidies. Such a case has not arisen. I do not know how to answer the question because the facts have not been placed before the Government."

MR. S. J. GONSALVES:—"Will the Government consider sympathetically the question of aiding charitable institutions for the housing of these people?"

THE HON. DR. T. S. S. RAJAN:—"Yes, Sir."

Elementary Education Funds and certain particulars about the salaries of teachers in elementary schools under district boards.

* 249 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Education be pleased to state—

(a) the names of the district boards, where Elementary Education Funds work with a deficit and the reasons therefor, and of the above category the names of the boards where the maximum education tax is already levied;

(b) the names of the district boards where time-scales of pay for elementary school teachers are in force and whether increments due are being granted;

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(c) whether any cut in pay is being given to the elementary school teachers, by any district board and if so, for what reasons;

(d) whether salaries of teachers are being disbursed monthly before the 15th at least and if not, the names of the district boards that default in this respect, with reasons therefor;

(e) whether common and uniform rules are in force in all the boards, in the matter of grant of leave and other privileges to teachers, and if not, whether the Government propose to insist on the boards to adopt the fundamental rules in the case of teachers also; and

(f) the number of single teacher elementary schools in each district board and the steps proposed to be taken to find funds to develop them and whether the Government propose to take steps to augment the resources of the elementary education funds of the district boards in view of the increasing demands on the expenditure?

THE HON. SRI C. J. VARKEY:—" (a) The budget estimates of the Elementary Education Fund accounts of all the district boards for the current year have not yet been received. It is not, therefore, possible to say now which of the boards work at a deficit.

"(b) All district boards except the District Board, East Godavari, have adopted the revised time scales of pay for teachers. The Government are not aware that increments are not granted.

"(c) Some district boards have imposed cuts on salaries due to want of funds.

"(d) The Government have not received any complaints regarding delay in the payment of salaries.

"(e) The answer to the first part of the clause is in the affirmative. The latter part of the question does not arise.

"(f) Particulars in regard to the number of single-teacher schools in each district are not readily available. The development of incomplete schools is primarily a matter for the district board concerned. The question of augmenting the resources of local bodies will arise only if their existing resources are inadequate and if the local bodies cannot effect economies in expenditure."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"May I know, Sir, whether the increments of the teachers are given as regularly as they occur?"

THE HON. SRI C. J. VARKEY:—"The district boards must look to it, because it is primarily their concern and their finance is affected."

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SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Can they do it of their own accord?"

THE HON. SRI C. J. VARKEY:—"They are permitted by a Government Order to do it."

Appointment of Educational officers in district boards.

* 250 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Education be pleased to state—

(a) when the appointments of Educational officers to district boards were created on temporary or permanent basis and for what reasons;

(b) the names of district boards which do not have them and the reasons for the same;

(c) whether the Government called for any report from the Director of Public Instruction with regard to the usefulness and continuance of the posts, and if so, what his recommendations are; and

(d) what the procedure is that is being followed in making these appointments and whether that procedure has been found convenient and satisfactory and if not, what steps the Government propose to take in the matter?

THE HON. SRI C. J. VARKEY:—" (a) In 1934; for the effective supervision and control of elementary schools.

" (b) The information is given below:—

Names of District Boards.	Reasons.
Anantapur and Cuddapah ..	The posts are held in abeyance. The officers whose services had been lent to the boards were withdrawn on the requests of the presidents of the district boards.
South Arcot and Chingleput ..	
North Arcot ..	The posts were abolished owing to bifurcation of the district boards but were not revived on amalgamation.
Coimbatore ..	
Guntur ..	
East Godavari ..	
West Godavari ..	
Ramnad ..	
Salem ..	
Tanjore ..	It was considered that an officer was not necessary for this board.
Tinnevely ..	
Trichinopoly ..	
The Nilgiris ..	

" (c) The answer is in the negative.

" (d) The officers are mostly recruited from among the Deputy Inspectors of Schools. The question of modifying the method of recruitment is under consideration."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—" May I know, Sir, whether in such district boards where there are no District Board Educational Officers, the initiative was taken by the district boards themselves or the Government interfered?"

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THE HON. SRI C. J. VARKEY:—" The Government interfered in some cases where representation was made to Government either by Presidents or vice-presidents."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—" May I know where the Government interfered?"

THE HON. SRI C. J. VARKEY:—" Notice."

Staff allotted for Elementary Education section in District Boards.

* 251 Q.—SRI RAO BAHADUR M. RAMAKRISHNA REDDI: Will the Hon. the Minister for Education be pleased to state the basis on which clerks are assigned to the Elementary Education section in District Boards and whether there have been any representations from them that more staff should be assigned to Elementary Education section and whether there is any proposal to assign establishments to the sections on the basis of teachers, instead of schools, in view of the amalgamation of large number of schools?

THE HON. SRI C. J. VARKEY:—" A clerk for every 100 schools; one district board has asked for additional clerical establishment and the question is under consideration. There is no proposal to fix the number of clerks with reference to the number of teachers."

Removal of the President of Mudikondan Panchayat Board, Tanjore district, for alleged failure to give effect to some Government Order.

* 252 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is a fact that the Government removed the President of the Mudikondan Panchayat Board, Tanjore district, for not giving effect to certain Government Order or orders;

(b) if so, whether he will place on the table, the Government Order or orders which the said President refused to give effect to;

(c) the date of his election as President of the Panchayat Board;

(d) the date on which he has to vacate his office in the usual course; and

(e) the date on which he was removed from the office of the President of the Panchayat Board?

THE HON. SRI B. GOPALA REDDI:—" (a) The answer is in the affirmative.

" (b) A copy * of G.O. No. 967, P.H., dated 10th March 1938, is placed on the table of the House.

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" (c) 10th December 1936.

" (d) 1st December 1939.

" (e) 20th September 1938."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I know what are the reasons that were offered by the president for not giving effect to the Government Order? "

THE HON. SRI B. GOPALA REDDI:—" The matter was referred to the District Health Officer and the District Collector. Both of them made enquiries into the matter, and Government were satisfied that the licence could be granted, and the president did not grant the licence."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" The question is, whether all the relevant facts in regard to the question were examined, and if so, what they are? "

THE HON. SRI B. GOPALA REDDI:—" I would like to have notice."

SRI M. D. KUMARASWAMI MUDALIYAR:—" May I know what the report of the District Collector is? "

THE HON. SRI B. GOPALA REDDI:—" As I have already said, both the officers have made enquiries and enquired of the neighbouring people also and none of them objected to the granting of the licence except one."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Did the action of the officers conform to the rule? "

THE HON. SRI B. GOPALA REDDI:—" The officers went into the rules."

Certain particulars about the Wardha Scheme of Education.

* 253 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: With reference to the answer given to starred question No. 200 put at the meeting of the Council on the 21st March 1939, regarding certain particulars about the Wardha Scheme of Education, will the Hon. the Minister for Education be pleased to state—

(a) whether the Government have come to any conclusion in the matter; and

(b) if so, what it is?

THE HON. SRI C. J. VARKEY:—" The question is still under consideration."

MR. J. A. SALDANHA:—" May I enquire whether the Government have considered the feasibility of introducing gradually the Wardha scheme by adopting the present system of manual training and the kindergarten system to the new system? "

THE HON. SRI C. J. VARKEY:—" That possibility is also under consideration."

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Resolution passed by the Legislature on the formation of Provinces on linguistic basis and recommendations sent by Government to the Secretary of State for India.

* 254 Q.—SRI B. BHEEMA RAO: Will the Hon. the Prime Minister be pleased to state as to why the Government sent up to the Secretary of State for India recommendations for the formation of Andhra Province only, when the resolution of both Houses of the Legislature was for the formation of Provinces on linguistic basis including Karnataka and Kerala Provinces?

THE HON. SRI C. RAJAGOPALACHARIAR:—" The Government forwarded the whole resolution with the recommendation that the demand for the constitution of separate provincial administrations on the linguistic basis should be conceded. On receiving an adverse reply from the Secretary of State, they urged upon him a reconsideration of his decision and in particular stressed the formation of a separate Andhra Province as a measure of urgent necessity."

SRI B. BHEEMA RAO:—" Why was not the Legislature consulted before this decision was taken, especially when the amendment moved by the hon. Member, Sir K. V. Reddi, was opposed by the Government? He wanted that in the first instance the Andhra Province should be formed."

THE HON. SRI C. RAJAGOPALACHARIAR:—" The hon. Member is wrong in referring to the subsequent correspondence as a decision. The subsequent correspondence referred only to the reiteration of the original request and in particular the correspondence stressed the formation of a separate Andhra Province as a measure of relatively more urgent necessity. There was no new decision taken and therefore there was no necessity to consult the House again."

SRI B. BHEEMA RAO:—" May I know if any beginning has been made for urging the formation of a Karnataka Province by collecting data, statistics and so on? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The persons interested in it are mostly in the Bombay Province and they are taking steps. I am in a position to say this."

SRI P. PEDDI RAJU:—" Will the Government be pleased to place the correspondence on the table of the House? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" What correspondence? "

SRI P. PEDDI RAJU:—" The correspondence of this Government with the Secretary of State regarding the formation of the Andhra Province."

THE HON. SRI C. RAJAGOPALACHARIAR:—" Not yet, Sir."

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SRI B. BHEEMA RAO:—" May I know if this Government have been in correspondence with the Bombay Government regarding the formation of the Karnataka Province as a resolution to that effect was first passed by this Legislature? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" This Government have not initiated correspondence with the Bombay Government; but the Government of Bombay have asked for some information which we have furnished. I may tell the hon. Member in this connexion that if we go on like this, the whole issue will be jeopardized."

SRI A. RANGASWAMI AYYANGAR:—" May I ask, Sir, whether the Government are aware of the agitation and the claim to include Madras in the Andhra Province and whether that claim has created an intense feeling in the Tamil Nadu and whether the Government have reported about it to the Secretary of State? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The Government have not made any mention of this matter, nor do they think that it is necessary."

SRI A. RANGASWAMI AYYANGAR:—" May I enquire, Sir, whether the Government are aware of the fact that the claim to include Madras will postpone the claim for the creation of an Andhra Province? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" Those who want the Province know their own interests best, Sir."

Amounts disbursed in several districts for discharging debts scaled down under the Madras Agriculturists' Debt Relief Act.

* 255 Q.—SRI B. BHEEMA RAO: Will the Hon. the Minister for Revenue be pleased to state—

(a) how much amount was allotted and how much amount was actually disbursed in each of the districts of the Madras Presidency during the year ending with 31st March 1939 out of the sum of Rs. 50 lakhs earmarked for payment to agriculturists for discharge of debts scaled down under the Madras Agriculturists' Debt Relief Act (IV of 1938);

(b) whether the Government have received representations from agriculturists for increasing the maximum amount payable to a single individual under the rules to Rs. 2,000 instead of Rs. 1,000 as at present; and

(c) whether the Government have considered the representations and come to any decision; if so, what the decision is?

THE HON. SRI T. PRAKASAM:—" (a) Figures are not yet available.

" (b) The answer is in the negative.

" (c) Does not arise."

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Engineers and Assistant Engineers appointed to Provincial Service from the Rayalaseema.

* 256 Q.—SRI B. BHEEMA RAO: Will the Hon. the Minister for Public Works be pleased to state the number of Engineers and Assistant Engineers (including those in the Electrical Branch) recruited to the Provincial Service from among the natives of the districts of Rayalaseema since

(1) 1st April 1930 to 1st April 1937; and

(2) since 1st April 1937 to 1st April 1939?

THE HON. MR. YAKUB HASAN:—" The information is not available and has been called for."

Deputy Collectors recruited from the Rayalaseema.

* 257 Q.—SRI B. BHEEMA RAO: Will the Hon. the Minister for Revenue be pleased to state the number of Deputy Collectors recruited from the districts of Rayalaseema—

(1) since 1st April 1930 to 1st April 1937; and

(2) since 1st April 1937 to 1st April 1939?

THE HON. SRI T. PRAKASAM:—" (1) 16.

" (2) 2."

SRI B. BHEEMA RAO:—" May I ask, Sir, whether they are natives of the districts of Rayalaseema or persons from outside? "

THE HON. SRI T. PRAKASAM:—" Unless notice is given the information cannot be made available."

Payment of subsidies to co-operative loan and sale societies for the employment of clerical staff.

* 258 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether any amount has been set apart for the continuance of payment of subsidies to the co-operative loan and sale societies for the year 1939-40 for employment of clerks in those societies; and

(b) if so, what the amount provided for for that purpose is?

THE HON. SRI V. V. GIRI:—" (a) The answer is in the affirmative.

" (b) Rs. 19,900."

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Scheme, if any, for opening itinerant dispensaries in villages.

* 259 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state whether Government have decided or have under consideration a scheme of itinerant dispensaries for distribution of medicines in villages and if so, what the character, scope and cost of the scheme will be, and when and to what extent it will be adopted?

THE HON. DR. T. S. S. RAJAN:—"The answer is in the negative."

MR. J. A. SALDANHA:—"May I ask whether the Government contemplate starting itinerant dispensaries?"

THE HON. DR. T. S. S. RAJAN:—"No, Sir."

Absorption of Excise Department Establishment in the Police Department consequent on extension of prohibition.

* 260 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether any of the establishment of officers and subordinates of the Excise Department have been absorbed in the Police Department establishment keeping pace with the extension of the prohibition of liquors; and

(b) if so, how far this absorption has been carried out and is to be carried out in future and with what decrease or increase of expenditure on the whole?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (a) & (b) Thirty-four Sub-Inspectors of Excise have been appointed Sub-Inspectors of Police and two Excise Inspectors have been appointed Deputy Superintendents of Police for Prohibition work. The question of providing employment for Excise officers who will be affected by the extension of Prohibition is engaging the attention of the Government. Re-employment is keeping pace with the discharge of probationers owing to Prohibition. The Police department is not the only one in which such employment can be found. Such absorption as is found possible is not likely to result in appreciable alteration of the expenditure."

MR. J. A. SALDANHA:—"What other departments, apart from the Police, have the Government in view for absorbing the men thrown out of office?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"The Government have already appointed a few of them in the Revenue department and in the Registration department."

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MR. J. A. SALDANHA:—"Have the Government any idea of starting some of these men in the new establishment required for carrying out the provisions of the Sales Tax Act?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"The suggestion will be considered."

Objection, if any, to the abolition of commutation of pensions.

* 261 Q.—MR. J. A. SALDANHA: Will the Hon. the Prime Minister be pleased to state whether any objections have been raised to the Government Order abolishing the system of commutation of pensions?

THE HON. SRI C. RAJAGOPALACHARIAR:—"Yes, by the pensioners affected by the Government order."

Extension of the Municipal area of Mangalore.

* 262 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether Government have sanctioned the extension of the Municipal limits of Mangalore proposed by the Municipal Council; and

(b) if not, what the reasons are for the delay in passing orders?

THE HON. SRI B. GOPALA REDDI:—" (a) & (b) The matter is under consideration."

MR. J. A. SALDANHA:—"May I know what the difficulties are in the extension of the town which hold the hands of the Government from passing orders?"

THE HON. SRI B. GOPALA REDDI:—"Some complaints have been received from the public."

MR. J. A. SALDANHA:—"Is there any difficulty in restricting the area, especially on the riverside?"

THE HON. SRI B. GOPALA REDDI:—"That is why I said that the matter is under consideration."

Submission of Town-planning Scheme to the Government by Mangalore Municipal Council.

* 263 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state whether the Municipal Council of Mangalore has prepared and submitted to Government a general town-planning scheme in respect to all lands within the municipality and in its vicinity?

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THE HON. DR. T. S. S. RAJAN:—"The answer is in the negative."

MR. J. A. SALDANHA:—"May I ask whether the Government will expedite the preparation of a general scheme of town-planning and why they do not press upon the Municipality of Mangalore or lay down penalties for not discharging its duty?"

MR. PRESIDENT:—"That is not a supplementary question."

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—GOVERNMENT BILLS.

(1) THE MADRAS BORSTAL SCHOOLS (AMENDMENT) BILL, 1939
(L.A. BILL NO. 12 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. DR. P. SUBBARAYAN:—"Mr. President, I move—

'that the Bill^a further to amend the Madras Borstal Schools Act, 1925, for a certain purpose (L.A. Bill No. 12 of 1939) as passed by the Assembly be taken into consideration at once.'

"Sir, I would like to tell the hon. Member for Tanjore for six years, who leads the Opposition in this House, that there is nothing in this Bill to which he may object. There is nothing here which would help the Government to crush their political opponents of which he talked yesterday. I want to say this now while I am introducing this Bill as he made a reference to me yesterday when he said that we are attempting to crush our political opponents. I assure him now that this is an innocent Bill, innocent in its looks and innocent in its implications. What is sought to be done is that, as the Act stands to-day, persons who have been convicted under Section 302 of the Penal Code, and sentenced for transportation for life, even if they are under the age of 21, cannot be sent to the borstal schools. This Bill makes provision to enable that to be done."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Mr. President, I had not intended to take part in this debate on this Bill, but the Hon. the Minister for Law made certain remarks and I am therefore obliged to rise. He contradicted the statement which I made yesterday. I do not know whether you will allow me to substantiate my statement at this stage."

* THE HON. DR. P. SUBBARAYAN:—"A word of personal explanation, Sir. I did not contradict any statement which the hon. Gentleman made. On the other hand, I said that this Bill is innocent and does not seek to get power to crush the political opponents of the present Government."

^a Printed as Appendix III on page 165 infra.

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"That is why I am not moving any amendment to this Bill."

The motion was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. DR. P. SUBBARAYAN:—"I now move—

'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

(2) THE MADRAS MATERNITY BENEFIT (AMENDMENT) BILL, 1939
(L.A. BILL NO. 13 OF 1939) AS PASSED BY THE ASSEMBLY.

THE HON. SRI V. V. GIRI—"Sir, I move—

'that the Bill^a to amend the Madras Maternity Benefit Act, 1934, for certain purposes (L.A. Bill No. 13 of 1939), as passed by the Assembly be taken into consideration at once.'

"I do not make any statement because the Statement of Objects and Reasons fully explains the implications of the amendment. The provisions are quite clear."

The motion was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 3 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. SRI V. V. GIRI:—"Mr. President, I now move—

'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

(3) THE TIRUMALAI-TIRUPATI DEVASTHANAMS (AMENDMENT) BILL, 1939 (L.A. BILL NO. 14 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. DR. T. S. S. RAJAN:—"Sir, I beg to move—

'that the Bill^b to amend the Tirumalai-Tirupati Devasthanams Act, 1932, for certain purposes (L.A. Bill No. 14 of 1939) as passed by the Assembly be taken into consideration at once.'"

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, we are very happy to see the Hon. Minister for Public Health introducing the amending Bill to the Tirumalai-Tirupati Devasthanams Act. I am sure that when it comes into force, it

^a Printed as Appendix IV on page 166 infra.

^b Printed as Appendix V on pages 167-168 infra.

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"Supposing we take some steps to bring these people under control, does the hon. Member promise not to raise any objections?"

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Sir, this matter has been represented by respectable pilgrims to the Committee and to the Commissioner and also, I believe, to the Government and it is on the paper. I have now also represented this matter to the Government and I would congratulate the Government if they were to take some steps in this direction."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I suppose Mr. Narayanaswami Nayudu also would not object if we propose adopting any measures for bringing these dholiwallahs under control?"

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I do not know what the views of others are. But so far as I am concerned, I would have no objection to such a step."

THE HON. SRI T. PRAKASAM:—"Do you want the dholi system to be continued?"

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Yes. Inasmuch as the Government have abandoned their idea of laying out a railway line to the Tirumalai hills, I want this dholi system to be continued which would be of some help to some of the pilgrims."

* THE HON. DR. T. S. S. RAJAN:—"On a point of order, Mr. President. I wish to know how far the facts mentioned by the hon. Member have anything to do with the amendments before the House."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I say they are relevant in this way. I am dealing with the Act relating to the devasthanam in so far as some other provisions of that Act are concerned."

* THE HON. DR. T. S. S. RAJAN:—"May I inform the hon. Member that this Bill is not the result of the representations made by the Devasthanam Committee?"

MR. PRESIDENT:—"The hon. Member may confine himself to the Bill before the House."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I am pointing out to the Government some of the difficulties experienced in the working of the existing Act and how they can be rectified. As a person associated with this temple and the devasthanam administration for the last so many years I feel I am entitled to make representations with regard to the several sections of the Devasthanams Act."

"Then, Sir, in this connexion I may also refer to section 28 under which we have got a separate advisory council. I wish to

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know whether the Government are aware of the representations of the Acharyapurushas in that council. I am referring to section 28 of the old Act."

MR. PRESIDENT:—"The hon. Member should confine himself to the amending Bill."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Thank you, Sir. My only proposal is that the Government, at least in view of the difficulties I have pointed out, should try to remove those difficulties by bringing suitable amendments to the Tirumalai-Tirupati Devasthanams Act."

* THE HON. DR. T. S. S. RAJAN:—"The idea of this measure is simply this: we found in the working of the Act certain practical difficulties and measures sanitary and otherwise could not be enforced by the Commissioner. Therefore the idea is to enable him to get that much power to carry out all those necessary duties as Commissioner. And as long as those duties are now under the purview of the Local Boards Act, it has become necessary to provide a special provision in this Act to give such powers of the local body to the Commissioner himself. That is what is contemplated in this amending Bill. I know a lot of many other things require my attention. Many of them do not require any legislative amendment. In fact the Act has created the Committee and the Commissioner, and the Committee and the Commissioner have submitted certain proposals to the Government, but the real trouble which the Government noticed was not in connexion with the administration of the Act by the Committee or the Commissioner, but with something else. When I personally visited the Tirumalai hills and inspected the place, I found some glaring defects to which I drew the attention of the Commissioner. Those suggestions could not be carried out unless some amendments were carried out in the Devasthanams Act. I considered all the representations and the suggestions made to me and I referred them to the Legal Department and they in turn suggested this amendment, and it is now brought forward before the House for discussion. There is only one point that has to be considered in considering this amending Bill and that is whether the powers of the local body could be conferred on the Commissioner of the devasthanam. The Government think that the Commissioner is such a person that could be entrusted with the duties of the local board for purposes of supervising sanitation, for giving medical relief and for attending to public health, etc. One of the difficulties pointed out by the hon. Member Mr. Ramakrishna Reddi, viz., the difficulty caused by encroachment will be attended to by the Commissioner under this amended Act."

"We heard a long story regarding dholiwallahs. It is not our desire either to crush or to encourage them. Under the

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will go a long way to help the Tirumalai-Tirupati Devasthanam administration and the worshippers that visit the temple from time to time.

“ Sir, all these years the civic administration of Tirupati temple was in the hands of the local board. The devasthanam administration though it had not been conferred with any of the powers of the local board, had to spend large sums of money out of its income to look after the public health and sanitation of the place. The routes leading to the temple, the temple and the town are all installed with electric installation out of the devasthanam funds. Though the Tirupati Municipality is getting nearly Rs. 20,000 every year as pilgrim tax not only from the Tirupati station but also from Renigunta and Chandragiri stations and though the duties of attending to the civic amenities of the devasthanam should be legitimately attended to by the municipality, or the local board concerned, these duties are being attended to by the devasthanam and the local board did not pay any attention to them with the result that the town is getting into trouble day after day on account of the encroachments in the town. Encroachments are a common and notorious feature in Tirumalai with the result that during festival times it is becoming very difficult to take the car of Lord Venkateswara around the streets in the town. Therefore when this Bill becomes law, I am sure it will certainly help the Tirumalai-Tirupati Devasthanam administration in checking further encroachments and introducing further amenities to the town.

“ Sir, I know, in the light of experience gained by the working of the provisions of the Tirupati Devasthanam Act, that there are many defects in the said Act. As a matter of fact, in the present Act the powers of the Commissioner and the Committee are not well defined. There is a great and ample scope for the overlapping of the one over the other and a conflict, especially with regard to the administration of the estates. The Act is not definite. So I am of opinion that the section in the Act relating to the powers of the Members of the Committee and those of the Commissioner must be well defined for the smooth working of the Act. Again with regard to section 7 of the Act, there is some difficulty under this section. Some mirasi servants of the devasthanam, for instance, the Acharyapurushas and the Jiyengars are being appointed Members of the Committee, though the other mirasi servants, i.e., Archakas, Gamekar or Golla who stand in the same position are deprived of this privilege. I say, though they are all on the same footing, one set of servants get representation in the Committee, while the other set of people do not with the result that the interests of one party go unrepresented and unprotected while the other party gets this privilege through

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their representative on the Committee. The previous Committee also, I understand, had referred this matter to the Government asking them to amend the section suitably so that there may not be inconsistency in the Act. But the Government have not come forward with any amendment, though many petitions have been sent to them by Gollas and Archakas who are affected by this section.

“ Again, we are having number of complaints from respectable pilgrims that go to Tirupati with regard to the way in which the dholiwallahs behave towards them. According to the present Devasthanam Act, the Devasthanam Committee has no power to check these dholiwallahs. The Tirupati Municipality has jurisdiction only up to the foot of the hills. As a matter of fact, the dholiwallahs give trouble to these pilgrims in the middle of the way only. The Tirupati Municipality has no control over the routes leading to the Tirumalai hills. On account of these circumstances, I urge on the Government that they should take some action in the matter to see that the devasthanam is given powers in this matter to check the conduct and behaviour of these dholiwallahs either by granting them licences or in some other manner, as the Government think it fit, so that they may not give trouble to the pilgrims who visit the devasthanam. Just I may be allowed to quote one or two instances so that the Government may exactly know the difficulties which these pilgrims are put to and suggest some remedies for them, so that they may consider them while introducing amendments to the existing Act in this respect.”

THE HON./SRI T. PRAKASAM:—“ What is the trouble which these dholiwallahs give to the pilgrims? ”

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—“ The Hon. the Revenue Minister has not probably gone to the Tirumalai hills and so he does not seem to know all the difficulties which these dholiwallahs are giving. After they go a few furlongs, they drop these passengers down at one gopuram and tell them ‘ this is the Tirumalai hills ’ (laughter), but really the Tirumalai is four or five miles from the spot where they are dropped down. I am sorry the Hon. the Revenue Minister has not visited this and therefore does not know the real difficulties which the pilgrims are put to. As a matter of fact they are dropped in the middle. Sometimes their bags will be missing. All these things happen because we have no control over these dholiwallahs. Supposing you go to a railway station and hire a porter, and if he gives you any trouble, you at once take down his number and report the matter to the Police or the Railway authorities. You are able to do it because the Railway authorities have got some control over them. But here nobody has any control over these dholiwallahs and therefore you cannot do anything.”

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Without adding the words 'and to' I think the sentence is not complete. It will not read properly."

The amendment was duly seconded.

* THE HON. DR. T. S. S. RAJAN:—"The whole object of this Bill is confined to the Tirumalai hills area and does not extend to any other area. When you add on temples to the amendment, it will go against the purpose of the amending Bill."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"We have not sought for the deletion of these words in the original Act. While adding these words, you will be removing the effect with regard to the other portions of the section. The original section says . . ."

* SRI T. C. SRINIVASA AYYANGAR:—"Am I to understand that as a conjunction, the words 'and to' are required. Temples are already referred to in the section. There is neither a disjunctive participle nor a conjunctive participle in the Bill. Apparently an amendment is required to put in these words and make the sentence read properly."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I am not a lawyer, Sir. I will leave it to a lawyer to do it. It seems to me that these two words are absolutely necessary to make the clause read properly."

* SRI T. C. SRINIVASA AYYANGAR:—"The amendment proposed by the Bill introduces some words into the section where there is already an expression relating to temples. There is the introduction of the words Tirumalai hills area as notified by the Government and so on. I think there ought to be a conjunctive participle in order to connect the two ideas together. It is a case of syntax. To make the meaning perfect the two words are better added."

* THE HON. DR. T. S. S. RAJAN:—"If the hon. Member will accept it, we can put in the word 'and' alone."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I accept it, Sir."

The amendment to add the word 'and' after the words 'from time to time' was put and carried.

Clause 2 as amended and clauses 3, 4 and 5 were put and carried.

Clause 6.

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Sir, I beg to move the following amendment:—

'Omit sub-clause (iii) and renumber (iv) and (v) as (iii) and (iv) and add as sub-clause (v) the following:—

"(v) the establishment and maintenance of a Hindu orphanage."

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Mr. President, the reason why I suggest this amendment is this. Section 36 of the Act deals with the utilization of the funds. We have got a clause there which says that the funds of the devasthanam may be utilized for all or any of the following purposes: establishment and maintenance of hospitals and dispensaries for the relief of the pilgrims and worshippers visiting the temples, etc. Again here, in the proposed amendment we find a provision for the establishment and maintenance of a hospital. I do not know how these two sections are necessary. Inasmuch as we have already got a provision in sub-section (2) of section 36 for the establishment and maintenance of hospitals and dispensaries I do not see the need for this additional provision. It is unnecessary. That is why I have tabled this amendment. I move."

The amendment was duly seconded.

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, the hospital that is intended to be established on the hills is said to be for the benefit of Hindus generally. It is of course a Hindu temple and I realize that the better part of the funds would have to be spent for the Hindus. But occasionally, along with the Hindu pilgrims a Mussalman or a Christian might be going up the hill though not to the actual temple. As a matter of fact we do not know who these bearers are. Would it not therefore be more appropriate if the word 'Hindu' is omitted and it is made clear that the hospital is for the benefit of the people visiting the area? There may not be many such. There will be very few, no doubt. But if even one of them is attacked by cholera and if the hospital assistant or the Assistant Surgeon were to say that that man was not a Hindu and therefore he would not treat him, by the time he came down to Tirupati town he might die."

* THE HON. DR. T. S. S. RAJAN:—"Sir, if you see the Act a little more closely, you will notice that the hospital is meant only for the pilgrims visiting the temple. It does not apply to the citizens of the Tirumalai hills. The idea of having a hospital is not only for the benefit of the pilgrims but also for the benefit of the people who are living there. Provision for that is not found in the Act.

"The second thing is this. The point which has been raised by Sir K. V. Reddi Nayudu has already been recognized and that is why it is stated, 'Hindus generally.' May I also draw his attention to the fact that non-Hindus are not permitted either as servants or as anybody else to enter the Tirumalai hills area as the Act stands at present. Therefore the chances of anybody going up there is not there legally.

"It may be possible for anybody to go there *in cognito* and ¹² we do not take cognizance of it. It is really Hindus that go ^{noon.} there. Harijans even are not permitted on the hills. That is

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powers vested under the Local Boards Act, it is open to the Commissioner to make such regulations as would enable the safe conduct of all passengers by the dholiwallahs with all safety that is possible. That is all that I want to reply. The amendment is very simple."

The motion was put and carried and the Bill was taken into consideration.

Clause 2.

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I beg to move the amendment that stands in my name as follows:—

'In line 4 after the words "Tirumalai Hills area" add "and Tiruchanur village".'

11-45 a.m. "Sir, at present the sanitation and public health of Tiruchanur village has been thoroughly neglected by the district board, though the district board is getting Rs. 3,000 to Rs. 4,000 every year. I am sorry to inform this hon. House that they are spending only about Rs. 250 a year for maintaining the health and sanitation of this village. They are keeping two sweepers and one watchman. No good drinking water is available for drinking purposes during festival times, and as a matter of fact the visitation of cholera during festival times is a common feature. As a matter of fact a large number of pilgrims and many people who want to conduct their marriages—very rich and educated people—are coming to this village and almost every day we have one marriage or other going on there. So it is but fair that there should be effective control over sanitation and other amenities of life so far as this particular village is concerned. It may be argued that Tirupati Municipality is so close to Tiruchanur and that the village may be included in that municipality. But I should say at the outset that it is not in the interests of the pilgrims or the residents of the village. It is after all 3 miles from Tirupati town. Tiruchanur village consists of only a few choultries and a number of houses occupied by the servants of the temple. The people there, are not in a position to pay house-taxes. Tirupati Municipality cannot be expected to spend anything more with regard to the sanitation of the place, because the municipality cannot realize much revenue from the village. The Tirupati Devasthanam has got an interest in that village as they have got a temple there and the village gains its importance on account of that temple. It is but fair that they should see that the village is kept in a proper condition so that the health and the life of the people visiting it may not be jeopardized. The village should be brought within the scope of the Committee so that the devasthanam may spend more money on it and make it more healthy and more attractive in future."

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I second it."

* THE HON. DR. T. S. S. RAJAN:—"Sir, I want first of all to correct a misapprehension in the mind of my hon. Friend Mr. Ramakrishna Reddi. He thinks that we are conferring powers on the Devasthanam Committee. It is wrong. We are conferring powers only on the Commissioner of the Tirumalai and Tirupati Devasthanams and he is in his person vested with the powers of a local body and not the Devasthanam Committee. I just want to make that perfectly clear."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I meant only the Commissioner, Sir."

* THE HON. DR. T. S. S. RAJAN:—"The hon. Member said 'Committee.' The second thing is this. It is not the purpose of this amending Bill to encroach on the powers of local bodies. Tiruchanur is under the supervision of the District Board of Chittoor and we cannot by legislation take away the powers of the local body just to solve a difficulty. Tirumalai village is entirely within the Tirumalai hills area and this legislation is necessary for Tirumalai for this reason. Tirumalai hills are the private property of Lord Venkatesa and they are not under the jurisdiction of the district board. Being private property a lot of people began to live there on the hills and about three to four thousand people have settled there on the hills. And certain things in the way of sanitation and water-supply have become absolutely necessary. Matters have to be regulated by certain rules and regulations and the only way we can do it is by applying certain sections of the Local Boards Act which would give power to the Commissioner to exercise a certain amount of power with regard to the Tirumalai hills which are to-day private property. It is no use asking the Government to include Tiruchanur also because, on the face of it, it cannot be done. I find it therefore difficult to accept the amendment."

The amendment was put and lost.

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I beg to move the following amendment:—

'After the words "from time to time" in clause 2, add the words "and to".'

Sir, if we add the words proposed by the Government the clause will read as follows:—

'It applies to the Tirumalai hills area as notified by the Provincial Government in the official gazette from time to time, the temples specified in Schedule I. . .'

If my amendment is made, the clause will read as follows:—

'It applies to the Tirumalai hills area as notified by the Provincial Government in the official gazette from time to time and to the temples specified in Schedule I. . .'

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the present rule. When you say Hindus, generally it would mean Hindus only. Other persons who are not Hindus, would not come within the purview of the term 'generally'."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Even the permanent residents of Tirumalai are treated in the devasthanam hospital. All Hindus there are the worshippers of the temple. I do not find any technical objection to my amendment. 'Worshippers' means Hindus who are worshippers of the Lord of the hills and I think in view of the original section in the Act, the amendment that is proposed by the Government is not necessary."

* THE HON. DR. T. S. S. RAJAN:—"I have clearly stated that, as the proposal stands, there is nothing wrong at all. In fact the Legal Department said that the particular provision does not go beyond the pilgrims. Worshippers may be there; but there are also other people who are not worshippers and who are not pilgrims. What do you do with regard to them? There is a large number of people who are not pilgrims. A population of 3,000 people that has grown on the hills, should be adequately dealt with. You cannot call them worshippers. Therefore the amendment of the hon. Member is not necessary."

The amendment was put and lost.

Clause 6 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

Clause 2.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, what was apparently thought to be a mistake is not a mistake at all. The original Act is before me here. It runs like this: 'It applies to the temples specified in Schedule I and the endowments thereof, and the educational institutions specified in Schedule II.' The present Bill proposes to make the following amendment. The section as amended will read as follows:—

'It applies to the Tirumalai hills area as notified by the Provincial Government in the official gazette from time to time, the temples specified in Schedule I and the endowments thereof, and the educational institutions specified in Schedule II.'

Since there is a third item after the comma, there is no continuation necessary, as suggested by the hon. Member. The original clause in the Bill now before the House is quite right. There is no mistake. The amendment of Sri Ramakrishna Reddi that was passed should not have been passed and should be withdrawn."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Sir, I have no objection to withdraw that amendment."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"I formally move that the amendment that was adopted to clause 2 of the Bill be deemed to have been withdrawn."

SRI DIWAN BAHADUR T. A. RAMALINGAM CHETTIYAR:—"Sir, when the third reading of the Bill is done, the necessary alterations may be made."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Clause 2 may be re-opened and taken up for consideration now and the necessary amendment made. I move—

'that the amendment of Sri Ramakrishna Reddi that was adopted to clause 2 of the Bill be deemed to have been withdrawn and that clause 2 of the Bill as passed by the Assembly shall stand part of the Bill.'"

The motion was put and carried.

Clause 2 as passed by the Assembly was allowed to stand part of the Bill.

THE HON. DR. T. S. S. RAJAN:—"I move—

'that the Bill be passed into law.'"

The motion was put and carried and the Bill was passed into law.

(4) THE MADRAS TOBACCO (TAXATION OF SALES AND LICENSING) BILL, 1939 (L.A. BILL NO. 10 OF 1939), AS PASSED BY THE ASSEMBLY.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I beg to move—

*'that the Bill * for the levy of a tax on the sale of tobacco and the licensing of trade therein in the Province of Madras (L.A. Bill No. 10 of 1939), as passed by the Assembly be taken into consideration at once.'*

"Hon. Members have the Bill before them and the statement of Objects and Reasons. The object is mainly to levy a tax on tobacco. As the Bill now stands, the taxes and duties levied may be classified generally in this form, Sir, an *ad valorem* duty on all forms of manufactured tobacco as defined in the Bill, beginning with snuff, bidis, cigars, cigarettes, cheroots, cigarette tobacco and pipe tobacco. These we call manufactured tobacco. There will be a duty on wholesale dealers as well as on retail dealers in this commodity. As regards these forms of tobacco, there would be licences issued to wholesale dealers as well as to retail dealers of manufactured tobacco. Licences to wholesale dealers, manufacturers, brokers or commission agents will be issued on payment of fixed fees. There will be no monopoly vend as in the Bill originally proposed in the Lower House. The Select Committee gave up the monopoly system and substituted

* Printed as Appendix VI on pages 169-183 infra.

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instead a tax on the dealers in manufactured tobacco whether wholesale or retail. The tariff is before the House. The tariff is no doubt not a mere nominal duty or low duty. It is a heavy tariff as in all countries. Tobacco is one of those commodities which are heavily taxed for revenue purposes. Here also the proposal is that the commodity should be taxed heavily. The matter has been discussed both in the Press and on the platform and in the other House. I think it will be a mere formal reiteration, if I take the House, through all the objections and justifications. However proper it may be for me to take up the time of the House, if I chose to do so, I do not propose to do so as a commonsense man. I hope the House will excuse me for not doing that duty. It would be simply a reiteration of things hon. Members already know. I beg the House to accept the motion that I make that the Bill be taken into consideration without any further explanation on my part."

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I want to know from the Hon. Prime Minister the probable yield of this tax and whether leaf tobacco is sought to be taxed by this Bill. There is what may be called cumulative tax in the Bill. I want to know what the provision in the Bill is with regard to leaf tobacco, whether there is going to be a tax on it. I am unable to understand the provision in this matter. The third point on which I wish to have information is this; suppose there is a wholesale dealer and sub-wholesale dealer, will these two persons be taxed in various stages? This point also is not clear to me from the Bill. I hope the Hon. Prime Minister will make the position clear so that we can make our position also clear in the matter."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"I may also add one point, Sir. I shall be glad if the Hon. Premier will inform us the quantity of tobacco which is exported in the form of leaf and in the form of manufactured tobacco. If he would give us this information, we will be able to understand the position."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I do not think that, from the question which Mr. Narayanaswami Nayudu put, he does not understand the matter. I am sorry for not having made the matter clearer, with regard to the forms of tobacco that are to be taxed and with regard to the levy of licence fees. I may say that leaf tobacco as such, is not sought to be taxed. Leaf tobacco as such at any stage, will not be subject to any tax. But large dealers in leaf tobacco will be licensed, as I have already said, on payment of fixed fees. Hon. Members may be aware that tobacco is taxed only if it is manufactured into snuff, bidi, cigar, cigarettes or cheroots and sold or put into pipes and smoked. Mere chewing tobacco will not be taxed. Those who sell chewing tobacco in retail, will not be touched by this

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Bill. Those who sell merely leaf tobacco in their little shops are not going to be touched by this Bill, not even licensed. It is only when any shopkeeper sells snuff, bidis, cigars, cigarettes, cheroots, cigarette tobacco or pipe tobacco, he will come within the pale of this Bill. I shall say it again; whether it is Palghat or Guntur tobacco, if it is chewing tobacco, namely, leaf, however highly scented or costly it may be, it is not touched by this Bill, because we cannot tax a costly leaf tobacco leaving out cheap leaf tobacco. But wholesale dealers as well as retail dealers in the manufactured forms of tobacco that I have mentioned just now, are taxed at all points. In the original Bill, the tobacco monopoly vend system covered all these forms of tobacco sales. In order to meet the wishes of hon. Members, in order to meet representations that were made in this respect and out of very many considerations here mentioned or not mentioned, we have omitted all that from the ambit of the Bill. With regard to the forms of manufactured tobacco that I have mentioned, the taxes levied are given in the Bill. There is one rate for wholesale dealers and another rate for retail dealers. If a man is a wholesale dealer and a retail dealer, he will have to get separate licences. He is not interfered with in his business. He has to keep his licences separate for retail trade and wholesale trade. He has to keep accounts separately for tobacco sold wholesale and in retail. This is the main provision of the Bill. As for leaf tobacco exported, I have told the House already, that it does not come under taxation.

"I now come to the question of revenue and the quantity exported. As regards an estimate of total revenue from a tax on manufactured tobacco exported as snuff or cigars from our country, I cannot give figures just now. But I may say this, that export as such, is not going to be taxed at all. It is only when they are sold, that we are taxing here. Export as such from our Province we are not taxing. If manufactured tobacco is sold in this Province, it will be taxed. As regards the amount of revenue that we expect from the tax on sales both wholesale and retail of all forms of manufactured tobacco such as I have mentioned, it is difficult to say. But it will not be wrong if I say that it will be about Rs. 50 lakhs, if the Bill is properly administered. But I am not sure at all. At present I should be making a conservative estimate of Rs. 30 lakhs, but it is purely guess work because so far as we have statistics, there is no available data to show how many tobacco shops there are in this Presidency, because there has been no form of licence up till now in respect of them. Every shop that sells various articles consumed by the ordinary citizens, even in small towns, has some cigarettes and some bidis. There is absolutely no data available with reference to the number of shops that will fall under the fixed duty that we have put in for the first block and how many will come under

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the *ad valorem*. It is difficult to estimate, but we shall be able to tell the hon. Members when next the Budget is presented as to how far our estimates have gone true, how far we have exceeded, and how far our expectations have not been fulfilled. It would then be time for hon. Members to make whatever suggestions that may have to be made in respect of the data available then. But this is the first time that tobacco in our Province is brought under control. In many other Provinces and States, tobacco has been under control to some extent; but not in our Province so far. Hence, I am not able to give more than mere conjectures, and such conjectures as I have with me are hardly in my opinion worth being placed before the House, though they might be coming from officers. I do not wish that they should go into the record of the House for nothing at all, when they are based upon conjectural data."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, I thank the Hon. Minister for the information he has given to us. I wish to make certain observations with regard to this Tobacco Bill as to how this Bill touches the very important question of provincial finance.

"Sir, the structure of the Provincial taxation system as inherited by us was first touched upon by the Provincial Government when they wanted to levy a tobacco tax. That of course did not take shape, but even then it was stated that the withdrawal of the proposal was dependent upon the disclosure by Government of the other sources they could look to for meeting their demands. No doubt there have been other previous taxation measures, but those measures were not of a vital character, and therefore I did not have much to say on them. But when we come to the Tobacco Bill, we come at once to one of the most fundamental changes in the provincial taxation system, and that is that we are going to impose a tax on consumption. I do not want to detain the House longer than to indicate what the nature of the Tobacco Bill is. It is not a tax on luxury; tobacco is not a luxury; it is a basic comfort, almost equal to what is called the necessities of life, though it may be optional in the sense that anybody who does not want to pay need not smoke. The habit has so far grown in this country that it is recognized that it is a basic comfort and therefore this tax is a basic comfort tax. It must be recognized that this basic comfort tax will go on to the poorest homes in the country.

"Another point is that while the rich man who buys cigars for Rs. 10, may have to pay a few pies or an anna more, the poor man who generally gets 5 annas a day will have to pay another pie or more for his tobacco, and so, comparatively, he has to pay more for the consumption of practically the same amount of tobacco. Therefore it is that all Governments have always

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wavered with regard to this taxation, as I will show just now. That is the nature of this tobacco tax.

"I want to make my position quite clear. My first position with regard to the nature of this tax is this: I am not going to say that this tax ought not to be imposed. The entry of this tax into our provincial tax system, I do not wish to oppose; on the other hand, I say it ought to be welcomed. Therefore, there need be no discussion at all on the point as to whether this tax is to be imposed, on theoretical grounds. The tax as such is not to be opposed, though of course the grade or the form in which it is to be imposed is debatable. The entry of the tax as such may be accepted in the first instance, and I am going to accept it.

"There is another matter also which I wish to make clear to the House. In regard to proposals regarding this tax on consumption, it is not based on the question of what may be called the last straw on the back of the camel. We are not coming to it here; if it comes, it will come as the French Revolution came or as, for instance, in the year 1931, the Labour Government was thrown out because it was not able to adjust its budget. The last straw does not come in now. The fact that the tax is necessary does not dispose of the question. The tax being the last straw does not dispose of the question. The real question is, the amount of the tax, the rate of the tax, and whether it is justified in the circumstances of the country—and that is the only test. Therefore, any argument to the effect that we are against the tax or that it is not the last straw or load on the camel or that the camel will not break, that the camel will carry this load cheerfully—all that is beside the point. The only question is, 'What is the amount of the tax; what is the nature of the tax and what is the rate of the tax?' These are the questions that I wish to place before the House in order to enable the House to understand the amendments that I have given notice of.

"On this point, it may be useful to take up the *simile* which has been used by the Hon. the Prime Minister, saying: 'I am kindling a fire; no doubt it is a fire, but it is not a fire that is going to set houses on fire, only fire to make a broth.' We are confident that the Hon. the Prime Minister will no doubt make an excellent broth, but the whole question is, whose chickens are to go into this broth? (The Hon. Dr. T. S. S. Rajan: 'It may not be a chicken broth, but a vegetable broth!') All right, the question is: whose tomatoes are to go into this broth? It may be said that the rich man's chickens would go into the broth. But rich man's or poor man's, how many chickens or tomatoes are to go into the broth now—that is the real question. It is not as though there ought to be what may be called a blank cheque for all the chickens in the country being put into the jug. And

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a regular yearly budget is really a broth for the year. The whole question therefore is whether the imposition of this tax on this scale is necessary in spite of the estimates already furnished to this House. This question was also raised in the Assembly, and the Prime Minister seems to have relied upon the statement of Mr. Lloyd George in his speech in the year 1909."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I have not relied on Mr. Lloyd George's statement, Sir; it has nothing to do with this, and certainly not with the present Bill. I relied on the principles and not the statement."

SRI B. NARAYANASWAMI NAYUDU:—"The principle is this: the question was raised whether the Government was entitled to raise taxation which was not authorized by the estimates. I am going to raise this question of principle here, and with a full sense of my responsibility. Therefore, it is I am saying that the principle of this taxation has to be thrashed out and absolutely and thoroughly gone into. With regard to the Sales Tax Bill as well as this Bill, the question does arise: 'Are the tomatoes demanded by this measure necessary, or are the chickens to be cooked and simply kept by the cook in the store room for use in the next year?' If the latter, the cook has no right to take them now. That is the position which I wanted to explain . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"The broth idea was not in connexion with Mr. Lloyd George's principles; the broth idea was connected with unnecessary apprehensions. Mr. Lloyd George's principles did not apply to the broth. It will be terrible if this broth is overdone."

SRI B. NARAYANASWAMI NAYUDU:—"My position is this: A certain passage in Mr. Lloyd George's speech has been quoted. It is this:

'It is far better, as well as bolder, therefore that we should frankly examine the financial outlook and make provision not merely for the ascertained needs of the year but for the further and increased liabilities which are not merely in sight, but to which the Government and Parliament are definitely and irrevocably committed.'

I suppose that is the quotation that was made in the Lower House. I agree there. There is no doubt about it. In choosing the tobacco tax, the Government have chosen a tax which will be yielding not only for the present year, but which may be capable of expansion in course of time for services to be rendered by the Government. The quotation definitely says:

'It is far better to examine the financial outlook and make provision not merely for the ascertained needs of the year but for the further and increased liabilities which are not merely in sight, but to which the Government and Parliament are irrevocably committed.'

But the position is not answered there at all. You have no doubt the right to choose the tax which would automatically increase and meet the commitments of the Government. But so far

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as the Budget of the year is concerned, it does not relieve you of the estimates contained in the Budget for the present year. That is what is contained in Mr. Lloyd George's statement, in the very speech of his which has been quoted. We find later on—

'The first principle on which I base my financial proposals is this: that the taxation which I suggest should be imposed, while yielding in the present year not more than sufficient to meet this year's requirements, should be of such a character that it will produce enough revenue in the second year to cover the whole of our estimated liabilities for that year.'

Therefore, the fundamental basis of the limitation of the demand has been made clear, here, viz.:—

'yielding in the present year not more than sufficient to meet this year's requirements.'

Therefore, I say the House has been presented with estimates to a certain extent and the House has been informed that certain amounts were required, in the Budget. You may now choose the measure which would bring you the required amount in the course of this year or in the next year; but how are you entitled to impose taxation which is not necessary for this Budget year? My submission is that Mr. Lloyd George does not say so. You may raise taxes for the next year, but not for this year. In fact, one Chancellor of the Exchequer of England—Lord Snowden who was Chancellor for four years in England, whose authority can be accepted—has stated like this:

'I have much sympathy with the dictum that any Chancellor of the Exchequer who had surplus of more than half a crown ought to be put in prison for obtaining money from the tax-payer by false pretences.'

That is the position which was taken by the Chancellor. You have no business to go to the tax-payer for anything that is not necessary now. Of course, as a prudent financier, you may estimate the surplus, but you cannot budget for that surplus. You have no right whatever to take anything from the tax-payer which you do not require this year. Therefore it is that I ask the Hon. the Prime Minister, 'what is the estimated income?' We have before us four taxes already, the estimated yield of which is already known to the Treasury. The objection is not, I may repeat, to the entry of this tax or some such thing, but the objection is mainly this: Are the Government justified in imposing a 10 per cent tax on this commodity? I leave it there, because I have got an amendment with regard to this point. I wanted merely to make my position clear now on the question whether the Government are justified in getting so much tax from this measure without laying before this House their proposals in regard to it. It is the primary function of this House to vote money not for the purpose of being put in the kitchen room for the preparation of the broth that may be prepared later on but only for the broth for this year. Therefore, Sir, these considerations should be borne

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in mind, and the House should deal with the amendments that I have given notice of, in the light of these observations."

12-30 P.m. * S. K. AHMED MEERAN SAHIB BAHADUR:—"Mr President, at this stage I would like to point out one or two things. I requested the Hon. the Premier at the very outset to give us an estimate of the value of the exported manufactured tobacco. I know they are not going to tax exported manufactured tobacco as an export, but when the manufactured tobacco is ultimately exported out of this country, it passes through so many hands. My object in putting the question was to know how it is going to affect the trade and whether the Indian manufacturer here of manufactured tobacco is going to get the market as before, or whether he will be affected seriously by this taxation on account of the competition which he has to face in other countries where manufactured tobacco of other countries is sent. I am sorry to say I have not been able to get any data. Anyhow, if I understand the matter correctly, I say subject to correction of course, that the exported value of the manufactured tobacco, or at least the whole of the tobacco, comes to 1½ crores. If I remember aright this is the statement of an hon. Member of the Legislative Assembly in the course of his article in the press. I know also as a matter of fact that large quantities of bidis are exported from this country to Burma and other places and I also know large quantities of high class cigars are manufactured and sent to countries outside India and they have to compete with the cigars manufactured and sent to those places from other countries. I expected this Government, before introducing a fiscal legislation—though it is good and we require revenue—would have told us whether our foreign trade would be affected by it or not; or in case it is affected, they should show at least some special concession for such of those commodities or kinds of manufactured tobacco which will be affected by it. There is, Sir, in the sales tax Bill provision for rebate with regard to certain goods which are exported and I consider there should be some such provision here and in the absence of any such provision and in the absence of data as to how this export trade of manufactured tobacco will be affected, I do not think it is right on the part of the Government to take leap in the dark on such a vital question as this. Of course, this does not mean that I oppose the measure as such. I know tobacco is taxed in almost all the civilized countries and I am not against its being taxed, but my point is, you must take stock of the position before doing so; simply because manufactured tobacco is being taxed in all countries, it does not mean we must tax manufactured tobacco here, irrespective of the conditions existing here and irrespective of whether particular kinds of manufactured tobacco will be hard hit and how it is going to affect the trade. We must go into all these things before thinking of this tax.

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"Then, Sir, I would like to say another thing at this stage and that is this. Of course almost all the civilized countries tax this tobacco, though it may be due to various reasons. It may be because it is considered to be a luxury, or it may be considered as a vice or a poison which has to be taxed just as other countries tax drink and other alcoholic liquors. But the position here is, we have taken up the attitude that liquor ought not to be taxed and the Government machinery and hospitals and educational institutions should not run on the revenues of such a liquor. In my humble opinion, I think, the taxing of tobacco for replenishing the loss of revenue also offends the same principle, because we are taxing one vice instead of another vice and I know this is the lesser of the two evils and I am willing to admit that. The principle that we ought not to run hospitals and schools from the revenue from excise and from the tax on the poor, applies to a very, very large extent to this tax on tobacco because you are trying to replenish the loss sustained in excise revenue by this tax. Of course, I read in the newspapers that our Premier was also of the same opinion and he later changed it because he sought advice elsewhere. Anyhow, I am not saying that it ought not to be taxed because I am willing to admit this as being the lesser of the two evils. At the same time, Sir, this Government have also initiated a principle that the burden of this tax should be shifted. So far, Sir, the poor people have borne a large portion of taxation whereas the rich people have not borne their due share. In this case there is indiscriminate taxation of the rich and the poor. There are very many poor people for whom this Government have all sympathy, who use bidis and snuff which are taxed. Sir, bidis are sold at two for a pie and they are used mainly by the poorest of the lot; and there are also cheroots which can be had at one for a pie. I can understand taxation of costly cigars and costly cigarettes which are used by the rich and middle-class people. I am sure my statement will not be contradicted when I say that bidis are used not by the rich but by the poorest of the people. I can also say that cheroots and the lowest varieties of cigars are used only by the poor. For them I cannot say this is a luxury; nor can the Government say that it is a luxury for these poor people, because it is so easy for him to spend ¼ anna or ½ anna for bidis or snuff per day; in that sense it is not luxury to them. Even assuming, Sir, it is a luxury, we cannot tax these poor people to get some revenue. I can understand that instead of doing this, you prevent them from smoking bidis altogether, just as this Government are doing with regard to liquor. Even though they forego a large portion of the revenue they should not tax it but they should abolish or prevent it because it is a vice. The principle should be that we should not tax these people though it be a vice and thereby get some revenue in order to replenish the loss sustained from another source. These are the general observations of mine and I

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shall place my views on the other questions when the amendments are taken up for discussion."

KHAN BAHADUR T. M. MOIDU SAHIB BAHADUR:—"Mr. President, I think I must congratulate the Hon. the Premier for exempting leaf tobacco from the purview of this taxation measure. In the same manner I appeal to him to exempt cheroots and bidis, because it affects the bulk of the population of this Presidency and I know that in Malabar this tobacco habit has become such a common thing with the poor people and even the poorest of men want smoking; they get two cigars for one pie or two or three bidis and it is not at all costly. This is a necessity for the poor people. Now that the Government have launched on this prohibition policy the poor people naturally want to have something as a substitute though not by way of recreation or as a thing that is very pleasant and they cannot do without smoke."

MR. J. A. SALDANHA:—"I request the hon. Member to speak through the microphone, Sir, because we cannot hear him properly."

KHAN BAHADUR T. M. MOIDU SAHIB BAHADUR:—"Sir, I have seen some officers both Indian and European doing their office work with cigar or cigarette in their mouth for they cannot do their work without smoking. The same is the case with the poor people for they require some such stimulant. I thank the Hon. the Prime Minister for exempting leaf tobacco because I know the poorest of the poor in Malabar and Telugu districts use it and in fact some years ago I have seen even ladies smoking—they smoke in a different way by putting the lighted part inside the mouth and I have seen it with my own eyes. This is a tax to cover up the deficit in excise revenue and when that deficit will be covered by the sales tax, I do not know what the motive of the Government is in bringing in this legislation, especially in view of the fact that it was rejected by the then Legislative Council and withdrawn by the mover. Is it because the Congress Government want money that they want to introduce it? If that is the case, they have got more than enough, I was told, by means of the general sales tax. I was told it would be somewhere about 40 to 50 crores—though not immediately, they will get that ultimately—whereas this Tobacco Bill will bring in only a small amount of money. Since the Telugu districts which produce a major portion of the tobacco will be seriously affected by this legislation, I request the Hon. the Premier to exempt snuff and low price cheroots from the operation of this Bill. With these remarks I leave it to the entire House."

* **SRI RAO BAHADUR M. RAMAKRISHNA REDDI:**—"Mr. President, I heartily thank the Hon. the Premier for excluding leaf tobacco from the operation of this Bill for it is a well-known fact that the poorest in the Province are making use of it very

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freely. Some of them can afford to live even without food for a day or two, but they cannot do without chewing. Therefore I feel that the Hon. Premier has done an excellent thing in excluding leaf tobacco from the scope of the Bill. But, Sir, I feel that at present in this Province the tobacco trade is not well-organized and as such the proposed tax will hit it hard. The question that has been troubling me is, whom it is going to affect, whether it is the grower or the consumer. After great deliberation I feel that both of them are affected by this Bill at present. Already the middleman is going to the grower and telling him, 'Look here, we have to pay the tax hereafter on tobacco; you cannot expect the old price for your produce and so you must reduce it somehow or other; otherwise we are not going to find a market for your produce and so on.' In that way, they are indirectly reducing the cost of tobacco so far as the growers are concerned. At the other end, they tell the consumer that they have to pay the tax and they increase the prices. I honestly feel that the middlemen are going to make much profit at the expense of the growers and the consumers. The effect of the Bill is that the grower and the consumer will be put to loss. I do not know whether there is any provision in the Bill to prevent the middlemen making inordinate profits by misrepresenting things in an unreasonable way to the growers and the consumers. 12-45 p.m.

"One thing has to be admitted on all hands and that is that in the Northern Circars and the Ceded districts the young and the old, men and women, to whatever status they may belong, smoke. Be he a rich man, a labourer working in the fields or a woman doing domestic duties at home, they smoke. I know, Sir, as far as my knowledge of my district goes that that is the only luxury that the poor men enjoy. The poor labourer comes out of the field and has a quiet smoke for a minute or two. He finds some pleasure from it and that in fact is the only luxury that he could enjoy. In the case of the middle-class people, they use snuff and that is a sort of luxury for them, perhaps the only one. I honestly feel that this tax is going to affect the labouring classes, the peasants and the villagers. As my hon. Friend, Mr. Moidoo suggested, it will be fair and reasonable to exempt at least snuff and bidis from the tax. You may tax the other costly things but so far as these two things are concerned, they should be exempt from taxation. I feel that you will be doing an immense service to them by exempting these articles from the operation of the Act.

"The one peculiar thing that obtains in my district and in the Ceded districts is that during the harvest season poor women in the villages, some half a dozen or so of them, take a small basketful of tobacco products, leaf tobacco, bidis and cigars and go to the thrashing fields and sell them in exchange for ragi or paddy or whatever grain the labourers give them. They carry on such trade during the harvest season and remain quiet

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for the remaining period. This thing obtains in our district and I do not know whether the same thing obtains in the Northern Circars. The licensing provision of this Bill will apply to their case. I will earnestly appeal to the Hon. the Minister to exempt such cases. Their total stock will cost a rupee or two and is contained in a small basket. It would be very hard if they are brought under the purview of the Bill. I submit that they are not doing the trade all the year round; they only carry on this trade for a month or two and the value of their stock is very limited. If they have to take out a licence, I submit it will be a very great difficulty for them. They are very poor and illiterate and it would not be fair to put them to this difficulty. At least for such people, I would plead for an exemption. We see that their stock is of a very limited value. Their case deserves sympathetic consideration and I earnestly plead that they may be exempted.

"There can be no objection to the provisions applying to the finer and costlier varieties of tobacco but so far as bidis, cheroots and snuff are concerned, an exemption from the operation of the Act should be given to them."

* MR. J. A. SALDANHA:—"I protest against the principle of the Bill on four grounds.

"The first is based on the arguments of my hon. Friend that the tobacco products used by the poor who derive only pleasure from it should be exempted from the operation of the Bill. It is a fact well known that Mangalore is famous for its snuff and bidis and this is exported in large quantities. As it will disturb the trade economy of my district, I strongly support the plea raised by my hon. Friend that these articles should be exempt from the provisions of the Act.

"The second point is that which has been raised by my hon. Friend, Mr. Narayanaswami Nayudu, and which has been urged by me at least once before, and that is the reckless policy pursued by a bankrupt Government for purposes of raising taxation without any idea of what revenue they can derive and the possible plans they have in respect of the extension of Prohibition. They have no plan; at any rate, we do not know what their plans—say for the next five years—are. We do not know what loss they are going to incur for the next year or for the next five years; what we see is that Bills are introduced and taxes are levied to replenish a deflated treasury. There is one principle that I want to refer to. Even in the case of the Land Revenue Bill that was brought in by the last Government—Land revenue was not then a transferred subject but one which was administered by an Executive Council Member—there was a provision to the effect that that rate of incidence of land assessment was to be fixed in the Finance Bill that was to be passed every year. I think the

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Hon. the Revenue Minister also gave us an assurance that he would in his Bill fix the land revenue in each year in a Finance Bill. The general principles of land revenue will be there but what the rate should be would be brought in the form of a Finance Bill."

THE HON. SRI T. PRAKASAM:—"I did not make any such statement."

* MR. J. A. SALDANHA:—"If so, I should have heard it from some other Congress member. But anyhow I remember it was made by a person in authority.

"At any rate, if that principle is not going to be incorporated in his Bill, if ever he were to bring in such a one, it would be very vehemently opposed by us. I hope that the provision for fixing the rate for each year by means of a Bill will be borne in mind by the Government. I refer to that Bill, though it may seem not quite relevant to the Bill under consideration, only to point out the fact the fundamental canon of raising revenue by fixing the rate from year to year was accepted there, but not here wherein they fix the rate for all time. This is opposed to all sound principles of taxation. I hope that the Bill should be recast so as to embody this principle. Not only this Bill, it should be done in the case of all taxing Bills introduced by the Government.

"Sir, the third point is that the fixing of taxation on the sales will involve much harassment and I would like to ask the Government whether they could not conceive of any idea whereby the taxes could be fixed on the basis of the quantity of tobacco by the measure or the weight of the tobacco sold. It will be very easy to find out the quantity of the tobacco and you may tax them to whatever extent you like. As matters stand, it would be very difficult to appraise the value and it is just possible that books can be cooked up and prepared for the benefit of the tax-collector, just as it is being done for presentation to the income-tax authorities. Such things only go to increase the evil and there is the temptation to prepare false accounts under the provision which insists upon the maintenance of accounts by the manufacturers. Of course that will provide employment for a number of unemployed people. But at whose expense will those people have been found employment? It will be at the expense of the poor producer. Therefore, my proposal is that the tax should be levied on the basis of quantity. I hope that this suggestion will be carried out, if not now, at least in the future. I only hope that saner counsels will prevail with the Government and that this Government will put a stop to the evils and difficulties of this Bill."

The House then adjourned to meet again at 11 a.m. the next day.

[12th May 1939]

APPENDIX II.

[Vide answer to starred question No. 252 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 12th May 1939, page 131 supra.]

G.O. Ms. No. 967, P.H., dated 10th March 1938.

[Licence—Mudikondan Panchayat—Rice mill of S. N. Subrahmanya Ayyar—Panchayat Board directed to grant permission.]

READ—the following papers :—

G.O. No. 2619, P.H., dated 13th October 1937.

From S. N. Subrahmanya Ayyar, Mudikondan, dated 16th October 1937.

From the Collector of Tanjore, dated 21st January 1938,
D. Dis. No. 15702/37-G-3.

From the Director of Town-Planning, dated 21st February 1938,
No. 309/38.

Order—Ms. No. 967, P.H., dated 10th March 1938.

In modification of the orders in G.O. No. 2619, P.H., dated 13th October 1937, and in exercise of the powers conferred by section 196 of the Madras Local Boards Act, 1920, the Government hereby direct the Mudikondan Panchayat Board to grant permission to Mr. S. N. Subrahmanya Ayyar for the erection of a rice mill on the site proposed by him in R.S. No. 201-1, nattam poramboke, subject to the following conditions :—

- (1) that the power of the mill should not exceed 15 h.p. ;
- (2) that it should be worked by electricity ; and
- (3) that chillies, soap-nuts and other substances which produce strong irritating odours during the process of grinding should not be ground in the mill.

(By order of His Excellency the Governor)

C. H. MASTERMAN,
Secretary to Government.

To the Petitioner (through the President, Panchayat Board, Mudikondan).
" President, Panchayat Board, Mudikondan (through the President, District Board, East Tanjore).
" President, District Board, Tanjore.
" Director of Public Health.
" Director of Town-Planning.

[12th May 1939]

APPENDIX III.

[Vide item II (1) at page 138 supra]

L.A. BILL No. 12 OF 1939.

(As passed by the Assembly)

A Bill further to amend the Madras Borstal Schools Act, 1925, for a certain purpose.

WHEREAS it is expedient further to amend the Madras Borstal Schools Act, 1925, for the purpose hereinafter appearing; It is hereby enacted as follows :—

1. This Act may be called the Madras Borstal Schools (Amendment) Act, 1939. Short title.

2. After section 10 of the Madras Borstal Schools Act, 1925, the following section shall be inserted, Insertion of new section 10-A in Madras Act V of 1926.
namely :—

“ 10-A. The Provincial Government may, if satisfied that any offender who has been sentenced to transportation either before or after the passing of the Madras Borstal Schools (Amendment) Act, 1939, and who at the time of conviction was not less than 16 nor more than 21 years of age, might with advantage be detained in a Borstal school, direct that such offender shall be transferred to a Borstal school, there to serve the whole or any part of the unexpired residue of his sentence. The provisions of this Act shall apply to such offender as if he had been originally sentenced to detention in a Borstal school. Power of Provincial Government to transfer offenders sentenced to transportation to Borstal schools.

An order may be made under this section notwithstanding that the sentence of transportation has been subsequently commuted into a sentence of imprisonment.”

[12th May 1939]

APPENDIX IV.

[Vide item II (2) at page 139 supra]

L.A. BILL No. 13 OF 1939.

(As passed by the Assembly)

A Bill to amend the Madras Maternity Benefit Act, 1934, for certain purposes.

WHEREAS it is expedient to amend the Madras Maternity Benefit Act, 1934, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Madras Act
VI of 1935.

Short title.

1. This Act may be called the Madras Maternity Benefit (Amendment) Act, 1939.

Amendment
of section 5,
Madras Act
VI of 1935.

2. In section 5 of the Madras Maternity Benefit Act, 1934 (hereinafter referred to as the said Act), for the proviso to sub-section (1), the following proviso shall be substituted, namely:—

Madras Act
VI of 1935.

“ Provided that a woman shall not be entitled to maternity benefit unless she has been employed in any factory or factories of the employer from whom she claims maternity benefit, for not less than two hundred and forty days within a period of one year immediately preceding the date on which she gives notice under sub-section (1) of section 6.”

Amendment
of section 8,
Madras Act
VI of 1935.

3. In clause (a) of sub-section (2) of section 8 of the said Act, for the words “ three months before her confinement,” the words “ five months before her confinement ” shall be substituted.

[13th May 1939]

APPENDIX V.

[Vide item II (3) at page 139 supra]

L.A. BILL No. 14 OF 1939.

(As passed by the Assembly)

A Bill to amend the Tirumalai-Tirupati Devasthanams Act, 1932, for certain purposes.

Madras Act
XIX of
1933.

WHEREAS it is expedient to amend the Tirumalai-Tirupati Devasthanams Act, 1932, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Tirumalai-Tirupati Devasthanams (Amendment) Act, 1939. Short title.

Madras Act
XIX of
1933.

2. In sub-section (2) of section 1 of the Tirumalai-Tirupati Devasthanams Act, 1932 (hereinafter referred to as the said Act), after the words “ applies to ” the words “ the Tirumalai Hills area as notified by the Provincial Government in the Official Gazette from time to time,” shall be inserted. Amendment
of section 1,
Madras Act
XIX of
1933.

3. In section 4 of the said Act—

(i) the word “ and ” at the end of clause (xi) shall be omitted; and

(ii) after clause (xii), the following shall be added, namely:—

Amendment
of section 4,
Madras Act
XIX of
1933.

“ and
(xiii) ‘ Tirumalai Hills area ’ means the area notified as such under sub-section (2) of section 1.”

4. After Chapter V of the said Act, the following Chapter shall be inserted, namely:—

Insertion
of new
Chapter V-A
in Madras
Act XIX of
1933.

“ CHAPTER V-A.—SANITARY CONTROL, ETC., OF THE TIRUMALAI HILLS AREA.

Madras Act
XIV of 1920

35-A. The Provincial Government may, by notification in the Official Gazette, direct that the provisions of the Madras Local Boards Act, 1920, or of any other enactment for the time being in force in the Province of Madras and relating to public health, shall apply to the Tirumalai Hills area only to such extent and subject to such modifications and restrictions as may be specified in the notification. In particular, the notification may authorize the Commissioner, in the Tirumalai Hills area, to perform the

Madras Act
XIV of 1920
and other
enactments
relating to
public health
to apply to
Tirumalai
Hills area
subject to
specified
modifications
and restric-
tions.

APPENDIX I.

[Vide answer to starred question No. 245 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 12th May 1939, page 125 supra.]

G.O. No. 744, P.H., dated 28th February 1939.

The President, Negapatam Circle Temple Committee, dismissed the trustees appointed under a scheme framed by the Hindu Religious Endowments Board in pursuance of section 57 of the Act in respect of the non-excepted temples of Sri Arunachaleswarar and Sri Ranganatha Perumal at Keelayur and Sri Theagarajaswami at Tiruvaimoor in pursuance of action taken under section 53 of the Act at the instance of the Board. The Board cancelled the order of dismissal passed by the committee on an appeal by the trustees concerned, on the ground that the committee has no jurisdiction to dismiss the trustees appointed by the Board. The President, Negapatam Circle Temple Committee, has raised the following questions in this connexion :—

- (1) whether in a scheme framed by the Hindu Religious Endowments Board under section 57 of the Act for the management of a temple, the Board can reserve to itself the power of appointing its trustees which is vested in a committee under section 51 of the Act ;
- (2) whether the Board is correct in holding the view that the committee has no power to dismiss trustees appointed by the Board ; and
- (3) when the Board directed the committee to act under section 53 of the Act, there is no point in stating that the act of the committee in removing the trustees is *ultra vires*.

The President, Hindu Religious Endowments Board, contends that (1) under section 57 (1) (c) of the Act, the Board can take power to itself to appoint trustees, (2) with reference to a decision of the Privy Council (M.L.J. 515), the authority which makes the

appointment is the only authority competent to remove or dismiss the person appointed, and (3) that the committee should only enquire into the matter and not take action under section 53.

2. The Government now proceed to pass the following orders on the issues raised above :—

- (1) The Hindu Religious Endowments Board has power under section 57 of the Act when settling a scheme for a temple to appoint new trustees in addition to, or in lieu of, existing trustees.
- (2) Section 53 of the Act is quite general and applies to all trustees of non-excepted temples including those appointed under a scheme framed by the Board in pursuance of section 57. Section 16 of the General Clauses Act, 1897, has no application to the interpretation of a Provincial Act, which moreover contains a specific provision in section 53 vesting the committee with powers of removing and dismissing trustees. The Privy Council decision referred to by the President, Hindu Religious Endowments Board, was based on a specific provision in the old Government of India Act laying down that a Government officer should not be removed from office by an authority subordinate to that by which he was appointed ; and hence it cannot apply to a case governed by the Hindu Religious Endowments Act, 1926.

3. The action of the Board in cancelling the dismissal order of the trustees by the committee is therefore not in order.

(By order of His Excellency the Governor)

C. H. MASTERMAN,
Secretary to Government.

To the President, Hindu Religious Endowments Board.
.. the President, Negapatam Circle Temple Committee.
.. all Presidents of Circle Temple Committees.

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[13th May 1939]

duties and exercise the powers assigned to a panchayat and its president or to any other authority or officer under the provisions so applied, subject to such control as may be specified in the notification."

Amendment
of section
36, Madras
Act XIX of
1933.

5. In section 36 of the said Act, clauses (v) and (vi) shall be re-numbered as clauses (vii) and (viii) respectively, and after clause (iv), the following clauses shall be inserted, namely:—

"(v) the establishment and maintenance of a veterinary hospital for the animals of the devasthanams;

(vi) the acquisition of any lands or other immovable property, which is authorized by the Provincial Government; "

Amendment
of section
37, Madras
Act XIX of
1933.

6. In sub-section (1) of section 37 of the said Act—
(i) the word "and" at the end of clause (ii) shall be omitted;

(ii) clause (iii) shall be re-numbered as clause (vi); and

(iii) after clause (ii), the following shall be inserted, namely:—

"(iii) the establishment and maintenance of a hospital for the benefit of Hindus generally;

(iv) the establishment and maintenance of an asylum for Hindu lepers;

(v) the construction and maintenance of a poor home for destitute persons professing the Hindu religion who are physically disabled and helpless; and "

[12th May 1939]

APPENDIX VI.

[Vide item II (4) at page 149 supra]

L.A. BILL No. 10 OF 1939.

(As passed by the Assembly).

A Bill for the levy of a tax on the sale of tobacco and the licensing of trade therein in the Province of Madras.

WHEREAS it is expedient to provide for the levy of a tax on the sale of tobacco and the licensing of trade therein in the Province of Madras; It is hereby enacted as follows:—

1. (1) This Act may be called the Madras Tobacco (Taxation of Sales and Licensing) Act, 1939.

(2) It extends to the whole of the Province of Madras.

(3) This section shall come into force at once, and the Provincial Government may from time to time by notification in the Official Gazette apply all or any of the remaining provisions of this Act to the whole or any portion of the Province of Madras from such date as may be specified in the notification, and may cancel or modify any such notification.

2. In this Act, unless there is anything repugnant in the subject or context—

(1) "broker" or "commission agent" means a person who in the ordinary course of his business negotiates and makes contracts for the sale or purchase of tobacco for others;

(2) "Collector" means the Collector of the district and includes any person appointed by the Provincial Government under section 15 to exercise all or any of the powers or to perform all or any of the duties of a Collector under this Act;

(3) "Commissioner" means a member of the Board of Revenue or other officer appointed by the Provincial Government to exercise the powers and perform the duties of the Commissioner under this Act;

Short title,
extent and
commence-
ment.

Definitions.

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- (4) "grower" means a person who grows tobacco in the Province of Madras, by his own labour or by that of the members of his household or of his servants, or by tenants, but does not include a firm or association registered under the Indian Companies Act, 1913, which grows tobacco, or an association of growers registered or deemed to be registered under the Madras Co-operative Societies Act, 1932; ^{VII of 1913.} ^{Madras Act VI of 1932.}
- (5) "leaf" includes the stalks and stem of the tobacco plant;
- (6) "licensee" means any person to whom a licence is granted under this Act;
- (7) "Magistrate" means a Presidency Magistrate, a Magistrate of the first or second class, or a Magistrate of the third class specially authorized in this behalf by the District Magistrate;
- (8) "manufactured tobacco" means cigars, cheroots, cigarettes, cigarette tobacco, pipe tobacco, bidis and snuff, but does not include any preparation or mixture of tobacco intended for a further process of manufacture;
- (9) "manufacturer" means a person who manufactures by machinery or manual labour "manufactured tobacco" or any preparation or mixture of tobacco intended for a further process of manufacture;
- (10) "place" includes a house, building, shed, bunk, shop, tent, vehicle, and vessel;
- (11) "prescribed" means prescribed by rules made under this Act;
- (12) "retail dealer" means a person licensed to sell tobacco in retail under the provisions of this Act;
- (13) "retail sale" means a sale of tobacco for the purpose of consumption by the person by whom or on whose behalf it is or may be purchased and the expression "sell in retail" shall be construed accordingly:

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Provided that any sale of tobacco by a retail dealer shall be presumed to be a retail sale unless the retail dealer concerned proves that the sale was not a retail sale.

- (14) "sale" or "selling" includes any transfer otherwise than by way of gift;

Explanation.—A sale by a co-operative society or a club, a firm or any association to its members is a sale within the meaning of this clause.

- (15) "tobacco" includes manufactured tobacco, cured and uncured tobacco, any preparation or mixture of tobacco, and the leaf of the tobacco plant;

- (16) "Tobacco Officer" means any person appointed under section 16;

- (17) "tobacco revenue" means revenue derived or derivable from any tax, fee, fine or confiscation levied, imposed or ordered, and all sums accruing to the Provincial Government, under the provisions of this Act;

- (18) "turnover" means the aggregate amount for which tobacco is sold, whether for cash or for deferred payment or other valuable consideration;

- (19) "wholesale dealer" means a person who buys or sells tobacco for the purpose of trade or manufacture;

- (20) "wholesale sale" means a sale of tobacco to traders in, or manufacturers of, that commodity for the purpose of trade or manufacture, and the expression "sell wholesale" shall be construed accordingly; and

- (21) "year" means the financial year.

3. (1) Save as provided in this Act, no person shall sell or expose for sale any manufactured tobacco in retail or sell tobacco in any form wholesale or otherwise carry on business as a wholesale dealer, manufacturer, broker or commission agent except under the ^{Prohibition of sale of tobacco without licence.}

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authority, and in accordance with the terms and conditions, of a licence granted by the Collector under this Act :

Provided that a grower may, without licence or restriction, sell as leaf any tobacco grown by him, or grown and cured by him for the purpose of marketing it as leaf.

Explanation I.—The supply of tobacco by a club to its members or by a hotel to its guests or customers on payment of any price, fee or subscription, is a sale of tobacco within the meaning of this sub-section.

Explanation II.—The sale by a manufacturer of tobacco manufactured by him, whether by wholesale sale or by retail sale, is a sale of tobacco within the meaning of this sub-section.

(2) A licensed wholesale dealer, manufacturer, broker or commission agent shall not sell manufactured tobacco in retail, unless he has been granted a separate licence as a retail dealer.

Tax on turnover of retail and wholesale dealers.

4. (1) Every retail dealer shall pay a tax in each year on his retail sales of manufactured tobacco at the rates specified below in respect of his turnover as determined in accordance with the rules made under sub-section (3) :

- | | |
|--|--|
| (a) If such turnover does not exceed two hundred rupees. | Six rupees. |
| (b) If such turnover exceeds two hundred rupees but does not exceed four hundred rupees. | Twelve rupees. |
| (c) If such turnover exceeds four hundred rupees. | Three per cent on the first four hundred rupees of the turnover and ten per cent on the remainder of the turnover. |

(2) Every wholesale dealer shall pay a tax in each year on his wholesale sales of manufactured tobacco at the rate of two per cent calculated on his turnover as determined in accordance with the rules made under sub-section (3) :

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Provided that the tax under this sub-section shall not be levied on any person who prepares manufactured tobacco of value not exceeding one thousand rupees in a year for the purpose of supplying to wholesale dealers.

(3) The turnover and tax mentioned in sub-section (1) and sub-section (2) shall be determined, assessed and collected in accordance with such rules as may be made in that behalf.

5. (1) No fee shall be levied for the grant of a retail dealer's licence. In respect of every licence granted to a wholesale dealer, manufacturer, broker or commission agent, there shall be levied on the licensee an annual fee as specified in the table below :—

Fee.

- | | |
|---|---------------------|
| (i) Any wholesale dealer who sells or buys tobacco leaf cured or uncured or any preparation or mixture of tobacco (not being manufactured tobacco) for trade therein or for conversion into manufactured tobacco .. | One hundred rupees. |
|---|---------------------|

Provided that the Collector may issue a licence to any person who deals on a small scale—

- | | |
|---|------------------------------------|
| (a) if his turnover is estimated at less than one thousand rupees per annum .. | on a fee of five rupees per annum. |
| (b) if his turnover is estimated at one thousand rupees or above, but at less than three thousand rupees .. | on a fee of ten rupees per annum. |

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	Fee.	
(ii) Any other wholesale dealer, not being a manufacturer governed by item (iii) below	..	Fifty rupees.
(iii) (a) Any manufacturer to whose premises the Factories Act, 1934, applies or has been extended and in whose premises 200 or more workers are working or were working on any day of the preceding twelve months.	..	One hundred rupees.
(b) Any other manufacturer to whose premises the Factories Act, 1934, applies or has been extended ..	..	Fifty rupees.
(c) Any manufacturer to whose premises the Factories Act, 1934, does not apply, and has not been extended ..	..	Two rupees.
(iv) A broker or commission agent ..	..	Fifty rupees.

Provided that any wholesale dealer or manufacturer being a wholesale dealer, who pays a turnover tax under sub-section (2) of section 4 shall for each licence granted to him under item (i), (ii), (iii) (a) or (iii) (b) above be charged an annual fee of ten rupees instead of the fee specified in that item.

(2) The Provincial Government may, from time to time, by notification, alter all or any of the fees specified in sub-section (1), but no such notification shall come into force unless the same is approved by a resolution of the Legislative Assembly.

6. No person other than a grower or a licensee under this Act, shall have in his possession any quantity of tobacco in excess of such quantity as the Provincial Government may from time to time prescribe in respect of all or any of the varieties thereof.

Possession of tobacco in excess of the quantity prescribed by Government prohibited.

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7. Every licence under this Act shall be granted—
 (a) for such area, if any,
 (b) for such period,
 (c) subject to such restrictions and on such conditions, and
 (d) in such form and containing such particulars, as the Provincial Government may, by general or special order, direct.

Form and conditions of licences, etc.

8. Where a licensee has more than one shop or place of business, whether in the same town or village or in different towns and villages, he shall obtain a separate licence in respect of each such shop or place of business.

Separate licence for each shop or place of business.

9. Every licensee shall, if so required, execute a counterpart agreement in conformity with the tenor of his licence, and give such security for the performance of his agreement as the Collector may require.

Counterpart agreement to be executed by licensee.

10. (1) The Collector may cancel or suspend any licence granted under this Act—

Power to recall licence, etc.

- (a) if any tax, fee or other due payable in respect of such licence be not duly paid; or
- (b) if the holder of such licence fails to keep the prescribed accounts or to submit the prescribed returns or if the returns submitted by him are incorrect or incomplete; or
- (c) in the event of any breach by the holder of such licence or by his agents or servants or by anyone acting with his express or implied permission on his behalf, of any of the terms or conditions of such licence; or
- (d) if the holder of such licence is convicted of any offence against this Act or any other Revenue Law, or of any cognizable and non-bailable offence under the Indian Penal Code; or
- (e) if the conditions of such licence provide for the cancellation or suspension thereof for any other reason.

Act XLV of 1860.

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(2) Where a licence is cancelled or suspended under sub-section (1), the holder of the licence shall not be entitled to claim from the Provincial Government any compensation for such cancellation or suspension, nor shall such holder be entitled to claim the refund of any sum paid to, or deposit made with, the Provincial Government, in respect of the licence.

Recovery of
fees, etc.

11. All taxes, fees, fines and other sums payable to the Provincial Government under any of the provisions of this Act or of any licence granted under it, may be recovered from the person primarily liable to pay the same, or from his surety (if any), as if they were arrears of land revenue.

Obligation of
licensee to
keep books
of account
and submit
returns.

12. (1) Every licensee under this Act shall, in respect of each licence held by him—

(a) keep such books of account and in such form as may be prescribed; and

(b) submit to the Collector and to such other officers as may be prescribed, a return in such form, containing such particulars and at such intervals, as may be prescribed.

(2) The accounts kept by a licensee under sub-section (1) and the stocks of tobacco with him shall be open to inspection by such officers as the Provincial Government may authorize in that behalf.

(3) Any such officer shall have power to enter and search any place where any licensee carries on business or keeps any stock of tobacco.

(4) Any officer empowered by the Provincial Government in this behalf, may for the purposes of this Act, require any dealer carrying on business in tobacco to produce before him the accounts and other documents and to furnish any other information relating to such business.

Duties of
Commissioner.

13. Subject to the control and direction of the Provincial Government, the Commissioner shall superintend the working of this Act and the collection of tobacco revenue in all areas in the Province of Madras to which this Act is applied.

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14. Subject to the control and direction of the Provincial Government and of the Commissioner, Collectors of districts shall be responsible for the collection of tobacco revenue and the carrying out of the provisions of this Act in all areas in their respective districts to which this Act is applied.

15. The Provincial Government may, by notification in the Official Gazette, appoint in any district or portion of a district any person other than the Collector of the district, to exercise all or any of the powers or to perform all or any of the duties conferred or imposed by this Act on a Collector, subject to such control and direction, if any, in addition to the control and direction of the Provincial Government and of the Commissioner, as the Provincial Government may from time to time direct.

16. The Provincial Government, or subject to their general or special orders, the Commissioner, may appoint any person, by name or by virtue of his office, to be a Tobacco Officer and assign to him such powers and duties under this Act as the Provincial Government or the Commissioner may think fit.

17. (1) A Collector, a Tobacco Officer specially empowered in this behalf, or a Magistrate, may issue a warrant for the arrest of any person whom he has reason to believe to have committed an offence against this Act.

(2) All warrants issued under sub-section (1) shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1898, by a Police officer, or by a Tobacco Officer specially empowered in this behalf, or if the officer issuing the warrant deems fit, by any other person.

18. A Collector, or a Tobacco Officer specially empowered in this behalf, may—

(a) enter and search any place in which he has reason to believe that any tobacco liable to confiscation under this Act is kept or concealed;

(b) seize any tobacco or any other article which he has reason to believe is liable to confiscation under this Act; and

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- (c) detain, search and arrest any person whom he has reason to believe to be guilty of any offence against this Act.

Procedure
for arrest
without
warrant.

19. The provisions of section 61 of the Code of Criminal Procedure, 1898, shall apply to all arrests without warrant made under section 18.

Duty of
officers to
report offences,
etc.

20. Every officer employed by the Provincial Government or by any local body shall be bound—

- (a) to give immediate information at the nearest police station, or if so required by any general or special order issued by the Provincial Government to the nearest Tobacco Officer empowered in this behalf, of any breach of any of the provisions of this Act, or of the intention or preparation to commit any such breach, which may come to his knowledge;
- (b) to take all reasonable measures in his power to prevent the commission of any such breach which he may know or have reason to believe is about or likely to be committed; and
- (c) to assist any Tobacco Officer in carrying out the provisions of this Act.

Tobacco
Officer to
have powers
of investigation.

21. (1) Every Tobacco Officer empowered in this behalf shall, within the area for which he is appointed, have power to investigate all offences against this Act.

(2) Every such officer shall in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer in charge of a police station for the investigation of cognizable offence:

Provided that—

- (a) if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to the Collector; and

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- (b) the powers of such officer shall be subject to such further modifications and restrictions as the Provincial Government may determine.

22. (1) All offences against this Act shall be bailable. Offences to be bailable.

(2) Any Tobacco Officer empowered under section 21 shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1898, to any person arrested without warrant for an offence against this Act.

V of 1818.

23. When anything has been seized by a Tobacco Officer exercising powers under section 21, such officer, after such inquiry as he considers necessary—

- (a) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken;
- (b) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the seizure to the Collector; and
- (c) if no offence appears to have been committed, shall return the thing to the person from whose possession it was taken and make a report to the Collector.

24. Any person who—

Penalties.

- (a) in contravention of this Act or of any rule or order made thereunder or of any terms or conditions of a licence, sells, exposes for sale, or keeps, any tobacco or carries on business as a wholesale dealer, manufacturer, broker or commission agent, or
- (b) fails to keep books of account as required by clause (a) of sub-section (1) of section 12, or
- (c) fails to submit any return as required by clause (b) of sub-section (1) of section 12, or submits an incorrect or incomplete return, or

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(d) fails to pay within the time allowed, or fraudulently evades the payment of, any tax, fee or other sum due from him to the Provincial Government, or

(e) acts in contravention of any of the provisions of this Act or of any rule, notification or order or of any terms or conditions of a licence made, issued or granted thereunder,

shall, on conviction by a Magistrate, be liable to a fine which may extend to one thousand rupees and where the breach is a continuing one, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues. Such person shall also be liable to pay any tax or fee which he would have had to pay if he had conformed to the provisions of this Act. The amount of such tax or fee or both, as the case may be, shall be determined by the Magistrate and shall be recoverable as if it were a fine.

Punishment
for obstruct-
ing officers
in the per-
formance of
duties.

25. Whoever intentionally obstructs a Tobacco Officer in the exercise of any powers conferred or the performance of any duties imposed on him by this Act shall, on conviction by a Magistrate, be liable to imprisonment which may extend to three months, or to fine which may extend to five hundred rupees or to both.

Confiscation.

26. Whenever an offence against this Act has been committed, all tobacco in respect of which such offence has been committed and every box, receptacle, package, or covering in which such tobacco is contained and all other contents of such box, receptacle, package or covering, shall be liable to confiscation.

Procedure in
confiscation.

27. (1) When in any case tried by a Magistrate, the Magistrate decides that anything is liable to confiscation under section 26, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner an option to pay such fine as the Magistrate deems fit in lieu of confiscation.

(2) When an offence against this Act has been committed but the offender is not known or cannot be found, or when anything liable to confiscation under

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this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be inquired into and determined by a Tobacco Officer who may order confiscation:

Provided that no such order shall be made until the expiration of one month from the date of seizure of the things intended to be confiscated or without hearing the persons, if any, claiming any right thereto and the evidence, if any, which they produce in support of their claims.

28. (1) (a) A Collector, or a Tobacco Officer specially empowered in this behalf, may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(i) where the offence consists of a sale of tobacco in contravention of this Act or of the failure to pay or the evasion of any tax, fee or sum payable under this Act, in addition to the tax, fee or sum recoverable from him, a sum of money not exceeding five hundred rupees or double the amount of the tax, fee or sum recoverable from him whichever is greater, and

(ii) in other cases, a sum of money not exceeding five hundred rupees.

(b) On the payment of such sum of money and the tax, fee or sum, if any, recoverable under this Act, to the officer mentioned in clause (a), the accused person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

(2) A Collector, or a Tobacco Officer specially empowered in this behalf, may accept by way of composition, from any person whose licence is liable to be cancelled or suspended under this Act, a sum of money not exceeding five hundred rupees in lieu of such cancellation or suspension.

29. (1) No Magistrate shall take cognizance of any offence against this Act—

(i) except upon the complaint or report of a Collector, or a Tobacco Officer or of an Excise, Prohibition, or Police Officer, or

Power to
compound
offences, etc.

Cognizance
of offences.

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(ii) except upon his own knowledge or suspicion.

(2) Except with the sanction of the Provincial Government, no Magistrate shall take cognizance of any offence against this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed:

Provided that nothing contained in this subsection shall apply to any case governed by section 31.

Bar of
certain
proceedings.

30. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Provincial Government, for any act done or purporting to be done under this Act, without the previous sanction of the Provincial Government.

(2) No officer or servant of the Provincial Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitation
for certain
suits and
prosecu-
tions.

31. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Provincial Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

Power to
make rules.

32. (1) The Provincial Government may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) all matters expressly required or allowed by this Act to be prescribed;
- (b) the regulation of the sale, custody and transport of tobacco, or of any form of tobacco, for the purpose of enforcing the provisions of this Act;
- (c) the cases or classes of cases in which and the authorities to whom appeals shall lie from orders (not being orders passed by any Court or Magistrate) whether original or appellate, passed under this Act or under

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any rule made thereunder, the authorities by whom such orders may be revised, the time within which and the manner in which appeals may be presented and the procedure for dealing with such appeals;

(d) the disposal of articles confiscated and of the proceeds thereof;

(e) the powers and duties which may be exercised and performed by Tobacco Officers and the procedure to be followed by them;

(f) the delegation of powers conferred by this Act; and

(g) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof, be subject to the condition of the rules being made after previous publication for a period of not less than one month.

33. If any difficulty arises in giving effect to the provisions of this Act or the rules made thereunder, the Provincial Government may, as occasion may arise, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

Power to
remove diffi-
culties.

THE MADRAS LEGISLATIVE COUNCIL.

Saturday, 13th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Measures for popularizing quinine sulphate, cinchona and totaquina.

* 264 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Public Health be pleased to state—

(a) what measures are adopted to popularize quinine sulphate, cinchona febrifuge and totaquina; and

(b) whether the Government have decided to reduce the price of quinine tablets sold to the public?

THE HON. DR. T. S. S. RAJAN:—“(a) The following measures are adopted:—

- (i) Talks with villagers explaining the usefulness of quinine in curing malaria and removing the impression that quinine produces evil effects.
- (ii) Lectures on malaria during tours of the health staff.
- (iii) Magic lantern lectures on malaria.
- (iv) Exhibition of posters in prominent places.
- (v) Distribution of hand bills on malaria, mosquitoes and quinine.
- (vi) Publishing by beat of drum the information that quinine is available with village munsifs free of cost and in post offices for sale.
- (vii) Propaganda by teachers in schools.

“(b) Quinine sulphate tablets are now being sold at Rs. 17 per lb. as against Rs. 19 per lb. previously. No reduction in the present rate is proposed.”

MR. J. A. SALDANHA:—“Sir, having regard to the fact that the cinchona plantations on the Anamalais and the Nilgiris work at a profit of a lakh of rupees, may I enquire whether the Government will not see their way to reduce the price of quinine sold in the post offices?”

THE HON. DR. T. S. S. RAJAN:—“If the hon. Member has followed the answer to clause (b) he would have found that we have reduced the price by two rupees a pound.”

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MR. J. A. SALDANHA :—“ May I know the price per packet? I think there are two packets, one packet of 10 tablets and one packet of 20 tablets.”

MR. PRESIDENT :—“ It is not a supplementary question arising out of the answer given.”

THE HON. DR. T. S. S. RAJAN :—“ We have given the price per pound and it is only a question of arithmetic to find out the price per packet. If the hon. Member wants it, we will work it out for him and give him the information some time hence.”

MR. J. A. SALDANHA :—“ May I ask when this reduction was made?”

THE HON. DR. T. S. S. RAJAN :—“ I can assure the hon. Member positively that we have reduced the rate by Rs. 2 per pound. That is all the information I can give. If he wants more information, I would like to have some notice.”

Grants for European and Indian orphans.

* 265 Q.—MR. J. A. SALDANHA : Will the Hon. the Minister for Education be pleased to refer to that portion of my speeches on the Budget Estimates for 1938–39 and 1939–40 which deals with the grants to European and Indian boarding houses and orphanages and the reply of the Hon. the Prime Minister at the close of the discussion of the Budget for 1938–39 and to state—

(a) at what rate for each on the average the European and Indian orphans received grants in 1938–39 and are to receive in 1939–40; and

(b) what action Government propose to take in order to remove the grievance on the part of Indian institutions complained of?

THE HON. SRI C. J. VARKEY :—“ (a) Particulars have been called for.

“ (b) The question is under consideration.”

Alleged suspension of the Headmaster, Board Boys' School, Panchanathikulam, Tiruturaipundi taluk.

* 266 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR : With reference to the answer given to starred question No. 198, put at the meeting of the Council on the 21st March 1939, regarding the suspension of the Headmaster, Board Boys' School, Panchanathikulam, Tiruturaipundi taluk, will the Hon. the Minister for Education be pleased to state—

(a) whether the report called for has been received; and

(b) if so, whether it will be placed on the table?

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THE HON. SRI C. J. VARKEY :—“ (a) The answer is in the affirmative.

“ (b) The Government do not consider it proper to place the report on the table.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ May I ask whether this teacher was dismissed by telegram?”

THE HON. SRI C. J. VARKEY :—“ Yes, Sir.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ May I know the reason, Sir?”

THE HON. SRI C. J. VARKEY :—“ The President thought it proper to communicate his order by telegram.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ What are the reasons for which he was suspended?”

THE HON. SRI C. J. VARKEY :—“ He was interfering in the political affairs of the place.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ Was he not restored immediately after the election?”

THE HON. SRI C. J. VARKEY :—“ He could not be permanently debarred from service. His action was condoned.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ Was an enquiry made, Sir?”

THE HON. SRI C. J. VARKEY :—“ Yes, there was an enquiry.”

Allotments for sinking wells for supplying drinking water.

* 267 Q.—SRI B. BHEEMA RAO : Will the Hon. the Minister for Public Health be pleased to state—

(a) the amount allotted to each district of the Presidency for the sinking of wells for supply of drinking water during the year ending with 31st March 1939; and

(b) the number of wells sunk in each district and the amounts spent therefor?

THE HON. DR. T. S. S. RAJAN :—“ (a) A statement^a is placed on the table.

“ (b) The information has been called for.”

SRI B. BHEEMA RAO :—“ May I ask on what basis these allotments are made?”

THE HON. DR. T. S. S. RAJAN :—“ They are based on the requirements of each district as submitted by the Collector of the district in consultation with the Health Officer and the President of the District Board.”

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SRI P. PEDDI RAJU:—" May I ask whether Tanjore and Trichinopoly districts are not delta districts and why they are given more money than other districts? "

THE HON. DR. T. S. S. RAJAN:—" Because they had not the benefit of the scheme in the previous year."

SRI D. MANJAYYA HEGDE:—" Sir, may I know the reason why South Kanara is given a very small amount—only Rs. 8,000? We feel the necessity for water during the hot season in some parts of the district. At Puttoor people are badly hit by the drought. For wells, etc., we require funds. The Collector says in the periodical conference that there is no fund available."

THE HON. DR. T. S. S. RAJAN:—" It is not a question of division of money. It is a question of water-supply. When once the money is earmarked, it is distributed to the various districts according to the requirements of the districts as estimated by the Collector of the district. And if the Collector of South Kanara has given a certain estimate, the necessary amount is given to him. It is not as if the money should be equally divided among the 24 districts. That is not the purpose. The purpose is that all districts which want water-supply should submit proposals and they will be sanctioned in the order of priority and according to necessity. If certain districts want water very badly they will be supplied first and bigger allotments will be made to them. The whole question is not one of arithmetic as much as the necessity of each district."

MR. J. A. SALDANHA:—" Having regard to the fact that South Kanara has got only Rs. 8,000, while other districts have got much more, does it not show that the Collector has been very negligent of the requirements of the district? If so, who is to judge with regard to the necessity of the district for water-supply? "

THE HON. DR. T. S. S. RAJAN:—" The question whether the District Magistrate has been negligent or not does not arise out of the figures supplied in the list."

Postponement of the 1939 elections to the Council of the Corporation of Madras.

* 268 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is a fact that the Corporation of Madras has suggested the postponement of the annual elections which fall due this year to that body; and

(b) if so, what the Government propose to do?

THE HON. SRI B. GOPALA REDDI:—" (a) The Corporation has not suggested that this year's elections should be postponed. The proposal received from the Corporation is that

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the Madras City Municipal Act, 1919, should be amended so as to provide for simultaneous elections to all the divisions of the City once in three years with effect from 1941.

" (b) The Corporation's proposal is under consideration."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I ask whether there is any proposal to postpone the elections? "

THE HON. SRI B. GOPALA REDDI:—" The whole question is under consideration."

Appointment of Mr. N. Ranga Reddi to the Road Traffic Board of Cuddapah in the place of Mr. K. Narayanaswami, President, Land Mortgage Bank, Cuddapah.

* 269 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Law be pleased to state—

(a) whether it is a fact that one K. Narayanaswami, M.A., B.L., President of the Land Mortgage Bank, Cuddapah, was appointed to the Road Traffic Board of Cuddapah district and whether that order was subsequently cancelled substituting Mr. N. Ranga Reddi, M.L.A., to that place; and

(b) if so, what the reasons are for the same?

THE HON. DR. P. SUBBARAYAN:—" (a) The answer is in the affirmative.

" (b) The Government are not prepared to discuss the reasons."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I know what the reasons are, Sir? "

THE HON. DR. P. SUBBARAYAN:—" I have already stated that we are not prepared to discuss the reasons."

Alleged refusal to constitute a panchayat for Serukalathur village, Mannargudi taluk.

* 270 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether the Inspector of Municipal Councils and Local Boards refused to accord sanction for constituting a panchayat for Serukalathur village, Mannargudi taluk, Tanjore district;

(b) if so, what the reasons for the same are;

(c) what the population of the village is; and

(d) what the total amount of cess collected in that village is as per the provisions of the Local Boards Act?

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THE HON. SRI T. PRAKASAM:—“(a) The answer is in the affirmative.

“(b) & (c) Pending the formulation of a scheme designed to give effect to Government's policy of assigning all available land to the landless poor, the Government desire to retain control of all substantial areas of assignable land. The assignment of large blocks of land at the present time might defeat their intention even though individual assignees might not get more than 5 acres.

“(d) The Government as a special case relaxed the general prohibition against assignment in the case of the ex-toddy tappers of Salem as they had lost their employment owing to the introduction of prohibition into that district. No relaxation is known to have been made in the Nellore district.

“(e) The matter is under the consideration of the Government.”

Government's policy regarding Land Colonization schemes.

* 274 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: Will the Hon. the Minister for Revenue be pleased to state—

(a) what the policy of Government is in regard to Land Colonization schemes generally and as regards depressed classes in particular;

(b) what the present rules are as regards assignments of lands, generally and as regards depressed classes in particular;

(c) whether Government propose to modify such rules and if so, how and when;

(d) whether the Government are aware of the resolutions and proposals of the Agricultural Sub-Committee of the Economic Council and what steps have been or are proposed to be taken to give effect to them and when; and

(e) what the area available in each district is for purposes of assignment generally and to depressed classes in particular and in what taluks of each district?

THE HON. SRI T. PRAKASAM:—“(a) The policy of the Government is to assign all available land to the landless poor, including members of the Scheduled Classes and the suitability of colonization schemes for carrying out their policy is under consideration.

“(b) The attention of the hon. Member is invited to Board's Standing Order No. 15. Paragraph 38 of that Standing Order contains the special rules applicable in the case of assignments to members of the scheduled classes.

“(c) The rules will be modified in such way as may be required when Government finally formulate the details of their policy referred to in the answer to (a).

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“(d) The proposals of the Sub-Committee are under consideration.

“(e) A statement^a showing the extent of dry and wet lands available for assignment in each taluk of the several districts of the Province, is appended to this answer. Regarding the extents of land reserved for assignment to members of the Scheduled Classes, the only information available is that contained in statement VI of the Appendix to the Administration Report of the Labour Department for the year 1937-38, which has been published.”

SRI B. NARAYANASWAMI NAYUDU:—“The extent of the lands is not placed on the table of the House.”

THE HON. SRI T. PRAKASAM:—“The statement has been supplied to hon. Members. Perhaps the hon. Member has not got a copy.”

Grant of land for colonies and settlements for depressed classes.

* 275 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: Will the Hon. the Minister for Revenue be pleased to state—

(a) in what all cases throughout the Presidency were applications received by Government for grant of land for colonies and settlements for depressed classes;

(b) in what cases were the applications granted and in whose favour;

(c) whether all such settlements were completed and if so, by which persons;

(d) whether Government were satisfied with the conduct and management of such settlements and their completion and if they were checked or inspected and if so, with what results;

(e) whether in each case any moneys were received from the depressed classes in connexion with such settlements and if so, by whom and for what purposes and if such purposes were effected; and

(f) whether proper accounts have been maintained in respect of the formation and management of such settlements and if such accounts have been duly audited and what the results of such audits are?

THE HON. SRI T. PRAKASAM:—“(a) The collection of the information required in this clause would involve an expenditure of time and labour incommensurate with the object desired.

“(b) No assignments have been ordered in recent years in favour of colonies and settlements of members of the depressed classes. The Government have stopped the assignment of large blocks of land pending the formulation of their policy in the matter.

“(c) to (f) The questions do not arise.”

^a Printed as Appendix II on pages 226-232 infra.

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THE HON. SRI B. GOPALA REDDI:—“(a) The answer is in the affirmative.

“(b) The population of the village is less than 1,000, the limit prescribed by Government.

“(c) 683.

“(d) About Rs. 600.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Will the Government issue instructions to the Inspector to form pan-chayats where there is demand even though the population is less?”

THE HON. SRI B. GOPALA REDDI:—“We are not prepared to issue such instructions.”

Land revenue policy of the Government.

* 271 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Government have since come to any conclusion with regard to the land revenue policy; and

(b) if so, what it is?

THE HON. SRI T. PRAKASAM:—“(a) & (b) The Government have not yet reached a final decision in the matter.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I ask how long it will take?”

THE HON. SRI T. PRAKASAM:—“It will not be very long, I think. The substantial part of it is finished. I believe they are examining questions relating to water-rate and reclassification, etc.”

SRI A. RANGASWAMI AYYANGAR:—“May I ask whether the Government will think it fit to postpone the formulation of the land revenue policy till the effect of the various taxes is known?”

THE HON. SRI T. PRAKASAM:—“No such thing will be done.”

MR. J. A. SALDANHA:—“May I know what the Government are going to do with the Zamindari Bill which is connected with the land revenue policy of the Government?”

MR. PRESIDENT:—“I do not think it has anything to do with this.”

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Allotment of time for discussing the Government Order regarding private practice by Government medical practitioners.

* 272 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Public Health be pleased to state whether an opportunity will be given to this House to discuss the Government Order recently passed in the matter of private practice by Government doctors?

THE HON. DR. T. S. S. RAJAN:—“The Government do not propose to table a motion in this matter.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I ask whether the Hon. the Minister is aware that the recent Government Order will effectively shut out medical assistance to people who have not got confidence in the private practitioner in places where there are only one Government doctor and one private doctor?”

THE HON. DR. T. S. S. RAJAN:—“The Government have considered the various issues arising from the Order. If the hon. Gentleman has perused the order he would have found that special provision is made in the order for difficulties of an unexpected nature.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“I have perused the order, Sir. May I ask who is to decide the urgency?”

THE HON. DR. T. S. S. RAJAN:—“We certainly cannot allow anybody and everybody to decide the question of policy and urgency. According to the Government Order, the Medical Officer will decide what constitutes an emergency and will take particular care about it.”

Rule regarding assignment of lands for villagers.

* 273 Q.—SRI DIWAN BAHADUR R. SRINIVASAN: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the rule that assignment should not exceed 5 acres is still in force;

(b) whether such rule is proposed to be modified and if so, how and when;

(c) whether such rule is applicable where applications are made by large body of villagers (landless) each villager applying for less than 5 acres though the total area applied for by all the villagers will exceed 5 acres;

(d) if such rule exists, in what circumstances was land over 5 acres assigned to toddy-tappers in Salem, and other places such as Nellore; and

(e) whether Government are aware that orders were passed by the authorities for assignment of land less than 5 acres to each applicant in the hamlets of Maduraikeelpakkam and Peria Nemmeli of Chingleput taluk, and if so, why the assignment has not been completed in favour of such applicants?

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[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—THE MADRAS TOBACCO (TAXATION OF SALES AND LICENSING)
BILL, 1939 (L.A. BILL NO. 10 OF 1939) AS PASSED BY THE
ASSEMBLY—cont.

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—“ Mr. President, I was one of those who voted for and supported the Prohibition Bill passed in this House some time ago. I did so because the Prohibition policy of the Government is intended to uplift the poor people who are addicted to this evil habit and also because the prohibition policy of the Government is in accordance with the dictates of my religion. Prohibition means loss of Excise revenue to the extent of Rs. 4 crores. If we want Prohibition to be successful, we should do something to assist the Government in finding fresh sources of revenue. Only then Prohibition will have a reasonable chance of success. I therefore think there is no other alternative for me than to agree to this taxation measure. As these taxation measures go to help Prohibition I vote for them because it satisfies my Islamic conscience.”

DR. SIR K. V. REDDI NAYUDU:—“ Mr. President, on the principle enunciated just now by an hon. Member of this House and as one who is opposed to Prohibition from the beginning, I regret to say that I do not feel that I am bound to accept this measure of taxation in order to fill the deep pit caused by Prohibition. As one who claims to be reasonable in his own way, I am not opposed to all proposals for taxation. So far as the present Bill is concerned, though I was one of those who was in a way responsible for the dropping of the previous Bill in 1936, provided the necessary amendments are made to this Bill, it is capable of being accepted in principle. To make matters clear, let me say at once that I do not oppose taxation on tobacco. I feel and I must say that the present Bill must have been drafted in haste without sufficient knowledge, experience and intimate touch either with producers, production, consumers or with trade. To begin with, Mr. President, let me refer to one matter in which I am deeply interested. This Bill, Sir, will affect what I may call ‘my districts.’ East Godavari, West Godavari, Kistna and Guntur districts are the most affected by this Bill. We are not aware and the Government have not been pleased to place on the table of the House what exactly the extent and area of cultivation in tobacco are. It would be rather difficult to guess. But as one who has had some experience of the various districts in the Province—I am subject to correction—I believe that out of 250,000 or 260,000 acres of land on which tobacco is grown, more than 200,000 acres are in the districts that I have mentioned in the Northern Circars. South Kanara and Malabar do not produce any tobacco worth mentioning, though no doubt in Kasargod and Wynaad taluks, some little tobacco is grown. In Tinnevely no tobacco worth the

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name is grown. In a few places like Ramnad, Dindigul, Sattur, etc., some little quantity is grown. If I may venture to estimate I may say that not more than an extent of 60,000 or 70,000 acres is under tobacco cultivation in those places. Therefore Sir, it is the Telugu districts, the Andhra districts, that are most affected by the Bill. Hence the interest we have got in this Bill and in its provisions. A little while ago I stated that the people who have drafted this Bill do not seem to have any touch with the people who are really engaged in the trade. I refer to clause 4. You find Sir, that manufactured tobacco bears a tax of Rs. 6 if the turnover does not exceed Rs. 200. So far as the leaf is concerned, there is no tax on it. If I understood the Hon. the Prime Minister correctly yesterday, there will not be even licensing in the case of leaf-vendors on a small scale. But what is a large scale and what is a small scale are not defined in the Bill. On a reading, on a careful reading, of the Bill, I see that small retail dealers in the villages are not excluded from the necessity of obtaining licences though no fee need be paid by them. That is the first point that I would like to put before the House.

“ A distinction seems to have been made between the Telugu country and the Tamil country in this matter. It may not be intended but it is there. I shall show presently how it is. In the south, Sir, people chew tobacco. What the poor in the north do is, they smoke; they smoke cheroots. In the south, a man goes to the little shopkeeper and purchases half an anna worth of tobacco leaf. The small shopkeeper is not taxed; he need not pay any licence fee. But he has got a trouble to which I shall presently refer. Under clause 12 of the Bill he has got to engage a man, because very often these little vendors are not literate; they will have to engage some person who is able to write and pay him Rs. 2 or 3 every month for writing up the accounts. I shall refer to this in detail later on. In the north they smoke cheroots. The man takes half an anna to the village shopkeeper, tobacco-seller and buys 6 or 7 cheroots which will serve him for 2 or 3 days. Even this cheroot which is sold, is manufactured tobacco under the Bill. ‘Cheroot’ comes under manufactured tobacco according to the definition in the Bill. Therefore the small shopkeeper is liable to this tax. He is bound to take a licence; he is also bound to keep accounts. I submit this distinction or discrimination whether it is intended or not, is there; it is unjust and must be removed. After all, he is a small shopkeeper and he is liable to pay this tax of 3 per cent or Rs. 6 on Rs. 200 worth of sales. Well, Sir, I can assure the House on my experience that no vendor of tobacco cheroots is able to make a profit of more than 2 annas in the rupee. He very rarely sells Rs. 2 worth of tobacco; very often he is able to sell only Re. 1 or half a rupee worth of tobacco for a day. He will be able to make a profit of 2 annas in the rupee. He has got perhaps

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to pay house rent for a small godown to the extent of Rs. 2. I know these persons are mostly illiterate. On the top of it all, they have to keep accounts. You have got all these inquisitorial provisions whereby any officer can inspect the premises. The Government may employ even non-officials who are not Government servants. I beg to submit, Sir, it will be a great hardship to the people, to the small vendors. I do not see any reason why the privilege that is extended to the leaf-sellers in the south should not be extended to the sellers of cheroots in the north. I am not speaking of cigarettes. . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member is committing a mistake, intentionally I think, when he says definitely in the last sentence, the Bill proposes to exempt wholesale leaf-sellers in the south. He knows perfectly well that wholesale leaf-sellers are not exempted, whether they are in the north or south, east or west. There are plenty of leaf-sellers, more leaf-sellers in the Telugu districts than in the south."

DR. SIR K. V. REDDI NAYUDU:—"I should consider the Hon. Premier's intervention is absolutely unwarranted. I am prepared to prove to the hilt that we in the north do not chew tobacco leaf and the sale of leaf is very much less in the north than in the south. . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Did not the hon. Member say that wholesale leaf-sellers in the south are exempted? It is to that I object; I did not refer to chewing at all."

11-30 a.m. DR. SIR K. V. REDDI NAYUDU:—"My hon. Friend knows that chewing is going on in the south more than in the north. It is very rarely done in the north. In the north they purchase cheroots made of the tobacco leaf. Even the smallest vendor makes cheroots. Even women are employed in making cheroots. The Hon. Minister is making a distinction without any difference. We are not playing upon words here. Here we state difficulties which the people will undergo, if the Bill becomes law. Well, Mr. President, I submit that I am certain, and I have no doubts in my mind when I say that leaf, as such, is not sold by these small vendors. It is another matter if leaf is sold enormously to be exported to other countries. I was speaking only of small vendors; I do not know how the confusion has arisen."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Excuse me, Sir; it is the small vendors that sell to the exporters and they are the most important part of the trade in the northern districts."

DR. SIR K. V. REDDI NAYUDU:—"Let me beg to differ from the Hon. the Prime Minister in every word that he has said. I know my district, and I know it thoroughly. It is on the large

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exports that are made to Burma and other countries that they make any money at all. For the rest of it, the retail dealers only deal"

THE HON. SRI C. RAJAGOPALACHARIAR:—"At the risk of being considered to be too much interfering—which is not my intention—surely the hon. Member is mistaking me. The large exporter has to buy from numerous small vendors."

DR. SIR K. V. REDDI NAYUDU:—"Even there, I beg to differ from him. I have known cases in which my friend will bear me out. In the Guntur district, there are ryots who produce and sell lakhs and lakhs of rupees worth of tobacco to the Imperial Tobacco Company; and to tell me in this House that in the north it is the small vendors that sell, with great respect to the Hon. the Prime Minister, I must beg to differ from him. And that is why I have said that this Bill bears marks of want of experience of the northern parts."

"Well, Sir, let us proceed to the other matters. Now, Sir, I was speaking mainly of the small vendors in the villages. There are two kinds of vendors. There are men who purchase a maund of tobacco from a retail dealer, put in their baskets one or two vissees, go to the nearest fairs—and there are days of fair almost every week in one village or another—and sell the one or two vissees. I suppose he purchases the article for 12 annas or 14 annas at the most and sells it for a rupee, thus making a profit of 2 annas out of it, if he is really fortunate enough to sell the whole of it, although that is very rare. So, so far as they are concerned, there is no tax for them. But I take it that the Hon. Minister was telling us that the big dealers in leaf alone will be required to hold a licence. I am afraid that the wording of the Bill is such—unless I am corrected, and I am open to correction—that even in the case of the smallest seller of leaf, a vendor will have to register himself as a licensee, though of course no fee is levied from him. And if that is the case, section 12 operates. Section 12 says:

"Every licensee under this Act shall, in respect of each licence held by him—

(a) keep such books of account and in such form as may be prescribed. . . ."

Whereas, Sir, the kind of people I have been speaking of, men who purchase a rupee's worth of tobacco in retail in the small shops, go to the fairs, sell it and after all the trouble of the day, get 2 annas; how can such people keep accounts? They are the most illiterate people—90 per cent of these people who sell tobacco in the fairs and markets, are illiterate. How can we expect such people to engage a clerk? And can a clerk be had for less than say Rs. 5, or Rs. 3 a month? Are such people in a position to afford it? What I submit to the Hon. the Minister is this:

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You put a limit beyond which alone a licence ought to be necessary and below which a licence is dispensed with. Because, when once a man becomes a licensee, his liability to render accounts under section 12 will be there. It is only for that purpose that I am trying my level best to explain to the House and to the Hon. the Minister the nature of the hardship that would be caused to the small fellows. Sir, in season and out of season, from the platform and from the responsible place in this House, Hon. Ministers have told us that they have been working hard to raise the standard of living of the poorer sections of the people, and they are never tired of saying it. In fairness, I ask, 'Will this little tax, this licensing rule and this liability to keep accounts, add to the comforts, to the income, of the people? Or will it add to their troubles?' I beg to submit, Sir, that according to their own possessions, the Government ought to exempt these people in the lower rungs of society who live from hand to mouth, whose income is only 6 annas to 8 annas per day, who make just 2 annas a day by the sale of tobacco in fairs and markets. I beg to submit that unless these people are exempted, the Bill cannot be accepted as it is.

"Now, Sir, a word about the tobacco leaf and the effect of exempting it from taxation. I know, Sir, that after the Imperial Tobacco Company came into existence, the price of tobacco has arisen. The people of my districts are greatly indebted to that company, the members of which have invested millions of rupees and are responsible to-day for the rise in the price of tobacco; notwithstanding that the company agents do not come to the ryots, the correct price which they would be entitled to get, is being maintained. Sir, tobacco which sold at Rs. 15 and Rs. 17 a putta formerly is now selling at Rs. 35 or Rs. 40 and even Rs. 50; and despite the fact that it is a foreign company, I think the country is under a deep debt of gratitude to them, because tobacco is being sold now very well. No doubt there were three or four kinds of tobacco grown in these districts; for instance, in the lankas, or islands, the lanka tobacco was grown which used to be largely exported to Burma; cheroots were made there and perhaps they were even sent back to India for sale. There is also the *patty* tobacco, that is, tobacco produced by irrigation by drawing water from the wells. Then there is what is known as *garappa* tobacco, that is, tobacco grown on sandy soils. This kind of tobacco is largely to be had in the Guntur district where people are largely benefited by the advent of the Imperial Tobacco Company. Now, Sir, I am mentioning these facts with a view to show what effect this Bill and this taxation will have on the tobacco trade. Formerly, in my younger days, I know millions of rupees worth of tobacco used to go to Burma. Owing to various reasons, that trade has been falling; but the people do not suffer

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on that account, because there are other ways in which the tobacco could be used and could be sent to other countries; and so, naturally, the trade has not suffered. Why I am saying all these things is this: if there is no tax upon the leaf at all, two consequences will follow. One is a large export to Burma and other countries. There is nothing wrong so far as producers are concerned, who will get their prices alright, but trade will immensely fall. To-day a large quantity of tobacco is produced in the Kistna and Guntur districts and I may inform the House that during the last five or six years, the habit of producing tobacco in Guntur has extended to the Kistna and the Godavari districts. In the Godavari district, we used to produce only lanka tobacco, but in the lankas, I have discovered other varieties growing on the lands opposite to Kotapalle, and these lankas have taken to other kinds of tobacco like *barans* which are useful for cigarette making. That is why they go in for *barans*. They have followed it in the Guntur district, and it has come to the Kistna district quite recently. The result of this Bill will be that though tobacco is manufactured in this country, i.e., though cheroots and cigars are manufactured here, there will be no attempt to purchase tobacco from the producers. As a matter of fact, take the case of snuff. Unless I am greatly mistaken, several lakhs of rupees worth of snuff is being produced in the Madras Presidency, of which Rs. 50 lakhs worth is being exported from one company in Madras. I think there are three shops, one in Angappa Naicken street, another in Govindappa Naicken street and there is a third in the Kothaval chavadi. These three places alone export about Rs. 12 lakhs worth of tobacco to Cochin. And Cochin has got a monopoly for tobacco. The result is this: Rs. 12 lakhs has gone down to Rs. 6 lakhs within the last one or two years. On account of monopoly in that place, people are smuggling tobacco from here and are powdering snuff themselves. Several tobacco merchants with whom I am personally acquainted, have admitted to me that their trade is falling on account of what is happening in Cochin.

"So, Sir, how far the tobacco trade will be affected in this Province when this Act comes into force is a matter for consideration. I submit that trade is bound to fall; and if the Government are making conclusions based on the present quantity produced, I am afraid they will be mistaken; because, as soon as this Act comes into force, there is every danger of the trade falling. I know merchants who are ready and willing to go to the southern part of the Bengal Presidency, the south-eastern portion adjoining Orissa, where there is no tax of any kind; they were giving me figures to show that after taking all the expenses from Madras and Vizagapatam to the south-eastern portion of Bengal and after making the necessary calculations, they could make a much

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larger profit there than they could do here if this Act is passed. Sir, I think they have also presented a petition to the Hon. the Prime Minister, in which the facts are stated. These things are drawn not out of my imagination, but are contained there in a paper; and I have gathered some of these things from personal conversations which I have had with some of these merchants. Even in this country, what happens to-day is this: a man purchases half an anna worth of snuff. He takes two or three pinches of snuff and throws the rest away, because human nature is such. What will he do after this Bill becomes law? He will purchase a quarter anna or half an anna worth of tobacco, take the shell of a coconut, put a little chunam and little ghee, grind it and get his snuff. So, Sir, afraid of the increase in prices, a man is bound to resort to such things, which means trade must necessarily fall. It is of course open to the Government to say that the consumer is not affected thereby; I agree; but the trade as such is bound to suffer. Not only that; when the trade suffers, the turnover tax which the Government expect will also be affected not only in respect of this measure, but also under the General Sales Tax Act, though of course we have not been told that under that measure this leaf tobacco which is now exempted from taxation under the present Bill will also be exempted. We shall be very thankful to the Government if they will also exempt sale of leaf tobacco even from the General Sales Tax. This however is a matter we will be entitled to ask when the other Bill comes.

“After all, Sir, what is the justification for leaving off these wholesale dealers in leaf from this taxation? If it is the principle on which they have always stood, namely, a fair distribution of tax according to the capacity to pay and thereby relieving the poorer classes from the taxes which they are now paying and imposing a tax upon the people who are rich enough and who look upon smoking as a luxury, there is nothing wrong, so far as I could see; and I agree with the Government when they say that the richer classes should pay more. But, here we find that any amount of sales in leaf will not be taxed. May I ask, why? Why should they not be taxed? As a matter of fact it is the big dealers who deal in these large consignments and tons and tons of tobacco which they not only manufacture in this country but also export to Europe, England in particular, where they are converted into cigarettes; and they again come back just as cotton goods and we pay for all the expenses of their going to England, Germany and other places and coming back as finished products, about which our friends were always telling us very correctly. Will that not apply to this tax? And if that applies, would it not be possible for them to exempt these lower classes from the necessity of paying this tax?

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“Now, Sir, having said all these things, I have only one word more to say, and that is about section 12. Sir, that is an inquisitorial section and the provisions of that section are very difficult to be followed, for there will always be some agent or other person to sell tobacco. Tobacco trade is peculiar and it is not like the trade in cotton goods where a person can take 500 pieces of cloth and after selling a certain portion of it, can come in the evening and say how much he has sold. Tobacco trade is peculiar, because tobacco is subject to diminution, of course not on account of the fault of anybody. If you just sprinkle water over it to keep it in temper, before the evening the water evaporates and what was one maund before may come down to six visses. Are we to suppose that the clerk has wrongly sold and never told his master about it? Or, are we to suppose that this is due to reduction in weight? And what is the penalty for this? It is the cancellation of the licence, which might mean any amount of loss. One can understand a fine or some such punishment being imposed for any *mala fides* on the part of the dealer. What does cancellation of licence mean? It means that until he gets back the licence, his trade will have to stop and the money that he will get by his business will not be had and he will be put to a lot of inconvenience. I think it is absolutely necessary that the provision in section 12 which makes the master liable—though ordinarily I agree that the master is liable to the acts of the agents—for the acts of his agent or clerk, should be taken away, for this is a peculiar trade, a trade in which it is impossible to find out how the shortage has come in the goods in respect of the weight and whether it is due to evaporation or for other causes. Even in the matter of snuff, if you put one pound of snuff in a box, even if you keep it hermetically sealed, and if you weigh it three or four days afterwards, it will be found to have lost in weight. That has been the experience of merchants in Madras. If there are gentlemen who do not believe it, they are at perfect liberty to have their own views about the matter. But I am telling you, Sir, what I have been told this very morning by the merchants. It is a fact that they told me that snuff does reduce in weight. Well, Sir, whatever it is, there are some of the provisions which are objectionable. Of course when amendments come up for discussion I shall certainly add my quota and place my views before the House.

“Generally speaking, Sir, let me summarize what I have said. I do not object to the tax on tobacco. But, I do object to taxing small dealers in leaf cheroots or cigarettes and the man who does not sell more than one or two rupees worth of tobacco per day, ought to be completely eliminated from the scope of the tax under this Bill. Next, Sir, the rule about keeping of accounts will have to be altered. Here, Sir, I must express my thanks and the thanks of the merchants for Government accepting an amendment

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* SRI A. RANGASWAMI AYYANGAR:—"I stand corrected."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Palmyra sweet juice has some food value. It is known as sweet toddy in the north but in the south, that name is used to denote the fermented liquor only."

* SRI A. RANGASWAMI AYYANGAR:—"That at any rate is the belief of the people of the lower classes. That, however, is not the point of my argument. The point is that the consumption of tobacco is injurious to health and if the Government are strong enough, they can put a stop to it altogether as they have done in respect of the drinking of toddy and other spirituous liquors. The position is that this Government, or for that matter any Government, will not feel strong enough to order the putting down of so prevalent a thing as the consumption of tobacco. What is the next best thing? It could at least derive some revenue out of it when it is not able to put it down. It is a necessary evil. While the Government would like a complete abolition of the habit, while the Government would be very willing to see that the people are weaned from the bad habit of chewing tobacco and smoking cigars, cheroots and the like, there is the question of the practicability of effecting it. Inasmuch as it is practically impossible for any Government in the world to put a stop to the consumption of tobacco, the next alternative is to levy a tax upon the commodity and that is the principle underlying this measure. It is an ameliorative measure intended for the benefit of the people. In that connexion, it was asked, 'Why should you derive a revenue from an evil?' It was my hon. Friend, Mr. Ahmed Meeran, who pointed out that no Government should derive revenue from an evil or vice."

S. K. AHMED MEERAN SAHIB BAHADUR:—"I said that no Government should run a trade as such and derive revenue from it."

* SRI A. RANGASWAMI AYYANGAR:—"His submission was that the Government are not to run the tobacco trade just as they are against running the liquor trade. I may tell him just now that the Government are not proposing to run the tobacco trade through this Bill. Therefore, there could be no objection for taxing tobacco."

"It was also stated that there was a kind of discrimination between the north and the south. A person of standing of Sir K. V. Reddi should have hesitated not once or twice, but so many times, to make such a suggestion as that. But all the same, he admitted that it was injurious. The man who chews tobacco or uses snuff only spoils himself. But the man who smokes the cigar

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or the cheroot spoils not only himself but his neighbours as well, by his being a sort of walking chimney constantly polluting the air. If at all any discrimination is to be made, I submit, Sir, it ought to be made against the smoker. Therefore, Sir K. V. Reddi need not congratulate himself on the fact that a large number of people in the north smoke while a large number of people in the south merely chew. If the Bill has the effect of reducing the number of smokers in the north, certainly Sir Reddi must congratulate the Government and thank them for introducing a measure of this kind which would reduce the number of smokers. The principle of the Bill being partly financial and partly ameliorative, the general principles of mere taxation measures should not be applicable to this case. The general principle that there must be a low rate of taxation, that you must tax only on the basis of your requirements and for the current year and that you must not affect the poor are wholly inapplicable to a Bill of this sort whose object is partly financial but mainly ameliorative, its purpose being to restrict the use of tobacco in any form."

SRI B. NARAYANASWAMI NAYUDU:—"May I know if that is the purpose of the Bill according to the Treasury Bench?"

SRI M. D. KUMARASWAMI MUDALIYAR:—"Mr. President, on the face of it tobacco taxation would appear to be highly commendable. Is it not very injurious to the system? Is it not the second brother to liquor? Is it not a wasteful luxury? By such questions, it is easy to convince the gullible and credible. But if we go a bit deeper into the question, we will realize that in this unfortunate country of ours tobacco has a peculiar place. This is perhaps not sufficiently understood even by those who make investigations and study the condition of the poor."

"Tobacco in our country is used mainly by the poor, the very poor, Sir. But it is not as is often readily believed a luxury with them. It is a necessity. How? The poor man chews and chews to keep off the gnawings of hunger. Tobacco has the quality of deadening the senses of appetite and hunger. It is only a source of keeping off their misery to a certain extent. However, it is only temporary."

SRI B. BHEEMA RAO:—"Is the hon. Member in order in making a manuscript speech, Sir?"

MR. PRESIDENT:—"The hon. Member is not entitled to read a written speech. But if he could finish it within five minutes, I have no objection."

SRI M. D. KUMARASWAMI MUDALIYAR:—"I know why the exception has been taken and the reason is not very far to seek, it being that I am sitting on the Opposition side."

MR. PRESIDENT:—"The Chair has permitted the hon. Member to proceed and he may go on with his speech."

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moved by Mr. Appadurai Pillai in the other House; and I was told that that was the only amendment accepted by the House—of course I may be wrong; at any rate the merchants are grateful to the Government for at least this little change in section 10. I beg to submit that we are perfectly willing for a tax on tobacco; but at the same time we plead that the tax should not be so heavy as to drive the trade of this Province to other Provinces, for as I said already, the merchants will go to Bengal and begin to trade there by getting tobacco from here and other places.

“Then, Sir, we should see that this Bill does not affect the producers, because there is nothing in the Bill to prove the contrary and there is nothing to show that the producer will not be affected. I beg to submit that those who believe in the economics of taxation of this kind on the turnover of dealers, will agree that it is bound to affect the producers. It is impossible for them to escape the grip of this Act. It is no doubt true that they are at perfect liberty to sell at whatever price they like; he does not pay any tax, but the merchant pays; and the merchant who finds that his trade is falling will try to make up for the loss he would incur in spite of the fact that he recovers a great portion of it, and even more, from the consumer. Yet he still loses because the total quantum of his trade falls; that is the necessary consequence of the Bill; and when that stage is reached, he will not offer to the producer the same price which he was offering before.

“Then there is foreign competition and competition from other parts of the country, where some producers will be willing to sell at a lower price and naturally the trader will go there and get the tobacco from other countries, even in spite of the import tax. So, the producer is bound to suffer at one stage or another; it may not be the immediate result, but as time advances and the extent of the tax or the revenue from this taxation is sought to be improved, the stage will soon be reached when the producer is bound to be affected and he will not be able to get the price which he is getting at present.

“Sir, I have done. I would only point to the Government that this great spate of taxation legislation is causing grave apprehensions in the country. Of course, they may be perfectly justified in levying taxes according to their own views, but it is equally essential that the feeling in the country should not be roused to the saturation point. Perhaps these remarks will be more appropriate when we come to deal with the sales tax, but here, I beg to submit to the Government to go slow for this year, for we do not want all this money, as pointed out by my hon. Friend yesterday. In this connexion, I would invite the attention of hon. Members to the three principles of Lloyd George, which I read out to the House on the occasion of the Budget debate, and

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one of those principles was, that while you are perfectly entitled to think of expanding sources of taxation, that is, a tax which will expand as time advances and as trade improves, it must be collected only during the year for which it was intended. Of course, these taxation laws are passed annually. But what I mean is that you should try to be satisfied with what is actually necessary. If to-day you have a minus balance—I think it is only 17 lakhs, if I remember aright—I am sure you will get these 17 lakhs from the measures you have already undertaken, for instance, the Electricity Act and the Motor Spirits Act; and instead of the 1½ crores which you are now expecting from these taxes, or even if the rigour of taxation is reduced and you get only 10 or 15 lakhs, will that not suffice to meet the minus balance? When once the principle is accepted by the two Houses, it can be extended year after year and when such is the case, where is the necessity to get through all these measures at once? It may, perhaps, be your desire to introduce Prohibition throughout the Presidency, during the next 2 or 3 years—I am speaking without information from the Government—but here again I respectfully appeal to the Government to hasten, if you like, but hasten slowly; you lose nothing thereby and you do not exasperate the people by doing anything like that. Then, why make people believe that they are being oppressed by this taxation?”

* SRI A. RANGASWAMI AYYANGAR:—“Mr. President, 12 noon.
the principle and the policy underlying the Bill have been misunderstood by the Opposition. To my mind, the present Bill is not exclusively a finance measure. No doubt the object of the Bill is partly to recoup the finances of the country. But if by this Bill, the consumption of tobacco is going to be lessened, nobody will be more pleased than the Government itself. It is not merely to raise revenue that the Bill has been brought in. It is not like the Entertainments Tax Bill or the General Sales Tax Bill which are intended to raise revenue for filling up the deficit that has been caused by the introduction of Prohibition in this Province. Nobody will say that the consumption of tobacco is a virtue. It has been said that it is a necessity or an unavoidable luxury for the lower classes. Everyone knows that tobacco in any form, whether chewing or smoking it, is highly deleterious to health. At least in the case of drinking toddy, there is an element of food value in it. However much it is low, there is an element of food value in it and I remember Dr. Rajan stated that.” (Laughter.)

THE HON. DR. T. S. S. RAJAN:—“I may tell the hon. Member that I never made such a statement.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“It is a wrong and dangerous statement.”

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SRI M. D. KUMARASWAMI MUDALIYAR:—"They chew tobacco now because they find the vision of another world in a doped state but because they find that it helps to keep the wolf from the door at a very cheap cost. All this is possible only in a country like ours where millions go without food every day.

"This is not known to those who profess to work for the uplift of Dharidra Narayana. How could they, as long as they live in the so-called ashrams and carry on their uplift and work before the cameraman and for the sake of the newspaper man? They must live with the labourers, be one of the labourers. Then they will realize whom the tobacco tax affects.

"The much maligned Native States have become the model in this respect. The Durbar Virawallas and Ramaswamys have apparently become the divine idols of the Madras Congress Government.

"The success of the tax in Travancore is cited in favour of its adoption here. But I say, for that very reason it must be taken with caution. The taxation reform in the Native States is not a safe model."

MR. PRESIDENT:—"The hon. Member is not in order in saying anything about the Native States on the floor of the House."

SRI M. D. KUMARASWAMI MUDALIYAR:—"In this connexion, I want to draw the attention of the Government to the fact that this tax on tobacco had been tried by the Government in Malabar and Kanara at the time of the East India Company, but when the country came under the Crown they abolished it because it was so bad in its effects. But now when Provincial Autonomy is introduced, when power is transferred from the Crown to the people, we are relapsing into barbarity.

"Above all, Sir, one thing I am unable to understand is, with what face, with what conscience the Government adopt the tax to-day, which, while in the Opposition they despised. I hope better sense and better consistency would prevail."

* MR. S. J. GONSLAVES:—"Mr. President, it has been said in support of this Bill that this tax obtains in several civilized countries; but in urging this argument, the important fact is being lost sight of, namely, that the countries that tax tobacco are countries that do not produce tobacco. That the tax is levied in the form of an import duty is the justification for taxing that commodity. What the Government of that country would say is that in that country there were substitutes which may be used; but if the people of the country want to buy and use tobacco which is grown in another country and imported into the country, they

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should be taxed upon that; in fact the foreign countries must be asked to bear a contribution to the exchequer of the country that is importing the commodity. But a different state of affairs exists here. This country produces tobacco and the levying of this tax will hit the poor consumer, the small trader and will also hit the agriculturists. It has been pointed out by hon. Members that tobacco is used by the poorest of poor in some form or another. The beggarman and the beggarwoman in the street use either the leaf tobacco or tobacco in manufactured form. The women use snuff and the men use cheroots and cigars. It has become almost a necessity for them and to make them pay a higher price for these articles would be to deprive them of the amenities to which they had been accustomed for years. I do not think that there is any justification for hitting the poor. It will also hit the trader. As has been pointed out by hon. Members, trade in this commodity will decline and if the trade falls, especially the income of the small trader will go down and in that way, it will hit the small trader. It will also hit the agriculturists. If the consumption goes down, if internal consumption goes down, the demand for tobacco that is now existing will go down also; further, export is also affected by reason of the fact that something is added to the cost price of the article depriving it of its competitive power in the market as against tobacco from places where this form of taxation has not yet been imposed. In that way, consumption and demand will go down which will mean that agriculturists will be hit very hard. You see, therefore, Sir, that this hits all sections of the community from the producer to the consumer. The repercussions of this levy on the trade will be very great and the industry will be imperilled by it.

"My hon. Friend, Mr. Rangaswami Ayyangar, just now pointed out to the House that this is not a fiscal measure but that it was intended to wean people away from evil habits. The Statement of Objects and Reasons of the Bill does not bear it out and I do not know if the House would agree with him on that point. Mr. Rangaswami Ayyangar stated that the Government wanted to wean certain people from drink and brought in their scheme of Prohibition and that similarly they want to wean people from the habit of using tobacco and that was the justification for the Bill. The object according to him was to prohibit its use by making it more expensive. I do not know where he has drawn this idea from. I see no such idea in the Statement of Objects and Reasons. It is stated there that—

'the object of this Bill is to provide for the levy of a tax on the sale of tobacco and the licensing of trade therein with a view to make up for the increasing loss of Government revenue arising out of the prohibition of intoxicating drinks and drugs.'

That has been the only object of the Bill and I fear that the colour that he wanted to give the Bill and the principle that he has adumbrated, though he belongs to the party in power, are

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12-15 p.m. not correct. I beg to differ from him that it is an evil. Nobody here has as yet said it is an evil. I submit the imposition of this tax is justified, but not in the form it is proposed to be levied. I only say that if this Bill is not amended in a great many particulars, a large section of the industry will certainly stand imperilled."

* SRI V. VENKATAPUNNAYYA:—"Sir, I rise to congratulate the Hon. the Premier for bringing this Bill and also for dropping in particular the monopoly vend system found in the original Bill and which if retained would have affected large number of people very much and created chaos. But now that the monopoly vend system is removed, the Bill will not cause confusion in the country as it would otherwise do. I congratulate the Hon. Premier on removing this monopoly system. This only shows clearly that the Hon. Premier is always quite responsive to public opinion and amenable to any reasonable amendment and that he is quite ready to grant any legitimate demand from any side.

"The object of the Bill, I take it, is merely finance and that it is not intended to be a social measure, as my friend who spoke before me sought to make it out. For, from the Statement of Objects and Reasons, both in the original Bill as well as in the Bill as amended by the Assembly I don't see any statement that it is intended to be a social measure.

"As regards finance, it was stated, 'The money is not required for this year; that being so, why levy it?' But they conveniently forget that Government have launched into a scheme of Prohibition and the scheme will gradually expand through the whole Province year by year and consequently henceforth with every year the deficit will be increasing. It is argued that money is not actually needed this year and hence there is no necessity for taxation, and I reply thereto that all this money that we expect from this measure will not come to the Government treasury immediately. In the beginning the receipts will not be great; and only as years pass on will there be any appreciable increase in the income.

"Then, Sir, some references were made to the evils of chewing and smoking. Though we are not authorities on the subject, nor doctors, yet as far as commonsense and experience go they teach us that both are injurious; one affects one part of the body and the other another part and we cannot definitely say, which is more injurious and which is less injurious; and also, it cannot be said that Government have introduced this measure to enable people to get over this evil. So we should look at it only as a financial measure to make up the deficit which will be increasing hereafter year after year. Therefore it is Government's duty to increase its resources in anticipation.

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"Then, as regards trade and commerce, Dr. Sir K. V. Reddi mentioned *in extenso* how they will be affected; and from his speech I am led to think his information is rather some years old." (Laughter.)

DR. SIR K. V. REDDI NAYUDU:—"On a matter of personal explanation, Sir, it is only during the last two or three days that I got the information and if the hon. Member wants the names of merchants I am ready to give him."

* SRI V. VENKATAPUNNAYYA:—"The information is old though his receipt thereof is fresh and not old. As a businessman I may correct him. It is in the Guntur and Kistna districts that tobacco is most cultivated. Out of 2½ lakhs of acres under tobacco cultivation nearly one lakh and odd acres are cultivated with tobacco in Guntur and Kistna districts. There are three varieties of tobacco that are grown. They are, what are called, flue-cured virginia tobacco, sun-cured virginia tobacco and the country or native or lanka tobacco. These are grown in lanka lands and other similar rich soil. For it is only tobacco grown in such soil that sell at the rate of sixty or seventy rupees per candy, which are used for smoking. But for flue-cured tobacco last year the price went up to Rs. 380 per candy which was a record price. In the whole of India, only 25 per cent of tobacco is produced out of this Province and the rest of it is produced in this Province and mostly in two or three districts. So when we speak of tobacco trade, even with reference to this Province, it will be true of the whole of India also. This tobacco trade has received such a set-back last year which can be illustrated by one or two facts. In 1938 there were 250 shippers of tobacco, but this year it dwindled into 12. And this is due to the depression of tobacco trade in foreign countries. India is not in a position to dictate to the other foreign competitors because Indian tobacco has not yet become a world commodity, and because Rhodesia and Nyasaland and other foreign countries produce a larger variety of tobacco. Now it is a noteworthy feature that India produces the good cigarette varieties; but all the same its tobacco has not come up to the standard of the foreign kind. So India has still to face competition from other Empire tobaccos. The production of tobacco in a year in the Province is about forty million lbs. of which 3 million lbs. are consumed in India and the balance of 37 million lbs. are to be exported. Now if the surplus is not exported there will be overproduction. Now there is a clamour as evidenced by the resolutions of the Indian Tobacco Growers' Association to put an embargo on the export of inferior varieties of tobacco so as to secure a good price for the better varieties. I am describing all this in detail only to show the present tobacco trade position in the foreign countries. I quoted

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the figures of production and export and consumption to show how we still have to depend upon foreign markets in England, or China or Japan or some other foreign country.

"Although I am not opposing this Bill as a piece of financial measure, I still want to show how India is to-day suffering owing to the world depression in tobacco trade and how in the wake of it, the trade will be affected. To add to this, England has imposed a restrictive duty and similar proposals are in contemplation now, as we hear, at Shanghai and Japan and under all this, India will suffer most. And this tax coming simultaneously, almost, along with the others, needless to say, tobacco trade will be hard hit.

"As regards the Bill proper, I may also say that it is capable of much more improvement than at present drafted. Because we see at page 8, clause 5, there is an item running thus:—

'Any wholesale dealer who sells or buys tobacco leaf. . . . One hundred rupees.'

"And again, Sir, on the same page under item (ii) we see this:—

'Any other wholesale dealer, not being manufacturer. . . . Fifty rupees.'

"Now if we scan these two items carefully, we don't find any difference between the two. Both of them deal with the wholesale dealer. It is not clear from the drafting what the difference between the two is, and what the intention of the Hon. Premier in having these two items is. The difference at least to me is not clear, because both are supposed to deal with the wholesale dealer."

MR. PRESIDENT:—"The hon. Member need not go into the details at this stage."

* SRI V. VENKATAPUNNAYYA:—"Thank you, Sir.

"Again, Sir, under clause 4, if the turnover does not exceed four hundred rupees but is over two hundred rupees the tax is twelve rupees, i.e., 3 per cent and if the turnover is over four hundred rupees, the tax is 10 per cent of the turnover. This distinction will put the dealer to a very hard position, inasmuch as he will have to sell his goods at a particular rate till his turnover reaches four hundred rupees, and after that at a higher rate, so that a man will be purchasing a packet of cigars for sometime at one rate and after sometime at a higher rate—an anomalous position. Thus there is bound to be some dislocation in trade. If there are two shopkeepers in the same place, one who is able to reach the limit of Rs. 400 will have to sell his articles at higher rates as the rate of tax is 10 per cent while his neighbour sells at lower rates. This is another anomaly.

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"Then, Sir, I have to say something with regard to some provisions of the Bill, which I will reserve till we come to the amendments' stage."

MR. PRESIDENT:—"Quite so."

* SRI V. VENKATAPUNNAYYA:—"Regarding the penal clauses"

MR. PRESIDENT:—"All that, the hon. Member can postpone to a later stage."

* SRI V. VENKATAPUNNAYYA:—"I am simply touching on them. I wish to say only they are very onerous. They may also cause harassment by officials. We know 75 per cent of the manufactured tobacco is sold by way of cheap bidis and the persons who sell them are 99 per cent illiterate. As we pass the streets of the City we see them selling bidis and I may say, cent per cent of them are illiterate; you see them by the roadside most often. And how can you expect them to keep accounts of their sales, when even business people fail to maintain and keep correct accounts as is wanted by Government? Again, under clause 5, there are classes of people who are required only to take licences and with whose sales Government are not concerned and yet Government have clubbed them along with others. They can be as well exempted from production of any accounts. In fact, I fear, henceforth the time of most merchants will have to be spent not on sales, but on producing accounts to the Municipal authorities, the Income-tax department and the tobacco and sales tax officers (Laughter). I only wish Government will amend the Bill in a suitable manner so as not to cause annoyance and inconvenience to the merchants in the working of the measure. When all is said and done I must congratulate the Hon. Premier for this measure. I know several friends criticized it as a vice measure or a tax on luxury and so on. But in all civilized countries, it is neither called a vice measure or wise measure or luxurious tax measure but it is known as a consumption tax."

* SRI K. MADHAVA MENON:—"Mr. President, 'Blessed are the poor', not only because theirs is the Kingdom of Heaven but because Members of this House have repeatedly, one after the other, perhaps most of the hon. Members on the other side, have constituted themselves the sole custodians of the interests of the poor. (Some hon. Members: No, no.) It is rather strange a phenomenon, Sir, that Members of this House constituted as it is, take so much interest in the poor, for I know it is only those who have felt the pangs of poverty that can really understand the pangs of the poor. And many in this House, I am sure, have not felt it; perhaps a few on this side of the House like me might have felt, but not those who are damning with feigned

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praise and who are praising the principle of this Bill. (An hon. Member:—Question.) They have said that they do not oppose the Tobacco Bill, but they have brought in various amendments in such a way as to nullify the entire Bill. Practically that support has been a damning by feigned praise and that in the name of the poor. The opposition to this Bill as also the Sales Tax Bill has been in the name of the poor. But I can assert that it is not the poor that really mind this tax. The people who care about this Bill, if I may say so, the people who howl about this Bill, mainly outside, are people who exploit the poor and not the people who really feel for the poor. The poor man really does not mind it. He does not mind to pay a pie more for his bidi, if the Government could stop the drink. (Sri B. Narayanaswami Nayudu: Oh!) It is said by one hon. Member, 'You give something to the poor by prohibiting drink, but you take away that money by the other hand by this taxation.' I do not concede it. Even so, the poor man does not mind to pay a tax. Sir, I do not want to speak about the various principles of budgets and other things enunciated by the hon. Member, Mr. B. Narayanaswami Nayudu, but I want to remind him through you of the great warning that was hurled at the Prime Minister when the budget was being discussed that 'For your mad fanaticism of Prohibition, posterity will condemn you.' Sir, I tell him also, 'Posterity will condemn you, also the poor crores will condemn you, if you do not take the opportunity, when you have been given the opportunity, to establish Prohibition throughout the Province; for then posterity will certainly condemn you, not because you tax them but because, you did not avail yourself of the opportunity to give relief to the poor from drink when you had the opportunity to do it.' I do not want to speak more about it. These crocodile tears for the poor is only a cloak to conceal the tricks of those who exploit the poor for their own purposes."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"After all that has been said by my hon. Friend, Mr. Narayanaswami Nayudu, I do not propose to repeat the arguments. It has become a matter of laughter now, when people occupying these benches speak for the poor and it is said that the tears which they shed are only crocodile tears, while the tears shed by the people now occupying the opposite benches when they were sitting on this side were asked to be taken as tears.

"It was stated, Sir, that by the Prohibition policy they are bringing domestic peace. I wish to state, Sir, that people who are not addicted to drink are not immune from that crime of giving trouble to their wives in their houses. Therefore by stopping drink they are not completely bringing domestic peace. The Hon. Revenue Minister says that there are worse men who are teasing their wives more than the people who are addicted to drink. Sir,

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he says that the poor man does not mind the tax. I question that statement. How is he going to substantiate that statement? With regard to the maintenance of accounts, as my Friend, Mr. Ramakrishna Reddi said yesterday, even the *Angadi Kudai* women are bound to have accounts according to this Bill, because they will have a few packets of bidis—in my place they are not using cigarettes—they will carry a few packets of bidis to the threshing fields; they must have an account, so as to pay the tax to the village munsif or anybody who is the tax-collector of the Government. The effect of this will be known to the other side only when they collect the tax and they will be able to know how people feel about it. Many hon. Friends stated here—the Hon. Revenue Minister says—they will be happy to pay. I wish to say that they will not be happy to pay. It will be seen only in practice and not in theory. As one who was not against the Prohibition policy, we have supported the policy that was brought before the House. But we asked you, how you are going to make good the loss of the revenue. One Member of this House said 'They have determined to pass the Prohibition Bill now. We will pass it. But it does not mean that we will be agreeable to any and every taxation measure that they may bring in.' I am not going to say more. The Hon. Premier himself has said that they do not know how much they are going to get from this taxation measure and naturally, we on this side do not know how much they are going to get. According to my hon. Friend, Mr. Narayanaswami Nayudu, they are going to get more than a crore; according to the Prime Minister it may be only 50 lakhs. I do not want to go into that. The main object for which the money is required now is only to balance the budget which is very small. When the amendments to reduce the tax are moved, I hope the Hon. the Premier will be reasonable to accept some of the reasonable amendments and if he finds that he does not get sufficient amount of money, he can enhance the tax during the next budget. Though in the other place it was told that he was not reasonable, I hope the Hon. the Premier will be reasonable at least in this House."

SRI RAO BAHADUR M. RAMAN:—"Mr. President, after all the speeches that have been made, I do not think I have got much to say. But all the same, allow me, Sir, to make a few observations on some of the provisions of the Bill.

"Before doing so, I think according to the dictum just now laid down by Mr. Madhava Menon, I am entitled to speak for the poor. I know the conditions and the life of the poor much more than any one here, both by experience and by right. (Hear, hear.) I am afraid that many of those people who speak here have done nothing for the poor. I have not seen even one legislation which will benefit the poor, but it has always been just the reverse.

"Dealing with the Bill itself, I should admit that the Government should find the money for carrying on the administration

[Sri M. Raman]

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when the treasury is getting day by day empty, whatever the reason; they should certainly find it inevitable to levy new taxes. My only objection to this present Bill is that it is on an article which is so widely used by the poor people and the rich and especially by the poor, and the dealers in which are generally very small shopkeepers. I do not mind the big dealers. I do not care what happens to them. I do not admit the statement made by another hon. Member that because the neighbour's smoke comes to him, it should be stopped. He will to-morrow stop me from breathing because of the carbonic acid I breathe. However, the Government have, deliberately or not, taken the mud-bath of Prohibition. Let us not prevent them from having a bucket of clean water to take a clean bath. I won't object to the tax, but I would only object to the method of doing it.

"It has been said often by the Government that tobacco is an article that is very heavily taxed elsewhere. I would request those Members who indulge in such remarks that it is better that they do not do so before they compare the condition of the poor people here with the condition of the people outside. With one anna of average income here in India, you compare them with people in Australia, Sweden, Norway and other places. That would not be fair. Our country is admittedly poor and our standard of life is equally poor. Even without the long line of taxes that are coming one after another in rapid succession our people have been suffering. So, do not mislead our innocent folk by such comparisons, for when they know the truth they will know that the Legislature and the Government had been unfair to them.

"It has been stated in the Statement of Objects and Reasons that the growers will not be affected in any manner. I am not so sure of this. If the result of the taxation is to affect the trade, to reduce the volume of trade, surely the growers will also be affected, specially because export as such has been excluded. The person who purchases from the next man has to pay a little more on account of this tax and he will find it difficult either to export or sell it even at the price. Therefore he will be affected.

"I do not know why registered companies and co-operative societies have been excluded from the definition of 'grower'. They are the largest growers and it is their volume of trade that will have to settle the rate of prices. I would have at least hoped that the Government would have exempted the co-operative societies. But the argument seems to be that co-operation should be allowed to learn to walk.

"Another objection is to the limit that is placed on the quantities kept for private use. This will be a perpetual source of annoyance as we know what use these small things will be made use of by the officers—in fact tobacco will be treated just as ganja is now done. There will be a lot of inconvenience to the ordinary person.

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"Yet another objection is that this tax and the taxation measures already passed will produce more than one and a half crores. There is absolutely no justification for this Bill just now. The Government should have selected only such articles as will not affect people much. They have not, however, done so and it is certainly a bad principle to have a lot of money. Excess money with people leads them to bad ways and I do not think Government is an exception. I do not want to say more because the other gigantic Bill is coming and we will have occasion to speak then.

"I find on a calculation that the dealer who deals in about Rs. 1,260—I take a particular figure—will make only five annas a day. Of course I am sure most of these small merchants will go out and will join the ranks of the unemployed. The rates are, as I said, very high. The penalty is also unnecessarily high. Ten per cent is unimaginable. Three or four per cent I can think of. If a man has a turnover of one thousand rupees, two-thirds of it go as his capital and the balance is Rs. 300. For this he will pay a tax on Rs. 1,000 of Rs. 40 and the balance is Rs. 260. Deducting the interest on the capital, shop rent, pay of the clerk—for the man who deals in three rupees rate has to maintain a clerk—I find that the balance will be about four to five annas a day. I am sure he will give up his trade and go away. The obligation to keep books and then to be responsible for the work of the writer when he himself does not know the work, is great. It will be just like the saying in English 'If you don't know the language, ask your neighbour.' The man himself does not know any accounting and he has to check the accounts. That maintenance of accounts in the case of small shop-keepers should somehow be given up and some other method should be adopted. With these few words, Sir, I sit down."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. President, the arguments with respect to particular clauses need not of course be dealt with by me at this stage. But with regard to the general statements made I wish to offer a few explanations.

"Much insistence was laid on the principle that we should not levy a tax and that the House should not give sanction to a levy unless there was a definite plan of expenditure which necessitated that levy. I tried to show in the other House, which was chiefly interested in such principles, that we had not, in making this proposal or the other proposal with reference to the General Sales Tax, infringed any established financial maxims of that kind. On the contrary I tried to show that it would be very wrong on the part of a Government to make good the losses in regard to the previous recurring revenues of the

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Government without providing either for the reduced expenditure or for fresh sources of revenue. It would have been certainly wrong—it may be pointed out by Members on the other side, as some did when the proposal with reference to Prohibition came—it would have been wrong I say, and the other side would have been entitled to point out that it was wrong, for the Government to give up the drink revenue when they did not sketch out how they proposed to make up for it or how they proposed to reduce expenditure. It is mixed up with the question of how much exactly is lost in each year and how much exactly should be made up either by retrenchment or by fresh sources of taxation in each particular year. No principle can be worked to death. Even if principles be as well established as a mathematical proposition, even such principles cannot be worked to death until principles become absolutely wrong. It is true that taxation measures should not be undertaken merely for the purpose of hoarding money but should be undertaken for the purpose of expenditure. In bygone days when Government's interest was opposed to the interests of the people, that is to say, when autocratic rulers levied taxes there was little distinction between the private purse of those rulers and the treasury. Gradually, however, every one has admitted that taxation should go hand in hand with the requirements of the State and public expenditure. This, however, should not be mixed up with what may be narrow, and ultimately become a wrong proposition altogether, to say, that expenditure should first be incurred and then revenue must be sought for by proposals being made in the Assembly and in the second Chamber and by assent of the Governor being acquired thereunder."

SRI B. NARAYANASWAMI NAYUDU:—"On a point of personal explanation, Sir, I never said that expenditure should be first incurred and then the revenue must be sought. I said that expenditure should be placed before the House for the year. The point is definite."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am quite aware of the fact that when I actually explained what has been wrongly stated the thing is made to look so wrong that the hon. Member who made the statement is immediately prompted to get up and contradict and to create a new modified statement for the criticism. But we cannot go on like that for all time. (Sri B. Narayanaswami Nayudu: No.) I maintain that I am stating the correct proposition and that very inference may be drawn by the House. I do not say that what I stated just now was stated by Mr. Narayanaswami Nayudu. But what Mr. Narayanaswami Nayudu stated can be examined in the light of what I have said just now. Let it be admitted first that it

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is not possible for any Government first to incur the expenditure and to find themselves in a hole and then to come to this Legislature for sanction for new forms of taxation. If this is so wrong that it will be admitted at once, then let us see what is the next inference from that. If we have a policy which must necessarily go by way of reduction of revenue we must also have a policy which must necessarily go forward in replacing that revenue gradually, if not at once. If a policy is established which gives up established revenue we can know how much it will amount to in course of time. But a new revenue found is not to be calculated in that same exact manner nor can it be done.

"I confess at once, as all hon. Members have said before and I repeat now, that the estimate from this revenue that I am proposing is not calculatable in any degree of exactness. Some Members have gone off to-day saying that we expect, or somebody expects, a crore and a half. It is wholly wrong. It is most imaginary. And, if by March of any year, it is found that we reach that figure under this head, I am prepared to withdraw not only the particular rates that they are referring to but much more. But these are mere conjectural pictures. Some Members were pleased to ask me yesterday and I said it may be fifty lakhs. A more conservative estimate may be thirty lakhs. But I said at once it is all conjecture, because all calculations hitherto made were made on two bases which have dropped off from the present proposal. First, the monopoly measure, the monopoly of all tobacco trade which has been given up; the monopoly of all tobacco including the dealings in leaf as well as in manufactured tobacco is very different from the *ad valorem* duty on manufactured tobacco. Then again 1 p.m. another basis on which calculations were made was that it would be, if not a monopoly trade, a taxation measure covering all forms of tobacco excluding only growers' small dealings of his own produce. That also furnishes no parallel now, because we have excluded all dealings from the *ad valorem* tax, all dealings with reference to them. So that unless we secure registration of dealers in tobacco, unless we secure statistics which will show not only the number of dealers and their location, but also the quantity of dealings, this form of sales-tax is difficult to estimate with regard to revenue-producing capacity as any other form of sales-tax, whether it be general or particular. This tobacco sales-tax is a particular form of sales-tax and it is difficult to state how many transactions will take place in our Province coming under the tax and therefore even the best statisticians, even the most daring statisticians will not be able to give anything like a correct and approximate figure. All the same, we may approach the subject from various angles. It may perhaps give a

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rough way of calculation and out of that something is said. Even if they go wrong by a whole cipher, one will not be disappointed. That is the position with regard to conjectures. It may be asked: 'Why launch on a sea which is so rough?' 'If a thing cannot be calculated with any degree of certainty, why do you propose the tax?' I say the reason is obvious. It may be difficult to calculate, but it is necessary to get the revenue. It may be difficult to calculate. On that ground you cannot criticise, as it is necessary to get the revenue. So we must subject ourselves to it. There will be time enough in one year, as it will give us sufficient basis for revising our attitude with regard to the quantum. There is nothing to prevent us from alteration.

"Then a third argument that has been presented to us is: 'Start low and hasten slowly; start low and then raise the tax if you don't find it enough.' Now, Sir, if we proceed with a reduction of established revenue and we hasten slowly with regard to replacement, it is not a wise way of dealing with it at all. It is possible to reduce taxation; but it is not easy to levy new taxation or raise the previous rates that we had agreed to. This advice of hastening slowly should be given to us wholesale, that is to say, it should be given to us even when we gave up the revenue from Prohibition. I cannot deny that it was not given to us. It was given to us. I cannot deny that the other side vehemently protested against the launching of Prohibition at all. Therefore any advice with reference to hastening slowly should apply to the first step and not to the second step. However we have already accepted the position rightly or wrongly and we have accepted the policy of Prohibition and we have advanced well in that matter. We have not found any reasons to repent. Therefore our commitments are clear. That is the explanation why we must adopt and modify financial procedures that we find in books or reports to our own circumstances and we cannot simply copy financial principles without understanding them fully or understanding them only in a literal manner, just as a school boy copies every stroke when he takes a copy book. We have to apply those principles intelligently to the matter and to the circumstances and the environments of our own problems. Now even literally applying the procedure employed by great Governments in other countries with reference to great social changes, it gives us full and ample precedent for levying taxes of this kind. As regards increasing tax later on after starting low, it is also a good piece of advice; I do not deny. In all matters it is good to start slow and proceed slowly. But there are some matters where we have to do an unpleasant thing and it is better done quickly. I do not think I trespass my Hon. Colleague, the Minister for Public Health's ground, if I say, 'If you have to put a needle into a patient, you must do it smartly and not proceed slowly. If you have to put a

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needle into a patient, you will have to do it fairly smartly and quickly and do your business once for all, and not tell him "I have gone half inch to-day and I will do the other half to-morrow." You would not find the patient at all.' I submit, Sir, that even the principle of hastening slowly has to be applied very intelligently and not in a literal and casual way. There are some things in which we should hasten slowly and some things in which we must dispatch quickly. This is what I should say with regard to the arguments of taxation by dribbles.

"Then, Sir, let me see whether this is amounting to destruction. The pictures drawn by Friends on the opposite side no doubt were such as to create nightmares. These pictures have been skilfully drawn by Members on the opposite side, each from the particular point of view from which he viewed this subject. Sir K. V. Reddi was particular in starting what I hope was not intended but in effect amounted to trying to put Telugu districts against Tamil districts. He did not intend it but in effect it was that."

DR. SIR K. V. REDDI NAYUDU:—"No rat need be smelt where none exists."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am glad, Sir, that that was not his object. But is it right to do anything so dangerous as that in enterprises, in baby enterprises, of self-Government through which we are going? Is it right to start such notions? Will it stand only as an attack against this Government? It is a thing done for the whole country. If any quarrels of this kind are set starting, they rebound and have repercussions in ever so many ways. They will not hurt only this Government, but everybody concerned—even those who made the statement may be hurt later on by such things. It is not right. Let us be cautious and if anything in administration has to be gone through, it is this. Sometimes one measure may seem to affect one man; one measure may seem to affect one caste; one measure may seem to affect one community. But for Members in Democracy, for Members of the Opposition Benches, not to withstand the temptation of seizing such opportunities of this kind for easy criticism is not courage and is dangerous."

DR. SIR K. V. REDDI NAYUDU:—"Does it mean that even when one feels that a certain thing will have a certain effect, one should not say so?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"A very general and smart statement, but it does not meet my point at all. What I say is this: When any particular measure seems to affect one man more than another, or seems to affect one district more than another or seems to affect one community more than another, there is great temptation for Members of the Opposition Benches

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in democracy to seize that for criticism and put it forward, whereas it would be deadly to national progress, because it may only *seem* to be so, but it is not really so."

DR. SIR K. V. REDDI NAYUDU:—"Is it not really so? We did not say you intended it. We only say it has that effect."

SRI B. NARAYANASWAMI NAYUDU:—"Why should we go behind appearances?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"We have to go behind certain appearances, because we have to understand the reality of the thing. We cannot be carried away by appearances, Mr. Narayanaswami Nayudu may know once for all. We have to go behind appearances. We cannot, at any rate, though the Opposition may, simply be carried away by appearances. You have to go beyond appearances if you care to co-operate. If you do not care to co-operate, if your object is only to be satisfied with appearances, you are at liberty to do so. But people will appraise your opposition according to the merits earned. I maintain that the idea that anything proposed to be done in this Bill is intended to benefit one district more than another is nonsense, is wrong, is absolutely false. There is no doubt whatsoever about it. Let us take the facts, even apart from your intentions. It was stated that the Telugu districts . . ."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"On a point of order, Sir. Is 'nonsense' parliamentary?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I am very sorry I have used that word. Many people don't exactly see the point. 'Nonsense' is not a word. Nonsense is the one we all suffer from. That is absence of sense. There is no sense in which it is unparliamentary. Apart from that, if I have hurt, I am very sorry. I never intended it. Any idea that we are doing anything to benefit one district more than another is a very grave charge which must be repudiated by me."

DR. SIR K. V. REDDI NAYUDU:—"I must protest against that. I have never said that that is the intention of it. I said the effect of it is that."

SRI A. RANGASWAMI AYYANGAR:—"He used the word 'discrimination.' What does it mean?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it is open in parliamentary language to say the opposite of a thing and yet intend it. (A voice: 'That is only open to young ladies.') It is true. But I say twice if they said once. Here it was said more solemnly. However, Sir, to start the whole speech in that way put me on the alert for the intention. If it had come in somewhere in the middle, it is something. To begin the whole speech and who, a leader of standing, one who might have led the

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Opposition benches if he cared, one who had the highest administrative responsibilities to look after with the word 'discrimination' and discrimination in respect of districts to which I, by misfortune, do not belong and which by fortune the Telugu people belong—a sad accident all these (it might have been the other way about) and Sir K. V. Reddi had the opportunity of saying that I was discriminating against the Telugu districts; I could never have been misled by all these things at all. No doubt, I have dwelt too long on this point. Let me admit that there is a very large interest in the agricultural produce of tobacco concentrated in the Telugu districts. It is quite true. Mixed up with that, Sir K. V. Reddi referred to the small woman-hawker who bought the leaf and rolled them into rough cheroot and sold them here and there. It is slightly different and may confuse the argument. It is slightly different from the admitted large volume of tobacco cultivation that is concentrated in the Telugu districts. With reference to that, any observation made will be very valuable and we will have to examine it. With reference to the trouble given to the smaller dealers, the hawkers of cigarettes, cheroots and so on, we will deal separately. As regards the larger, the agricultural interest in the cultivation of tobacco, let me point out to hon. Members that this proposed Bill is entirely different from the previous Bill with which some hon. Members are familiar. The previous measure which was sought to be introduced by the past Government covered the whole class of tobacco, the whole of the produce whether manufactured or non-manufactured and it was intended to tax it all. Let not that withdrawn measure be confused with the present measure. In this measure we propose to tax only manufactured tobacco and so this lays no burden upon the leaf tobacco except, as I said at the outset, that licences will have to be taken by the larger dealers and by all dealers at varying rates. But the growers or producers of tobacco who dispose of their produce to the exporting firms or merchants in the country will not be under any obligation or restriction or licence. All growers of tobacco are exempted and in whatever quantity they may grow, it does not matter. Those who deal in tobacco grown by others, the tobacco traders and dealers only are brought under regulation and licence. But they are not brought under the *ad valorem* duty unless they deal in cigars, cheroots, cigarettes and the like, not in tobacco cured or uncured.

"With reference to various grievances mentioned to the Government, the monopoly scheme has been entirely dropped. At that time dealers of all kinds agreed in offering to this Government that they are not going to object to the tobacco tax and said that the Government can levy any tax it liked provided it is reasonable, but let there not be a monopoly. So this was accepted

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and we did not want to disturb the trade, though we very well knew that the monopoly may not bring as much revenue at all as a regular *ad valorem* tax might. But if we waited long, human nature being what it is, it was possible that the Government could have squeezed out much more money from the monopoly system; but because of the disturbance that it would cause to the trade, we gave it up and adopted the *ad valorem* duty. But even there we have gone beyond what the traders represented to us. We have not taxed the leaf trade, cured or uncured, though they were prepared to subject this even to a tax. We did not go so far. I draw the attention of the House to clause 3 of this Bill which makes it perfectly clear with regard to growers: 'Provided that a grower may, without licence or restriction, sell as leaf tobacco grown by him, or grown and cured by him for the purpose of marketing it as leaf.' Now, this is a part of the measure. This is a proviso which should be carefully kept in mind when hon. Gentlemen make any criticism of the Bill.

"The other point was about chewing and about smoking. A battle was started between chewing and smoking. Sir, it need not be forgotten that snuff has been included in 'manufactured tobacco.' There is nothing so common as snuff throughout the districts. I do not know about the Telugu districts, but it is certainly so common that I am inclined to believe that snuff is more popular in the south than even in the Telugu districts. But apart from any relativity in the matter, there is no doubt that it is prevalent all over the country. It has been brought under licence and under *ad valorem* tax also. Therefore it is not as if any one wanted to save any particular district from the trouble of the *ad valorem* duty."

DR. SIR K. V. REDDI NAYUDU:—"There is an export of one crore of rupees worth of snuff from this province."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I will come to exports. It was not intended to save any particular linguistic area from this trouble. It would not save any linguistic area from any *ad valorem* duty. Snuff will be charged, but not cigarettes and bidis all over the country.

"Leaving aside discrimination, Mr. Raman was good enough to make the statement that though we talked of helping the poor, nothing has been done, since he was nominated to this Council, for the sake of the poor. I do not know if I heard him aright; but if he said so, I must charge him with great lapse of memory or a complete misunderstanding of what is good for the poor and what is not good for the poor. I must say that there is nothing which helps the poorest in this country as the policy of Prohibition adopted by us."

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DR. SIR K. V. REDDI NAYUDU:—"We have to differ, Sir, on that."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"We do differ. Therefore it was not lapse of memory. I hope Mr. Raman remembers that drink has been partially abolished and is on the way to be abolished altogether and yet makes the statement that we have done nothing to help the poor. I beg to differ again from that estimate of our policy. I do think that there is no single measure which would help the poor, as this policy of Prohibition. It is true that I can print 25 more pages of relief given by saying that I gave this and that to such and such villages and that I gave 25 appointments this year to persons or classes among whom there are a large number of poor people and so on. But there is no single measure which would benefit the poor in this country as Prohibition. It is true that people who can afford to buy costly liquor, who can afford to regulate their drink and who can find the time and the intelligence to order their drinks properly and without ruining their health, can indulge in intoxicants. They would not be either benefited or hurt by Prohibition excepting in their feelings. But with regard to the poor there is no doubt whatsoever that there is no single measure which will benefit the poor as Prohibition."

SRI RAO BAHADUR M. RAMAN:—"Too early to say that. I am carefully following the official reports."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I can understand that. But let me at least have the spiritual advantage of a hope on the part of even those who may differ from us that Prohibition may succeed and benefit the country, because it is not only now that we have thought so and because it is not for any political object that we have chosen to think that Prohibition is good. If we are launching on that, let us immediately see where we stand financially. I crave Mr. Narayana-swami Nayudu's attention now, because he feels that we are doing something wrong in this matter. If we have launched on the policy of Prohibition definitely and if we have given the benefit of Prohibition to some districts and if district after district want the benefit of Prohibition, how can we resist it? The demand grows in geometrical progression. Fortunately, according to us, people in other districts think that Prohibition is succeeding in the districts and that it has done good. Mr. Raman may differ and Sir K. V. Reddi may differ, but fortunately or unfortunately, the commonfolk of all the districts believe that Prohibition has succeeded and that it has done good and they want it also. Otherwise I would be opening myself to a very bitter charge that I have introduced Prohibition in one linguistic area only and not in others. That will be a very proper charge of discrimination coming from people living in the other districts. They may very well say that they are not having the benefit of whatever is given

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to other districts. We cannot resist it. I said there is another point also to be remembered. These things must go at a geometrically accelerated pace."

SRI B. NARAYANASWAMI NAYUDU:—"I have no objection at all."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Yes, the hon. Member has no objection. It is not possible to regulate the pace of Prohibition. It drops like a stone that falls from above. It falls down at 32 feet per second. If a small portion of the Province is brought under Prohibition, there will be tremendous opposition. The rest of the Province cannot simply wait for all time. They will demand it and there will be need for making up a deficit of 4 crores facing us soon. It is there before us. 'An expanding source of revenue', those were the words used by Mr. Narayanaswami Nayudu, does not necessarily mean that the House must agree to a particular rate and then we must have authority to increase the rate. I say that it is not possible to expect any new source of revenue to be organized all at once straightaway. Which department will administer it? We may not have one particular department, or, if we have one such department, it may not do its work properly and we may have to try another department. That was how they started the Abkari and the Income-tax Act. They have settled down in a new way now. Similarly, for these sales taxes we may have to form a machinery. We will have to proceed cautiously. Therefore, even though a source of revenue might appear to be very large, what we will get immediately will be very small and may not be sufficient to meet the expenditure required for collecting the same. When we build a bridge the basement must be built properly. These revenues which may be small at the outset will gradually grow and will soon come up to a level in order to meet the four crores that we may require. But this tobacco tax will never be able to do that alone. That is why the Sales tax. Even that will not be able to meet our needs. That is why we want other taxes also. We have to do other things besides raising the taxes to meet the deficit that we may have to meet if we give up the drink revenue altogether.

1.30 p.m. "That, Sir, is the justification that I offer for the objections raised on the ground of financial impropriety over this matter. With regard to exports, I will deal only generally and summarily and I will dispose of it for the present. It is true that Sir K. V. Reddi Nayudu's point is correct that any tax that we impose on our exports will affect the trade in the foreign markets and it is necessary that our produce should be sold there and that a repercussion of a tax on exports would be that our trade there would be affected. I do not know if he had said this. If he had said this I am correct. If he had not said this, my memory is wrong. . . ."

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DR. SIR K. V. REDDI NAYUDU:—"I said that in another connexion."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I admit it. At the same time it appeared to me that he was suggesting the wholly contrary point when he said 'Why don't you impose a tax on tobacco leaf exporters? I make that charge against you.' I would submit that he has himself given reasons for our being unable to do this. Sir, it is not merely enough to tax 'A', 'B', or 'C'. A repercussion on export duty will immediately be on the people who produce the commodity. Sir, this is not export duty that we are levying. By this export duty it is the producer that will suffer a bit, especially when the entire raw-material has to practically go out of this country and has to be sold in foreign markets. That is why we have hesitated in levying a duty in certain respects. But it is true that a certain amount of manufactured tobacco is exported and it is true that it may even be a little more difficult than have hitherto been to sell the produce in foreign markets particularly in view of the tax that is going to be levied on sales that will take place here. I may however assure hon. Members that many merchants have misunderstood the provisions of this Bill not only on account of the difficulty of the language, but also because—I am rather inclined to think from the many representations that have been made in respect of this Bill by the merchants—their feelings have been roused and their intelligence has been blurred so as to make them think that all exports will be taxed. Exports cannot be taxed, and we are not levying export duty or import duty. If sales take place in our Province we can tax them and we are going to tax generally all the wholesale dealers who export the produce of their own people and such a trade will not be affected by this measure. It is quite a different thing to say whether they should or should not contribute something to the treasury here, but it is entirely a different matter to say that so far as this Bill goes, it will not affect them. Therefore, I would say that this measure will not at all affect export trade, and therefore there could be no objection to this measure on account of the fact that it is going to have any repercussions on the export trade. The tax that is levied generally may look heavy. It is a substantial tax. It is not a small tax. But when the question of rate is taken up I shall be able to explain that it is not too much; it is not too high. That is the general defence and I do hope that the House will accept the Bill, and I move that it be taken into consideration."

The motion that the Bill be taken into consideration at once was put and carried.

The House then adjourned to meet again at 11 a.m. on Monday, the 15th May 1939.

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APPENDIX I.

[Vide answer to starred question No. 267 asked by Sri B. Bheema Rao at the meeting of the Legislative Council held on the 13th May 1939, page 187 supra.]

Statement.

Name of the district.	Amount sanctioned.	Name of the district.	Amount sanctioned.
RS.	RS.	RS.	RS.
1 Chittoor	20,230	15 Chingleput	12,050
2 Guntur	20,230	16 Ramnad	20,230
3 Nellore	20,230	17 South Arcot	20,230
4 North Arcot	20,230	18 Tinnevely	12,500
5 Vizagapatam	20,230	19 Tanjore	24,950
6 Salem	20,230	20 Malabar	20,000
7 Coimbatore	13,470	21 Nilgiris	20,230
8 Trichinopoly	45,230	22 Kistna	20,230
9 Cuddapah	30,000	23 East Godavari	20,230
10 Kurnool	18,000	24 West Godavari	20,230
11 Madura	20,230		
12 Anantapur	25,000	Total	4,63,000
13 Bellary	19,000		
14 South Kanara	8,000		

APPENDIX II.

[Vide answer to starred question No. 274 asked by Sri Diwan Bahadur R. Srinivasan at the meeting of the Legislative Council held on the 13th May 1939, page 193 supra.]

Statement showing the extent of lands available for assignment.

	Dry.	Wet.	Remarks.
ACS.	ACS.	ACS.	
Vizagapatam district—			
Gudem taluk ..	1,358.17 *	4.86	* This includes an extent of 3 acres of manavari land.
Sarvasiddhi taluk ..	1,409.79	283.57	
Golugonda taluk ..	2,447.94	7.97	
Ichapur taluk ..	987.68	677.02	
Palakonda taluk ..	440.03	33.01	The extent available in the Palakonda Agency has not been noted as it is not settled and as lands in the agency are restricted to the hill tribes.
arasannapeta taluk..	982.13 †	223.18 †	† This extent includes an extent of 457.33 acres of occupied unassessed and poramboke lands and an extent of 184.51 acres of occupied banjar lands. The rest is unoccupied banjar.
			† This extent includes an extent of 4.95 acres of occupied poramboke and unassessed land and an extent of 41.13 acres of occupied banjar lands. The rest is unoccupied banjar.

[13th May 1939]

	Dry.	Wet.	Remarks.
ACS.	ACS.	ACS.	
Vizagapatam district—cont.			
Chicacole taluk ..	809.27 *	67.72 † *	* This extent includes an extent of 230.51 acres of occupied unassessed and poramboke lands and 303.83 acres of occupied banjar lands. The rest is unoccupied banjar.
			† This extent includes an extent of 2.00 acres of occupied unassessed and poramboke land and 24.12 acres of occupied banjar lands. The rest is unoccupied banjar.
Total ..	8,415.01	1,297.33	
East Godavari district—			
Amalapur taluk ..	3,115.78	26.98	No extent is set apart as assessed waste in the taluk. Extensive unreserve lands are available which can be cleared of jungle growth and cultivated by needy persons.
Bhadrachalam Agency.	..	..	
Cocanada	1,668.59	65.04	
Nugur Agency ..	15,594.32	23.53	
Peddapuram	189.34	..	
Pithapuram Zamin-dari.	..	..	All the villages in the taluk are zamindari villages and no Government land is available for assignment.
Polavaram Agency ..	11,763.87	7.14	
Rajahmundry	1,323.57	2.69	
Ramachandrapuram ..	538.47	1.00	
Rampa Chodavaram Agency.	..	..	There is only one Government village in the taluk and no land is available for assignment in it. The remaining villages of the taluk are either mutta or zamindari villages.
Razole	5,507.71	85.33	
Tuni (Zamindari) ..	..	..	All the villages in the taluk are zamindari villages and no Government land is available for assignment.
Yellavaram Agency ..	12,496.47	9.10	
Total ..	52,198.12	220.81	
West Godavari district—			
Tanuku taluk—			
Tadepaligudem taluk.	2,020.00	462.00	
Chintalapudi taluk ..	18,477.15	7.96	
Ellore taluk	16,712.00	530.00	
Kovvur taluk	544.13	4.13	
Bhimavaram taluk ..	4,638.26	526.84	
Narasapur taluk ..	11,577.84	878.25	
Total ..	53,969.38	2,409.18	

[13th May 1939]

	Dry. ACS.	Wet. ACS.	Remarks.
			Dry included in wet ayacut. ACS.
Kistna district—			
Divi taluk	3,226.76	4,540.66	28.30 (irrigated dry).
Bandar taluk	9,350.93	12.26	1,069.84
Nandigama	727.82	42.05	26.36
Bezwada	1,055.48	80.44	24.74
Kaikalur	5,766.06	1,397.21	7,586.58
Gudivada	7.85	..	10.31
Gannavaram	..	..	..
Total	20,134.90	6,072.62	8,746.13
Guntur district—			
Ongole taluk	10,460.33	236.10	
Bapatla taluk	13,794.23	28.55	
Repalle taluk	4,973.75	22.71	
			The extents shown in columns (2) and (3) include the areas under sivayi-jama occupa- tion.
Tenali taluk	42.56	10.27	
Guntur taluk	519.32	1.05	
Sattenapalle	845.00	80.00	
Narasaraopet	2,031.92	..	
Vinukonda	8,904.79	23.45	
Palnad	16,320.94	89.71	
Total	57,912.84	491.84	
Nellore district—			
Gudur taluk	5,302.03	447.88	
Rapur	25,868.24	137.64	
Nellore	1,949.39	156.11	
Kovur	2,501.21	6,026.80	
Kavali	19,069.23	515.10	
Atmakur	34,920.36	180.24	
Udayagiri	56,450.72	85.04	
Kandukur	18,733.56	807.89	
Kanigiri	42,465.42	10.77	
Muthukur	5,307.30	2,289.16	
Sulurpet	1,591.39	137.96	
Total	214,158.85	10,794.89	
Kurnool district—			
Sirvel taluk	16,337.05	3.47	
Cumbum taluk	27,679.47	1.10	
Dhone taluk	39,978.82	54.74	
Nandikotkur	41,302.00	5,578.00	
Markapur	47,555.41	4.92	
Pattikonda	12,497.43	17.29	
Nandyal	10,839.70	2.37	
Koilkuntla	5,578.67	89.46	
Kurnool	26,797.08	17.53	
Total	228,563.63	5,768.88	

This includes irrigable dry
lands also.

13th May 1939]

	Dry. ACS.	Wet. ACS.	Remarks.
Bellary district—			
Bellary taluk	5,323.00	39.00	
Rayadrug	18,129.50	1,154.68	
Siruguppa	3,170.00	102.00	
Adoni	7,396.02	26.49	
Yemmiganur	1,991.34	44.69	
Alur	1,780.77	8.29	
Hospet	21,907.02 *	698.07	* 477.44 acres unassessed and unfit for cultivation.
Harpanaballi	13,963.05 †	46.69	† 8,989.88 acres unassessed.
Kudligi	60,964.78	440.21	
Hadagalli	20,177.47	145.19	
Total	154,802.95	2,705.31	
Anantapur district—			
Anantapur taluk	111,812.00	1,284.00	
Kalyandrug	136,513.00	533.00	
Gooty	13,932.00	271.00	
Tadpatri	13,311.00	723.00	
Dharmavaram	118,976.00	595.00	
Kadiri	38,620.00	322.00	
Penukonda	28,840.00	148.00	
Hindupur	28,647.00	232.00	
Madakasira	44,741.00	321.00	
Total	535,392.00	4,429.00	
Chittoor district—			
Chittoor taluk	16,716.04	83.98	
Chandragiri	3,685.12	36.55	
Madanapalle	14,573.81	274.48	
Vayalpad	22,694.92	220.54	
Palmaner	8,387.96	296.14	
Punganur	740.85	43.47	
Kalahasti	Nil.	Nil.	
Puttur	Nil.	Nil.	
Tiruttani	Nil.	Nil.	
Total	67,698.70	955.16	
	Extent available for assignment.	Extent reserved for scheduled classes.	
	Dry. ACS.	Wet. ACS.	Dry. ACS.
Chingleput district—			
Ponneri taluk	1,031.31	301.50	279.30
Tiruvallur taluk	1,038.72	94.70	77.02
Saidapet taluk	3,396.56	353.59	23.93
Sriperumbudur taluk	268.05	22.77	95.86
Chingleput taluk	2,308.32	403.13	585.10
Conjeeveram taluk	1,531.59	92.19	137.00
Madurantakam taluk	2,982.07	202.68	860.89
Total	12,556.62	1,470.56	2,059.10
			230.75

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		Extent available for assignment.		Remarks.
		Dry.	Wet.	
		ACS.	ACS.	
Coimbatore district—				
Avanashi taluk	..	1,775.18	..	
Bhavani taluk	..	4,331.00	..	
Coimbatore	.. ..	1,327.95	16.90	
Dharapuram	.. ..	396.08	..	
Erode	.. ..	947.79	0.50	
Gobichettipalayam	..	14,286.37	2.22	
Kollegal	.. ..	76,000.00	..	
Palladam	.. ..	1,289.00	..	
Pollachi..	.. ..	4,102.20*	..	* Includes 4,075.37 acres in the Anamalai Hills.
Udamalpet	.. ..	449.62	..	
Total	..	104,905.19	19.62	
The Nilgiris district—				
Coonoor taluk	..	1,431.74	..	
Ootacamund taluk	..	1,904.42	..	
Gudalur	.. ..	8,508.52	1,126.16	
Total	..	11,844.68	1,126.16	
South Kanara district—				
Mangalore	.. ..	66,363.57	59.87	
Coondapoor	.. ..	134,115.12	613.15	
Udipi	.. ..	74,098.99	90.36	
Karkal	.. ..	37,100.00	5.00	
Puttur	.. ..	161,983.22	99.84	
Kasargod	.. ..	130,990.68	54.00	
Total	..	604,651.58	922.22	
Malabar district—				
Chirakal taluk	.. ..	228.70	17.14	
Kottayam taluk	.. ..	245.46	3.03	
Wynaad taluk	.. ..	62,260.35	7,052.71	
Kurumbranad taluk	.. ..	12.16	0.54	
Calicut taluk	.. ..	7.62	40.77	
Ernad taluk	.. ..	831.87	29.05	
Walluvanad taluk	.. ..	211.48	12.75	
Palghat taluk	.. ..	26.98	0.06	
Ponnani taluk	.. ..	1,299.41	10.12	
Cochin taluk	.. ..	7.80	..	
Total	..	65,131.83	7,166.17	

THE MADRAS LEGISLATIVE COUNCIL.

Monday, 15th May 1939

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

[I.—QUESTIONS AND ANSWERS.]

STARRED QUESTIONS

Co-ordination of the working of Madras Debt Conciliation and Madras Agriculturists Relief Acts.

* 276 Q.—DR. P. J. THOMAS: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state what steps have been taken for co-ordinating the working of the Madras Debt Conciliation Act, 1935, and the Madras Agriculturists Relief Act, 1938?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The provisions of, and the procedure under, the Madras Debt Conciliation Act, 1936, as applied to the conditions created by the Madras Agriculturists Relief Act, 1938, have been explained in a Press Communiqué, dated 6th May 1938. In order to enable debtors to take advantage of the machinery provided by the Debt Conciliation Act to have their debts scaled down under the Agriculturists Relief Act, 92 debt conciliation boards have been set up throughout the Presidency generally at the rate of one for each revenue division.”

Amendment to the Indian Companies Act for ensuring sound working of joint-stock banks in the Presidency.

* 277 Q.—SRI RAO BAHADUR M. RAMAN: Will the Hon. the Minister for Industries and Labour be pleased to state whether the attention of the Government has been drawn to the article “The Indian Companies Act—Need for amendment” published in *The Hindu*, dated 5th October 1938, and if so whether the Government have appointed a committee as suggested or have taken any other steps thereon?

THE HON. SRI V. V. GIRI:—“The Government have seen the article referred to. The question what action should be taken by this Government is under consideration but they do not propose to appoint any committee as suggested.”

MR. J. A. SALDANHA:—“May I enquire whether the Government have submitted to the Government of India proposals which will have regard to the crisis in this Presidency more than any other Presidency?”

THE HON. SRI V. V. GIRI:—“Yes, Sir.”

[13th May 1939]

	Extent available for assignment.		Remarks.
	Dry.	Wet.	
	ACS.	ACS.	
North Arcot district—			
Tiruvannamalai taluk.	11,963.00	110.00	
Wandiwash taluk	2,977.89	335.89	
Chengam taluk ..	35,264.89	185.82	
Arkonam taluk ..	8,103.85	496.71	
Tiruppattur taluk ..	1,232.89	65.18	
Polar taluk ..	10,814.52	414.54	
Vellore taluk ..	1,525.63	22.49	
Cheyyar taluk ..	3,163.57	143.22	
Wallajah taluk ..	7,223.50	414.50	
Gudiyattam taluk ..	3,078.24	211.93	
Arni taluk ..	Nil	Nil	
Total ..	85,347.98	2,400.28	
South Arcot district—			
Cuddalore taluk ..	5,141.76	91.87	
Tindivanam ..	10,380.00	468.00	
Villupuram ..	3,200.58	367.22	
Gingee ..	2,670.79	188.25	
Chidambaram ..	3,177.39	606.77	
Vriddhachalam ..	14,542.12	485.69	
Tirukoilur ..	5,443.85	335.54	
Kallakurichi ..	43,576.03	517.84	
Total ..	88,132.52	3,061.18	
Cuddapah district—			
Badvel ..	41,063.05	36.35	
Proddatur ..	15,889.74	257.05	
Siddhavattam ..	12,163.71	28.22	
Rajampet ..	24,499.40	988.83	
Cuddapah ..	25,549.22	56.58	
Jammalamadugu ..	17,058.38	62.19	
Pulivendla ..	21,461.09	2.67	
Rayachoti ..	49,219.39	138.80	
Total ..	206,904.58	1,570.69	
Tanjore district—			
Tanjore taluk ..	15,898.30*	347.59	
Papanasam taluk ..	842.23*	3.12	
Kumbakonam ..	214.27	..	
Mayavaram ..	303.56	6.46	
Total ..	16,458.36*	357.17	
Shiyali ..			
Nannilam ..	272.00	..	
Negapatam ..	114.00	..	
Tiruturaipundi ..	3,464.00	..	
Tiruturaipundi ..	12,474.00	..	
Mannargudi ..	4,952.43*	..	
Pattukottai ..	9,912.00*	8.00	
Arantangi ..	673.00	102.00	
Total ..	49,149.79	467.17	

* Includes the extent of poramboke included in the Cauvery-Mettur Project.

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	Extent available for assignment.		Remarks.
	Dry.	Wet.	
	ACS.	ACS.	
Trichinopoly district—			
Perambalur taluk	44,685.34	66.79	
Udayarpalayam taluk. ..	9,863.04	108.66	
Lalgudi taluk	16,072.48	40.05	
Karur taluk	2,129.59	92.41	
Musiri taluk	25,212.13	32.60	
Kulittalai taluk	8,003.15	48.00	
Trichinopoly taluk	7,775.21	176.78	
Total	113,740.94*	565.29	* An extent of 4,092.96 acres is affected by the Cauvery- Mettur Project.
Madura district—			
Madura taluk	1,505.64	673.71	
Melur taluk	10,199.18	322.59	
Tirumangalam taluk	3,435.60	65.55	
Periyakulam taluk	14,082.03	1.39	
Dindigul taluk	5,933.24	19.24	
Palni taluk	1,602.64	7.22	
Nilakottai taluk	6,361.74	24.65	
Kodaikanal taluk	292.75	0.09	
Total	43,412.82	1,114.44	
Ramnad district—			
Srivilliputtur taluk	2,125.88	7.52	
Sattur taluk	5,677.97	2.60	
Aruppukottai taluk	29.58	8.99	
Ramnad taluk.	76.32	8.76	
Paramakudi taluk	..	..	
Mudukulathur taluk	205.78	..	
Tiruvadanai taluk	97.47	11.39	
Tiruppattur taluk	..	..	
Sivaganga taluk	..	..	
Total	8,213.00	40.26	
Tinnevely district—			
Ambasamudram taluk. ..	351.80	7.82	
Koilkatti taluk	29.99	0.52	
Nanguneri	2,528.74	2.29	
Sankarankoil	124.83	2.61	
Srivaikuntam	834.26	7.30	
Tenkasi	0.12	..	
Tinnevelly	314.85	1.36	
Tiruchendur	1,079.50	0.41	
Total	5,264.09	22.31	
Salem district—			
Hosur taluk	24,192.00	121.00	
Krishnagiri taluk	2,573.64	70.24	
Dharmapuri taluk	22,777.24	137.43	
Harur taluk	47,235.31	271.65	
Omair taluk	16,597.54	151.85	
Tiruchengode taluk	4,789.64	136.70	
Salem taluk	14,151.68	14.79	
Attur taluk	53,426.85	80.38	
Namakkal	21,627.09	105.62	
Rasipur	3,190.85	17.33	
Yercaud	4,055.65	..	
Total	214,617.49	1,106.99	

* An extent of 4,092.96 acres is affected by the Cauvery-Mettur Project.

[15th May 1939]

Particulars about presidents of local boards removed by the Government and subsequent re-election of the same persons.

* 278 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to place on the table a statement showing the following particulars with regard to the re-election of the same person as president of a local board after his removal from the said office by the Government for a period of five years from 1st April 1934 to 1st April 1939—

- (a) name of the local board,
- (b) name of the President,
- (c) date of removal,
- (d) reasons for removal, and
- (e) date of his re-election as president of the same board?

THE HON. SRI B. GOPALA REDDI:—“A statement^a is placed on the table of the House.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I ask whether the Government will be pleased to place further information on the table?”

THE HON. SRI B. GOPALA REDDI:—“The number of presidents removed from office is only 15.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“Only 3 have been re-elected before the advent of the Congress Government and all the other 12 have been re-elected after. Is it not a fact?”

THE HON. SRI B. GOPALA REDDI:—“It is a fact.”

Five years' statement of Revenue and Expenditure for certain districts.

* 279 Q.—SRI B. BHEEMA RAO: Will the Hon. the Prime Minister be pleased to state the revenue and expenditure under various Provincial heads for the districts of—

- (1) Bellary,
- (2) South Kanara,
- (3) Anantapur,
- (4) Cuddapah,
- (5) Kurnool, and
- (6) Chittoor

giving each of the five years commencing from 1st April 1933 to 1st April 1938?

THE HON. SRI C. RAJAGOPALACHARIAR:—“The figures of revenue and expenditure on Revenue Account for the six districts of Bellary, South Kanara, Anantapur, Cuddapah,

^a Printed as Appendix I on pages 293-294 infra.

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Kurnool and Chittoor for the financial years 1933-34 to 1937-38 as in District Treasury Accounts are given in the statement^a placed on the table.

The statement does not include—

- (1) the revenue and expenditure in the Public Works and Forest Departmental Accounts as figures are not available for these departments by revenue districts.
- (2) Revenue or expenditure relating to the districts, booked outside the districts, for example, that relating to the Governor, Legislature, Secretariat, Heads of Departments, High Court, Debt Charges, Stationery and Printing, Expenditure in England, Pension liability of headquarters establishments and the like.”

List of cases in regard to scaling down of debts under Madras Agriculturists Debt Relief Act.

* 280 Q.—SRI B. BHEEMA RAO: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state, with regard to the scaling down of debts under the Madras Agriculturists Debt Relief Act (IV of 1938)—

(a) the number of cases during the year ending with 31st March 1939, in which the debtors paid up the amounts scaled down by courts; and

(b) the number of cases in which the debtors' properties were sold through courts in order to realize the sums scaled down?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) & (b) During the period of one year ending with February 1939, 96,899 applications were received, of which 80,404 were disposed of, scaling down claims to the approximate total extent of Rs. 2,44,00,000 to Rs. 1,31,00,000. The Government have no information as to the number of cases in which the debtors have paid the scaled down amounts or as to clause (b).”

SRI RAO BAHADUR M. RAMAN:—“May I know, Sir, how many pattadars paying less than Rs. 10 applied for this?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Notice, Sir.”

Laying down of cement concrete or tarred roads on portions of trunk roads lying in municipal limits.

* 281 Q.—SRI B. BHEEMA RAO: Will the Hon. the Minister for Local Administration be pleased to state—

(a) the balance now standing to the credit of the Madras Road Development Fund;

^a Printed as Appendix II on pages 295-298 infra.

[15th May 1939]

(b) whether the Government have considered the necessity of laying down cement concrete or tarred roads on such portions of the trunk roads as are situated in municipal areas; and

(c) if so, what the decision is?

THE HON. SRI B. GOPALA REDDI:—“(a) The balance outstanding on 31st March 1938 was Rs. 65.44 lakhs.

“(b) & (c) The answer is in the negative. The Government, however, considered the question of sanctioning grants for introducing improved methods of road surfacing in municipal areas. They decided that no grants could be given but that applications from municipal councils for loans for such purposes would be considered.”

Visits of the Inspector of Local Boards and Municipal Councils to the panchayat boards in Tanjore district and installation of radio sets.

* 282 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is a fact that the Inspector of Local Boards and Municipal Councils inspected some of the panchayat boards in Tanjore district in March 1939;

(b) if so, what the panchayat boards visited by him are;

(c) how many of the panchayat boards, which he visited, are provided with electric lights and radio sets;

(d) whether it is a fact that he advised the panchayat boards not to spend money on unnecessary items such as electrification of villages and installation of radio sets;

(e) whether it is a fact that he insisted on the use of kerosene lamps instead of electric lights on those panchayats where he visited;

(f) how many panchayat boards in Tanjore district applied for installation of radio sets and to how many of them permission was granted and to how many of them permission was refused;

(g) what the reasons for the refusal of permission are; and

(h) whether his attention has been drawn to the news appearing in page 10 of the *Madras Mail* (Dak Edition), dated 15th March 1939, under the heading “Unnecessary items, permission refused for radio sets”?

THE HON. SRI B. GOPALA REDDI:—“(a) The answer is in the affirmative.

[15th May 1939]

- “(b) 1. Manakarambai. 12. Koradacheri.
2. Kandiyur. 13. Podakkudi.
3. Thillaisthanam. 14. Koothanallur.
4. Tiruvadi. 15. Mulangudi.
5. Nadukaveri. 16. Mudikondan.
6. Venkatasamudram. 17. Koothanur.
7. Mannarsamudram. 18. Agarathirumalam.
8. Nidamangalam. 19. Peralam.
9. Koilvanni. 20. Nannilam.
10. Puvannur. 21. Velukkudi.
11. Vadakaravayal.

“(c) Ten panchayats have provided electric lights (viz., Nidamangalam, Puvannur, Koradacheri, Mudikondan, Koothanur, Peralam, Nannilam, Koothanallur, Agarathirumalam and Tiruvadi) in their respective areas. None of them is maintaining a radio set.

“(d) The Inspector advised the panchayat boards to attend to the primary needs of the village, viz., water-supply, street repairs, and sanitation before they spent money on electric lights and radio sets.

“(e) He advised panchayat boards that had already put up kerosene lights to continue them as it would be more expensive to replace all the kerosene lights with electric lights. The finances of the boards did not justify wholesale replacement by electric lights.

“(f) Four panchayat boards in Tanjore district applied for installation of radio sets. Sanction was refused in all the four cases.

“(g) The reasons for refusal are given below in each case:—

Name of Panchayat Board.			Reason for refusal for sanction.	
			Financial incapacity.	Annual income.
1 Korukkai	..	..	..	only Rs. 350.
2 Manjanvadi	..	..	Do.	Annual income only Rs. 350.
3 Tiruvilimalai	..	..	Do.	Annual income only Rs. 268.
4 Papanasam	..	..	Do.	The Special Officer himself reported that the board cannot afford to maintain a radio set. On an examination of the budget of the panchayat his statement was found to be correct.

“(h) The answer is in the affirmative.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“May I know the policy of the Government in this matter?”

THE HON. SRI B. GOPALA REDDI:—“The policy is contained in the answer to (d), viz., that the primary needs of the village, like water-supply, etc., should first be attended to.”

[15th May 1939]

Alleged introduction of a minimum of 40 per cent of marks in English for promotion as Deputy Tahsildar.

* 286 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that a new rule has been introduced in the Revenue Department insisting upon 40 per cent of marks in English for the purpose of promotion to the cadre of Deputy Tahsildar;

(b) whether it is a fact that this rule is enforced with retrospective effect, i.e., in the case of promotion of clerks who are already in service also;

(c) whether it is a fact that orders have been issued that no other name should be considered for the appointment of Deputy Tahsildar's post until all the senior grade clerks are absorbed;

(d) if so, whether care has been taken to see that the principle of communal representation is not violated; and

(e) whether he will place on the table all orders passed in the Board of Revenue whether confirmed by Government or not with reference to promotions in the Revenue Department?

THE HON. SRI T. PRAKASAM:—“(a), (b) & (c) The answer is in the negative.

“(d) The question does not arise.

“(e) The request is obviously impracticable.”

Measures for the control of beggar nuisance.

* 287 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to state—

(a) what legislative provisions exist for giving relief to beggars in public places and preventing or controlling the nuisance caused by them; and

(b) what further measures Government propose to take for those purposes especially in the case of lepers?

THE HON. DR. P. SUBBARAYAN:—“(a) The existing legislative provisions are extracted in the statement^a placed on the table.

“(b) The attention of the hon. Member is invited to the answer given to clause (c) of question No. 235.”

MR. J. A. SALDANHA:—“Am I to understand that the Government have not at all any mercy for these poor lepers?”

^a Printed as Appendix III on pages 299-300 infra.

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THE HON. DR. P. SUBBARAYAN:—“I am afraid the hon. Gentleman is wrong in his presumption.”

MR. S. J. GONSALVES:—“May I know whether the housing of the lepers is not a legitimate charge on the revenues of the Government?”

THE HON. DR. P. SUBBARAYAN:—“I do not grant the premises of the hon. Member.”

Salaries and allowances fixed for officers of the Territorial Forces now under recruitment.

* 288 Q.—MR. J. A. SALDANHA: With reference to the communiqué recently issued by Government as to the need for candidates for the post of officers of Territorial Forces in the Province, will the Hon. the Prime Minister be pleased to place before the House a statement showing the salaries and allowances sanctioned for those officers?

THE HON. SRI C. RAJAGOPALACHARIAR:—“The Government have not got the information. They have called for it.”

MR. J. A. SALDANHA:—“May I enquire whether the Government are going to have this point discussed in this Council in order that we may give expression to our feelings on the subject as representatives of the people?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“The Government have expressed their opinion in the same direction already and the Secretary of State has told Parliament what it is. I do not know if there is much use in discussing it in this Chamber again.”

MR. J. A. SALDANHA:—“I would like to have an opportunity given to this House at least to express its resentment, whatever the Prime Minister might have represented to the Government of India.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I am grateful to the hon. Member for putting the question in this form, which in itself is in effect an expression of his feelings.”

MR. J. A. SALDANHA:—“But not of the House? It is the resentment of the House and not my own.”

Technical training for municipal and local board officials.

* 289 Q.—MR. J. A. SALDANHA: With reference to the answers to my starred questions No. 19 on 31st August 1937 and No. 72 on 23rd March 1938, will the Hon. the Minister for Local Administration be pleased to state what steps Government propose to take with a view to give technical training to municipal and local board officials?

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Is there any objection for giving sanction provided they have funds to spend?"

THE HON. SRI B. GOPALA REDDI:—"Where they can spend money on radio sets, the Inspector does give the sanction."

Proposal, if any, to amend the Madras Debtors' Protection Act, 1934.

* 283 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether Government have decided to introduce legislation further to amend the Madras Debtors' Protection Act, 1934, and to bring in other measures to control usury in regard to interest and to protect debtors, especially industrialist and agriculturist debtors; and

(b) if so, when?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (a) & (b) The attention of the hon. Member is invited to the answer to clauses (b), (c) and (d) of question No. 240 given on 11th May 1939. The provisions of the Madras Debtors' Protection Act, 1934, will be repealed so far as they apply to money-lenders as defined in the Money-lenders' Bill. The Madras Agriculturists Relief Act, 1938, already provides for relief to agriculturist debtors and protects them in regard to interest."

Ban on the entry of Sunday Observer into the railway limits lying within Travancore State.

* 285 Q.—SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR: With reference to the notification No. 12 of the Public (General) Department which appeared in *Fort St. George Gazette*, dated 25th April 1939, will the Hon. the Prime Minister be pleased to state—

(a) on whose representation the Government took action to ban the entry of the *Sunday Observer*;

(b) whether the Government are aware that the Travancore Government have prohibited the entry of the *Indian Express* into their territory; and

(c) if so, whether this Government took any action to prohibit the importation of that paper as they have done in the case of *Sunday Observer*; if not, why there should be a discrimination in the case of *Sunday Observer*?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) The entry of this newspaper into the railway lands in Travancore was banned at the request of the Travancore Government.

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" (b) The answer is in the affirmative.

" (c) The subject-matter published and not the newspaper made the difference. The Government must decline to go further into details on public grounds."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" Instead of the subject-matter published, why should there be a ban on the whole newspaper instead of that issue?"

THE HON. SRI C. RAJAGOPALACHARIAR:—" I have already said that I cannot go further into the discussion of that matter."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I know whether the Travancore Government have requested this Government to ban the entry of *Indian Express* also?"

THE HON. SRI C. RAJAGOPALACHARIAR:—" I have answered that already in answer to (b). Yes; the Travancore Government requested in respect of the *Indian Express* also once upon a time."

Proposal, if any, for amending the Indian Succession Act.

* 284 Q.—MR. J. A. SALDANHA: Will the Hon. the Minister for Law be pleased to refer to the answers of the Hon. the Minister for Courts and Prisons to my starred question No. 23, dated the 19th August 1938, and unstarred question No. 45, dated the 28th January 1939, regarding the amending of the Indian Succession Act and to state—

(a) whether the Government have since come to a decision on the matter and if so, what that decision is; and

(b) whether the Government of India have communicated to this Government their decision as to the levy of death duties as a rule on all communities and if so, what that decision is and on what grounds it is based?

THE HON. DR. P. SUBBARAYAN:—" (a) The Government have not yet come to a decision on the matter.

" (b) No communication conveying the decision of the Government of India in the matter has been received by this Government."

MR. J. A. SALDANHA:—" May I enquire whether Mr. Lloyds, I.C.S., an officer of the Government of India was not sent to Madras to discuss the matter with the Local Government and what the result of the Conference is?"

THE HON. DR. P. SUBBARAYAN:—" The hon. Gentleman is correct in his statement. But the results of the Conference cannot yet be divulged."

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THE HON. SRI B. GOPALA REDDI:—"After mature consideration, the Government decided not to pursue the question further of providing technical training for employees of local bodies."

Consultation made and advice given, if any, by the Local Government on the Government of India Act (Amendment) Bill.

* 290 Q.—**MR. J. A. SALDANHA:** Will the Hon. the Prime Minister be pleased to state—

(a) whether the Provincial Government was consulted before the Government of India Act (Amendment) Bill was brought in the Parliament; and

(b) if so, what advice was given by the Government?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) The Provincial Government was consulted.

"(b) It is not in consonance with the best practice in such matters to disclose such communications. But the hon. Member is referred to the Secretary of State's speech in Parliament, which contains as much information on this point as can be made available."

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—MESSAGE FROM THE ASSEMBLY.

MR. PRESIDENT:—"I have to announce to the House that the following message, dated Chepauk, the 14th May 1939, has been received by me from the Hon. the Speaker of the Madras Legislative Assembly:—

"In accordance with Rule 84 of the Madras Assembly Rules I transmit a copy of the Madras General Sales Tax Bill, 1939 (L.A. Bill No. 11 of 1939) as passed by the Assembly on the 13th May 1939 and signed by me, for the concurrence of the Council."

III.—THE MADRAS TOBACCO (TAXATION OF SALES AND LICENSING) BILL, 1939 (L.A. BILL NO. 10 OF 1939) AS PASSED BY THE ASSEMBLY—cont.

MR. PRESIDENT:—"The Council will now proceed with the consideration of the Madras Tobacco (Taxation of Sales and Licensing) Bill, 1939."

Clause 2.

Sub-clause (8).

SRI B. NARAYANASWAMI NAYUDU:—"I move—

'Omit the words "bidis and snuff" occurring in line 3 and add "bidis and snuff or" before the word "any" occurring in the beginning of line 4.'

"Sub-clause (8) of clause 2 deals with the definition of 'manufactured tobacco' and places under this category, cigars,

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cheroots, cigarettes, cigarette tobacco, pipe tobacco, bidis and snuff. The object of my amendment is to take out of the definition of 'manufactured tobacco,' bidis and snuff. These two varieties, it is proposed, should go out of it. I have based it simply on the ground that they are very cheap and are consumed largely by the low class people whose wages are rather low. Therefore it is that I have put this amendment before the House for its consideration.

"My hon. Friend Mr. Meeran will talk about it elaborately, because he knows something about it. I therefore do not say anything further."

* **S. K. AHMED MEERAN SAHIB BAHADUR:**—"I second the amendment and in doing so wish to say a few words. Sir, bidis are manufactured in large quantities in this Presidency. This business gives employment to quite a large number of people. One noteworthy feature of this business is that it employs entirely manual labour besides being entirely swadeshi. It does not use foreign tobacco. It uses purely Indian tobacco. It is done entirely by manual labour and does not employ machinery of any sort whatsoever, at any stage. Lastly, it is a cottage industry. It is done in the private homes of so many families where young and old, men and women all work in their leisure hours to augment their income. Of course there are also persons whose sole occupation is this industry. I know that in very many families women especially, who cannot go out and employ themselves, wholly take to it in their leisure moments and try to supplement their family income. So this is a first-class cottage industry and a first-class swadeshi industry run by Indians entirely with Indian capital and with Indian labour. It gives, as I said, employment to many thousands of men and women. I can also say that it gives employment to children, though of course children below 12 years cannot hereafter be employed as it has been prohibited under an Act recently passed by the Central Assembly. Bidis are made in private homes as a cottage industry. They are sold in the market ordinarily at 2 for a pie or 3 for a pie. It is one of the cheapest forms of manufactured tobacco which is in use and it is used because of its cheapness by the poorest of the people. I do not think it can be called a luxury. It is not used by those who smoke cigarettes or high-class cigars or pipe cigars or pipe tobacco or anything like that. As a matter of fact, the middle class people and the richer or aristocratic classes of people will consider it *infra dig* to use bidis.

"Under such circumstances, I think, this Government, who stand for cottage industries in particular, who want to give additional or supplementary income to those who are employed otherwise and who want to protect cottage industries in every way

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possible, would surely see that the bidi is exempted from 'manufactured tobacco' and from the provisions of this Act. If bidi is going to be taxed, it will only mean that its price will increase. I do not mean to say that because of that people will give up smoking; but I am quite sure that they will go in for cheap foreign cigarettes instead of this bidi. Sir, if leaf tobacco is exempted under this enactment, it is going to be subject to the tax under the Sales Tax Act. They will have to pay a half per cent tax. Then, the manufacturer will have to take out a licence and if he is also a wholesale dealer he will have to pay a tax at 2 per cent. Then again, if it passes one or two hands, a tax has to be paid and if it has to pass through some more hands, more taxes will have to be paid and the retail dealer will have to pay ultimately 10 or 12 per cent tax. When we take into consideration all these things, I am quite sure that the price will at least double itself and the net result will be that the bidi will perhaps be sold at one for a pie or one for two pies. When the price of bidi rises like that, cheap cigarettes and bidis manufactured in Bangalore and other places will capture our markets. This will result in loss of employment to thousands of our workmen and the killing of a first-class cottage industry. Under these circumstances I request this Government to see that it is exempted from the definition of 'manufactured tobacco.'

"I need not say much about snuff. Snuff manufacture is also a first-class cottage industry. It is also manufactured by Indian labour without the employment of any machinery. Though it may not be manufactured just as bidis in private homes, it is also an industry wherein large numbers of people are employed. Under such circumstances I would implore this Government to exempt these two articles and remove them from the definition of 'manufactured tobacco.'"

* MR. J. A. SALDANHA:—"I have already spoken on this matter. I therefore do not want to say anything except pointing out that in South Kanara district both bidi-making and snuff-making are going on on a large scale and these manufactured articles are supplied to lakhs of people. Both of them are cottage industries, i.e., individuals do this business and not firms or companies. Therefore I strongly support this amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, the point raised is whether snuff and bidis should be excluded from the operation of this measure. As for the implications of it on the revenues, that is accepted; I need hardly deal with it. I think hon. Members are perfectly aware that bidis, however cheap they may be, are the main revenue-yielding stuff. But, apart from that, the question is put in this way: that it is a cottage industry

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giving work to so many people and that it will be affected by this measure. I do not think that that would be the effect of this measure, Sir. The measure is a tax on all bidi manufacturers and, thanks to the attachment which the consumers have to the article, the tax will affect all the dealers in it and all the manufacturers in it and therefore it will not put any particular set of people at a disadvantage. Then the hon. Member passed on to the argument that it may yield place to cheap cigarettes and that in that way it may divert the consumption of tobacco and thereby injure those who are engaged in bidi making. If the hon. Member will analyse the effect of the tax, perhaps he will see that in the first place the first manufacturer-seller will be subject to, according to the tariff put down, a 2 per cent levy. Now, assuming that it goes through many stages of sales, assuming that the dealers' sales or the trading sales will be as many as two or three times before a commodity reaches a small retail shop—though I think this is an overestimate—it will mean that this rate of 2 per cent will be multiplied three times and the tax that it would pay would be what is put down in the tariff in the first block or in the second block. It cannot be contended that it will go into block (c) of clause 4 (1) because that would be a large shop which would deal in the other articles. So far as this trade in bidis goes, if we first of all begin with the assumption that it is sold as dealers' transactions three times, we must assume that it will go only to either block (a) or (b), in which case the net result will be that it will pay less than two annas in the rupee and that will be the total tax paid on this stuff from beginning to end.

"That is, assuming that the dealers' transactions have gone from four to eight times, it would amount only to an addition of 3 per cent under items (a) and (b) of clause 4 (1), so that it may come to 11 per cent at the utmost. Even after the fourth or the fifth transaction, a small shop-dealer will be compelled to add 11 per cent or 2 annas in the rupee, even if bidi prices are fixed so as to cover the difference in price at every stage of the transaction. Even now owing to internal competition, the price of bidi has not risen very high. Assuming that all this is not done, and assuming that this percentage addition will not be 2 annas in the rupee, it is not correct to say that cheap cigarettes will replace the bidis. It is not that bidis will disappear on account of prices. Bidis are preferred to cigarettes, not on account of their cheapness only. High class people take to smoking of bidis because they prefer the flavour of bidis rather than that of cigarettes. It is just like saying that because ragi is cheap, it will replace rice, or rice will replace ragi, because rice is cheap. The two articles, viz., bidis and cigarettes are wholly different, and I do not know if the hon. Member could give us some direct assistance in the matter of assessing the taste . . ."

11-30
a.m.

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S. K. AHMED MEERAN SAHIB BAHADUR:—" I do not use any form of tobacco."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" I thought so. However, there will not be much difference between the prices of both. Two annas in the rupee will probably go to dealers and the manufacturers of the retail cottage industry. The work which is done even by the children, will not be upset. Far from it. We cannot hope at all that this tax will put a stop to smoking. As a matter of fact it was hoped that the habit of juvenile smoking would be stopped by this measure, but I for one do not share in that hope. There is something very attractive for them in the example that has been set before them and they will go on doing exactly the same thing which the grown up people do. If the grown up people will continue smoking, the boys will also go on smoking. I say this with a considerable amount of experience. I therefore submit there is no fear whatsoever that this measure will act as a regressive measure in the consumption of tobacco."

S. K. AHMED MEERAN SAHIB BAHADUR:—" I only said that bidis would be displaced."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" I am particularly dealing with juvenile smoking. Even juveniles will not take to cigarettes; I do not think such a thing will take place. Two annas in the rupee that I mentioned will not make much difference in the prices of articles and it will not have much effect on the use of bidis. Hon. Member is aware that the highest rate is two bidis for a pie; cheaper forms of bidis sell even at 5 for a pie. There is, therefore, very little chance, as I said, even assuming that there will be four changes of hands, of the price of bidi becoming very high."

S. K. AHMED MEERAN SAHIB BAHADUR:—" The Hon. Minister has not taken into account the sales tax that will be levied on the leaf tobacco."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" The sales tax on the leaf tobacco that is used for the bidis will be something almost infinitesimal. In connexion with the actual stuff that is being used in the manufacture of bidis, that is a different matter and we will have to go into it in detail afterwards. Half-a-per cent tax on the general sale value of tobacco will not make much difference, and if it is sold more than four times by a wholesale dealer, the profit that the last man will have to add will be 2 annas in the rupee. But the changing of four or five times is a very great assumption; if it is less than four times or three times, it will be far less."

"With regard to the statement that small manufacturers who make these bidis in their own homes will be affected by this measure, I may say that this point was considered and I draw the

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attention of the hon. Member to the proviso in clause 4 (2) where express provision is made that where the wholesale dealers distribute bidi tobacco for being rolled up into bidis, these poor people should not be taxed. That proviso reads thus:—

'Provided that the tax under this sub-section shall not be levied on any person who prepares manufactured tobacco of value not exceeding one thousand rupees in a year for the purpose of supplying to whole sale dealers.'

Of course these people cannot have their own shops. The practice is that these people roll the tobacco leaf in small quantities as a sort of side occupation and the wholesale dealer is getting his manufactured articles out of the sweated labour of these poor people and the point is that these poor people should not be subjected to this tax. Apart from the merits of this Bill, so far as these poor people are concerned, this measure does not affect them."

DR. SIR K. V. REDDI NAYUDU:—" May I know, Sir, what the value and extent of production of bidis in this Province would be? "

* THE HON. SRI C. RAJAGOPALACHARIAR:—" I should like to know the relevancy of that point."

DR. SIR K. V. REDDI NAYUDU:—" It is quite relevant, Sir. I am told that one crore rupees worth of bidis are being made in this Province. If this is a fact, even on the estimate made by the Hon. Minister that it will not be more than 2 annas in the rupee, it would come to 12 per cent or 12½ per cent in other words; and I want to know whether 12½ lakhs of rupees will have to be paid as tax on these 1 crore worth of bidis that are manufactured? "

MR. PRESIDENT:—" It is not relevant."

The amendment was put and declared lost.

Sri B. Narayanaswami Nayudu demanded a poll.

A poll was taken and the House divided thus:—

Ayes.

- | | |
|----------------------------------|-------------------------------------|
| 1 Sri Rao Bahadur N. R. Samiappa | 6 S. K. Ahmed Meeran Sahib Bahadur. |
| Mudaliyar. | 7 Mrs. M. Hensman. |
| 2 " Diwan Bahadur R. Srinivasan. | 8 Sir Frank Birley. |
| 3 " B. Narayanaswami Nayudu. | 9 Mr. S. J. Gonsalves. |
| 4 Hajee Munshi Abdul Wahab Sahib | 10 Sri M. D. Kumaraswamy Mudaliyar. |
| Bahadur. | 11 Dr. Sir K. V. Reddi Nayudu. |
| 5 Sri Rao Bahadur M. Ramakrishna | 12 Sri Rao Bahadur M. Raman. |
| Reddi. | 13 Mr. J. A. Saldanha. |

Noes.

- | | |
|--------------------------------|--------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 9 Sri V. Vasantha Rao. |
| 2 Sri B. Bheema Rao. | 10 " S. A. S. Rm. Ramanatham Chetti- |
| 3 " K. Madhava Menon. | yar. |
| 4 " V. V. Jogayya Pantulu. | 11 " M. Narayana Menon. |
| 5 " R. Srinivasa Ayyangar. | 12 " L. Subbarama Reddi. |
| 6 " A. Rangaswamy Ayyangar. | 13 " K. Venkataswamy Nayudu. |
| 7 " K. V. Srinivasa Ayyangar. | 14 " T. A. Ramalingam Chettiyyar. |
| 8 " N. Sankara Reddy. | 15 " T. C. Srinivasa Ayyangar. |

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Noes—cont.

16 Sri D. Sriramamurthi.	24 Sri G. Perumalswami Reddiyar.
17 „ V. Ganga Raju.	25 „ K. S. Sivasubrahmaniya Ayyar.
18 „ L. Subba Rao.	26 „ S. K. Sadagopa Mudaliyar.
19 „ P. Peddi Raju.	27 Sir Mahomed Usman Sahib Bahadur.
20 „ P. Veerabhadraswamy.	28 Dr. P. J. Thomas.
21 „ K. P. Mallikarjunudu.	29 Diwan Bahadur Deivasikamani Mudaliyar.
22 „ N. Venkatachalamaji.	
23 „ V. Venkatapunnayya.	

Ayes 13. Noes 29.

The amendment was lost.

Sub-clause (12).

SRI B. NARAYANASWAMI NAYUDU:—“ I beg to move the amendment which stands in my name as follows:—

‘ Insert the word “ manufactured ” between the words “ sell ” and “ tobacco ” occurring in line 2.’

“ Hon. Members will see that it has been told us that leaf tobacco is absolutely exempt from taxation. But it is not at all apparent to me with regard to retail sales of leaf tobacco whether a licence has to be obtained or the retail dealer can sell tobacco leaf in retail without a licence. Here ‘ retail dealer ’ is defined as a ‘ person licensed to sell tobacco in retail under the provisions of this Act.’ Therefore it will be found that ‘ retail dealer ’ is made to apply both to dealers in manufactured tobacco as well as leaf tobacco. When you come to Explanation II to the proviso to clause 3 (1), you will find that the sale by a manufacturer of tobacco manufactured by him, whether by wholesale or by retail sale, is a sale of tobacco within the meaning of that sub-section covered by licence, and not a sale of leaf tobacco.

“ We come again to section 6.

‘ No person other than a grower or a licensee under this Act, shall have in his possession any quantity of tobacco in excess of such quantity as the Provincial Government may from time to time prescribe in respect of all or any of the varieties thereof.’

“ Therefore I am not at all certain as to what is the provision with regard to the retail seller of leaf tobacco. Is he to obtain a licence and if so under what section? It looks as if section 3 applies to manufactured tobacco while the other definition is not consistent with this. That is why I have given notice of this amendment to confine licences for retail sale to manufactured tobacco alone and not extend it to all kinds of tobacco. Of course the wholesaler is subject to a licence under section 3. The real question is whether the retail dealer of leaf tobacco is subject to a licence. The original Bill provided that even a retail seller of leaf tobacco would be subject to a licence. When the Bill came

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back to the Assembly after having been considered by the Select Committee ‘ manufactured tobacco ’ was introduced in section 3 instead of ‘ tobacco.’ I move the amendment.”

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—“ Sir, the amendment is wholly unnecessary. Clause 3 to which Mr. Narayanaswami Nayudu referred lays down the duty of obtaining a licence only on those who sell or expose for sale manufactured tobacco which has been defined to exclude leaf tobacco. The sub-clauses under clause 2 to which he referred, deal with the definition of retail sales and so on. They simply take for granted that a retail dealer means a person who is licensed to sell tobacco. The phrase ‘ retail dealer ’ used in this Act, wherever it may occur, is to be understood to mean only a retail dealer licensed to sell tobacco. For instance if it is anywhere said that a retail dealer shall be taxed, it is only a retail dealer who is licensed under this Act. If it is said that a retail dealer shall keep accounts, it is only with reference to the man who is licensed. The hon. Member referred to one or other of the various clauses in the Bill. They merely describe the effect of a licence having been issued. Section 3 restricts the sale of manufactured tobacco only under a licence. The section says:

‘ Save as provided in this Act, no person shall sell or expose for sale any manufactured tobacco . . . except under the authority and in accordance with the terms and conditions of a licence.

“ There is no prohibition anywhere in this Act against any person selling unmanufactured tobacco without a licence. As was pointed out, a wholesale dealer will have to take out a licence, but a retail dealer is not bound to take out a licence. There is no duty of taking out a licence cast on retail dealers of unmanufactured tobacco.”

SRI B. NARAYANASWAMI NAYUDU:—“ What about section 6? ”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“ Section 6 refers to limitation of possession. Wherever there is a licensing law, it is necessary to prescribe the quantities of possession without a licence. Under the rules it will be said that a certain quantity alone and not more than that can be possessed by retail dealers in leaf tobacco. A retail dealer in leaf tobacco cannot keep a very large quantity say, two tons, for selling. It is not permissible. There is nothing to prevent a man from keeping any quantity of cigarettes for his personal use. But if a travelling agent keeps a large quantity with him for sale and if he is called upon to take out a licence, he cannot say that he is keeping such a large quantity for his personal use and escape taking out a licence. So a certain limit will be prescribed.

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Whenever there is a revenue or licensing measure, such quantities should be prescribed. Section 6 only provides for suitable quantities being prescribed. It will distinguish between a real retail dealer and a wholesale dealer, a real retail dealer and a man who is evading and so on. The quantities will be prescribed by the Government with reference to probabilities of evasion and fraud. There is no duty cast on a retail dealer in unmanufactured tobacco to take out a licence."

DR. SIR K. V. REDDI NAYUDU:—"Unfortunately the matter is not yet clear to my mind. Yesterday, the Hon. the Premier was telling us that the larger dealers or all the dealers in leaf tobacco will have to take out a licence. So far as the Bill itself goes, it is true there is no provision compelling even the smallest dealer to take out a licence; nor is there any distinct provision to show that he need not take out a licence. It is only inferentially that we can know these things. If it is intended that retail dealers in leaf tobacco need not take out a licence, why not make a specific provision saying that dealers whose annual turnover is less than Rs. 100 or Rs. 200 or Rs. 500 need not take out a licence? After all, the speeches made in this Council will not be binding on the Courts when a question arises there whether a small dealer is bound to take out a licence. It is clear at least to my mind that the Government intend not to demand a licence from small dealers in leaf tobacco. But there is nothing in the Act itself making a specific provision to that effect. But when once the Court holds that a licence is necessary, even a man whose turnover is only Rs. 100 annually will have to take out a licence and keep accounts."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I hope I have a right of replying to Sir K. V. Reddi Nayudu."

MR. PRESIDENT:—"Yes."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I shall first draw his attention to clause 3. It is not for removing every kind of doubt that is raised that we can put in a specific clause. When there is actually a complete provision, it would be wrong to put in another clause merely because a question is raised in this House. The question should not be raised in this House when the only provision that lays down the duty is clause 3. It is absolutely clear. It would be quite wrong and against the practice in drafting to introduce superfluous clauses merely because a question is raised here. It is not the usual practice. Clause 3 says:

'Save as provided in this Act, no person shall sell or expose for sale any manufactured tobacco in retail or sell tobacco in any form wholesale or otherwise carry on business as a wholesale dealer, manufacturer, broker or commission agent except under the authority and in accordance with the terms and conditions of a licence granted by the Collector under this Act'.

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"There is no other clause which prohibits anybody selling tobacco except this clause. That is why the sentence is constructed in that form in order to exclude retail sales of unmanufactured tobacco. 'Sell or expose for sale' is connected with 'manufactured tobacco.' In the second part 'sell tobacco' is connected with 'wholesale' dealer only. Manufactured tobacco has been defined. Therefore there is no need for any further specification. I am not depending on any speech made here or assurance given here to give the guarantee required. I want the hon. Member to be satisfied with the clause as it stands."

The amendment was put and lost.

MR. PRESIDENT:—"Mr. Narayanaswami Nayudu."

SRI B. NARAYANASWAMI NAYUDU:—"The next amendment standing in my name follows the same principle. I have no objection to withdraw it."

Clauses 2 and 3 were put and carried.

Clause 4.

Sub-clause (1).

SRI B. NARAYANASWAMI NAYUDU:—"I beg to move the following amendment:—

'Omit sub-clauses (a), (b) and (c) and substitute the following:—

"if such turnover exceeds Rs. 200 but does not exceed Rs. 500—Rs. 5 and if such turnover exceeds Rs. 500 one per cent for the first Rs. 500 and 5 per cent on the remainder of the turnover."

Hon. Members will see that this is the real operative and taxation part of the Bill and it is really one of the important things. I wish therefore to request hon. Members to pay special attention to this clause. I have stated in the speech on the first reading of the Bill that the finances of this year are such as not at all to require a tax of this magnitude. I have stated that I am not objecting to the tax but that I am objecting only to the manner of its imposition and its rate. In order to judge how much is necessary, the estimates for this year have to be taken into consideration. Schoolboy-like we should not be quoting what is found in books. With all respect to the old political jungle here I still say that there is no justification at all for introducing this tax which is not required to meet the needs of the year. Even now I challenge the Hon. Prime Minister to say whether this tax is necessary to meet the demands of this year. If the Government want to educate the country and to tame it to pay

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the tobacco tax, education and taming can be done by having a lower rate as well as it can be done by having a higher rate. The real question, as was stated before, is not one of putting the needle two inches deeper but using the barber's knife. The Government have not got statistics; they have not studied the conditions of the trade; they have themselves admitted that they have no idea of the amount that can be realized. The Government should feel the pulse of the trade beforehand and start with a lower rate. They should not, as it were, cut four inches deep with a barber's knife. When there are no statistics at all, the barber's knife should be used only to the extent necessary.

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"The Government can probe into the matter further, see what the yield is and what effect it has got in the Province. They can see how the tax will affect various persons, the producers, manufacturers, consumers, etc. All such information will be available to the Government. The revenues and expenditure of this year, especially do not call for the imposition of such a high tax, namely, 12 per cent; it means a tax of 2 annas in the rupee in regard to this trade. This trade is never used to this tax.

"It is stated that tobacco is taxed in all civilized countries. They began the tax with $\frac{1}{2}$ per cent; they did not begin with 12 per cent all at once. They raised the tax gradually, seeing the trade of the country, how the country responded to the call and what real difficulties there were in this matter. We can put a low rate now, try it and go on with it. What is the necessity, what is the justification, for the Government now to put the 2 annas rate? Is it necessary for the time being? Will it not do if the rate is one anna instead of two annas?

"I want to know what the taxation yield of this measure is. The Hon. the Prime Minister said that the official figure expected was Rs. 50 lakhs. He said he should be more cautious about the estimate and put it at Rs. 30 lakhs; half of Rs. 30 lakhs is Rs. 15 lakhs. My amendment is to levy the tax at one anna. Half of Rs. 15 lakhs is Rs. 7½ lakhs. According to the budget of this year, the deficit is going to be only Rs. 17 lakhs. What is the justification then for levying the rate proposed in the Bill? You do not have before you definite figures as to the yield of the tax. We want to know the figures. We are all indebted to the Hon. the Prime Minister for introducing this measure. But that does not absolve us from asking the country and the House whether the rate imposed is not too high. I wish to know whether the House wants to impose such a high rate. I wish to know whether the trade wants that such a high rate should be imposed. The levy of 12½ per cent all at once for the trade is not at all justifiable. You yourself do not know what the yield of this tax will

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be. The most reasonable rate seems to be one anna. Even that may be high. I want this rate of one anna should be fixed. I think this rate is sufficient; I do not think that a higher rate is necessary. My amendment says that if the turnover exceeds Rs. 200 but does not exceed Rs. 500 the rate should be Rs. 5. I ask, 'Is there any principle in fixing the high rate of 12 per cent?' The whole question is: 'Are you going to tax persons who sell two annas worth of bidis, etc.? The whole trade they do is worth only two annas; are such persons also to be taxed? Are they not to be exempted?' As hon. Members on the other side know, the turnover in some cases will not be more than 2 annas worth of bidis, cheroots and cigarettes, combined together. They would not be able to sell goods worth more than one rupee. Are such persons to put their chicks in the broth? There is no justification for not exempting such persons whose whole business, whose sole business consists in selling small quantities of bidis and cheroots and cigarettes.

"It was stated that we were shedding crocodile tears. We have a right to say, 'Do not become crocodiles yourselves. It is better not to be crocodiles ourselves.' May I ask if you propose to take this broth in which you have put these small chicks? Is the broth worth taking? When I fixed the rate, I had in my mind, the village man who sells cheroots, bidis and cigarettes in very small quantities. If you go even to a small railway station, you will find on the platform a petty shopkeeper selling cheroots, bidis and cigarettes. Is such a man also to supply the chicken to the broth? It was stated that all civilized countries tax tobacco. I wish to ask whether such countries tax the smallest seller I have referred to. Are the Government going to collect taxes from such petty vendors?

"Not only are they asked to pay taxes, they are also asked to keep ledgers. I shall come to that point later on. They have to maintain certain accounts. I ask, 'Is such a high tax necessary?' When I say this, I do not mean to say, 'Do not introduce Prohibition in one district after another.' If the exigencies of the country require it, if you wish to introduce Prohibition in the whole of the Province, I have not the slightest objection. You had better take the responsibility and work the scheme. That does not absolve us from saying that you are not doing the right thing. I would like to have liquor chicken in the broth than the tobacco chicken. I say that my amendment is absolutely reasonable. If I am going to press this matter to vote, it is to show that, though we might be said to shed crocodile tears, we are not crocodiles ourselves and that the Government are themselves the crocodiles."

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"Not only are they asked to pay taxes, they are also asked to keep ledgers. I shall come to that point later on. They have to maintain certain accounts. I ask, 'Is such a high tax necessary?' When I say this, I do not mean to say, 'Do not introduce Prohibition in one district after another.' If the exigencies of the country require it, if you wish to introduce Prohibition in the whole of the Province, I have not the slightest objection. You had better take the responsibility and work the scheme. That does not absolve us from saying that you are not doing the right thing. I would like to have liquor chicken in the broth than the tobacco chicken. I say that my amendment is absolutely reasonable. If I am going to press this matter to vote, it is to show that, though we might be said to shed crocodile tears, we are not crocodiles ourselves and that the Government are themselves the crocodiles."

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SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I second the amendment."

* MR S. J. GONSALVES:—"Sir, in supporting the amendment, I wish to say that the rate proposed to be levied seems to be very unreasonable. The clause says that any person who sells manufactured tobacco in retail is liable to this tax. Even a woman who sells only one rupee worth of manufactured tobacco in the course of a year or a month, is liable to pay this tax. She will have to pay Rs. 6 a year. I do not think that much argument is wanted to impress upon this House that such a heavy rate is certainly unreasonable."

"Then, Sir, how is the tax to be collected? Does the Government know the number of persons who would be liable to pay this tax? Will not a very large number of persons have to pay this tax? It seems to me that it will lead to very great hardship; it will lead to difficulties. I think the measure will harass a large number of poor people. I am sure the Government will see that it is necessary to revise this clause and reduce the rate."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Sir, as I said the other day during the first reading of the Bill, a large number of poor people eke out their livelihood by selling manufactured tobacco in their respective villages. As a matter of fact, a large number of women during the harvest season carry the whole shop in a basket—of course a very small quantity—go to the threshing ground and sell their goods not for coins but for grain. They earn their livelihood in this way for two or three months in a year. According to clause 4 of this Bill, I am afraid, even these people who invest a small sum of Rs. 10 in their small business have to go in for licences and they have to pay each a sum of Rs. 6. The turnover in their cases does not exceed Rs. 200; still they are bound to pay a tax of Rs. 6. Even if a woman were to do business to the extent of Rs. 50 or Rs. 100 she has to take out a licence under clause 12. And again, she has to maintain accounts also; she has to go in for a clerk to write the accounts of sales from time to time. In the natural course of events, a large number of such poor people will be thrown out of employment. Again villagers who want to purchase small quantities of manufactured tobacco, will have to go to the neighbouring town at a distance of perhaps five or six miles. Not only will a large number of poor people not be able to eke out their livelihood, but the villagers also who purchase such articles will have to go to a distance of five or six miles and buy their small requirements. I feel the proper thing to do is to exempt such people as sell goods at least to the extent of Rs. 100 or Rs. 50 in small villages."

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* MR. J. A. SALDANHA:—"Sir, in supporting this amendment and arguments urged, it seems to me that this clause was added to the Bill in a mood of absent-mindedness. I cannot understand why such a high rate was fixed. If the clause is passed as it is, it will be to the detriment of the poor people."

* S. K. AHMED MEERAN SAHIB BAHADUR:—"Mr. President, with very great respect to the authors of the Bill, I confess I am not able to understand the principle underlying the rate. In all such matters there must be some underlying scheme or principle. I cannot understand a graded rate for a turnover tax. This is a case of a turnover tax on the retail sale. It looks to me as if this Government want to punish those people who want to have more trade. I can understand a graded tax in the case of income-tax and other taxes, where you have a tax on profits. The more you earn, the State may say, 'Give me more.' I can understand that principle when they go on the question of profits. But on a question of turnover tax, I am not able to understand how there can be graded taxation at all. The correct principle should be: the larger your turnover, the lesser you will have to pay. But the principle underlying this Bill seems to be: the larger your turnover, the more you will have to pay. You are thus penalized. You are putting people having a large turnover at a great handicap as against those who are not able to effect large sales. I am not able to understand the principle underlying it. Suppose there are two shops A and B close by. Shop A is able to effect sales over Rs. 200. There is the next-door shop B which is not able to effect sales over Rs. 200. B has to pay a tax of Rs. 6, but A has to pay at the rate of Rs. 12. What will be the result? I will take a shopkeeper A whose turnover is Rs. 200. There is another shopkeeper B whose turnover is over Rs. 400 and less than Rs. 1,000. The tax A has to pay is only Rs. 6. B whose turnover is about Rs. 1,000 has to pay 3 per cent on the first Rs. 400 and 10 per cent on the remainder of his turnover. Therefore, B will have to increase the price of his articles and he will not be able to compete with his neighbour A. All the same B has to pay a higher tax. If he is not able to increase the prices of his articles, he will have to incur loss in his business. Thus the Government want to penalize people who have large turnovers. The Government are putting much hardship on people who are transacting large volume of business. Unless they want to introduce the socialistic order of things and encourage people with small turnovers, I cannot understand the principle underlying the Bill. As I said, this will work great hardship. The Bill is making a discrimination as between the small retail-dealer and the big dealer. The principle—the greater the turnover, the greater the tax—is not followed in any civilized

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country. I can understand that principle in the case of income-tax, where you assess the tax on profits. But in a case like this where you tax on the turnover, you are penalizing the man who has a larger turnover; you compel him to pay a higher rate. Suppose A has a turnover of Rs. 200 and B has a turnover of more than Rs. 200—say Rs. 201. While A has to pay a tax of only Rs. 6, B whose turnover is only Rs. 201, has to pay a tax of Rs. 12. He has to keep accounts readily and correctly so that he can be able to find out whether his income exceeds Rs. 200 even by one rupee. If his income exceeds Rs. 200, even by one rupee, he will have to pay a tax of Rs. 12, whereas A will have to pay only a tax of Rs. 6, if his income is Rs. 199. I cannot understand the principle or the rationale behind the Bill."

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* SIE MAHOMED USMAN SAHIB BAHADUR:—"Sir, I want to say just one word, Sir, with reference to the unfortunate ending of the speech of my hon. Friend Mr. Narayanaswami Nayudu, when he said that he would press the matter to a division as it would signify something according to him. Sir, I just want to say this: that a poll would signify many things; it would signify those who are sincere in their demand for Prohibition and those who are not sincere in their demand for Prohibition; it would disclose those who sincerely think that Prohibition is going to uplift the poor of our country, and those who want to see that the poor of our country remain in the same miserable condition in which they are now. I value Provincial Autonomy, because, it has the capacity of improving the condition of the poor, both morally and materially."

* MRS. MONA HENSMAN:—"Mr. President, on this clause I would like to make a few remarks. Many and weighty arguments have been put forward already. So I need not go into that part of this clause. But I would support the mover of this amendment when he says that this particular clause does bring about a greater hardship and a greater tax than is necessary. Of course, the question of necessity is a matter of proportion and of choice. Probably it is a matter also of knowledge; and I do feel that the mover of this Bill has got more knowledge on that point than myself. But I should like to put forward a remark *a propos* of what he said on Saturday. The mover of this Bill put forward the argument, if I quote him correctly, that if the tax was found too heavy in any one case, it could in the future, when proved to be too heavy, be made proportionately lighter. I think students of history have scarcely found that when a tax has started in one way, it has been made lighter; and students of science and students of mathematics know that the greater contains the less, but very seldom has the greater been reduced to the proportion of the less. And those of us who are working

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among the Children's Aid and other societies have certainly found sweated labour in tobacco manufacture. And this kind of clause that puts a maximum rate of tax on the turnover of manufactured tobacco in particular will surely increase, rather than decrease, the hardships of sweated labour.

"Sir, many references have already been made to the poor, and I do not think I need labour that subject any more; but I think *a propos* of a remark that was made this morning about those of us who are women—and it is the women's point of view also—that if the tax on the turnover were made the minimum, it would be more beneficial to us in our homes. Already, Mr. President, when the motor car is used, the petrol tax affects the women and children at home more, because theirs is the 'superfluous petrol' and not the petrol that is to go towards 'making money for the family.' Already, the electricity tax might have induced some people to turn off their fans. The husbands may go to office and have the fan, but I do not think in their homes, the electricity tax will influence the families to use more electricity than is absolutely necessary. The entertainments tax also has made us aware that perhaps the husbands would sit at home or perhaps in the clubs, rather than go to entertainments; and that does not mean more entertainment for the women and the children. All these go to prove that our husbands go to us more for the 'soup' that we make at home and come to us more than they did before for the luxuries and amenities of the home; and if they are going to smoke—and we are all agreed that this tax will not lessen the number of smokers who will continue to smoke for reasons of selfish interest—they will spend more on the smoking; but the soup that we have to make for the men and the children will certainly lack some of the necessary ingredients, because this tobacco tax might have taken the money over. It may be no doubt a little bit each time; but in the long run, in the course of a whole year, it must be a matter which counts. From many points of view, I think it will be a great and good thing if this amendment can be accepted. We do not object to the taxation on the turnover, but it might be the minimum and not the maximum as at present. And if it is found in future that this is too little, surely, it can be made more."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, the proposal is to reduce the rate of the tax and to exempt the smaller dealers altogether from this tax. That, in substance, is the meaning of the amendment moved just now. In support of the arguments, the last speaker appeared to me, if I have followed her, to press the general point that all taxation makes the men spend more for articles of consumption of one kind or another and that they will come home with less money to give to their wives for the articles of necessary consumption for the maintenance of life

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and family. That contains a true principle no doubt. All taxation has that effect; but the hon. Member who spoke last should also remember that all women have not husbands who go to office, that there is a very large class of men who go to another place which we have in mind just now, which is not an office but yet Government-established, where they sell liquor. And our whole object has been to save a little more for the ingredients of the good housewife's broth at home by stopping those people from going to that place which I won't describe. Therefore, it is something necessary to prevent men from going to the liquor shops. Putting it in a brief form, it comes to this: shall we put this tax, high though it may be, with reference to tobacco, or shall we put a very much higher tax on drink? Drink not only calls these men but actually drags them as if by an iron chain, to those shops. Which shall we do, is the real problem, and I commend that problem for the careful and considered opinion of the lady member who spoke last. Is it good to make this sacrifice in order to stop the drink shops all over the country—which is essentially a women's movement, if I may say so? The Prohibition measure which was introduced is a cent per cent present to the women of our country. I want Mrs. Hensman to consider that aspect of the matter. If she accepts the arguments of the learned members of the Council who have said that we may abolish drink all the same and yet we need not introduce these taxes, I have no answer to give; but I would only tell her that it is not a correct argument. But if she does not accept that and admits, along with us, that in order to do away with drink quickly all over the Province, because the women all over the Province should have the pleasure of a happy home and a full purse when the husband comes home, then she must agree with the Government and vote with them not only for this tax but for the other taxes which we propose, in order to do away with drink altogether. I was very much pained, if I may say so, to see a lady member rising up and . . .”

* MRS. MONA HENSMAN:—“On a matter of personal explanation, Mr. President, I did not say anything against Prohibition; I myself have voted for Prohibition; and, as the Hon. the Premier says, it is a women's movement. But what I state is, and I do feel so, that women cannot be committed in the future to everything that is being put forward as a plea for making money for this purpose. All of us have not got husbands who are going periodically or habitually to such places; but we also do think of such husbands. I do not think it is quite fair.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“I do not deny the general proposition. I want the hon. Member to bear with me. I appealed to her to support the Government not only in the movement for Prohibition but in every necessary step to

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achieve that object; otherwise, the support given with one hand is taken away by the support that is not extended to any subsequent measure which is necessary to carry out that object. It is not as if I find fault with her; I appeal to her that if the women of our country want Prohibition, they must support every measure that is necessary to give practical shape to that movement for Prohibition. It is not enough merely to swear by Prohibition; it is necessary to make the sacrifice for it. There are classes and classes of people; there are grades and grades of people; and let Mrs. Hensman just consider for a moment what this tax is that she has been speaking about. It is a very heavy tax on only one commodity that is sold in this country, and that commodity has got a big charm for a particularly miserable set of people, from which they cannot escape. Is it just to pay a very heavy tax on a particular commodity which captures the poorest among us and the most miserable and illiterate among us, or is it just to tax all commodities which people may or may not pay according to their standards? I want her to consider this: that is why I am earnestly pleading for the help of women, whether in this House or outside this House, for the movement we have undertaken; and not only for the movement in general, but for other particular steps that may be necessary for carrying on that movement to a successful end.

“Then, Sir, I was utterly confused, if I may say so, by the jumble of articles that were brought forward into the Council for the Council's consumption by Mr. Narayanaswami Nayudu—broth, chickens, chicks, crocodiles, crocodile tears, razors, blood, blood-thirsty things, etc., all made into a monstrous and wonderful soup for us to swallow, if I may say so. There is no use of any analogy or any simile or any unusual comparison whatsoever, or even any parable or Aesop's fable, or any such thing. If we jumble up things like this and make a monstrous soup altogether, my hairs stand on end when I begin to consider the results of these crocodiles, crocodile tears, the crocodile broth, etc. (Laughter.) Mrs. Hensman, coming last, referred to the broth not having some ingredients on account of less money for the home. But in spite of all this, I must say that the whole thing is utterly confusing. Let us examine the thing a little more calmly. What is the question? The question is that this tax is too high. He says, we can manage without this tax.”

SRI B. NARAYANASWAMI NAYUDU:—“For this year.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Yes; less tax this year and more for next year. Let us leave now all the chickens, the broth and all that. Let us take things one by one. With regard to this rate of tax, let me submit that tobacco has been taxed highly in all countries; and Mr. Nayudu is wrong, if I heard him correctly, when he said that they started with a low

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rate with reference to tobacco in other countries. Even in that case, it does not make much difference. He said that we must start now just as England started 25 years ago or so, that we must raise it afterwards, then we must have also a civil war, kill a king and then we must come to the end of it, and all that. We need not copy every particular stage which other countries have gone through; we must take the lesson of what other countries and other people have done and act in such a way as to save ourselves at least some of the intermediary troubles. We must get through them quickly.

"Tobacco to-day is in all the civilized countries of the world a very, very highly taxed commodity. Just the other day, even though it had been already, according to all computation, taxed heavily in England, this year the tax has been added to by a few shillings. It is a very heavily taxed commodity in all the countries of the world, and there is reason for it; because it is just the luxury which people may, if they like, buy; or if they do not like it or if they cannot buy, they may avoid. It is not a thing which like some other articles, say opium for instance, will drag them into the pit, whatever tax we may put upon it. Tobacco has got that voluntary craving about it, so to say, which makes it an easily taxable commodity. A man may smoke 100 cigars a day, while another may smoke only twenty cigarettes, and both of them can regulate smoking to some extent. That is why it is a favourite object of taxation throughout the world. It is not a necessary thing for life. Anyway, it is taxed all over the world and our tax is none too high. It is the first time we propose this tax. Till now, it has escaped taxation. It is a wrong thing; it must have been taxed long ago; if it had been taxed earlier, the evil would not have spread so much in our country as we find it has spread to-day, and our boys would not have taken to it so much as they have to-day; and in every manner, it would have really done us some good.

12-30
p.m.

"I do not pretend that this is a measure which we bring in in order to reduce smoking. I say that this is a revenue measure; and being a revenue measure, we have put a fairly stiff tax. I ask the business instincts of all members to come to my assistance and see that it would be impossible to exempt a block of small dealers from the operation of this stiff tax. Hon. Members know that tobacco is sold in our country by dealers who also sell other things and their sale of tobacco is necessarily very small. If we have an exempted block at the bottom, the tendency will be for the whole of the tobacco trade to get into smaller shops and our advice has been that it would be impossible to have an exemption block in the case of tobacco. Therefore we do not have any exempted block at the bottom. It would be impossible to collect any tax if we have such a scheme.

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"Then the question is whether we have to tax them highly or whether we have to tax them less. Mr. Ahmed Meeran eloquently argued that it was very unreasonable to have a higher tax on higher turnovers. He pleaded for a lower tax as the turnover went up. The higher turnover, he said, ought not to be a reason for the raising of the tax. I admit that that is one point of view; it would be like putting a discount on good business; it would be discouraging people from extending their turnover. Though that is true, no proposition in the world can be solved only by one test; there are other tests to be applied. The man who sells a small quantity of tobacco is not merely a tobacco dealer but he also deals in other things and he sells small quantities of tobacco along with other things. Is it necessary to tax him to the same extent as the big cigar merchant, or the cigarette merchant who sells large quantities of manufactured tobacco of a high class? Is it necessary to put the same tax upon the betel shop-keeper or soda water seller, who sells Rs. 200 worth of tobacco in a year as we do upon a big dealer in manufactured tobacco? It did not appear to us that there was anything wrong in putting a lighter tax upon the man having a lower turnover.

"Mr. Meeran graphically described the nightmares the merchant would be having if his turnover was bordering on the upper limits of the slabs. 'Just one rupee,' he said, the man would be thinking, 'and my rate would go up very high.' It is in order to avoid such nightmares on the part of the merchants that we have introduced a provision in clause (c) whereby he would have to pay only the same rate as he had to pay when his turnover was below that amount and any extra tax that he would have to pay would only be in respect of the amounts in excess of Rs. 400. It may be that he would have to pay a higher rate than the man having a business of Rs. 400. I do not think that that is wrong because it generally falls under a different class. This man is a good dealer in tobacco and a very successful dealer and there is no harm in putting a higher rate upon him. This is the rationale of the clause as it is set down. I do not think that there is anything more for me to say. Hon. Members should remember while they are criticizing the rate that this is not an income-tax. It is a tax on the turnover and it is a tax on the commodity. It is not as if the dealer is going to pay all the tax. The whole argument of the Opposition has been vitiated by this feeling. The merchant who is compelled to pay this tax is not by any means a gullible person of that kind. The whole of the tax that is levied upon tobacco will be paid by the unfortunate man who smokes, unless it be that the dealer has been hitherto been cheating his customers and has been enjoying a large margin of profits. In this case, his brother dealers will not allow him to transfer the tax to the consumer and he

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will have to sell it cheaper and try to make his own profit, bearing the tax that is levied upon the turnover. So the criticism levelled against this tax, as if it were a tax on income on the dealer, is not correct. I submit that the rates have been considered most thoroughly not only in the Select Committee but also in the other House at great length. Great patience and business experience has been bestowed upon it and I beg the House not to accept this amendment."

MR. PRESIDENT:—"The question is:—

'Omit sub-clauses (a), (b) and (c) and substitute the following:—

"If such turnover exceeds Rs. 200 but does not exceed Rs. 500 ... Rs. 5; and

"If such turnover exceeds Rs. 500 one per cent for the first Rs. 500 and 5 per cent on the remainder of the turnover." "

The amendment was put and declared lost.

Sri B. Narayanaswami Nayudu demanded a poll. A poll was taken and the House divided thus:—

Ayes.

- | | |
|---|---|
| 1 Sri Rao Bahadur N. R. Samiappa Mudaliyar. | 8 Syed Abdul Wahab Bukhari Sahib Bahadur. |
| 2 Sri Diwan Bahadur R. Srinivasan. | 9 Mrs. M. Hansman. |
| 3 Khan Bahadur T. M. Moidoo Sahib Bahadur. | 10 Sir Frank Birely. |
| 4 Sri B. Narayanaswami Nayudu. | 11 Mr. S. J. Gonsalves. |
| 5 Hajee Munshi Abdul Wahab Sahib Bahadur. | 12 Sri M. D. Kumaraswami Mudaliyar. |
| 6 Rao Bahadur M. Ramakrishna Reddi. | 13 Dr. Sir K. V. Reddi Navudu. |
| 7 S. K. Ahmed Meeran Sahib Bahadur. | 14 Sri Rao Bahadur M. Raman. |
| | 15 Mr. J. A. Saldanha. |

Noes.

- | | |
|--|-------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 15 Sri T. C. Srinivasa Ayyangar. |
| 2 Sri B. Bheema Rao. | 16 " D. Sriramamurthi. |
| 3 " K. Madhava Menon. | 17 " V. Ganga Raju. |
| 4 " V. V. Jogayya Pantulu. | 18 " L. Subba Rao. |
| 5 " R. Srinivasa Ayyangar. | 19 " P. Peddi Raju. |
| 6 " A. Rangaswami Ayyangar. | 20 " P. Venkataswami. |
| 7 " K. V. Srinivasa Ayyangar. | 21 " K. P. Mallikarjunudu. |
| 8 " N. Sankara Reddi. | 22 " N. Venkatachalamaji. |
| 9 " V. Vasantha Rao. | 23 " V. Venkatachalamaji. |
| 10 " S. A. S. Rm. Ramanathan Chettiayar. | 24 " C. Perumalswami Reddiyar. |
| 11 " M. Narayana Menon. | 25 " K. S. Sivasubrahmanya Ayyar. |
| 12 " L. Subbarama Reddi. | 26 " S. K. Sadagopa Mudaliyar. |
| 13 " K. Venkataswami Nayudu. | 27 Sir Mahomed Usman Sahib Bahadur. |
| 14 " T. A. Ramalingam Chettiayar. | |

Ayes 15. Noes 27.

The amendment was lost.

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Clause 4.**Sub-clause (2).**

SRI B. NARAYANASWAMI NAYUDU:—"I move—

'For the word "two" occurring in line 3, substitute the word "one".'

The object of the amendment is to reduce the rate of tax leviable on the wholesale dealer from two per cent which is provided for in the Bill to one per cent. The arguments that have been adduced with regard to the rates will apply to this also. I, therefore, propose the amendment for the consideration of the House."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I second the amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"According to the scheme of the original Bill, there was provision for monopoly vend; but practically the whole of the business community that was interested in this commodity appeared to feel that it would disturb their business and therefore it was dropped. When accepting that, this rate of 2 per cent on the wholesale sale of manufactured tobacco was introduced as a set off, to which there was no objection at the time. This has been considered in the other House later on and objections have been made and answered. I am sorry, Sir, I am not able to accept the fifty per cent reduction that is proposed in regard to the wholesale tax."

The amendment was put and lost.

Clause 4 was put and declared carried.

S. K. Ahmed Meeran Sahib Bahadur demanded a poll. A poll was taken and the House divided thus:—

Ayes.

- | | |
|--|-------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 14 Sri T. A. Ramalingam Chettiayar. |
| 2 Sri B. Bheema Rao. | 15 " T. C. Srinivasa Ayyangar. |
| 3 " K. Madhava Menon. | 16 " D. Sriramamurthi. |
| 4 " V. V. Jogayya Pantulu. | 17 " V. Ganga Raju. |
| 5 " R. Srinivasa Ayyangar. | 18 " L. Subba Rao. |
| 6 " A. Rangaswami Ayyangar. | 19 " P. Peddi Raju. |
| 7 " K. V. Srinivasa Ayyangar. | 20 " P. V. Venkataswami. |
| 8 " N. Sankara Reddi. | 21 " K. P. Mallikarjunudu. |
| 9 " V. Vasantha Rao. | 22 " N. Venkatachalamaji. |
| 10 " S. A. S. Rm. Ramanathan Chettiayar. | 23 " V. Venkatachalamaji. |
| 11 " M. Narayana Menon. | 24 " C. Perumalswami Reddiyar. |
| 12 " L. Subbarama Reddi. | 25 " K. S. Sivasubrahmanya Ayyar. |
| 13 " K. Venkataswami Nayudu. | 26 " S. K. Sadagopa Mudaliyar. |
| | 27 Sir Mahomed Usman Sahib Bahadur. |

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Noes.

- | | |
|--|--|
| 1 Sri Rao Bahadur N. R. Samiappa
Mudaliyar. | 8 Syed Abdul Wahab Bukhari Sahib
Bahadur. |
| 2 Sri Diwan Bahadur R. Srinivasan. | 9 Mrs. M. Henaman. |
| 3 Khan Bahadur T. M. Moidoo Sahib
Bahadur. | 10 Sir Frank Birley. |
| 4 Sri B. Narayanaswamy Nayudu. | 11 Mr. S. J. Gonsalves. |
| 5 Hajee Munshi Abdul Wahab Sahib
Bahadur. | 12 Sri M. D. Kumaraswami Mudali-
yar. |
| 6 Sri Rao Bahadur M. Ramakrishna
Reddi. | 13 Dr. Sir K. V. Reddi Nayudu. |
| 7 S. K. Ahmed Meeran Sahib
Bahadur. | 14 Sri Rao Bahadur M. Raman. |
| | 15 Mr. J. A. Saldanha. |

Ayes 27. Noes 15.

The motion was carried and the clause was added to the Bill.

Clause 5.

Sub-clause (2).

12-45 p.m. * MR. J. A. SALDANHA:—"Mr. President, Sir, I beg to move—

'For the words "a resolution of the Legislative Assembly" substitute the following: "resolutions of both the Houses of the Legislature".'

"Sir, I urge this motion for the consideration of the Government on constitutional grounds, as it affects not only the prestige of this Council but also the status of the House. And so, I am sure both sides of the House will support me. (Laughter.) At any rate I am sure it will have the sympathy of every party of this Council. This Bill does not become law unless it is passed by both the Houses of the Legislature, though we get things so well and beautifully cooked in the other House, and though we are asked to swallow whatever is brought from the Assembly, however indigestible, it may be. (Laughter.) However, I have to point out the grave injustice that is sought to be done now. Sub-clause (2) runs thus—

'The Provincial Government may, from time to time, by notification, alter all or any of the fees specified in sub-section (1), but no such notification shall come into force unless the same is approved by a resolution of the Legislative Assembly.'

Now, Sir, clause 5 is the most important part of the Bill. It is under this clause that fees are levied; it is under this clause that it has to be decided whether there should be a grant of licence and if so, at what rate and so on. If both the Houses are to deliberate upon this measure, surely, it stands to reason that this House should have power also to change the rates. You might as well say, 'the Executive has such a large majority in this House that it has passed some orders without any reference to the Legislature.' But if in any case the consent of the Legislative Assembly is deemed necessary, surely it follows for any man of ordinary intelligence from the commonsense point of view, that the Legislative Council also should be consulted.

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"Sir, here I wish to refer to certain legal points of view. Under section 84 of the Government of India Act, 1935, both the Houses should pass all Bills relating to financial matters, both the Houses should discuss the budget estimates and the annual statement of expenditure ought to be placed before both the Houses. And it is only with regard to the renewal of grants and assent to grants, this House has no power. Except grants of that nature, all Bills so far as revenues are concerned, can become law only after assent from both the Houses. And this is clear from section 82. It says, 'A Bill or amendment making provision for imposing or increasing any tax shall not be introduced or moved except on the recommendation of the Governor and a Bill making such provision shall not be introduced in a Legislative Council.' And that is, in the first instance. But after introduction, just like this Bill, revenue Bills must get the assent of both the Houses. Now the question is, 'how can this House be excluded when there is going to be a change in the rates of taxation?' The House must remember this: 'this House passes a Bill containing certain rates of tax. And in passing this Bill we agree to the rates specified therein. And now what is sought by this clause is, should at any time the rates be altered, we need not be consulted on that question. That is to say, we shall have no voice in deciding whether the rates ought to be revised or not. We have the right to pass all finance Bills and revenue Bills, but not to revise them.'

"Sir, we are already made to feel an inferiority complex in various ways. It is due to whom, I do not know. Our President feels helpless in the hands of the Government. (Laughter.) It has to be rectified by Government. In fact we find Government themselves treat us in a step-motherly way—I have felt this before and put up with them. But in this case we feel it so much that we cannot overlook it, and that is why I have come forward with this amendment declaring that the rates cannot be revised unless they are approved by a resolution of both the Houses of the Legislature, and not merely of the Lower House only. The Upper House should not be left higher up (laughter) without being consulted. I hope, Sir, as a matter of respect to elders (laughter) the Hon. Premier will consider it necessary that the Upper House should be consulted even with reference to changes of rates. If the Executive authority should carry out the changes without the assent of the Lower House, of course there is no objection. But when once the Lower House is consulted it stands not only to reason but to law and also respect to the Upper House that it should be consulted."

SRI B. NARAYANASWAMI NAYUDU:—"Sir, I beg to second the amendment of my hon. Friend, Mr. Saldanha; and I congratulate him on having brought forward this motion. Because it is one of the most important privileges and rights of

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this House that we should retain all control with regard to finance. In fact it is the constitutional view that the Legislature should have full control over finance. And further it is rather remarkable and surprising that the other side belonging to a popular party should surrender this right. To do so is nothing short of self-immolation. I do not know why it has been surrendered to the other House. From the way in which things are done, I am afraid that gradually we will have no taxation measure before us. In all the finance Bills we have had so far I see invariably the word 'Council' has been sedulously omitted and only the word 'Assembly' is found. The other side may as well dispense with this House, ignore it altogether, bring all measures before the Assembly only and have a rump Parliament and satisfy themselves, instead of treating this Chamber in this fashion."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I wish to assure Mr. Saldanha that it was not to add to the existing feeling of some kind, which he referred to by the phrase 'inferiority complex' that this clause has been framed in this manner. It is not to insult, to ignore or disregard the importance of this House that the clause is worded this way. I want his attention as well as Mr. Narayanaswami Nayudu's who made a research into the constitutional position. There are provisions for arriving at conclusions with reference to Bills. But there is no provision correspondingly with regard to the differences of opinion arising out of things done by resolutions. Therefore, this should not be considered as if it were a Taxation Bill. If the provision stands, as it does, the rate of licence fee may have to be altered from time to time by the Government, and the ambit of that alteration is only with reference to the licence fee provision and not the taxation provision. Any body has to be authorized to sit over the resolutions of the Executive, to approve or disapprove and not merely read them. Then, it is necessary to restrict this to one House or the other. If the choice is to be between the Assembly and the Council, it has necessarily to be, in the nature of things, the other House (Assembly).

"Here we could have done two things. We could have provided that no such change should be possible for the Executive except through a new legislative measure. Then, of course, the measure, by the constitution, would come before both Houses. But if the change has to be done by the Executive and merely placed on the Table of the House, then both the Houses could be consulted without difficulty. But if it is to be approved or disapproved, in the constitution there would be no machinery for such a provision; because if the other House (Assembly) says, two rupees should be the licence fee and this House says, it should be two rupees and eight annas, there is no way to get out of this difference of opinion. It is not really an intention to disregard

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the Upper House, but the constitutional arrangement is such that the Executive takes powers to-day for doing things financial. If it is small enough and the Chambers agree to give it to the Executive without any approval from the Legislature, then it is a different thing. But if the subsequent approval by a resolution is necessary for the Executive modification of some small matter like this, then it is only to be in the other House. That is why the words 'a resolution of the Legislative Assembly' are put in. I hope my explanation is sufficient for the impression to be withdrawn, because it is not right to imagine that there is anything intended in the words by way of reducing the importance of this House.

(Dr. Sir K. V. Reddi rose in his seat.)

"Before my hon. Friend rises, I wish to point out that the Assembly has the inherent and predominant right to decide matters of this kind and the Executive has a right to say that it should be decided by a resolution of the Legislative Assembly in respect of a matter provided for in this clause."

DR. SIR K. V. REDDI NAYUDU:—"We are indebted to the 1 p.m.
Hon. the Prime Minister"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"May I draw the attention of the Chair, Sir, that it should not become a practice for the hon. Member to rise after me?"

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, may I have your permission to refer to a parliamentary practice on that matter. It very often happens in the Parliament that the Member of the Government rises immediately or almost immediately after the mover of the amendment. Then"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I did not do that, till after waiting for anybody else to speak."

DR. SIR K. V. REDDI NAYUDU:—"Yes, Sir. My subject arises purely on account of the speech of the Hon. the Prime Minister. Does it mean that nobody shall be able to reply to what the Prime Minister said? Of course he has got the last word. We have not the slightest objection for the Prime Minister having the last word. But to say that there shall be no reply to the Prime Minister! Then the discussion might not take place at all. Whatever he may say, we are bound to accept it! He"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"This is altogether putting a wrong construction on the important position I have taken up. It is right once in a way when any matter of explanation arises or any point of order arises, or even a matter of explanation, personal or otherwise, or even a point of information that has to be given to the Government; and a Member may rise. But to do it as a regular practice is what I object to. If it is not information and if it is merely an argument, then an hon. Member here will say that he has a right

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to speak again and then another hon. Member again on the other side and so on. There will be no end. Some kind of order has to be observed and some kind of limitation has to be preserved. If the hon. Member says it is only an explanation, I have absolutely no point. I have no point to raise at all. If it is a mere argument, I submit, it should be restricted."

DR. SIR K. V. REDDI NAYUDU:—"I submit that it is not possible for me to accept the statement of the Hon. the Prime Minister. I can only say that is quite contrary to the practice that is obtaining in the House of Commons. There an opportunity is given to the Opposition to reply to the speaker on behalf of the Government. No doubt, he has got two speeches and he has the last word. But the first statement shall not be the last word, because an opportunity should be given to the Opposition to reply. What happens here is this. He has got the right of reply and we have no right of reply at all."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"We are again being complicated by a wrong reference. It is quite true that on a motion the Government begins, the Opposition has a right of reply and then the Government again replies. On an amendment, the Mover of an amendment has no right of reply, much less other Members."

DR. SIR K. V. REDDI NAYUDU:—"I am not quite sure of that. Be that as it may; if it is your ruling that I can speak, I will speak."

MR. PRESIDENT:—"As a matter of courtesy I will allow you to speak. Hereafter after the Hon. Premier's reply, no hon. Member should speak without the permission of the Chair."

DR. SIR K. V. REDDI NAYUDU:—"Even when the Prime Minister brings any matters which are not before the House, Sir?"

"The Hon. the Prime Minister has been in the habit of telling in this House: 'The matter has been discussed very largely and elaborately in the Lower House; it has been printed in all the newspapers . . .'"

MR. PRESIDENT:—"This House does not take into consideration all that."

DR. SIR K. V. REDDI NAYUDU:—"That is what I am saying. He starts with that and moves the . . ."

MR. PRESIDENT:—"In this particular instance he has given the final reply at the end. If the hon. Member wants to say something . . ."

DR. SIR K. V. REDDI NAYUDU:—"For your consideration, Sir. I shall try to explain as clearly as I possibly could. It is this. I am saying that in the first speech of the Prime Minister in introducing Bills, either at the first reading or the second reading . . ."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"Has it anything to do with the amendment?"

DR. SIR K. V. REDDI NAYUDU:—"It has."

MR. PRESIDENT:—"It is an amendment moved by a Member. When an amendment is moved and the Premier replies, I do not think any Member has any right to reply."

DR. SIR K. V. REDDI NAYUDU:—"I am referring to a different matter. . ."

MR. PRESIDENT:—"We are only concerned with the amendment. We are concerned particularly with the amendment moved by the Member. When an amendment is moved and the Premier gives the reply, I do not think any Member has got any right to reply."

DR. SIR K. V. REDDI NAYUDU:—"I am bound by your ruling, Sir. Let me submit this. The practice in the House of Commons is that the Government Member, whoever is in charge of it, will reply formally when the amendment is moved and other Members then speak and then the Government Member has got the last word; but with regard to this amendment whether it is possible for us to speak, it depends upon your ruling. We are bound by your ruling. We have no intention of not obeying your rulings. It is not because we have any disrespect or want of regard for the rulings of the Chair; I would only like to place before you that this practice is contrary to the practice obtaining in well-known parliaments."

MR. PRESIDENT:—"It has been the practice in this House that the Mover of an amendment speaks and other Members speak, and at the end, the Member of Government replies. That is the end of it. That is what we have been following."

DR. SIR K. V. REDDI NAYUDU:—"It is an opportunity for us. May I speak now, Sir, on the remarks of the Hon. Prime Minister?"

MR. PRESIDENT:—"I do not think so, after all this . . ."

DR. SIR K. V. REDDI NAYUDU:—"Is it your ruling that I should not speak now?"

MR. PRESIDENT:—"You should not claim this as a precedent."

DR. SIR K. V. REDDI NAYUDU:—"The future will come later on. We are now concerned with the present."

MR. PRESIDENT:—"Yes. You may proceed."

DR. SIR K. V. REDDI NAYUDU:—"Thanks, Sir. Now, Mr. President, the argument advanced by the Hon. the Prime Minister, if I understood him aright is this. This House no doubt has got the power to express and even to vote down the Bill or a particular provision of it and if such a contingency happens

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after the passing of the Bill in the other place, the procedure is that there should be a joint sitting. It is admitted that a clear right exists for this House to express its opinion and give its vote on any measure and a Bill of this kind. But the distinction has been drawn in the present case that it is not a case of the Bill itself, but it is a case of a rule-making power and that there is no such provision as a joint sitting for this, and therefore, there is no point in your voting for or against it. My answer to that is this. This matter is a very important matter, namely, the determination of the turnover. The whole thing depends upon that. The tax depends upon that; and considering the importance of that, the manner in which the turnover is to be determined should have found a place in the Bill itself."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member is making a mistake. (Dr. Sir K. V. Reddi Nayudu:—As is always the case with me!) A mistake in this case at least. Please refer to sub-clause (2) of clause 5; it has nothing to do with turnover. That is the provision which is under examination in the amendment."

DR. SIR K. V. REDDI NAYUDU:—"Yes, Sir. I am referring to that. Sub-clause (2) of clause 5: 'The Provincial Government may, from time to time, by notification, alter all or any of the fees specified in sub-section (1), . . . That is, Sir, the taxation provision.'"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Licence fees only."

DR. SIR K. V. REDDI NAYUDU:—"Well, Sir. The licence fees. In other words, the Government are taking power to alter by rules at a later stage the licence fees that have been prescribed here. Now, I beg to submit, that is a thing which ought to be placed before this House at every stage. In that case, of course, it will come in as a part of the amendment of the Bill, in which case we will have the power to amend it if we like. You see, Sir, this sub-clause (1) prescribes varying kinds of licence fees. That is passed now by this House. So far as that is concerned the power of this House to vote on that is admitted. But they want to take power for the Government to alter these rates by rules. My submission is, that this is a matter of very vital interest, because, it is a taxation;—call it licence fee or duty it does not matter—so far as we are concerned, we are bound to pay. Therefore, my submission is that this is a matter on which, year after year, whenever they want to raise the licence fee, it ought to come in the form of a Bill before this House. On the other hand, they want to take the power and that power which is sought to be given will be a power of approval by a resolution. My submission is this: 'You first take the power which ought not to have been taken and then put it forward as a ground for this House not having the right.' I do not know whether I have made myself clear. My submission

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is that this House has got the right to have a motion in the shape of a Bill, an amending Bill. But in order to avoid that—I do not see whether they intended it, the intention need not be drawn into it—to avoid that difficulty, they are considering it unnecessary. 'We do not propose to bring it before this House by means of an amending Bill. We will only alter it by means of a resolution. We will place it before the Assembly.' Our submission is that the effect of this taxation and the burden is sought to be placed upon the people of this land. This House has as much right as the other House and if you do not want to bring it forward by an amending Bill, let it at least be placed before us by a resolution of this House. That is our objection."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, the hon. Member has somehow or other committed a number of mistakes in the matter. He has finally settled down to this position. He says that the Government are wrong in asking for a provision by which they could alter the licence fees from time to time without an amending Bill. If that is so, then the whole of this sub-clause is out of place and, if at all, any change is to be made it should only be done by a regular Bill passed through both the Houses, in which case as I have already admitted, it would come before this House also. Since provision has to be made for check upon the notification of the Executive when they should have alterations of the licence fees, my point was—and that is the point which Sir K. V. Reddi referred to after my speech—my point was . . ."

DR. SIR K. V. REDDI NAYUDU:—"One of my mistakes! I have no secretaries to help me."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"My point was that there is to be a resolution passed by any Chamber only to approve of the notifications of the Government. It is impossible to provide for a resolution in the two Houses, because there is no provision in the constitution for an adjustment between the resolutions of the two Houses in regard to any important matter. There is provision only in respect of differences arising in respect of Bills. Therefore, either we have to provide that all changes shall be made only by legislation or we must provide that the rules of the Government shall be final. But the intermediate provision . . ."

DR. SIR K. V. REDDI NAYUDU:—"Is there any provision in the constitution to accept it by a resolution of the Lower House alone?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I will answer that. Any Bill passed by the two Houses can provide for it. It is unnecessary to provide for it in the constitution. I am surprised that even with the acuteness and keenness of the legal mind my friend refuses to apply it properly. The two Houses

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1-15 p.m. together can authorize the Executive with rule-making powers. That has not been contested by anybody. If the two Houses authorize the Government to make rules which are intended to be placed before the Houses then it is final. But if the Houses wish to authorize the Executive with rule-making powers subject to their approval not by a legislative measure, but subject to their approval by a resolution, then I say there is no machinery for placing it before the two Houses and get the resolution through when the two Houses differ. That explains why I say that if we choose to take the intermediate method of neither having absolute rule-making powers for ourselves nor relegating it to regular legislation and asking for a resolution of some House or other, then we have necessarily to choose the Legislative Assembly because there is no provision for a joint resolution of both the Houses."

DR. SIR K. V. REDDI NAYUDU:—"My question was, 'Is it only a single body that has to do it?'"

THE HON. SRI C. RAJAGOPALACHARIAR:—"There is provision in the ordinary law for a legislative measure to provide for the rule-making power under any conditions that it may impose. But the conditions must be practicable conditions and that is why we have framed the condition in this manner. Sir, there is no difficulty, at any rate as far as I can see and I have tried to explain it."

MR. J. A. SALDANHA:—"One question I will put to the Hon. the Premier, Sir: 'If the Lower House refuses to consider, why not refer a matter like this to a body of veterans like the Upper House?'"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am glad, Sir, there are veterans here but it is not a question of veteranage. If the Lower House, the Legislative Assembly, before whom any notification is placed, for instance, say, to change Rs. 50 into Rs. 25 and if the Lower House rejects it, then the Rs. 50 stands as it originally stood. If the Lower House accepts it, then it is reduced to Rs. 25. But, Sir, if it is then put in this House and this House says 'Let it be Rs. 20,' there is no machinery under the constitution for anything being settled and therefore the original notification will stand, which will mean that this power will not be exercised at all. Sir K. V. Reddi's whole argument is in opposition to sub-clause (2) of clause 5. It is not in support of the amendment at all. He ought to say 'We do not want sub-clause (2) of clause 5' and vote against it, if his argument is correct. But it is not possible for a resolution to be adopted by both Houses in respect of a change which the House wants to give power to make."

DR. SIR K. V. REDDI NAYUDU:—"The Hon. the Premier has taken the case of Rs. 50 and Rs. 25. But we are thinking of

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the case of Rs. 50 and Rs. 75. In that case would it not be necessary to take the consent of both Houses?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"If the House says it can only be lowered, I can understand. But no such notification shall come into force if it amounts to an enhancement unless it be by a new legislative measure. But even then the two Houses cannot come in."

The amendment was put and lost.

Clause 5 was put and carried.

Clauses 6, 7, 8 and 9 were put and carried.

Clause 10.

SRI B. NARAYANASWAMI NAYUDU:—"Sir, clause 10 (1) (e) reads: 'If the conditions of such licence provide for the cancellation or suspension thereof for any other reason.' I move the amendment which I have given notice of, viz.—

'Add the following words at the end—

"and such conditions have happened in the opinion of the Collector after due notice to, and hearing, the licensee."

"Hon. Members will see that no person can carry on trade in manufactured tobacco except after obtaining a licence. Therefore it is an important privilege. If the Collector wants to revoke the licence he must give notice, hear his objections and then only revoke the licence. This is an elementary principle of law and that is why I have given notice of this amendment, 'If the conditions of such licence provide for the cancellation or suspension thereof for any other reason and such conditions have happened in the opinion of the Collector after due notice to, and hearing, the licensee.' It should be determined after giving notice to him. Even that has been taken away. As it is the Collector may say 'I revoke the licence altogether without any notice even.' And, therefore, it is, that I have given notice of this amendment. But by all means you can have the pleasure of voting it down."

MR. PRESIDENT:—"The question is that in clause 10, sub-clause (1) (d) all the words after the word 'Act' occurring in line 2 be omitted."

SRI B. NARAYANASWAMI NAYUDU:—"I am sorry, Sir. I have only dealt with the latter amendment. I move also the earlier amendment, viz.—

'Omit all the words after the word "Act" occurring in line 2 in sub-clause (1) (d).'"

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"The sub-clause is 'If the holder of such licence is convicted of any offence against this Act or any other revenue law, or of any cognizable and non-bailable offence under the Indian Penal Code . . .'. Hon. Members will see we are now dealing with the right of trading, a right which now under the law nobody can take away. He can put up a shop without a licence or any such thing. Hereafter the right is regulated by the licence and the whole trading right of the nation is sought to be vested in the executive and vast powers are to be given to it. When the right is to be regulated like this, it ought to be regulated strictly.

" 'If the holder of such licence is convicted of any offence against this Act or any other revenue law, etc. . . ' that is what sub-clause (d) is. Suppose he misappropriates what may be called the Government revenue and he is convicted for it, is he to be penalized for carrying on this trade? Or, if he is punished under any section of the Penal Code, suppose he is convicted of theft, is he to be stopped from carrying on trade in tobacco? The Hon. the Premier may laugh at this. But it is a genuine apprehension. Is the trade in this country to be regulated like this? Persons might have committed misappropriation or theft or even murder but might have been let off subsequently, but are they to be prevented from carrying on trade? The Collector may cancel or suspend their licence as the clause stands now. They will come under the discretion or the indiscretion of the executive authority then in the district. That is the question and if you want to give all the power to the executive, by all means you can have the pleasure of doing it. To my mind, however, it looks extraordinary."

The amendments were seconded by Khan Bahadur T. M. Moidoo Sahib Bahadur.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I draw the hon. Member's attention to the many existing Revenue Acts such as the Acts with regard to the liquor revenue, the Abkari Act, the Opium Act, all those Acts and any other Revenue Act and I would like him to see whether such provisions do not exist in every one of those laws and have not been worked for a number of years without any serious mishap such has now been pictured by the hon. Mover of the amendment."

SRI B. NARAYANASWAMI NAYUDU:—"But this leads to the right of trading in the country."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The right of trading in liquor and the right of trading in opium were exercised before the relevant Acts were passed. This is also a right

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in trading in tobacco. It is not as if tobacco is a trade any more or any less than any other commodity. Now, in every one of the licensing Acts it has been provided that the licensee must be a person who is of good character, namely, he should not have committed any offence with respect to the submission of accounts or fabrication of accounts and things like that either in respect of the Act with reference to his duties and functions or in respect of similar provisions. Now, the only provision that is here in clause (d) with which one amendment deals is that he should not commit an offence against this Act or any other law or under the Indian Penal Code, any one of the graver offences. That is in the Abkari Act. That is in every other Act. The point is that a licensee has to be trusted. He should not be put in the witness box with respect to any ascertainment he makes. His statements are taken as correct and examined. In cases where a licensee has cheated the Government or committed any moral offence of a serious nature the Government are entitled to say 'You should not have this licence' and it is not as if the whole trade suffers. It is the particular man who has been guilty of theft or of cheating or of fabrication of accounts or of committing any offence under this or other revenue laws of an exactly similar nature who suffers. For instance, under the sales tax, another revenue law, he returns an account which is the same for both, this as well as for the other, his account is fabricated and it is shown that he has committed forgery and that the wholesaler's account and his account are wholly different and they were party to a conspiracy to cheat the Government, surely he cannot have the licence and it cannot be pleaded that he should have it.

"The second point is that the man should be heard. I will only make this statement that it is assumed in the law and in all matters where a man is to be penalized, the law will not permit such penalization, under the ordinary law of natural justice which is applied in all jurisprudence, that the man should have an opportunity to be heard. It is unnecessary to say that he should be heard. The clause reads clearly like this: 'if the conditions of such licence provide for the cancellation or suspension thereof for any other reason'. That is a substantial reason and must be provided for in the licence itself. When that condition is not fulfilled, then the Collector may cancel or suspend the licence granted. It does not mean that he can do so without hearing the licensee. It is hardly necessary to put in a mere rule which is implied in every provision of penalizing in that law. It need not be put in here. In fact you will have to introduce it everywhere as for instance in the other clauses, 'if any tax is not duly paid the Collector after due notice and hearing the licensee cancel, etc.', 'in the event of any breach, etc., the Collector after due

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notice, etc.'. There also it is implied. It applies to every clause and not only to this and there is no meaning in adding those words. That is with reference to the second amendment."

The amendments were put and lost.

Clause 10 was put and carried.

Clause 11 was put and carried.

Clause 12.

SRI B. NARAYANASWAMI NAYUDU:—"Under clause 12 (1) 'Every licensee under this Act shall, in respect of each licence held by him—(a) keep such books of account and in such form as may be prescribed; and (b) submit to the Collector and to such other officers as may be prescribed, a return in such form, containing such particulars and at such intervals, as may be prescribed.'

"This is the obligation to keep accounts. The amendment which I have given notice of and I move is as follows:—

'Add the following proviso, "provided the Collector may exempt any licensee whose turnover, in his opinion, does not exceed Rs. 500 from maintaining account books and furnishing returns as required in this clause."

"Again I say, just as with regard to the rates, that we have got the village shop-keeper. Ninety-nine per cent of them, I can challenge the other side, are absolutely illiterate. They do not know how to write even one letter of the alphabet. Such persons never go to swell the unemployed list. On the other hand instead of being unemployed he sells tobacco, cigarettes, etc., and makes about four or five annas a day and the Hon. the Premier says he must give a return of his account and he must hang upon the Collector for his licence. Where does it lead to except it be that the poor man who is carrying on the trade in the village shop must go and employ some Brahman, some Pantulu as his clerk? He will make some miscalculations about it. Your education policy, has it at least made fifty per cent of the masses literate? He cannot dictate one line and he is to make the return and has to swear to a thing which he does not know. Is this necessary? As my hon. Friend, the erst-while Leader said, you want to do things in the name of Prohibition. Does your Prohibition policy compel you to make the poor man who does not know anything, whose turnover is only four or five annas a day, submit his accounts? What I say is 'At least give the Collector the discretion'. He knows whether the man can maintain accounts, whether his business is such as to maintain accounts. The leaf tobacco or manufactured tobacco will all be included in the transaction with regard to these petty merchants. Are these

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persons to maintain accounts? The karnam will come and say the Tahsildar wants accounts. Is this harassment or legislation? I submit, whatever might be the reason for prohibition absolutely Islamic or Hindu conscience does not permit us to vote for this."

The amendment was duly seconded.

MR. J. A. SALDANHA:—"In this Bill as in many other taxation measures of this Government it is not so much the licence fees that will be objected to. It is the harassing manner of keeping accounts. It is not easy to keep accounts. We have to consider the literacy of the people in the Presidency and the vexatious trouble the poor people will be put to. In the name of humanity I would appeal to the Premier to amend the section. What is the good of saying we are saving the people from the sin of drinking and at the same time harassing them and punishing them everywhere. 'For the sake of Prohibition you have become a saint, go and keep the accounts.' Then you subject him to all sorts of vexatious interference on the part of the officials. Already we have had enough of trouble. This harassment is simply objectionable."

SRI M. D. KUMARASWAMI MUDALIYAR:—"It is not possible for us to expect the poor shop-keeper to maintain accounts. This keeping of accounts will be an additional burden to the taxation."

* MR. S. J. GONSALVES:—"This section seems to be almost unworkable on the part of the Government. One would like to know how many persons would be liable to keep accounts in each district. It seems to me a very large number of persons would be liable to keep these accounts. First of all who is to keep the lists? Of course if there are big traders in the city it is easy for the Government to find out who the traders are. But under this section if a person sells snuff he will have to keep an account. In every village there will be persons who sell snuff and bidis. The number of persons that will have to keep the accounts will be so many that it will be impossible for the Collector to control them. No machinery has been provided to work this section. The Government officers have to be pitied. It is quite clear that the village officers will have their own way. It is impossible for the Collector to check these accounts, and all the persons that are liable to keep the accounts will be harassed by the Government. If the Government have any sympathy for the poor they should not introduce any measure that would drive the poor people out of trade and prevent them from eking their livelihood. Poor women will be deprived of their income. Looking at this section from all these points of view, the difficulties of Government and the hardships of the poor, I appeal to the Government to accept the amendment."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it is very true that a large number of people are illiterate. But it is much truer to admit at once that a large number of people don't keep accounts even though they are not illiterate. A large number of dealers who do not keep accounts, at least show such accounts as they certainly keep. There is a great deal of truth in that there is a very much larger number of people who keep very minute accounts; only they don't show. Otherwise they cannot buy and carry on business. They deal with the accounts first-class but in their own way and not understood by our auditors. I have seen them. Mr. Gonsalves has had as much miscellaneous work and he must have known that as much as I do. What is it that the Government are going to do against that. Surely we have not become Ministers all on a sudden. It is not going to become a mere machine of harassment. What is said is a duty is laid on all licensees to maintain accounts. What is the penalty if a man does not have the account? If a man says he is illiterate all that will be done is someone will put an estimate upon his turnover and make him accept it. But if it is thought that people will be punished and will be put into jails, what is the object? No Government can do it. What is found in the amendment? The amendment says that the Collector shall have power to do certain things. In respect of the Collector it is quite reasonable to say such and such persons shall maintain accounts. It is not possible to put down in a class all varieties of applications by a variety of persons. A comprehensive provision has been made that rules may be made and that will include even what the mover has in his mind with regard to the Collector dealing with these people. The object of the provision is to see that no fraud is committed. The object is not merely to harass people. But in order to avoid fraud it is necessary to have this rule. Otherwise hon. Members will see—and that is why I am labouring the point—that a number of small dealers will carry on their business and say that they have no accounts and it is necessary to have powers to ask for accounts and it is right to ask for accounts. Nothing that is not legitimately possible can be asked by this clause or any other clause. I say that the words that are now in the Bill may be accepted by the mover of this amendment as covering such exemptions as he says the Collector should exercise. It would be within the rules and the rule-making powers which are indicated in the clause as it stands."

The amendment was put and lost.

Clauses 12 to 31 were put and carried.

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Clause 32.

Sub-clause (2).

* SIR FRANK BIRLEY:—"I move—

'Omit the item (g) in sub-clause (2).'

"Mr. President, I did not speak during the earlier stages of this Bill because having accepted however reluctantly the inevitability, I do not say the advisability, of Prohibition I must accept the liability of taxation to compensate for it. Having accepted this I also accept tobacco as a very suitable object of taxation. My own quarrel is with respect to certain details of the Bill and this is one of them. With your kind indulgence, Sir, I will refer to an amendment to this clause which was moved unsuccessfully in the Lower House. The amendment to which I refer was for the substitution for item (g) in sub-clause (2) the words 'any other matter which is to be or may be prescribed.' On further examination of the Bill however it appears to me that the point involved in that amendment is really already covered in sub-clause 2 item (a) which reads: 'all matters expressly required or allowed by this Act to be prescribed' and I have therefore arrived at the conclusion with which I fondly hope Government will agree that the proper course is the complete omission of item (g) in sub-clause (2) and I will endeavour to justify this conclusion to the satisfaction of the House. But before I begin my argument I would like to make it clear to the hon. Members of this House in general and to the Hon. the Prime Minister in particular that I am proposing this amendment and the other two which stand in my name under the sincere conviction that these amendments are in the best interests not only of those who will be directly affected by this Bill when it becomes law but also of the Government of this Presidency hereafter and for all time.

"As they appear on the Notice Paper, they are insignificant and apparently of little moment; but, as I will endeavour to show, they involve principles of such import that the House should consider carefully the wideness of their implications before they decide whether to support them or not.

"I am aware, Sir, that if the House accepts these amendments, it will be necessary for the Bill to be returned to the Assembly with all the loss of time and with all the inconvenience that this procedure will involve; but I do ask, Sir, that this circumstance be not allowed to influence the judgment of Members on issues of such importance as these undoubtedly are.

"Now, Sir, assuming that sub-clause 2 (g) is good in law—which I take leave to doubt—I submit that in a fiscal measure of this nature, the intentions of Government should be made

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plain in the Act and no undefined powers additional to those contained in the Act should be handed over to the executive authority.

"It is, Sir, a common place of the interpretation of Statutes that no rules can be made which go beyond the terms of the Act under which they are framed. It is therefore doubtful whether the sub-clause extends the powers of Government, but, unfortunately, it would require a law-suit to decide the point. I submit, Sir, that in view of the dubiety of the legal effect of the sub-clause, that it is an invitation to litigation besides being 'untidy' and perhaps even from the Government's point of view, superfluous.

"Speaking in the Assembly, the Hon. the Prime Minister said that he would give an assurance that sub-clause (g) is not intended to substitute 'an arbitrary promulgation of law' for 'legislation,' but the rule-making powers in this Bill are already sufficiently wide to cover all the substantive clauses of the Bill, and, in any event, they cannot be used to supplement the substantive clauses.

"I was going to add, Sir, that I have made what I consider to be an irrefutable case, but I am afraid to say this after having read the Hon. the Prime Minister's innumerable efforts at refuting the irrefutable and controverting the incontrovertible I hope in this case, however, he will acknowledge that there is a strong case for the omission of this sub-clause from the Bill. But I am not so optimistic as I was when I began to consider my speech. (The Hon. Sri C. Rajagopalachariar—You are right.) I do my duty and move that item (g) of sub-clause 32 (2) be omitted."

SRI B. NARAYANASWAMI NAYUDU:—"I second the amendment. I have already said that in clause 4 the Government have asked for a blank cheque with regard to money. Here they have asked for a blank cheque with regard to the powers. They have numbers behind them and they can get a blank cheque for money as well as for power. But the public will agitate against it."

* MR. J. A. SALDANHA:—"I strongly support this amendment. This gives power to the executive authority beyond the scope of the Act itself. My contention is that it is *ultra vires*. But it has now been held by a Court that a legislature having passed it, it is *intra vires* of the legislature. I am glad to see that Sir Frank Birley is against legalizing this act of assuming arbitrary power. This extraordinary power is likely to be used in a dictatorial manner. I am afraid that the Government will exercise this extraordinary power. It simply staggers me to see the Government asking for this power. Though we are prepared

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to take it for granted that the Prime Minister is all for the poor, this clause, clause 33 and a previous clause 3 are wholly bad. I hope this amendment at least will be accepted and this clause removed from the Bill."

* MR. S. J. GONSAIVES:—"It seems to me, Mr. President, that under this clause the Government are taking legislative powers. The Government have got only executive powers. The clause says: '(1) The Provincial Government may make rules to carry out the purposes of this Act. (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for . . . (g) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.' It appears that the Government feel that they may have lost sight of very important matters and want to provide for it by taking also legislative powers to be able to carry out the purposes of this Act. I submit that under this clause the Government are taking very wide powers. The House cannot agree to this. I strongly plead that this is a case in which the Government should yield and give up the power which it seeks to take under this sub-clause."

SRI RAO BAHADUR M. RAMAN:—"Mr. President, I want only to make one or two remarks. Sub-clause (1) of clause 32 says that the Government may make rules to carry out the purposes of this Act. In addition to this they want to provide for giving wider powers to the executive. This I think is very unsafe in any Government and much more so in this Government who spend people's money without any regard to the persons from whom they collect it. I support the amendment of the hon. Member."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"There must be, Sir, some serious mistake; otherwise I cannot understand how Sir Frank Birley thinks that the incontrovertible can be controverted. Either he is too confident about his argument or he undervalues the reasons of my argument. Perhaps that is a more reasonable explanation of this contradiction. If on certain given facts two people come to different conclusions, it is not as if one must necessarily be unreasonable and the other reasonable. It is possible that Sir Frank may come to a conclusion which is not correct and it is therefore my duty to try to show reasons to the contrary. Therefore there is nothing wonderful in the position that Sir Frank Birley finds. But to-day he rose in favour of every amendment that was proposed by the Opposition; probably, by habit, he came to the conclusion that we are thoroughly unreasonable people. But in this particular amendment of his I consider him to be most unreasonable, if he will pardon my saying so.

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"What is this Bill for? It is to carry out a particular object. Does the Opposition, in moving amendments or in opposing, intend merely to place difficulties in our way? I assume, No. They only want to point out here and there that what we are doing is wrong. If the Opposition's intentions were to place as much of difficulty as possible in our way, then I can understand Sir Frank saying: 'Well, if you have omitted to provide for anything, you shall not have it at all until you come again. The whole thing must be suspended until you come with another Bill.' That is quite consistent with their position. But, if, on the other hand, I am entitled to assume that the Opposition is only trying to point out errors, but do not really wish to stand in the way of our effectuating our object, then I think it is unreasonable for them to say that a clause which provides that in order to carry out the purposes of the Act and in giving effect to the Act if any difficulty is found or inadequate provision is found to have been made, the Government should have such and such powers, should not be there and that the Government they should not object to such a provision. If, on the other hand, Government, then the position taken up is non-co-operate with the that is their object, it may be a correct thing to say: 'If you have omitted to carry a rope when you wish to hang a man, you cannot hang him. You cannot have the rope.' But if what they want to do is different, if they only want to improve the position and rectify the mistakes or remove the errors, then they ought to agree to this provision and supply the inadequacy or the insufficiency of the provisions necessary for giving effect to the purposes of this Act."

SRI B. NARAYANASWAMI NAYUDU:—"Not arbitrarily imagined by you, but only for giving effect to the purposes of this Act."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"This is not a new formulæ invented by us for the first time. Let not Sir Birley imagine that the Congress Government invented this for the first time."

SIR FRANK BIRLEY:—"I am aware of that, Sir."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is why I am drawing the attention of the hon. Member to the fact that in asking for this we are not asking for anything new in the spirit of trying to argue what is unarguable. In making administrative measures for the purpose of collection of revenue and for carrying out the administrative duties in modern Governments, experience has shown that in the modern complicated world of business and other organizations it is necessary to make a brief

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provision like this. Everything cannot be provided for in advance. Such powers are exercised very sparingly, though they are provided for in a particular manner. Let it be remembered that we have taken similar powers in other Acts and, has any hon. Member on the other side to show any precedent to say: 'Well, you took powers in such and such an Act and you exercised those powers in such and such a way?' Has there been any such thing? Has on any previous occasion any clause corresponding to clause 32 (g) been misapplied? If it has been misapplied, it would be perfectly relevant to put it forward now and that would have been better than making broad and wild allegations that this Government is taking money without accounting for it. Instead of making such wild allegations, I should have preferred hon. Members to say that in such and such an Act you took power and misused it. I do not find any hon. Member quoting such a precedent. I submit therefore that we have made out a case for giving the power that we seek in clause 32 (g)."

The amendment was put and lost.

Sub-clause (3).

* SIR FRANK BIRLEY:—"I beg to move—

'Omit the words "*except on the first occasion of the exercise thereof*" occurring in lines 2 and 3 of sub-clause (3).'

2 p.m.

"Mr. President, Sir, I am aware that a similar amendment to the one which I am about to move has already been turned down in the Legislative Assembly and I would not have the temerity to move it again were I not hopeful that the experience and mature judgment of the members of this House will enable them to consider the case *de novo* in the light of the arguments which I shall submit.

"Here is a Bill which has been submitted to an elected Assembly, then to a Select Committee of that Assembly, the Select Committee's report was again considered by the Assembly and now it comes before this House for further consideration and until these august bodies have examined every implication of every word in the Bill it cannot be placed on the Statute Book.

"That, Sir, is the measure of importance of this and of any other Bill which seeks to lay directly or indirectly a financial burden on the people of the Presidency and it is, Sir, the full intention of a democratic constitution such as ours that the elected representatives of the people shall have the opportunity of expressing their opinions and voting for or against any measure which affects their lives and property.

"Any other procedure is the negation of democratic Government and I submit, Sir, that the innocent looking phrase 'except on the first occasion of the exercise thereof' giving as it does a blank cheque to the Government to make rules in the terms enunciated in clause 32 reduces almost to an absurdity the meticulous

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care which the Government have taken to consult the elected representatives of the people with regard to the substantive terms of this Bill.

"It would have been easier for Government to have omitted the slight formality of introducing separate Bills for the levy of this and other taxes. They might have substituted a sort of Portmanteau Act authorizing them to tax anything and everything on such terms and at such rates as they may prescribe in rules to be published as and when they feel like it.

"The objection to such a procedure is comparable with the objection which I have to the phrase which I wish to see omitted from clause 32, sub-clause (3).

"I am aware, Sir, that the words now sought to be omitted were included in the Petrol and Electricity Duty Bills but the strongest protests in the Select Committee were overruled and no amendment was moved in the Lower House because those Bills were introduced and discussed in March with the declared object and intention of bringing them into effect on the 1st of April and there would not have been time for notice to be given before publication of the rules.

"In the case of the Bill now before the House, however, no such situation exists and I submit, Sir, that there is no adequate reason for the inclusion of this objectionable proviso in the Bill now before the House.

"The Hon. the Prime Minister in his budget speech said that he had only calculated on receiving a yield from the Tobacco Bill in the second half of the financial year but even if the Bill were to be brought into effect from July 1st there would still be ample time for notice of the rules after the Bill is passed into law."

SRI B. NARAYANASWAMI NAYUDU:—"I beg to second the amendment.

"I do not know why the Government want to have a condition that the power to make rules on the first occasion alone should be excluded and I see no reason why those rules on the first occasion also should not be published. I support the amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, a very powerful argument has been made by Sir Frank Birley and there is no doubt whatsoever that he has done so. But let me be permitted to appreciate the manner and the substance of the arguments made by him. It is due that I should explain to the House the reasons for the insertion of this phrase. As a matter of fact on the 1st July probably the Government would like to have the Act in working order as inferred by Sir Frank Birley himself. It may not be possible to have the first set of rules to be published, because the first set of rules will have to cover a wide area. They

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will have to cover for the first time a new process altogether, a new commodity which had not been under taxation till now and a new set of dealers and a number of things. There may be many revisions and re-revisions before these rules can be really framed. It is just possible that we may not have time that is prescribed for the publication of these rules as provided for under this sub-clause. For the second and subsequent set of rules it may be possible to have time for publishing them. But let me say that this is not at all possible for the first set of rules. However the way in which the Government have done this thing, should not have been caricatured by Sir Frank Birley in that manner. Hon. Members of the House should leave it to the Government to frame those rules. Really democratic Governments do such things though they call themselves democratic Governments. In modern complicated life the power and scope for Government to actually administer the affairs has been very limited. Things have become so complicated. Even in the great democratic country to which my hon. Friend Sir Frank Birley belongs, it is the Government that make all these laws. The Parliament does not make all the laws which they pretend to make. As a matter of fact, in modern times it is impossible that ordinary administrative laws can be dealt with in the old-fashioned manner which the hon. Member Sir Frank Birley wants. With regard to administrative law, it is impossible to thicken it and strangle it with all details so that nobody could understand it. Even if we do so, there may be numerous mistakes and they will have to be corrected. It is not possible to cover every measure that is passed in the Legislature with details. Power has to be given to the Government to frame rules. The essence is the difference between administrative laws and other laws. These rules will have to cover only administrative matters. Let me draw the attention of hon. Members who seem to think either deliberately or indeliberately that the Government have taken into their hands very wide powers, that they have taken no power to change or modify or alter any of the provisions accepted by the House. The only power that they have taken is to give effect to what has been accepted by the House. In these circumstances I do hope that Sir Frank Birley will withdraw his amendment."

* SIR FRANK BIRLEY:—"In view of the Hon. the Prime Minister's assurance I am willing to withdraw my amendment."

The amendment was, by leave, withdrawn.

Clause 32 was put and carried.

Clause 33.

MR. PRESIDENT:—"The hon. Member Mr. Saldanha will move his last amendment first."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Does the hon. Member really wish to move his last amendment?"

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* SIR FRANK BIRLEY:—"I have not withdrawn my amendment to clause 33."

MR. PRESIDENT:—"Yes, yes, I know. Is the hon. Member Mr. Saldanha going to move his amendment or not?"

* MR. J. A. SALDANHA:—"I am going to move my amendment. I move—

'Add the following to clause 33:—

"If it be found impracticable to levy taxes on licence-fees under sections 4 and 6 on the basis of the turn-over sales, the Provincial Government may, under rules to be made subject to the approval of both the Houses of the Legislature substitute the basis of quantity sold by calculating such quantity by weight, measure or number of articles sold."

"Sir, the clause as it stands gives powers to the Government on such a large scale, without any control over the Government that I have narrowed down the scope of that clause. The clause as it stands says, 'if any difficulty arises' and on that account they want to have large powers. What is the difficulty I am unable to understand. There may be some difficulties in carrying out the provisions of this Act. So if the clause as framed by the Government is allowed to stand, it is liable to be misinterpreted and very convenient constructions may be put upon it. Apart from this, I would now point out that after vesting themselves with sole powers under clause 32 for making rules, now the Government seek power under this clause to remove any difficulty. There might be legal difficulties and difficulties of other kinds. Even then this clause gives the Government power to make rules according to their discretion to remove those difficulties. I have pointed out already in the introductory speech of mine that difficulties might arise in estimating the value of the annual turnover. There are countries where the tax on tobacco is levied on the quantity of tobacco sold, according to the number of cigars sold or according to the measure or the weight of tobacco. The power can be exercised in order to find out with a certain amount of accuracy the price of the articles sold without putting the merchants to the necessity of keeping elaborate accounts. Otherwise, Sir, there will be a temptation for the merchants to make entries of prices for which the articles were not actually sold. I have sought to give power to the Government to make rules, subject to the consent of the House, to fix the tax on the basis of the quantity sold—either by measure, or by weight or by the number of articles sold. I would have spoken more at length on this amendment by quoting authorities for what I say, but it is already late. I commend the amendment to the House."

The amendment was duly seconded.

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THE HON. SRI C. RAJAGOPALACHARIAR:—"Am I to understand that it is a typographical mistake. It is stated here in the amendment: 'to levy taxes on licence-fees'."

* MR. J. A. SALDANHA:—"It should be 'or licence-fees'."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I am sorry that this suggestion was not made earlier. Probably the Government might have easily accepted the provision. It is not possible to accept it at this stage. It would not work. In any event, it would be covered by clause 4 (3) as it stands. The Government have the power to make reasonable rules for determining the turnover. If this method is found reasonable it will be there. But it is not necessary to have a provision to that effect."

The amendment was put and lost.

* SIR FRANK BIRLEY:—"Mr. President, Sir, were it not for the fact that the points that I have to make on clause 33 are entirely different from those that I raised before on another amendment which I withdrew, I would not have risen to move this amendment. As it is I apologize to the House for moving it at this late hour. I only hope that I shall amuse the House sufficiently and thus compensate them for keeping them away from lunch. I beg to move, Sir—

'Omit clause 33'.

"Mr. President, this is a clause with a history—or rather shall I say a murky and somewhat disreputable past?"

"In 1934 it was slipped into a Bill to amend the Local Boards Act and the Elementary Education Act by an unregenerate Bureaucratic Government—of blessed memory—and no objection appears to have been made to it at that time.

"And after all why should anybody have taken the trouble to object to it when it was common knowledge that any objections would have been over-ruled by the preponderating Government majority?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"Was Sir Frank Birley in the Government or in the House at that time?"

* SIR FRANK BIRLEY:—"I was in the House, Sir. The point I wish to make is this: You see, Sir, how history is repeating itself.

"In 1937 the Hon. Dr. Subbarayan moved its inclusion in another Bill further to amend the Local Boards Act. Incidentally it had not appeared in the original Bill and was put in as an amendment during the consideration stage in the Assembly.

"In moving the amendment the Hon. Dr. Subbarayan said:—

"In the various amendments which have been carried to the Local Boards Act, such power as is asked for in this clause has always been taken, because it is very difficult to legislate for every point that might arise in the application of a new amendment to an old Act. Honourable Members need not be afraid that this clause is going to be a roving clause and is going to be used on every occasion'.

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"Sir William Wright in opposing the Hon. Dr. Subbarayan's amendment referred to the increasing habit of Governments, both here and elsewhere of taking power to administer an Act by executive action under rules and orders and referred to the Lord Chief Justice of England's condemnation of this in the 'The New Despotism' where it is argued that an extension of the rule-making powers of Government is an extension of the power of the Executive at the expense of the Legislature and the Judiciary. The clause is a Star Chamber clause and the Legislature will be giving Government a blank cheque to extend the Bill as it thinks fit.

"The Hon. the Prime Minister intervening in this discussion made much of the fact that the European Group had not opposed the clause when the old Government introduced it in the 1934 Bill and he argued from this that they had no right to oppose it now when a popularly elected Government wanted to include it in a new Bill. My answer is: What is the use of opposing it? A Government with a prepondering majority will certainly carry it. You see Sir, how history is repeating itself.

"The Hon. the Prime Minister also referred to the fact that the Bill then under discussion was 'an amending Bill for a local mental law.' That was the excuse for having this most objectionable clause. I submit, Sir, that it is crystal clear from the speeches both of the Hon. the Prime Minister and the Hon. Dr. Subbarayan that the clause was only intended both by the pre-Reform Government and by the Congress Government to be used in amending Bills where there might be difficulty in adjusting the principles of the amending Bill to the details of the principal Act. I contend that categorical statements to that effect were made by the Government. Now, however, to our dismay it has been brought into original Bills despite all our protests and when the Tobacco Bill was in the consideration stage in the Assembly Mr. Langley moved for the omission of the clause. He also referred to the fact that the clause had originally been included by Government only in amending Bills and he called attention to the fundamental objections to its inclusion in a fiscal measure. He said with some force that the present Government were surely wrong to copy the bad habits of the old Bureaucratic Government and in fact Mr. Langley made it clear that the Hon. the Prime Minister's argument on the 1937 Bill was tantamount to the argument that two wrongs make a right.

"Replying to Mr. Langley the Hon. the Prime Minister said that clause 33 provides for particular executive acts which become necessary to remove a difficulty that is found in giving effect to the provisions of the Bill when it becomes an Act. Clause 33 does not take any power for the Government to make laws, regulations and rules and I submit, Sir, with all due deference to the Hon. the

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Prime Minister that this is a plain mis-statement of fact because the clause if passed into law will empower Government to do 'by order' anything which may be found necessary, etc. The *modus operandi* by which a Government does things 'by order' is by the issue of a Government Order or similar notification or by executive instructions to its administrative staff. This either directly or indirectly is 'power to Government to make laws, regulations and rules.'

"The Hon. the Prime Minister further said that it is a very narrow power that is given under clause 33 and it cannot be mis-used under any circumstances. He also said that no hon. Member was able to say that Government had used the power at all, let alone misused it, but this, Sir, is not the point. The fact that such power as is given by this clause exists is wrong in principle and the fact that Government have never found it necessary to use the power contained in other Acts has nothing to do with the case.

"The Hon. the Prime Minister also made a great point of the fact that Government had passed those Acts with the consent of the House and that the House was an elected House. Therefore it was perfectly proper to include *carte blanche* powers in a Bill.

"Pushed to its logical conclusion this would mean that because Government was responsible to the House and the House was responsible to the people the Tobacco Tax Bill could be reduced to a Preamble and one clause something like this:

'Whereas it is expedient that a tax should be imposed on tobacco, it is hereby enacted that Government may impose a tax on tobacco as it thinks fit.' which is absurd.

"The Hon. the Prime Minister's concluding sentence is instructive. He said:

'This Government, on behalf of the people asks for this power from the representatives of the people. I maintain that clause 33 has every justification not only in this Bill but in every Bill that we may introduce hereafter.'

"Now, Sir, if there were any justification for assuming that the present Government under the present Prime Minister would continue to govern this Province in perpetuity there might be some justification for Hon. the Prime Minister and the present Government to take powers over which they had full control to make rules under the Acts for which they themselves are responsible and for which they have given undertakings which are binding on them as men of honour in spite of the actual wording of the clauses of the Acts.

"Unfortunately (or fortunately according to one's point of view) there is no such justification and I would ask the House to endeavour to envisage the kind of power which this clause in

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SIR FRANK BIRLEY:—"Two wrongs do not make a right."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Two wrongs may not make a right. What is wrong when done by one, I claim, may be right when done by another. For instance, it is wrong for Sir Frank Birley to manage my house. It is my right and claim to manage my house. It will be wrong for Sir Frank Birley to make rules for the management of our house and to take powers from my sons to change the rules that I have made in the first instance. Therefore, two wrongs—two apparent wrongs—may sometimes be right. An act done by one may be wrong, because of the person or the institution that does it. A subsequent act which may be the same, is really different because it is done by a different person, by a different institution, by a differently constituted institution. Two wrongs may therefore make a right in the latter part of this century because it all depends on what is really done and who does it. Big maxims do not prove anything. I beg to submit that this difficulty clause is very necessary; we are in good company when providing for such a clause. I am glad, however, that such a vigorous protest and such a good speech was drawn out on account of this proposal. It is true that I made in the other House the statement referred to by Sir Frank Birley, in answer to what Mr. Langley said over this difficulty clause. It is true that I was convinced of the importance and absolute necessity of having a difficulty clause like this. I put the argument rather strongly in answer to Mr. Langley, that we are likely to have such a clause not only in this measure but in every succeeding measure. In view of the much more reasonable attitude taken by Sir Frank Birley, we shall take this power only when necessary and not in every measure that is passed."

The amendment was put and lost.

Clause 33 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

The House then adjourned to meet again at 11 a.m. the next day.

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APPENDIX I.

[Vide answer to starred question No. 278 asked by Sri Rao Bahadur N. R. Samiappa Mudaliyar at the meeting of the Legislative Council held on the 15th May 1939, page 234 supra.]

List of Presidents of Panchayat Boards removed from office and re-elected.

Name of the local board, taluk and district.	Name of president.	Date of removal.	Reason for removal.	Date of his re-election.
(1)	(2)	(3)	(4)	(5)
Sozhanur, Gudiyattam, North Arcot.	Sri S. K. Ramaswami Mudaliyar.	18th October 1935.	Misappropriation of panchayat funds.	16th January 1936.
Kadambal, Wandiwash, North Arcot.	Sri Periyathambi Gounder.	24th December 1935.	(i) Failure to conduct meetings. (ii) Failure to maintain vouchers. (iii) Failure to produce cash balance to District Panchayat Officer. (iv) Short payments to teachers. (v) Appointment of teachers on recommendation of his son who was alleged to be bribed.	9th January 1936.
Asanallikuppam, Arkoanam, North Arcot.	Sri P. Velu Mudaliyar.	19th July 1937.	(i) Failure to convene meetings. (ii) Notice of meetings not served to all members. (iii) Failure to produce cash balance. (iv) Failure to maintain vouchers.	7th August 1937.
Govindavadi, Conjeeveram, Chingleput.	Sri M. Egappa Naicker.	17th September 1935.	(i) Neglect of administration. (ii) Failure to convene meetings. (iii) Failure to deposit panchayat funds in savings bank.	16th November 1935.
Kovilur, Dindigul, Madurai.	Sri C. Subbarayulu Nayudu.	8th September 1937.	Wilfully neglected to deposit panchayat funds into the savings bank.	8th July 1938.
Pethunaickenpalayam, Attur, Salem.	Sri A. Palani-muthu Gounder.	25th August 1938.	(i) Not exercising proper control over the subordinates. (ii) Bad collection work.	19th September 1938, but subsequently resigned.

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the case of this Bill and other Bills in which it is included gives to the Government, not only the present Government but the Government of the future who may be imprudent or even vicious, but so long as they remain in power they will have the right to make rules and regulations and do anything which appears to them necessary for the purpose of removing any difficulties which they may find in the working of this Act.

"I suggest, Sir, that this is a clause which ought never to have been included in any Act and generations to come will bless this House if here and now they lay it down as a general principle that such arbitrary powers will not be given to any Government by the members of this House.

"Sir, I beg to move that 'Clause 33 of the Bill be omitted'."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I second it."

2-30
p.m.

* MR. J. A. SALDANHA:—"Sir, in supporting the amendment I may refer to the old controversy that took place about ten or twelve years ago in the old Legislative Council. The question that arose then was the giving of unrestricted powers to the Government. At that time the Justice Party thought perhaps that it would be perpetually in power. They were good in their own way. Like the present Ministry, they had a large majority. The Congress was in a minority then and we were defeated over this point. The power of the Justice Party came to an end and history repeats itself now. Simply because the Congress Party has come into power by a majority like the old Justice Party, they want to have this power and to carry on the administration without coming to the Legislature. These things should be under the control of the Legislature. In support of the amendment of my hon. Friend, Sir Frank Birley, I strongly urge that this clause should be expunged from this Bill."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it is quite true that this clause or rather this principle of including a difficulty clause in Bills has been the subject-matter of very interesting literature and keen controversy between two schools of thought; each school considers its views absolutely correct and does not mind calling forth very strong arguments against the other side. In fact I do not think anything short of the Star Chamber or the inquisition procedure was considered equivalent to this difficulty clause by those who thought that it should disappear from legislative measures. Since the Lord Chief Justice referred to by Sir Frank Birley went into this matter and wrote a book on the subject, subsequent history of thought in this subject has shown that matters have settled down rather in favour of the difficulty

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clause than against the difficulty clause. It may be the world is going wrong since the 19th century. We are living in that world which is gone wrong since the 19th century and the trend of opinion and thought in respect of this difficulty clause is somewhat like this. It is true that it looks very strong; but it is very necessary and we had better tolerate it. This is the sum and substance of present-day opinion in regard to this matter. It is quite true that in India we may do some things very much more perfectly—if I may use this grammatical construction—than other countries have been able to do in other parts of the world. It is possible that, to us, advice may be given which is not accepted for instance in the British Parliament or in European countries. But all the same we have to examine the matter. There is nothing to prevent us making a perfect Bill, if it were possible. I submit, Sir, that, in dealing with the administrative laws, it is quite impossible to escape difficulties and to give up a provision like this. Since Lord Hewart wrote the book, opinion has changed in respect of this matter. I think they have come to the conclusion that such powers must be taken and there is nothing illegitimate in it. . . ."

SIR FRANK BIRLEY:—"Due to the influence of Signor Mussolini and Herr Hitler."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Can we escape that influence altogether? As I have said, the world has gone bad since the 19th century but since we are living in that world, we must do justice to our environment. We had to levy a tax not on one man or two or on land which does not change, but on business which changes from year to year, from month to month and from hour to hour. We have to deal with and tax people who write accounts, who do not write accounts, who write two accounts and four accounts and who produce one set of accounts and do not produce another set of accounts. We are dealing with such people and we have to get a little bit of revenue out of them. We may be faced with difficulties. It may not be possible for gentlemen of great ability, skill, shrewdness and capacity to do correctly things which are involved. When there is opposition to the action of the Government and when the Opposition is ranged against the Government in this matter, difficulties are bound to arise and the Government will have to arm themselves with powers to overcome such difficulties. This is therefore, Sir, a necessary provision and in answer to that 19th century liberal thought in the matter, let me refer to our own Bible, the Government of India Act. The Government of India Act has provided a section, section 310; for removing difficulties, they have solemnly taken power in this very manner. For what? For one measure, for the whole of the Government of India Act for this great country, they have taken power to remove difficulties by Orders-in-Council. . . ."

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Revenue heads.	Chittoor.				Kurnool.				Chittoor.			
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Land Revenue	15-80	13-67	15-33	16-18	16-19	19-38	19-54	20-24	19-46	18-10	10-13	9-28
Provincial Excise	6-32	5-75	6-05	6-46	6-37	14-99	13-48	13-16	14-23	14-06	9-41	8-91
Stamps	2-50	2-57	2-38	2-31	2-18	3-57	3-77	3-45	3-61	3-21	3-68	3-64
Forest	0-07	0-06	0-07	0-07	0-09	0-07	0-07	0-02	0-02	0-02	0-11	0-10
Registration	0-36	0-35	0-35	0-37	0-37	0-52	0-52	0-50	0-57	0-56	0-53	0-50
Receipts under Motor Vehicles Acts	..	..	..	..	..	..	..	..	..	..	..	..
Other taxes and duties	..	..	..	..	..	..	..	..	..	..	..	..
Irrigation, etc. (for which capital accounts are kept).	..	..	..	..	..	..	..	..	..	..	..	..
Irrigation, etc. (for which no capital accounts are kept).	..	..	..	..	..	..	..	..	..	..	..	..
Interest	0-01	0-02	0-01	0-01	0-01	0-04	0-01	0-03	0-02	0-02	..	0-01
Administration of Justice	0-19	0-17	0-15	0-19	0-16	0-40	0-25	0-29	0-29	0-29	0-55	0-49
Jails and Convict Settlements	0-32	0-28	0-32	0-28	0-30	0-32	0-33	0-28	0-31	0-33	0-26	0-27
Police	0-02	0-01	0-01	0-01	0-01	0-01	0-02	0-02	0-03	0-03	0-01	0-01
Education	0-03	0-03	0-02	0-02	0-01	0-09	0-11	0-09	0-07	0-06	0-04	0-03
Medical	0-05	0-05	0-06	0-07	0-04	0-12	0-15	0-13	0-10	0-12	0-07	0-06
Public Health	0-03	0-02	0-03	0-03	0-03	0-01	0-02	0-03	0-03	0-03	0-01	0-01
Agriculture	..	..	..	..	..	..	..	..	..	..	..	..
Veterinary	0-05	0-06	0-06	0-08	0-02	0-06	0-06	0-08	0-08	0-04	0-05	0-08
Co-operation	0-03	0-03	0-02	0-01	0-02	0-02	0-03	0-03	0-03	0-03	0-01	0-01
Industries	..	..	..	..	..	..	..	..	..	..	..	..
Broadcasting	0-44	0-46	0-52	0-71	0-10	0-66	0-61	0-68	0-89	0-17	0-61	0-70
Miscellaneous Departments	0-08	0-16	0-08	0-13	0-07	0-08	0-09	0-10	0-09	0-09	0-08	0-07
Civil Works	0-05	0-04	0-08	0-03	0-02	0-03	0-03	0-02	0-02	0-02	0-04	0-05
Receipts in aid of Superannuation	0-04	0-04	0-05	0-08	0-04	0-05	0-09	0-06	0-04	0-05	0-03	0-02
Stationery and Printing	0-08	0-09	0-09	0-11	0-09	0-21	0-18	0-27	0-19	0-17	0-12	0-15
Miscellaneous	..	..	..	..	..	..	..	..	..	..	..	..

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Expenditure heads.	Bellary.				South Kanara.				Anantapur.			
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Land Revenue	0-06	0-07	0-12	0-15	0-20	0-25	0-19	0-80	0-11	0-94	0-06	0-07
Provincial Excise	1-02	0-93	0-91	0-96	1-06	1-28	1-25	1-22	1-23	1-30	0-86	0-81
Stamps	0-06	0-06	0-06	0-07	0-05	0-12	0-12	0-11	0-10	0-09	0-06	0-06
Forest	..	..	0-01	0-01	0-03	..	..	..	..	..	..	..
Registration	0-46	0-47	0-46	0-47	0-48	0-79	0-81	0-86	0-86	0-88	0-31	0-31
Charges of Motor Vehicles Acts	..	..	..	..	0-65	..	..	..	..	0-61	..	..
Irrigation—Other revenue expenditure financed from ordinary revenues.	0-55	0-45	0-37	0-23	0-50	..	..	..	..	..	0-66	0-87
Interest on debt and other obligations.	..	..	..	..	..	..	..	..	..	..	..	..
General Administration	7-90	7-08	7-07	8-52	8-35	6-88	6-84	7-16	7-32	7-05	7-36	7-43
Administration of Justice	1-61	1-60	1-47	1-70	1-74	2-54	2-45	2-54	2-54	2-56	1-59	1-57
Jails and Convict Settlements	1-50	1-52	1-61	1-57	1-57	1-13	1-10	1-13	1-13	1-12	0-08	0-08
Police	4-37	4-43	4-49	4-53	4-63	2-69	2-70	2-67	2-77	2-79	4-44	4-48
Education	4-73	4-54	4-66	4-75	4-78	8-73	8-73	8-94	9-78	9-79	5-55	5-48
Medical	1-15	1-15	1-25	1-24	1-21	1-45	1-61	1-66	1-75	1-70	0-80	0-86
Public Health	0-46	0-57	0-54	0-66	1-40	0-20	0-30	0-31	0-28	0-29	0-30	0-31
Agriculture	..	..	..	..	0-89	..	..	..	..	0-49	..	..
Veterinary	1-20	1-25	1-56	1-40	0-28	0-82	0-87	0-90	0-96	0-16	0-56	0-58
Co-operation	..	..	..	..	0-28	..	..	..	..	0-42	..	..
Industries	0-29	0-29	0-27	0-28	0-35	0-52	0-53	0-50	0-52	0-57	0-02	0-02
Miscellaneous Departments	1-19	1-27	1-18	1-07	0-50	0-93	0-94	1-04	1-11	0-53	0-97	0-93
Civil Works	2-21	2-76	2-75	3-32	3-19	2-22	2-51	2-61	3-04	2-75	2-40	3-19
Famine	0-01	0-09	0-60	..	0-42	..	..	..	..	..	..	..
Superannuation Allowances and Pensions.	0-85	0-87	0-92	0-98	0-97	2-27	2-43	2-49	2-58	2-60	0-81	0-81
Commutation of Pensions	0-08	0-08	0-03	0-25	0-13	0-12	0-86	0-10	0-32	0-16	..	..
Stationery and Printing	..	0-02	0-02	0-05	0-06	0-01	0-01	0-04	0-05	0-05	0-01	0-02
Miscellaneous	0-01	0-01	0-02	0-01	0-01	0-18	0-02	0-02	0-01	0-02	0-02	0-02

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Name of the local board, taluk and district.	Name of President.	Date of removal.	Reason for removal.	Date of his re-election.
(1)	(2)	(3)	(4)	(5)
Velur, Namakkal, Salem.	Sri Kandaswami Gounder.	11th October 1938.	(i) Meetings not conducted regularly. (ii) Bad collection work. (iii) Misappropriation.	17th November 1938 but subsequently resigned.
Vadakaraiathur, Namakkal, Salem.	Sri Muthuswami Gounder.	13th August 1937.	(i) Failed to deposit panchayat funds in the savings bank to the extent of Rs. 600. (ii) Failed to convene meetings for two years. (iii) Failed to pay arrears of salary due to teacher.	22nd October 1937.
Tirupuvanam, Mudukulatur, Ramnad.	Sri N. P. Vyra-van Servai.	11th July 1938.	Flagrantly abused the powers vested in him and failed to discharge his duties properly.	September 1938. Date not known.
Ambasamudram, Ambasamudram, Tinnevely.	Sri R. Velayudham Mudaliyar.	19th February 1936.	Flagrantly abused the powers vested in him and failed to discharge his duties properly.	4th March 1936.
Velanganni, Nega-patam, Tanjore.	Sri Kailasa Thevar.	11th June 1936.	(i) Failure to convene meetings. (ii) Failure to maintain accounts. (iii) Failure to lodge panchayat funds in savings bank.	17th August 1937.
Samalkota, East Godavari district.	Sri G. H. Padma-raj.	3rd January 1938.	For gross abuse of powers vested in him as a president.	26th January 1938.
Tadimallur, Kovvur, West Godavari.	Sri Tadimallu Sarraju.	17th August 1938.	For lending panchayat funds unauthorizedly and for abusing the powers vested in him.	2nd September 1938.
Thummala-penta, Kavali, Nellore.	Sri Ala Hari Venkatanarasimham.	30th October 1937.	For gross abuse of powers vested in him.	5th August 1938.
Jegurpadu, Rajahmundry.	Sri Ganapathi Sarvarayudu.	4th June 1938.	For failure to produce cash balance of Rs. 2,153-1-6 on 21st December 1937 and Rs. 2,563-3-6 on 28th April 1938.	24th June 1938.

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APPENDIX II.

[Vide answer to starred question No. 279 asked by Sri B. Bheema Rao at the meeting of the Legislative Council held on the 15th May 1939, page 235 supra.]

Statement showing the figures of Provincial Revenues for the years 1933-34 to 1937-38 for the six districts of Bellary, South Kanara, Anantapur, Cuddapain, Kurnool and Chittoor.

Revenue heads.	(1)	Bellary.						South Kanara.						Anantapur.					
		RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Land Revenue		19'05	13'21	22'12	16'45	10'08	23'76	23'60	25'98	24'70	26'43	13'58	8'26	12'87	13'96	10'40			
Provincial Excise		12'74	12'17	12'04	12'82	13'01	11'08	11'03	10'39	10'34	10'25	12'96	12'14	11'20	11'41	12'40			
Stamps		3'11	3'03	2'83	3'06	2'81	6'87	6'68	6'16	6'00	5'58	2'83	2'53	2'53	2'54	2'39			
Forest		1'15	1'15	1'15	1'13	1'12	1'01	1'01	1'01	1'01	1'01	1'01	1'01	1'01	1'01	1'01			
Registration		4'41	4'49	4'41	4'48	4'49	4'97	4'98	4'90	4'86	4'90	4'84	4'86	4'86	4'86	4'86			
Revenue under Motor Vehicles Acts																			
Other Taxes and Duties																			
Irrigation, etc. (for which capital accounts are kept).																			
Irrigation, etc. (for which no capital accounts are kept).																			
Indebtedness		57	40	30	36	33	36	33	30	30	30	45	29	32	32	32			
Administration of Justice		27	25	23	26	24	26	24	23	23	23	19	19	22	21	21			
Fails and convict settlements		04	05	04	05	05	05	05	05	05	05	05	05	05	05	05			
Police		02	02	02	03	02	01	02	01	02	03	02	02	01	02	02			
Education		05	06	05	05	04	03	03	03	03	03	06	06	07	05	05			
Medical		08	05	05	05	05	06	05	05	05	05	06	06	07	05	05			
Public Health		03	05	05	05	05	06	05	05	05	05	06	06	07	05	05			
Agriculture																			
Veterinary																			
Co-operation																			
Industries																			
Miscellaneous Departments																			
Civil Works																			
Recipients in aid of Superannuation																			
Stationery and Printing																			
Miscellaneous																			

[15th May 1939]

Expenditure heads.	Cuddapah.			Kurnool.			Chittoor.		
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Land Revenue	10	11	79	127	125	99	16	19	79
Provincial Exche	59	62	85	87	78	143	70	89	76
Stamps	06	05	05	05	09	09	08	08	08
Forest	..	..	01	01	..	..	..	01	01
Registration	..	..	33	34	35	53	..	61	66
Charges of Motor Vehicles Act	..	..	..	..	..	..	..	..	68
Irrigation—Other revenue expenditure financed from ordinary revenues.	36	100	92	82	64	28	..	62	94
Interest on debt and other obligations	..	..	..	..	..	..	..	..	01
General Administration	812	811	808	827	822	811	697	693	725
Administration of Justice	172	177	184	165	168	151	173	173	171
Jails and Convict Settlements	11	13	13	09	09	08	10	11	09
Police	400	398	426	407	409	478	428	431	457
Education	404	415	448	456	450	552	554	576	582
Medical	80	88	102	101	98	86	117	111	119
Public Health	28	31	31	28	23	30	39	37	49
Agriculture	..	..	..	..	..	..	..	..	23
Veterinary	45	55	52	72	16	74	..	80	25
Co-operative	..	..	..	..	33	..	..	..	25
Industries	12	11	09	08	10	10	..	..	07
Miscellaneous Departments	51	65	75	82	89	111	56	82	76
Civil Works	174	174	231	187	132	323	239	219	212
Famine	..	..	..	..	..	..	..	..	..
Superannuation Allowances and Pensions.	70	73	86	79	84	83	105	108	121
Commutation of Pensions	..	14	12	02	03	..	..	..	01
Stationery and Printing	..	01	03	01	01	01	01	04	02
Miscellaneous	01	01	01	..	01	01	..	01	01

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APPENDIX III.

[Vide answer to starred question No. 287 asked by Mr. J. A. Saldanha at the meeting of the Legislative Council held on the 15th May 1939, page 240 supra.]

Statement showing the existing legislative provisions relating to beggars.

- (1) Provisions for giving relief to beggars in public places—
 - (a) Madras City Municipal Act—Schedule V—Part I—Rule 4—
 4. The objects of expenditure connected with the public convenience, amenities and education include—

* * * *

(p) the provision and maintenance of rest-houses, choultries, alms houses, poor-houses, pounds and other works of public utility;
 - (b) Madras District Municipalities Act—Schedule IV—Part II—Rule 40—
 40. The objects of expenditure connected with the public convenience, education and amenities include—

* * * *

(g) the construction and maintenance of rest-houses, choultries, poor-houses, pounds and other works of public utility;
 - (c) Madras Local Boards Act—Schedule V—Rule 1-A (1) (b) and rule 1-B (1) (c)—
 - 1-A (1) A panchayat shall have power to make such provision as it thinks fit for carrying out the requirements of the village in respect of the following matters, namely:—

* * * *

(b) the establishment and maintenance of choultries within the limits of the village other than those classified as district (. . .) choultries;
 - 1-B (1). A district board shall have power to make such provision as it thinks fit for carrying out the requirements of the district in respect of the following matters, namely:—

* * * *

(c) the establishment and maintenance of choultries in the district classified as district choultries;

[15th May 1939]

(2) Provisions for controlling the nuisance caused by beggars in public places—

(a) Madras City Police Act, 1888—Section 71—XXI—

“Whoever, in any public street, road, thoroughfare or place of public resort, commits any of the following offences, shall be liable on conviction to fine not exceeding fifty rupees, or to imprisonment which may extend to one month:—

* * *
xxi. Whoever begs or applies for alms, or exposes or exhibits any sores, wounds, bodily ailments or deformity with the object of exciting charity or of extorting alms.”

(b) The Towns Nuisances Act, 1889—Section 3 (8)—

“Whoever, in any public street, road, thoroughfare or place of public resort, commits any of the following offences shall be liable on conviction to fine not exceeding fifty rupees or to imprisonment of either description not exceeding eight days:—

* * *
(8) Whoever, so as to cause annoyance, begs or applies for alms or exposes or exhibits any sores, wounds, bodily ailments or deformity with the object of exciting charity or of extorting alms.”

THE MADRAS LEGISLATIVE COUNCIL

Tuesday, 16th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

I.—MOTION UNDER RULE 17 OF THE LEGISLATIVE COUNCIL RULES.

* THE HON. DR. T. S. S. RAJAN :—“ Sir, I beg leave of the House to move—

‘that rule 17 of the Madras Legislative Council Rules be suspended and the House do resolve to transact Government business on Wednesday, the 17th May 1939.’”

SRI B. NARAYANASWAMI NAYUDU :—“ Mr. President, may I know the reason for . . . ”

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ I just wish to add, Sir, for the information of the members, that we have agreed to put down a Bill, a non-official Bill, that was passed in the other House, for to-day, and facilities will be given for its consideration, in spite of Wednesday being taken up in the manner proposed now. It will come very probably at the end of the day to-day, and it may even continue to-morrow if necessary, so that the Bill may be finished, especially as otherwise members may feel that the session is being prolonged and there may not be much delay caused by taking up that measure.”

* MR. J. A. SALDANHA :—“ Mr. President, I beg strongly to protest against this motion for converting a non-official day into an official day. We get non-official days once perhaps in six months, and we expected, some of us here, that we could catch this Wednesday as a non-official day. I myself personally and some other members have sent in a number of Bills and resolutions; I have sent in a Bill which was once withdrawn on the assurance given by the Hon. Minister for Courts and Prisons that Government would bring in the necessary legislation themselves; but as I saw that I was being quietly sat upon, and they have not decided anything about it, I sent in this Bill and I expected this Wednesday would be available for my taking it up and also moving some of

[Mr. J. A. Saldanha] [16th May 1939]

the resolutions given notice of by others. In general, I must remark that no reasons have been given—at least I did not hear any—as to why this Wednesday should be lost to us as a non-official day. Sir, non-official day is a valuable and precious thing for members of the Legislature, especially on the Opposition, as it is only then that they can bring in whatever resolutions they want to. I do not think that for the past about two years, we have had even four non-official days. Again, whatever non-official day we had, we had it then only for two hours and not five hours, on account of the fact that the other House also was sitting on those days. As a matter of fact, I do not think we have had even six hours during the last two years for transacting non-official business. It is therefore but just that we should have to-morrow for considering our resolutions and Bills. I think after all there are not many motions, and they can be disposed of in a couple of hours.

“The importance of non-official day has not been properly realized and appreciated by the Hon. the Leader of the House. My recollection of my eight years of tenure as a Member of the old Council is that we had many non-official days allotted during the time of the Justice and National Governments against which we had to struggle so much. They readily gave non-official days once at least every three months, and a day of full five hours, with the result that I had to my credit three Bills, while a number of Bills were not reached or did not reach maturity. But with the coming into power of the Congress Party, more and more niggardly treatment is given to the Opposition by curtailing their privileges for non-official days; it is very unfair and unjust, and I must therefore solemnly protest against this motion. Of course it may be that this is not the season for bringing in legislation. As a matter of fact, the Government have brought forward all these Bills, as urgent Bills; ‘where is the absolute urgency for them?’ I ask. They can be very well delayed for a month or two. We have all come here at great trouble and inconvenience for this session. If we can meet for official work for so many days, surely we can also gladly meet, and we ought to gladly meet, for non-official work for a couple of hours to-morrow. There is nothing absolutely to prove that the hot season cannot be used for bringing in fresh legislation. The Government have decided not to have an exodus to Ootacamund, and in spite of great inconvenience and heat here and other trouble, official work is being done now. Why not non-official work also be done, I ask. Whatever non-official legislation is taken up, in some way or other it is official work. I have also heard privately that the Secretaries to Government are grumbling that they have still to be here. They are all highly-paid officials; they can very well drop out the idea of going to Ootacamund, and work here with the majority of the people who are sweating on the plains and suffering so many inconveniences.”

MR. PRESIDENT :—“The hon. Member is not justified in referring to the Secretaries.”

16th May 1939]

* MR. J. A. SALDANHA :—“I do not stress this point more. Apart from convenience or inconvenience, we are thankful that the Cabinet Members are staying here and have not gone to the hills, though they are nowadays going round and round. (Laughter.) What I urge is that because some Government officials have to go to the hills, or because this is not supposed to be a good season for legislation, we should not be denied the non-official day. The season question has been knocked out; every season is quite fit for taking up legislation, official or non-official. We are representing here the people of the Province and as such, I plead with the Hon. Leader of the House and the Hon. the Prime Minister to give us a few hours to-morrow. They can very well allot the morning hours for this purpose, and, Mr. President, you may set the afternoon down for official work, if necessary. We can easily have official work in the afternoon between 3 and 5 p.m. We shall be glad to meet in this hall to-morrow afternoon, as there is good breeze here and the hall is cool. So, we can sit for both official and non-official work to-morrow. I therefore request that the Hon. the Leader of the House will withdraw his motion.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“Mr. President, the Hon. the Leader of the House in moving the resolution, did not give any reason why he wanted to appropriate this Wednesday also for official business. I believe he wants to change the rule in order to take up the Sales Tax Bill to-morrow. I do not wish to say much with regard to that now; if he wants to take up the Sales Tax Bill to-morrow, certainly the rules have to be suspended. When he moves that proposition to-morrow, I will have my say then on this point. I do not see any reason why the Government should rush through the Bills like this, even by asking for a suspension of the Council Rules.

“With regard to the question of allotment of non-official days, my hon. Friend Mr. Saldanha has spoken about the feeling of the Opposition, and I hope that at least next time the Government will not curtail the non-official days—since it is late now for fixing up non-official work for to-morrow—and give proper opportunities to non-official members. Even if non-official work is to be transacted to-morrow, I think resolutions have got to be balloted. That is why I said ‘next time.’ On behalf of the Opposition, I am thankful to the Hon. the Prime Minister for having agreed to take up one private Bill on an official day. That does not however mean that they should take away a non-official day. It is simply a question of accommodating the Opposition by allowing that private Bill to be taken up on an official day. Even there, I think they need not grudge to allow other motions regarding Bills and resolutions being taken up in the Council, and defeated, as usual. I hope, Sir, that these points will be borne in mind when the next session begins.

“With regard to the Sales Tax Bill, I now suggest to the Hon. the Leader of the House . . .”

[16th May 1939]

MR. PRESIDENT :—" That is not before the House now."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" If we keep quiet now, then the Hon. the Leader of the House will say to-morrow that we have acquiesced in his moving the motion to-day; and that is why I am giving notice to you, Sir, and to the Leader of the House about it.

" I am opposing this motion."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" I was not quite able, Sir, to follow Mr. Saldanha's various propositions. I quite agree with him that we should be ready to work in the hot season; I quite agree with him that we should sit longer hours, if necessary, during the summer; and I am also quite prepared to co-operate with the rest and carry on if the House is so minded.

" As regards the exodus, and all that, of the Secretariat, that has nothing to do with this. It is not they who are asking us to do one thing or to do another thing in respect of our sitting here. They are here because we are here, and as soon as we finish, those of them who are permitted specially to go to the hills, will go. This has nothing to do with that.

11-15
a.m.

" With regard to non-official business, I submit that we have acted very fairly in that we have recognized that advanced non-official business should have a right to get its chance in this House. The only non-official business that has progressed to a substantial extent and which has to be passed through this House, has been given a place even during the official day, namely, to-day, so that it may have the fullest advantage both to-day and even to-morrow if necessary for its being finished. As regards curtailment to which reference was made by the hon. Member, I beg to submit that if we do not give room for non-official business to-day and if it is to be taken up to-morrow in the normal course, it would have taken the whole of to-morrow that was available and normally speaking other business would have little chance. There is no real curtailment in that we give an opportunity for getting through it even to-day and if need be, to-morrow also. There is no curtailment such as Mr. Saldanha complained about.

" As regards the precedence which the Government business takes over non-official business, it is in the nature of things, because the whole House is supposed to work through the Government and the Government, namely the majority, have administrative and other difficulties to get through and it cannot wait. Therefore, it is that in all democratic organizations, Government business has precedence over non-official business. It is not as if there is any opposition between the two. Such business in which private members or minorities are interested will have its chance in proportion to the position it occupies with respect to the quality of the House as composed each time. Therefore, non-official business should wait and there is nothing wrong in it.

16th May 1939] [Sri C. Rajagopalachariar]

" As regards the question of mere introduction of Bills, I have no objection for a few minutes being given for such business if hon. Members think that any advantage would be gained by such a process. I may say it once for all that I have no objection. I do hope that Mr. Saldanha will agree that in case a Bill had already been before the House and had been rejected by it, the introduction would not be a formal or technical matter and it cannot be introduced like that."

* MR. J. A. SALDANHA :—" As a matter of personal explanation, Sir, I wish to submit that when I asked for the leave of the House to introduce my Bill, the Hon. the Minister for Courts and Prisons assured me that the Government were going to bring in legislation themselves to place all communities on the same footing, and asked me to withdraw the Bill. The Bill was not rejected by the House at the time. I have brought a new Bill on that subject and I am asking for leave to introduce it. It is partly a new Bill and partly the old Bill. It is after all a question of only a few minutes and I shall be very thankful if I am permitted to move it. I shall ask for leave for introduction and after that it will be printed. Otherwise, there will be unnecessary delay which could be avoided. As an alternative, I would suggest that the non-official business may be transacted in the morning and we are quite prepared for the Government business being transacted in the afternoon on the basis that we transact business for five hours each day as we used to do in the old Council."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" May I with your permission tell the hon. Member that the Succession Act is an all-India Act and the question of placing it on a uniform basis is under the consideration of the Government of India. The question is yet pending.

" As regards the particular measure that Mr. Saldanha wants to bring in, it would have been easier for the Government to come to a decision if he had given a copy of it to us. I am not in a position to know anything about the Bill that he proposes to introduce. If he gives me a copy of the Bill even to-day, it would be possible for the Government to decide in the course of to-morrow, or the day after or after that whether we might be able to allow it to be introduced without any discussion. I should like to see what the Bill is."

MR. J. A. SALDANHA :—" I shall send it, Sir."

* THE HON. DR. T. S. S. RAJAN :—" I have nothing more to add to what has been said by the Hon. the Premier. I personally hold the view that the whole House is interested in all the business that is conducted in the House. The Opposition has got as much duty as the Treasury Bench to perform in the matter of carrying out any legislative measure. I cannot understand how the function of the House could be divided as between the Treasury Bench and the Opposition. No doubt particular measures

[Dr. P. J. Thomas] [16th May 1939]

"The unique feature of the financial system of this country is the absence of a tax on tobacco. To-day, we are making a humble beginning in the taxation of tobacco. I do not agree with my hon. Friend, Mr. Narayanaswami Nayudu, that the rates prescribed in this Bill are too high. I think that the rates are rather low for a commodity like tobacco and if only I had my way, I wish I had my way, the rates might have been higher than they are in the Bill before us.

"The East India Company tried to tax the people in such a way as not to make them feel the burden. They found that it was easier to tax liquor than tobacco. At first they had a monopoly in that commodity in some districts, namely, Coimbatore, Malabar and South Kanara and they derived some revenue, but this was abolished after 1850. There was an attempt in 1860 to levy a licence on tobacco all over India, but the proposal was stoutly opposed by the Government of Madras and it was given up, owing to certain technical objections. It is a most remarkable thing that there has been so far no tax upon tobacco in India.

11-30 a.m. "The introduction of the present Bill has led to some parleys. The Government say, 'You have agreed to prohibition and therefore to fresh taxation' and the Opposition say, 'We have not agreed to it.' But I justify the Bill on different grounds. I do not refer to prohibition merely as a measure intended to improve the moral and social life of the people. I regard it primarily as a taxation measure. We have been taxing all these years, all these decades, one article in preference to others. We have been placing upon the drinkers a burden which to my mind is very unfair and inequitable. Here is a tax which has been giving four crores of rupees and that is paid by only about 10 per cent of the population and they are the poorest of the poor of this country. We can prove without any great statistical help that the liquor tax has been paid and is being paid by the poorest of the poor. I mean that the bulk of the tax comes from toddy and that part of it is paid almost entirely by the poor labourers. On the other hand, a tax on tobacco will come from all classes. This, then, is the real reason for our replacing one tax by another. The moral and social aspect may be important. That may be the guiding motive of many in prohibition. But I am here speaking as a student of public finance. I should like very much to see that this country changes the vicious system of liquor taxation and levy taxes on other articles like tobacco. Had such a tax been levied, people would have borne it and the Government would have obtained a large revenue. It would have been more equitable than the salt tax which brings in large revenue to-day. The present Bill, however imposes only a low burden. The original Bill was more comprehensive. It has been whittled down by the Select Committee.

16th May 1939] [Dr. P. J. Thomas]

"Now, it is said by the Opposition that this proposed tax of 12 per cent is very heavy. But I wonder if there is any country in the world where tobacco is levied at this low figure of 12 per cent? As compared with the rates in other countries, this rate is a mere flea-bite. In France, the tobacco monopoly brings in a large revenue; in England, six per cent of the total revenue comes from tobacco. The taxation is so heavy in England that only the very rich can afford to have cigars there. The price of cigars is so high there that we occasionally smuggle a box of cigars for our friends when we go there. Yesterday when I was away Mrs. Hensman seems to have made a speech complaining about the burden of taxation. May I point out to her that the sight of a woman smoking cigar will be an interesting one even in England, where women have begun to smoke.

SRI B. NARAYANASWAMI NAYUDU :—"Even in times of war, we were told by Lloyd George that women were smoking."

DR. P. J. THOMAS :—"No, they began with cigarettes; and women have not yet taken to cigars. But not so in India. In some of our Northern districts, women working in the field smoke cigars. I do not grudge them this luxury. But is this necessary for their efficiency? Tobacco is legitimately an object for restriction. I am sorry that the Government have not chosen to restrict the use of tobacco. The hon. the Premier definitely stated that measure proposed is only a taxation measure. But I do hope that sooner or later it will be made restrictive. Now 12 per cent is the maximum that is levied; in no other country in the world is the rate so low as that. Even sugar, comparatively an article of necessity, bears a heavier taxation; in fact, the bulk of the price of sugar is composed of the duty. There is a greater justification for a duty on tobacco. The tax on tobacco is definitely a consumer's tax: it will be shifted by the traders to the consumers. In fact we have very strong reasons for putting a restrictive tax on tobacco. We have been till now looking at the measure as a taxation measure. To make it a restrictive measure, the tax should be put high, just as is done in the case of toddy and arrack. Perhaps in days to come, tobacco will largely take the place of the liquor excise. (Opposition Members: 'Hear, hear.') We must begin with a low tax; and gradually we may increase it to higher levels."

SIR FRANK BIRLEY :—"On a point of order, Sir, is it not entirely superfluous, and perhaps even waste of time of every member of this House, for the hon. Member to encourage Government to increase their taxation measures?" (Laughter.)

MR. PRESIDENT :—"It is no point of order."

[Dr. T. S. S. Rajan] [16th May 1939]

are discussed and voted upon; but after the measure is voted upon it becomes the entire decision of the Legislature and the House as a whole is responsible for it. The point is that the Opposition through their criticisms helps the Government and I cannot differentiate between the functions each side performs in shaping the legislation. I cannot accept the position that the Opposition has no function to do except non-official business."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"Nobody suggested it."

* THE HON. DR. T. S. S. RAJAN:—"Mr. Saldanha was complaining of the two hours that had so far been given for the purpose of transacting non-official business.

"In the case of taxation measures which we are going to undertake, every other measure should give way. That is generally the principle in all Legislative Assemblies and we have not done anything extraordinary in asking the House for leave for the suspension of non-official day in the interests of the official business in which all of us, both sections of the House, the Opposition and the Government, are interested. It cannot be argued compartmentally. Government business gets preference in all Legislatures. In view of the fact that it is a financial measure that has to be passed through, I would appeal to hon. Members that they will accommodate Government even as we are prepared to accommodate the Opposition in all manner of ways to get through advanced legislation, instances of which have already been given. We are prepared for the discussion of a non-official Bill on an official day, namely, to-day. If Mr. Saldanha would only submit his Bill as he has promised to do, we could certainly see whether it would be possible to accommodate him. Since we have not received copies of his Bill, since we are in the dark as to its objects and its scheme, we cannot give an answer straightaway. With regard to the other Bill, you will find that a chance has been provided for it and no harm has been done by to-morrow being taken up for the transaction of official business. You know very well the nature of the measure that is coming and in view of the explanation I have already given I hope the House will allow us to proceed with the official business."

The motion was put and carried.

II.—GOVERNMENT BILLS.

(1) THE MADRAS TOBACCO (TAXATION OF SALES AND LICENSING) BILL, 1939 (L.A. BILL NO. 10 OF 1939) AS PASSED BY THE ASSEMBLY—concluded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move—

'that the Bill be passed into law.'

[Sri C. Rajagopalachariar] [16th May 1939]

"I do not think I need make any lengthy speech or any speech for that matter. We have disposed of all the various details clause by clause and I move that the Bill be passed into law."

SRI B. NARAYANASWAMI NAYUDU:—"I should be failing in my duty if I do not rise to protest against this Act especially after the deliberate attempt made on the other side to vote down what to my mind ought to find a place in a suitable tobacco revenue Bill. I maintain that the rate of the tax is utterly and excessively high, especially in view of the confessed want of knowledge with regard to the possible revenue yield of this measure. I maintain further that for this year, so far as this year is concerned, the rate is absolutely unjustified unless there is some expenditure in this year lurking in the mind of the Finance Minister which he thinks best to keep to himself and is not prepared to disclose them as in duty he is bound to.

"I further say that the remarks of the Hon. the Prime Minister yesterday that if the rate is not fixed at 12 per cent it would be asking the country to go through a civil war, kill a king, etc., are absolutely untrue. It is the language of a politician and not that of a statesman."

THE HON. SRI C. RAJAGOPALACHARIAR:—"May I know, Sir, if the hon. Member refers to any statement that I made yesterday in the House."

SRI B. NARAYANASWAMI NAYUDU:—"The Hon. the Premier referred to King Charles' head and the civil war and the rest; but so far as I am concerned I am sure there would not be any civil war here. We cannot afford to have civil war, the king's head and so on.

"The rejection of the amendments seeking to place beyond tax and harassment by way of account-keeping the petty dealers of the urban and rural areas, the attempt to curtail the right of trade in tobacco by persons who otherwise must become a charge on the social insurance and a menace to society, stamp this Bill as unworthy of acceptance. Though this voted Bill is bound to be passed by a majority in this House and become law I am justified in asking the electorate of this country to pass sentence on the head of the person who is responsible for this measure and the crocodile provisions of this Act, not caring for the genuine tears on this side."

* DR. P. J. THOMAS:—"I was unable to take part in the discussions of this Bill so far, owing to ill-health. I believe that even at this stage I may be permitted to make a few general observations.

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DR. P. J. THOMAS :—" I would like to see the Government having sufficient money to spend for development purposes. And so, I would like them taxing tobacco more and more."

SRI B. NARAYANASWAMI NAYUDU :—" For all time?"

DR. P. J. THOMAS :—" Yes, I will support you for a higher tax on tobacco, when you are in power. I do maintain that the tax now proposed on tobacco is a mild tax; it should be welcomed by this House. I fear I have taken up an attitude which might inconvenience Government. (Laughter.) Because I have always felt that Government must do more for the lower classes, I always support measures which augment the revenue of the State. We are replacing the tax on drink by a tax on tobacco; a vicious revenue is being replaced by a just tax. (S. K. Ahmed Meeran Sahib Bahadur: 'Question.' (Mr. J. A. Saldanha: 'No.')

At any rate I am sure the bulk of people will agree with me; even confirmed drinkers agree that drink is bad.

" Mr. Ahmed Meeran yesterday expressed fears about the bad effects of the tax. Sir, I once made a survey of the beedi industry in this City when the Labour Commission was here, ten years ago, and I found that sweating was going on in this industry. I do not know whether it is still the case now. Whatever it may be, I am sure this tax will not affect this industry. Because, the tax is going to be paid by the consumers and not by the manufacturers. We have been told that the price of beedi is 3 for one pie. Is it any wonder if not only men but children have taken to smoking? This is a country where milk is dear but tobacco is cheap. Just the contrary is the case in Western countries. Sir, I very strongly support this measure for taxing tobacco, and I do hope Government will not stop with this, but will go further and bring forward a more comprehensive measure at a later date."

* S. K. AHMED MEERAN SAHIB BAHADUR :—" Mr. President, I did not want to intervene in this debate at the third reading stage. But I think the remarks which Dr. Thomas, the expert member made, has made me say something. Because his words carry weight not merely as a member but more as an expert. Unfortunately an expert like him quoted the case of sugar and made the case of tobacco appear as if it is like the case of sugar or like toddy and arrack. Sir, any one who has followed the history of sugar industry in this country will know that the duty is put on sugar at a high rate to shut out foreign sugar and make the Indian sugar industry purely swadeshi. So there is a world of difference between the sugar tax and the tobacco tax. The two are poles apart. You put a duty on sugar to encourage your own sugar industry. And is it for that you are now proposing to tax tobacco? Absolutely 'No.' You levy a tax on tobacco because people consider it either as a tax on luxury or a tax on vice. So there is

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a world of difference between a tax to promote swadeshi industries and a tax on luxury or vice. Such being the case, coming as it does from an expert like Dr. Thomas, people are apt to understand the tax as being quite justified. And it is to clear off that misunderstanding that I rose to intervene at this stage of the debate.

" With regard to the bidi industry, I may say his reference to the sweating of labour is all irrelevant to the debate. I did not say anything to mean that I am for encouraging sweating of labour. If he wants to remedy it, I am prepared to give him my support heart and soul. But he was saying, 'now bidis are selling at three for a single pie; do you want to encourage poor people to smoke?' Not at all. When I spoke on the general discussion of the consideration of the Bill, I thought I made my position clear. Even if it comes to a point of completely stopping smoking, or the use of cigars and cigarettes, if this Government or any other Government should take advantage of Dr. Thomas' theory and come forward with a Bill stopping smoking altogether in any form, that is a different matter. We are now concerned only with the fact whether this levy of tax on tobacco will not result in the importation of cheap foreign cigarettes from outside the Province like Bangalore where it is manufactured cheap and displace the industry which is giving employment for thousands of men, women and children. As I said, bidi industry is cent per cent swadeshi industry. It is financed by Indian capital; it is run on Indian labour and it is worked by Indian management. And so to tax tobacco is to hit at a swadeshi industry. And it is that which I objected to, and not stopping tobacco smoking entirely.

" As for the rates, Sir, I do not want to say whether the rate is high or low. This much is there. I would be glad if there is some uniform rate mentioned. Section 4 is entirely inexplicable. You have put in a graded rate by which you want to penalize the man who wants more turnover. I cannot understand that even now. However, when I spoke at the introduction stage, it was not because, I am very much in agreement with Mr. Narayanaswami Nayudu, but because I am against the main provision of clause 4. That is why I demanded division on clause 4. I wanted to show not that the rates were high or low, but that there should be some uniform rate. Though it is very high, I can understand it. But by the graded tax on a turnover, on the man who wants to do a greater sale, you are putting him to a greater handicap as against any other merchant who is able to turn out less."

* MR. S. J. GONSALVES :—" Sir, I desire to remove the misapprehension which may be caused by the remarks that have been made on this side of this House. Each country has its own habit. Dr. Thomas pointed out that in England only aristocrats smoke cigar and here even the beggar man in the street can have his tobacco. It must be remembered that tobacco is not produced in England, but is produced in this country and if the beggar man

[Mr. S. J. Gonsalves] [16th May 1939]

in the street can have his tobacco here, it is because, it is produced in his own country. In this country people are accustomed to use their own produce and that produce has been brought within the reach of even the poorest of the poor. If in the United Kingdom tobacco can be used only by the aristocrats they have got their stimulating commodities which they can use much cheaper than we can in this country. There, even the man in the street can have his cheap beer. Here we have to pay very high prices. We are made to pay more for it than the rich men in England. . . ."

THE HON. SRI C. RAJAGOPALACHARIAR :—" I would be obliged for actual and correct information, whether beer is cheaper in India than it is in England."

* MR. S. J. GONSALVES :—" It is not cheaper in India. I can say that. I have drunk beer in England. (Laughter.) I am certainly in a position to say that beer is cheaper in England than it is in India."

DR. P. J. THOMAS :—" May I remind the hon. Member that milk is cheaper in England than it is in India? "

* MR. S. J. GONSALVES :—" It is. I agree. It is available everywhere. Fresh milk is available in England at all times and in all places milk can be got. If milk be made available here as cheap as in England, certainly it would be a great boon to this country."

" Then, Sir, the point I wanted to make is, each country has its habits. Because men in England pay more for their tobacco, here also we should be made to pay the same, is not a proper argument. For instance, take the question of tea. In the countries on the continent tea can be drunk only by the aristocrats, whereas here it can be drunk by a very poor man. A pound of tea can be had here for 4 annas, whereas a pound of tea cannot be had in Italy or Germany for 4 rupees. There is a reason for it. The reason is this. Tea is a beverage; it is a stimulating beverage. The countries of Europe admit the genuineness of it. It is also good for people to drink tea. But countries in Europe are producing wine which is a very good beverage from their standpoint and people of those countries have been accustomed to drink wine. Even children can have wine there. Wine is cheap there. In any country in Europe in a house or a hotel wine bottle will be placed on the table as water is placed in this country. It is because wine is so cheap there. So, Sir, the reason is that unless they impose a heavy import duty on tea, it will displace wine. They want wine should be consumed by all and they say that wine is a good beverage and that it should be used by all people. They do not, however, prohibit tea but they levy a heavy import duty on it. Then, is it the view of Dr. Thomas, Sir, that tea should be drunk only by the aristocrats, taking the analogy of tobacco? Is

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it the argument of Dr. Thomas, that tea should also be taxed in this country as it has been in the countries of Europe? On the analogy of tobacco, it seems to me, that the argument can be applied also to tea. Sir, these reasons which have been assigned for taxing tobacco and for increasing the duty upon tobacco, are reasons which cannot and should not be accepted by this House. So, Sir, I spoke against this Bill and had also taken part in the consideration stage of this Bill. I do not propose to go into details. I rose only, as I said, to remove a misapprehension caused by the remarks which have been made by a member on this side of the House."

DR. SIR K. V. REDDI NAYUDU :—" Mr. President, I also rise to oppose the passage of this Bill. Following the Hon. the Prime Minister, I should say that we have had enough discussion on this Bill, and no further discussion seems to be necessary, except perhaps the bomb which our expert as he is called has thrown into our midst; fortunately the bomb did not explode. Enough has been said by my hon. Friend Mr. Gonsalves on the arguments advanced by our expert. Sir, these analogies from other countries come in handy only when they serve one's purpose. When they do not suit our purpose, we simply say : ' Well, India is so different from other countries and therefore the analogy of other countries does not apply in this land.' The hon. Member said, every country in the world has taxed tobacco. May I ask : ' Is there any country in the world which is as poor as India? Is there any country in the world in which the per capita income is 3 or 4 rupees? Is there any country in the world where the standard of life is so low as it is in this country? ' ' Is there any country in the world? ' I ask, (Interruption)—because that is economics, economically there is, perhaps— ' Is there any country in the world where cheroots are sold as they are sold in India, bidis are sold as they are in India except perhaps those who buy from this country? Are there vendors in Europe or America who sell for only 4 annas worth a whole day, who sell bidis two or three per pice? Is there any country in the world which has got these things? ' To compare England or any other European or American country with India for purposes of taxation is absolutely irrelevant in so far as a Bill of this kind is concerned."

" As I have said, it is not my purpose to enter into a discussion at this stage. We have said what we wanted to say. I rise only for the purpose of entering my protest against the passage of this Bill. We have pointed out the thousands of men and women in the Telugu districts who earn only 2 annas a day at the most for all the labour that they take and for the sales that they make. We have been often told, for instance, when the salt tax was increased a little from Re. 1 to Re. 1-4-0, there was such a huge cry raised. Non-co-operation was started and speeches were made

[Dr. Sir K. V. Reddi Nayudu] [16th May 1939]

in the Central Legislature in which they decried the taxation, as one affecting the poorer classes and driving them to starvation and so on and so forth. What about these men here that make these sales? They have to pay six rupees tax. How can he pay? I submit, Sir, apart from all these economic theories, full baked or half baked, the hardship has to be taken into consideration; and those who are accustomed to deal only in books cannot understand the practical difficulties of the people. (Hear, hear.) I submit, Sir, this Bill does not deserve to be passed."

* MR. J. A. SAIDANHA :—" Mr. President, I want to say a few words. When I heard Professor Thomas speaking, I was reminded of a story where an eminent doctor of philosophy forgot the fundamental elements of logic. . . (Laughter.) Dr. Thomas's speech ignored the fundamental difference of countries. It is true, there is a heavy tax on tobacco in England. But it is an import duty or tariff duty. There is tariff duty in America. It is an import duty on the basis of a tariff. It has got an import duty or tariff duty upon tea and even coffee. Therefore the prices are very high. On the other hand the export of liquor is not taxed in Europe. There is an excise duty on liquor in England with the result, I am told that the ' Whisky ' in England is dearer in England than it is in India, because there is a high duty imposed in England for inland revenue purposes. I submit all these different facts making for the duties on tobacco in Europe. It is an import duty where there is no such tobacco grown. (Interruption.) I do not think tobacco is grown in France. A heavy import duty is imposed. It is a heavy duty in the United States also, where tobacco is grown. There also similar conditions prevail. And there also, if I remember rightly, the duty on tobacco is not so high as in the United Kingdom for it is grown there. Here in India the liquor or toddy you call poisonous. Liquor is not considered poisonous by ninety per cent of the people in the world who use or sanction the use of liquor. To make a comparison, therefore, between liquor or toddy and tobacco is quite improper.

" I wish that Dr. Thomas had taken part in the debate at the second reading in order to enable us to answer his arguments. There are other points. We have pleaded for mercy for the poor bidi manufacturer. Government have turned a deaf ear. We have also pleaded very strongly for the cancellation of the clause which gives dictatorial powers to the Government. I hope that those powers will not be exercised at all in the future. Taken as a whole, I oppose the Bill."

* SRI K. P. MALLIKARJUNUDU :—" Sir, I wish to answer one question raised by Mr. Ahmed Meeran. He has stated that this tobacco tax is another sales tax to encourage imports. Several responsible Members of the Legislature have been saying times without number that the general sales tax or any particular sales tax will

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encourage imports. I have no hesitation in saying that it is absolutely wrong. The sales tax applies both to the imported articles as well as to home-made articles. If that be so, I fail to see how it encourages imports."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" Sir, it is an opportunity for me only to say a few words in answer to the very strong criticisms reiterated by some friends on the opposite side. I shall not take any length of time over it, however.

" I am unable to see how Mr. Ahmed Meeran still maintains that there would be as a result of this taxation, a discrimination in favour of cigarettes as against bidis. Apart from the general attitude towards tobacco as a whole and things of that kind, looking at it only as a measure of taxation, looking at it only as a commodity for taxation, I fail to understand how when this duty is levied on tobacco in all manufactured forms alike, there would be any difference. If at all there is a difference against shops dealing in the high-grade articles, I do not at all see, I say, how Mr. Ahmed Meeran infers that bidis will suffer as a consequence. If at all, the big shops that deal in cigarettes will have a little more weight against them, a little more in favour of cigarettes than against bidis. If, therefore, there is any virtue in promoting bidis as against cigarettes I claim that virtue to some little extent—may not be much—in this Bill. I do not think Mr. Ahmed Meeran has any ground for imagining that as a result of this fiscal measure, bidis will be substituted by cigarettes."

* S. K. AHMED MEERAN SAHIB BAHADUR :—" One word, Sir. I think the Hon. the Premier has not understood me. I shall only give one illustration and keep quiet. The Bangalore Cigarette Company, which is outside this Province and which imports cheap cigarettes, need not pay the sales tax."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" The cigarette manufacturer who is outside our Province, like even the seller of any article which is sold in the Province if he sells it from abroad, does escape any sales tax that we levy here to a certain extent."

* S. K. AHMED MEERAN SAHIB BAHADUR :—" That is how the difference arises."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" That is a vice which must appertain to any Provincial taxation in regard to sales. It is a vice appertaining to the geography of the Province and it cannot be escaped. But apart from the advantage that the man who manufactures bidis abroad and manages to send it inside and competes with bidis manufactured inside as well as cigarettes will have, manufacturers of bidis inside the Province will have no discrimination."

* S. K. AHMED MEERAN SAHIB BAHADUR :—" I never said they will have any."

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* THE HON. SRI C. RAJAGOPALACHARIAR :—“ Then the question is reduced to this quantitative question whether the bidis manufactured outside the Province should have facilities to come in, in spite of the difficulties of communication, of transport charges and of management charges and all that. If they are able to sell here directly without any retailer for instance, it is possible that in the border areas near States where bidis may be manufactured, there may be a difference in favour of the bidis—not only in favour of cigarettes but even bidis. And, what is there for Mr. Ahmed Meeran to imagine that for all time that state of things will continue? There is a natural law of taxation as well as of economics. If in the Province of Madras or in the Province of Bombay or in any other Province in India a certain taxation is levied, it must necessarily follow that the States will also soon begin to levy similar and equal taxes, as we have already seen in the case of income-tax or in the case of the abkari tax. For instance, liquor sales were organized and the revenue was derived from liquor. Did we have a uniform federation of States? Were there no borders then? There were. We must, therefore, depend upon the restoration of equilibrium as a result of the universal demand for money in all States and the States will find the necessity for expenditure and they are bound to raise taxes in course of time. That, as I said, is only a necessary difficulty which we cannot escape in any case.

“ With regard to the displacement of bidis by cigarettes let me not be understood to have said that it will never take place. Apart from this tax it is bound to take place. Have not modern things replaced old things in many matters? Have not fine clothes replaced coarse clothes? Somehow or other people have a craze for the modern article. The leaf looks very thick, rough and heavy. Just as people like light clothes instead of heavy ones, some people will like the paper-rolled cigarettes than bidis. But the wiser ones will, let us hope, continue to use bidis. Mr. Ahmed Meeran should take up the chemical analysis of the matter and prove to the public that the smoke that comes from the leaf which is used in making bidis is perhaps less harmful than the smoke that comes from the cheap cigarettes and from the cheap paper that is used and even from the stuff used in them. I am here to say at once for those who wish to know that any day the bidi is healthier. I can say without fear of contradiction that the stuff—especially that which is put in the cheap cigarettes—is poisonous stuff. Everybody knows that and if only proper care is taken by the bidi manufacturers they can maintain their own against cheap cigarettes and I shall be only too glad to help those who want that, if they need help from me. I have no doubt about that. But apart from this difficulty, in all other cases it would be difficult for the people from abroad to smuggle the goods and escape taxation. It is not quite correct to say as Mr. Ahmed Meeran did that the manufacturer of cigarettes can be taxed here any more than the manufacturer of bidis can be taxed.

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But it is only at the sale stage that he will be taxed. Even those who bring in manufactured tobacco from the States or from abroad cannot escape more than half a stage or one stage at the most. But even they will be negligible, I imagine, if trade is properly organized by those who organize trade in our Province.

“ Then, with regard to the objection to the scale of taxation which Mr. Ahmed Meeran again very strongly pressed, I want to ask him one question. There was a proposal that the first block should be wholly exempt. There was an amendment that all people dealing in a small measure in these forms of leaf should be wholly exempt. If I remember aright, Mr. Ahmed Meeran voted for it. What then is his principle? He blows both hot and cold. He says that it is wrong to have any differential scale between the small dealer and the big dealer. He maintains as a matter of principle and as a matter of theory—and correct economic theory, he says it is—that the tax should be uniform. When, however, it is proposed that those who are dealing below a certain measure should be wholly exempted he votes for it. I cannot understand the consistency between the two.”

* S. K. AHMED MEERAN SAHIB BAHADUR :—“ The lesser of the two evils.”

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ The lesser of the two evils is, I claim, the lower of the two scales. He says exempt one altogether and tax the rest. I say ‘ Tax a little those who deal in the smaller quantity and tax higher those who deal in the bigger quantity.’ I submit that judged from any point of view the Government’s proposal is the lesser of the two evils and in fact it is certainly the lesser of the two financial evils that will follow because it would not result in evasion in a larger degree if wholesale exemption is given to the smaller dealers. That is my answer to the points which Mr. Ahmed Meeran thought important to press with all the vigour that he generally commands in this House.

“ With regard to the attacks made on the principles put forward by Mr. Thomas, the very correct principles put forward by him, in favour of a heavy taxation on tobacco, I should think a lot of dust was raised by Mr. Gonsalves and Mr. Ahmed Meeran over again. Tea and tobacco were compared. They said that Mr. Thomas did not see the difference between country and country and the difference between tobacco and other articles. He did see the difference and that is why he said that tobacco should be taxed more than every other article.

“ Mr. Ahmed Meeran raised the sugar dust. He said that sugar and tobacco were confounded. Dr. Thomas made every distinction between sugar and tobacco and that is why he said that tobacco should be so heavily taxed. I submit, therefore, that Mr. Thomas’ recommendation for heavy taxation on tobacco has not been met by any proper argument on the other side.

[Sri C. Rajagopalachariar] [16th May 1939]

"Sir Frank Birley made a semi-humorous interlude by suggesting that it was not right or in order for Dr. Thomas to suggest heavier taxation to this Government which is 'already revelling in heavy taxation.' That apparently was his objection to Dr. Thomas' learning being used as an incentive to further vicious efforts on the part of the Government. I do hope, however, Sir, that with the concurrence of the whole House—this House as well as the other House—we may be able to put into effect Dr. Thomas' suggestions. But it is better to hasten slowly and that is my only defence in answer to what Dr. Thomas has said.

"Again I will say what is heavy taxation in England would be very much heavier taxation here as was pointed out by some Members opposite. It is true that our taxation in respect of tobacco is lighter than what prevails in England and in other countries, but our people being poorer and being people of varying habits, we may have to deal gradually than perhaps Dr. Thomas' principles might warrant.

"'Thousands are earning', said Sir K. V. Reddi, thousands of women earning two annas a day in the Telugu districts—he came back to the Telugu districts again. I hereby give an assurance to the thousands of women that this Bill will make them earn two and a half annas instead of two annas a day. It will give them an advantage. Manufactured tobacco will be rising in price all over the country on account of this taxation. These women hawkers roll up real raw leaf as it is available on the ground and make them into cheap cigarettes. They will be sold on the spot and they will not come under this tax. They cannot come under this tax. They will really levy a better price from the customer and they will thank the authors of this Bill."

DR. SIR K. V. REDDI NAYUDU:—"Let us hope so, Sir."

The motion was put and carried and the Bill was passed into law.

(2) THE MADRAS RESTORATION OF VILLAGE OFFICERS (VALIDATION)
BILL, 1939 (L.A. BILL NO. 15 OF 1939) AS PASSED BY THE ASSEMBLY.

12-15
p.m.

* THE HON. SRI T. PRAKASAM:—"I move—
'that the Bill^a to validate the restoration of village officers who lost their offices by reason of their association or connexion with political movements (L.A. Bill No. 15 of 1939) as passed by the Assembly be taken into consideration at once.'

"I hope that this will not be made a controversial measure. All the hon. Members of this House are aware of the history of the movement for freedom in this country which started in or about the year 1920 and continued until the old constitution was changed

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[Sri T. Prakasam]

and the new dispensation has come into operation. Those who have been the victims of the repressive policy of those days or their representatives have come into office now. Hon. Members will grant it that after such a historic struggle for freedom—although full freedom has not been yet achieved, yet even the partial freedom that has been achieved has been the result of that struggle—it is only natural that those who had suffered in those days should when they have come into office endeavour to do, partially at least, some service to those who had suffered then, particularly to those classes of officers who had suffered in those days. It is not the case that all those officers had joined the rank and file of the army that put up the fight; but most of them were dealt with by dismissal or removal for their sympathies and for the encouragement given by them to the movement. There are very few, I should suppose, who had gone to jails and those who welcomed them had been suspected of having given encouragement to the movement. Not only were they removed but their heirs were also disinherited. A special amending Bill was passed in 1922 which was only in force for one year under which the heirs and other members of the family also were disinherited. It is not necessary that I should take too much time of the House. It is only a piece of natural justice that goes to these men who have been removed from their office. I may also mention that it is the policy of this Government to restore such men. I may also mention with regard to those who had taken their places—about whom discussion came up in the other House—even before any question was raised this Government had taken steps to see that those who had held this office during these periods should be given preference in the vacancies that may occur either in the same line or in any other line. I move, Sir, that the Bill be taken into consideration."

DR. SIR K. V. REDDI NAYUDU:—"Mr. President, the Hon. the Minister who introduced the Bill just now told us that it is not a controversial measure (The Hon. Sri T. Prakasam: 'I said, I hope') I am sorry, Sir, I cannot join in that hope. I consider, Sir, this Bill to be more dangerous than any Bill that has hitherto been placed before this House apart from taxation. It is most unjust; I may be permitted to add, outrageous. Never before was the statute book of this Province stained by a Bill of this kind. Let us consider the facts. In 1921 or 1922 the Non-Co-operation movement was in its full swing and these officers, as has been admitted, not only joined the movement and helped them as my friend would have it, but refused to collect revenues and had either resigned themselves from their offices or were dismissed therefrom. Let me at this stage, Mr. President, draw a distinction between these officers who are involved in this and others who sought or took their help. Those who are politicians are perfectly free to carry on their

[Dr. Sir K. V. Reddi Nayudu] [16th May 1939]

agitation as they like. And they are now sitting in the Treasury Benches which we do not grudge. But what about these officers? These are members in the service of Government. They were charged with the duties of collecting revenues. They refused to collect revenues, and wanted to paralyse the Government. What could Government do under those circumstances, when their own officers refuse to collect revenue? It will be conceded by Government that no Government could be carried on without finance, which the Hon. the Prime Minister knows only too well. Now these men were thrown out and others were appointed. How? It was so very difficult to get people to my personal knowledge. It was so very difficult to get fresh men. They had to use all the influence of the officers in the district, cajole the men, make inducements, promise promotions and do ever so many things to get some men to take up the offices of those people so that the revenues might be collected. Sir, it is not that these people committed any default to deserve this treatment. Their interest was not in question; their efficiency was not in question. It is not suggested that they failed in their duty. The sole ground on which this Bill is based is that the old officers helped the party which is now in power and therefore, they must be reinstated. Apart from that, no other reason has been given and it will also be remembered, Mr. President, according to the Act of 1922, referred to by the Minister for Revenue, these people, the newly appointed men, men who have worked for eighteen years now have acquired hereditary rights. Those rights have to be cancelled now and the old people will have to replace them. These men who may be thrown out have acquired rights and if they are to be dismissed to-day, they can go to a court of law but for this proposed legislation which we are considering. As a matter of fact, unless my information is wrong, some have actually filed suits because some officers have been dismissed and their places have been given to original holders. At any rate they are contemplating suits. It is to defeat them in those suits that this legislation has been practically introduced now. Now, Sir, the facts are these. What will be the effect of a Bill of this kind? This will now place the premium on careless negligence of duty, deliberate disobedience of authority and outrageous defiance of all law and order. Can such a thing be tolerated? What does this Government propose to do, what will this Government do, if a similar thing happens in connexion with a point that I will raise? We have had our Prohibition law. The excise officers have been removed and the police have been asked to do their duty. Prohibition is one on which there has been a difference of opinion."

THE HON. SRI C. RAJAGOPALACHARIAR:—"There is no difference of opinion. The hon. Member speaking himself did not object to it."

DR. SIR K. V. REDDI NAYUDU:—"Did I not object to it?"

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THE HON. SRI C. RAJAGOPALACHARIAR:—"Did not object in 1924."

DR. SIR K. V. REDDI NAYUDU:—"Last year when the Bill was introduced, I opposed Prohibition. Well, however, let us not fight about those words. Now I am asking this: A number of police officers have been asked to do this work of Prohibition. Some of them do not mind taking a peg of whisky. Perhaps they do not believe that it is a just and good law, this law of Prohibition. Now, just as these village officers did in 1922, if these police officers, or some of them, think that this is an unjust law placing a restriction upon the liberty of action of man and say: 'I will not enforce it. I will encourage illicit distillation and see that no offender is convicted,' will this Government do anything but dismiss them? What else can they do? When the object of their law is being frustrated, there cannot be any other action which the Government can take but to dismiss such men if there are any. Well, there is no difference between those people and these dismissed village officers. After all, Prohibition is a matter in which there are two opinions. It may be, as the Prime Minister claims, that those that are in favour of his measure are far larger than those against it. But, all the same, there is difference of opinion. Now, on the question of collection of revenue, can there be any difference of opinion? Would anybody say that land revenue should not be collected so long at least as the law stands there? So long as the village officers are there they cannot say that they would not collect the revenues at all. Now, why should the men who are in service now be dismissed? The Hon. Minister was telling us that a question was raised and an answer was given that arrangements have been made to take these men on to some other service. When? Where? Where are the vacancies? There cannot be any vacancy in this department of village officers, because these are hereditary offices. If one man is not educated enough to take his place as a village officer, as he has a hereditary title to it, his cousin or nephew can be appointed in his place. Let us also remember, Sir, that no compensation is to be paid to the people who are now to vacate these posts after serving honestly and efficiently for 18 years. Are they to be turned adrift on society for no fault of theirs? Some of them were holding other appointments when they were invited to take these places. They lost their jobs there and, after eighteen years of service, they are proposed to be dismissed without compensation. I do not know whether the Hon. Minister will still say that this is not a controversial matter."

"Mr. President, in a well-ordered State it is inconceivable and contrary to all accepted canons and ethical principles for one Government to dismiss persons permanently appointed by a previous Government, except for misconduct or for other valid reasons in

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accordance with the existing provisions of the law of the land. Otherwise, the expression 'permanent service' becomes meaningless. Administration, under such circumstances, would be impossible. I have said, Sir, that such a thing is inconceivable in a well-ordered State. Such a Bill as the present one may perhaps be possible only where constituted Government has been overthrown by revolution. It was possible in Russia; it was possible in Germany and it may now be possible in Spain. Are we in the same state as those countries? Hon. Members who now occupy the Treasury Benches occupy those places not by a revolution, but by working the provisions of the Constitution Act; however much they despise that Act, it is not revolution that brought them into office. It is through an orderly election that they have come into power. Under the provisions of the Constitution Act, perfectly legally and constitutionally Hon. Members have come into power. For them to say that they do not mind what the accepted canons of constituted Governments may be, that it was done in Russia and that it may be done hereafter in Spain, I do not think there can be any justification. There is no justification for these gentlemen to throw out of office men who have served so long and so faithfully. I submit, the Government that is now in power is only in continuance of the Government that was in power before. This Government are the legitimate successors of the previous Government and, as such, they will be entirely unjustified in treating those that opposed them in the same manner in which they might have been treated in those countries whose names I gave just now.

"There is yet another point I should like to bring to the notice of the House. Under section 52 (1) (c) of the Government of India Act, 1935, a special responsibility is cast upon the Governor of the Province for safeguarding the legitimate interests of the members of the public services. The Bill, even if passed by this Legislature—of course no Bill that has ever been introduced by the Government has ever failed to be passed by this Legislature defeating even the mildest and harmless amendments—may we not hope . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR :—"On a point of order, Sir. The form, the manner and the substance of the point which Sir K. V. Reddi is now presenting to the House are altogether out of order. He is giving advice to His Excellency the Governor, pointing out his duties which he should do and which he is well advised in doing. The hon. Member may do so in a different form. But I submit it is an infringement of the privileges of this House to say so when a Bill has been introduced."

DR. SIR K. V. REDDI NAYUDU :—"I beg respectfully to differ."

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* THE HON. SRI C. RAJAGOPALACHARIAR :—"I have no doubt the hon. Member will respectfully differ. But I am appealing to the Chair."

DR. SIR K. V. REDDI NAYUDU :—"Will you please listen to me, Mr. President, before you give your ruling?"

MR. PRESIDENT :—"Yes."

DR. SIR K. V. REDDI NAYUDU :—"Because, when a point of order is raised, those whose action has been taken exception to are generally heard."

MR. PRESIDENT :—"Yes, all right."

DR. SIR K. V. REDDI NAYUDU :—"My submission is that I am not advising the Governor. I never presumed to advise the Governor."

MR. PRESIDENT :—"But the way in which the hon. Member referred to the special responsibility of the Governor in the matter of the interests of the services almost amounted to that."

DR. SIR K. V. REDDI NAYUDU :—"How can anybody know that from the way in which I was speaking?"

* THE HON. SRI C. RAJAGOPALACHARIAR :—"What I objected to had been finished. It is only then I raised the point of order."

DR. SIR K. V. REDDI NAYUDU :—"My point is only this: that such legislation only should be placed before this House as is likely to be accepted by the Governor and as is likely to be given assent to by the Governor. I am pointing out that this is not a measure of that kind."

* THE HON. SRI C. RAJAGOPALACHARIAR :—"I submit, Sir, that the arguments placed before the House are to be arguments on the merits of any measure under consideration by the House. No argument should be of the kind that it is likely that an outside authority will interfere with it. That is not an argument. It is a threat or an advice or a suggestion. Any argument on the merits with regard to any measure may be made without any reference to any outside authority."

DR. SIR K. V. REDDI NAYUDU :—"The Hon. the Prime Minister is an expert in the use of words. How he reads a threat into my arguments I cannot imagine. His fertile brain is capable of thinking of things never dreamt of by me. My point is that on the merits of any measure there should not be the possibility of a different interpretation by any authority. I submit that this is not a Bill which can be said to fulfil that condition. That is all my objection. I am not going to appeal to His Excellency. Those people who are dismissed will appeal if they care. It is unnecessary

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for me to do anything of that kind. My function consists of placing my views before the House. I am neither threatening nor advising anybody."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" Sir, if Sir K. V. Reddi has finished with the point of order I should like to say something.

"The hon. Member pointed out that his reference to His Excellency the Governor's powers to disallow this Bill was intended to stress his objections to the Bill on its merits. He says that the Bill should be such as not to invoke such interference. Now, such interference is altogether outside the scope of any discussion in this House, and, if, as he just now pointed out, it is the right of those who are affected to make an appeal to His Excellency if they think fit, then that is enough reason for him not to have made any such reference here. The Bill cannot be objected to by His Excellency at all. Particular persons can make an appeal. This is all the more reason why his remarks are out of order here with reference to this Bill."

DR. SIR K. V. REDDI NAYUDU :—" Not at all, not in the least. I am just answering the point just now raised by the Premier, Sir. Now, the Bill is placed before the House for its approval. The Government want the House to approve this Bill. I am opposing it and I am suggesting to the House that this is not such a Bill as should be accepted by the House and one of the reasons for non-acceptance is the point about the Governor's assent. This no doubt is the concern of the people who are dismissed. My point is that this House has got certain responsibilities. When it is called upon to give its consent to any measure it has got to consider the pros and cons in every possible direction. One of such directions is the question whether with regard to this there will be difficulty elsewhere. The House ought to see whether in such circumstances it should agree to this measure. It is only in that sense I referred to this point."

* THE HON. DR. P. SUBBARAYAN :—" May I respectfully point out to the hon. Member that what the special responsibilities vested in somebody who is outside the House are has nothing to do with the power of this House. We must consider what repercussions it will cause to us and not to any outside authority who is vested with power."

12-45 p.m. DR. SIR K. V. REDDI NAYUDU :—" I have never questioned the right of this House to pass a Bill of this kind. I am aware of the sovereignty of Parliament. In fact, some wrote this long ago: If Parliament passes a law that all blue-eyed babies should be killed within three months after birth, that would be a perfectly valid law. I do not question the power of the House,

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but in agreeing to pass this Bill they will have to consider the difficulties. One such difficulty I have pointed out for the consideration of the House. If the House thinks that there is no point in it and that it does not care for what the outside authority thinks, I cannot help it. It is at perfect liberty to do it. But what I am saying is that there is a difficulty which might arise and let us take it into consideration before we give our assent to this."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" Sir, my point has simply not been dealt with by the hon. Member. It is whether it is in order for an hon. Member to raise the question in this form that His Excellency the Governor or the Governor-General will use his powers of interference with respect to special responsibilities. I ask whether such a point can be raised when a Bill is under discussion. Every Bill moved by the Government is brought forward on the recommendation of the Government as a whole. No point can be raised by any hon. Member with regard to the interference of the Governor or the Governor-General on the ground of the special responsibilities being affected. It should not be a subject-matter of discussion here, for it would embarrass all the persons concerned in a manner which is not contemplated."

DR. SIR K. V. REDDI NAYUDU :—" I can only say that I beg to differ from the Hon. Member."

MR. PRESIDENT :—" The hon. Member is not entitled to refer to that subject."

DR. SIR K. V. REDDI NAYUDU :—" Very well, Sir, I obey your ruling.

"I shall now summarize in one or two sentences. If the present Government is to be considered a legitimate successor of the previous Government, I consider it a breach of faith on the part of the Government. The Government is a corporate body. Even as the King never dies, the Government never dies, except by a revolution. So there is a continuation. The previous Government in the hour of their need, when their own officers refused to collect the revenues, had to go and beg these people and put them in these places and for eighteen years they have served there. I ask, Sir, whether it is not a breach of faith on the part of the Government to send them away. Ministers might change, but all the same the Government is one continuous Government. It is not like Russia where the Czar was killed, the old constitution was abandoned and a new constitution completely different from the old was established. We in India are developing through successive stages; we have progressive realization of responsible government as Montague put it. The present Government has come into existence by going up one stage more and all the same it remains the same Government. Therefore the same Government cannot do a thing of this kind especially without any compensation."

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SRI A. RANGASWAMI AYYANGAR :—“ Sir, I wish to reply to the last point raised by Sir K. V. Reddi Nayudu. I only wish to point out that in no constitutional sense can the present Government be regarded as a continuation or a successor in interest of the previous Government. Therefore there can be no question of breach of faith. The Congress Government thinks that it has come into its own and that all the previous Governments were trespassers. It is not as if the Congress Government got an inheritance from the real owners, but they got into their own. We have taken possession of a Government that is legitimately our due and therefore we are, in no sense, constitutionally or morally bound by the claims of officers employed by a prior Government. No doubt, it is open to Sir K. V. Reddi to say that there will be hard cases and that the Government should deal with them justly and equitably, because the officers concerned are our own countrymen and rightly or wrongly they have acquired a right and that the Government should not take away that right. Such an appeal is bound to be heard by this Government because it is a Government for the people and the people who are affected are our own people. But to say that the present Government is the successor in interest of the previous Government as if it is an assignee of the past Government and as if the past Government was a legitimate institution of the land, is against the Congress ideology at any rate. No doubt there might never have been a revolution in the Russian sense, but for the purposes of the constitution and in Congress ideology this is an entirely revolutionary Government. No doubt we are not having a revolution, a blood-thirsty revolution, but still we are at war with the British Government and the Congress has been careful to say that they are not working the constitution and that they are not bound by it. Therefore, Sir, I think that Sir K. V. Reddi must now understand the implications of the theory of office acceptance by the Congress.”

SRI M. D. T. KUMARASWAMI MUDALIYAR :—“ Sir, the hon. Member who spoke just now must remember that history will repeat itself. The Hon. the Revenue Minister in his speech said that provision will be made for officers who will be ousted as a result of this Bill. I am at a loss to know why such a provision should be made. Why not the men who are out of service now, the men who were sent out on account of their misbehaviour and who have suffered all these years, why not these men be appointed as and when vacancies occur in this department and in other departments? I would like to draw the attention of the Government to this aspect of the question. In so doing, I would also add that the policy that is being adopted by the Government of bringing back these people to their jobs once more is a bad policy.”

* SRI P. PEDDI RAJU :—“ Sir, I wish to speak a few words with regard to the facts involved in this matter. The hon. Member, Sir K. V. Reddi Nayudu, said that these village officers

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were dismissed on account of indiscipline or disobedience of orders or for non-collection of revenue. But the facts are otherwise. I think, Sir, that my district has contributed the largest number of dismissals of officers. But they were not dismissed for indiscipline or disobedience of orders. All that happened was that some Congressman took his meals in a karnam's house and the karnam was dismissed without any notice. Or some karnam attended a village officers' conference which was considered to be a Congress conference and he was dismissed without any notice. Orders went on to say that not only he but no other member of the family should be appointed during his lifetime. This is the kind of injustice done to these officers by the previous Government. If the Government thinks that any injustice has been done and any crime has been committed, I think it is but fair that they should come to their senses and review the orders passed by the previous Government. These orders were passed at a time when they wanted to put down all efforts at reform and all Congress activities. That was the main object. That is why the Congress Government, after coming into office, has taken upon itself the duty of restoring those village officers. In this connexion, Sir, I am sorry to say that the Government of our Province has not done all that ought to have been done to set right the crimes committed by the previous Government. For instance, the fines that were paid have not been refunded and the forfeitures have not been restored. Other Congress Governments have done all these long ago. I think, Sir, it is the duty of the whole House to support this Bill. I am sorry to say, Sir, that the present Government have not restored all the village officers. They have taken more than a year and they still say that they have not received reports from District Collectors and the Revenue Board with regard to some cases. I want to impress on the Government the necessity of restoring all the officers immediately without saying that the Revenue Board has not sent its report with regard to a particular individual, that they are taking time and so on. I know of cases where the Collector has reported that a particular individual is fit to hold office, but still the papers are lying for several months with the Board of Revenue and Government have not passed orders. I appeal to the Hon. the Revenue Minister to expedite the orders and restore all those who are capable of holding the office.”

SRI B. NARAYANASWAMI NAYUDU :—“ Mr. President, I want to say a few words with regard to this. I do not want to indulge in a speech either about the Holy Roman Empire or about the division of the spoils of office. For, if any statements like that are made, they will at once be termed as mere platitudes of a school-boy by the wise head of the political jungle on the other side. I want to put only one question and let the other side answer it in the frenzy of the moment. Am I justified in giving

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the electors any hope or promise or expectation that the anti-Hindi prisoners who are now agitating in the country, after the Justice Party comes into power"

MR. PRESIDENT:—"Has it got anything to do with this?"

SRI B. NARAYANASWAMI NAYUDU:—"Absolutely. They are political workers and they should be restored to what they have lost. Can I give them a promise or even a hope that when the Justice Party comes into power, the fines imposed on them would be refunded to them? If you allow me to say that, certainly you are entitled to proceed with this Bill. It may be that the Government have a majority and that they may pass this Bill. But I think on moral grounds they have no right to do so. I am seriously thinking whether I should vote for this Bill or vote against this Bill. Perhaps I would remain neutral and not vote either way. Any subsequent Government that may come into power may take their own attitude in matters of this kind that may crop up."

* SRI T. C. SRINIVASA AYYANGAR:—"I am afraid we are drifting away from the real purport of the Bill. My hon. Friend, Sir K. V. Reddi, stated that this Government is a continuation of the previous Government and that they cannot do anything which the previous Government could not do."

DR. SIR K. V. REDDI NAYUDU:—"It is so very wide of what I said. I said that they could not do a thing of this kind."

* SRI T. C. SRINIVASA AYYANGAR:—"I accept the qualification that they could not do a thing of this kind. Sir, even before the Congress Government came into power in the several Provinces, after the cessation of the Non-co-operation movement several things took place. Lands which were purchased in revenue sales in other Provinces were restored to the people by orders of the Government. Presses of newspapers which were seized and securities paid by them which were forfeited were returned to the people who had taken part in one shape or other in the Non-co-operation movement. People who lost their franchise were allowed by special orders of the Government to stand for elections. What were all these acts for? They were all done by Governments which were not Congress Governments. They were done for the purpose of conciliating the country and settling the public life on a higher moral tone. The present Congress Government here are doing what their predecessors should have done, but have failed to do. I do not agree with Mr. Rangaswami Ayyangar when he says that this Government is an altogether different Government and that it has nothing to do with the previous Government. This Government may be somewhat different from the previous Government in the range of its functions and powers and privileges. But it is a continuation of the same Government. The same officers are there and the same laws are enforced and the same Acts are continued."

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In various other ways also, I say, that Sir K. V. Reddi's proposition that the present Government is a continuation of the previous Government is true. What I say is that this is a thing which the previous Government themselves ought to have done and the present Government want to do nothing more. With regard to these village officers, have we anything in the western system where a large body of officers are hereditary and have certain privileges which regular public officials have not got? They are officials for some purposes and they are not officials for some other purposes. Some of these village officers can stand for election for local bodies, and some others cannot. In fact in 1910, when the system of appointing village officers came in for revision, many people did not think, probably owing to their own sense of respectability, of accepting regular salaries. The Government fixed monthly salaries for some of these officers, instead of a fraction of the harvest from the villagers as was their *mamul* previously. I know in certain villages these village officers suffered vicarious punishments. It is absolutely proper and in the order of things that these people should be restored wherever it is possible without doing any violence to anybody else. I am bound to recognize one aspect in the argument of my hon. Friend, Sir K. V. Reddi. It is one thing to say that these officers should be restored and it is quite another thing to say that they should be restored in each and every case to the detriment of other people who are discharging their duties as permanent officials for the last fifteen or eighteen years. Individual cases have to be looked into on each and every occasion when the matter properly arises and we should not give effect to these orders quite indiscriminately and thus make things difficult on that score. These are hereditary officers and for no fault of theirs, their successors whose rights would otherwise exist unimpaired, naturally have become jeopardized. Now the policy of the Government has been before the public for over a year. Has anybody raised any objection that that policy tends to undermine the prestige of the Government in the eyes of the public? No. If that policy has been going on and many people have been restored and some people still remain to be restored, there is no use of raising the difficulty at this stage. It is proper that we should validate the matter."

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—"Sir, though I belong to the Opposition, I congratulate the Hon. the Revenue Minister for bringing in this Bill. Though I disagree with my hon. Friend, Mr. Rangaswami Ayyangar, in thinking that this Government is not a continuation of the old Government, yet I think any wrong done by the past Government must be rectified by this Government. There are many police officers especially in the Police Department, whose promotions were withheld on account of their sympathy towards the Non-co-operation movement or the Congress movement or the national movement. Such cases are many. I appeal to the Hon. Minister to go into

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their cases and see, if any wrong has been done to them by removing them from service in the past, that the place which rightly belongs to them is restored to them."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—
" I am sorry I am not able to agree with some of my friends. By introducing this legislation, the Congress Government is setting up a very bad and dangerous precedent. The one redeeming feature which the Government service had is the security of service: that security is being taken away now by this Bill. It is amusing to note that in the Statement of Objects and Reasons, the Government state that they are bringing this measure to establish an atmosphere of contentment and peace. It is not clear what the Government mean thereby. Do they think that those misguided persons and their families alone are entitled to contentment and peace? Is it not their duty to see that all people live in contentment and peace? The Congress Government may wish to set right the injury done to those misguided persons by their ill-considered propaganda; but it is not in the interest of justice and fair play. Is it not necessary that the Government should protect the persons who came to accept the jobs when those in office defied the Government established by law? The only justification or excuse for this proposal of the Government is the fact that these men whom the Government now seem to benefit, were politically the partisans of the Congress Party and they, at the instigation of the members of the Congress Party, defied their then legitimate superiors and paid the penalty therefor and that now, when the Congress Party is in power, it espouses their cause and restores them to the position which they had forfeited in due course of law. The Bill seeks to restore not only the persons who were removed by the authorities but also the person who voluntarily resigned.

" Have the Government considered for a moment the inevitable consequences or reaction to giving effect to such an unhealthy policy? Even the Congress Ministry of Madras should vacate their places on the Treasury Bench in favour of their political opponents. Are they not, by this proposal of theirs giving the Opposition an incentive, nay making it inevitable, if they are to retain the support of the rank and file, that they should undo all the doings of the Congress Party during their tenure of office? My Friend Mr. Narayanaswami Nayudu asked whether he can tell the electorate that they will compensate the sufferers due to the anti-Hindi movement. I say it is our duty to see that the thousand and odd persons who have been incarcerated by you in connexion with the anti-Hindi movement are amply compensated for all the hardships that they have been subjected to and to see that the many officials who are now being victimized under one pretext or another have their rights and privileges fully restored to them.

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" Let me, therefore, request the Government to be warned in time so that they may retrace their steps and drop this proposal which is fraught with the most dangerous consequences."

* THE HON. SRI T. PRAKASAM :—" Sir, in spite of the controversy raised by the hon. Member Sir K. V. Reddi, I must thank hon. Members of this House for the way in which they have levelled their criticisms against the Government. Although it is popularly called the Congress Government, I may point out that the present Government, though returned under the Congress auspices by the Congress voters as well as non-Congress voters, should not be strictly understood to be a Congress Government governing only any particular section of the people of this Province. Though pledged to the Congress ideals, any Government when it comes into power, must do justice between man and man without allowing themselves to be carried away by the old prejudices or the new prejudices or party feelings. It should not be the idea, when a certain party comes into power, that their Government is intended to govern their own people leaving the rest of the people to the winds. It is in that sense that I started saying that this measure might not be controversial.

" The fight that I referred to was started in 1921 and had continued for such a long time. But it was not a party fight. It was not a fight that was intended to secure a few offices for those who are sitting to-day here by some chance on the Treasury Bench; it was not a fight intended to secure offices for any particular community or for any particular section or for any particular individuals. It was a national fight; it was a fight between the people of this country and a foreign Government that had a very humble origin. It would be very wrong if one wanted to show that the Congress started only twenty years back and that it has achieved even this partial result only since twenty years back. It started 52 years back. It had a very humble origin. The best men and leaders in the country started the movement and laboured hard, worked in different stages and appealed to the Government in the most constitutional manner on which Sir K. V. Reddi laid so much stress. They sent memorials; they waited on deputations. They chose an Englishman—Sir Henry Cotton—as President of the Congress believing that an Englishman would get the ear of Lord Curzon. But Lord Curzon deserted him when he approached him. A very big fight has been carried on in this country. It has been the privilege of the people of all classes—I am speaking not of particular classes of people—in this country to have withstood for such a long time and to have survived to the end. In the end it fell to the Congress which came under the leadership of that one man who is also not spared in these days. He does not wish to become a Prime Minister or a Minister or hold any office. Even he is not spared. That is due to a mistake. I do not quarrel over it. I hope that all past differences and party differences in election fights or even

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otherwise in the struggle for jobs or offices, will be forgotten. Only one point should be kept before the minds of hon. Members of this House. But there was some misunderstanding on the part of Sir K. V. Reddi Nayudu. I did not expect him to take the view he took on this matter. One hundred and ninety-seven people have been restored until now. Members of all communities including Muslims have been restored. . . ."

S. K. AHMED MEERAN SAHIB BAHADUR :—"What is the significance of this point? Nobody raised the question, Hindus versus Muslims."

* THE HON. SRI T. PRAKASAM :—"It is a proper question which the hon. Member has raised. The significance is this. Karnams and village munsifs are supposed to belong to a particular community. It is not so. I wanted to point out such points should not be allowed to come before anybody's mind . . ."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—"May I know how many Muslims were restored?"

* THE HON. SRI T. PRAKASAM :—"The Leader of the Opposition is vigilant when a question of office comes and he asks, what is the number. Supposing all the offices are given into the hands of the Leader of the Opposition, will he be able to govern this country? Will it give food and clothing to the poor people of this Province?"

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—"The Hon. Minister laid stress on the number of Muslims restored. I wanted to know their number."

* THE HON. SRI T. PRAKASAM :—"I never laid any stress on communal principles. I am very sorry, I regret and apologize to the hon. Member, the Leader of the Opposition. I should not have referred to that point. But the atmosphere is so surcharged day after day, hour after hour, both in this House and in the other House with regard to these offices and jobs and nothing else. That is a thing that pains me. We must leave aside these things. These things do not count for anything. It is agriculture that should be developed; it is trade that should be developed. Other professions should be developed; these professions and avocations can give food to the people at large and not a few offices, whatever they may be, either ministerial offices or the most menial toti service. I must ask the hon. Member, the Leader of the Opposition and other Members to forgive me for having referred to this point. This point is very far from any of those points."

"I submit it was a national fight that was carried on; it was a national fight that was started 52 years ago; it was taken up by great leaders and it has continued. The hon. Member, Sir K. V. Reddi Nayudu, wanted to repudiate any responsibility for the movement during the last twenty years. He wants to assert

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[Sri T. Prakasam]

to-day, in the year 1939, in the month of May that the present Government has come into office and the present changes have taken place due to the constitutional co-operation of those who preceded the present Government . . ."

DR. SIR K. V. REDDI NAYUDU :—"The Hon. Minister has misunderstood me. I simply stated that they have come in constitutionally."

* THE HON. SRI T. PRAKASAM :—"I thank Sir K. V. Reddi Nayudu for correcting me. It is said, Sir, that these men who have been restored now, have acted unconstitutionally, they were guilty of indiscipline, their conduct was unpardonable and that they deserve no consideration. They ought not to have been restored."

DR. SIR K. V. REDDI NAYUDU :—"I did not say they did not deserve consideration. I said the persons who would be ousted now must be given compensation in appropriate cases."

* THE HON. SRI T. PRAKASAM :—"Sir K. V. Reddi Nayudu says: 'I concede that these arch-criminals who are sitting in the Treasury Benches to-day, who had courted imprisonment and who had defied laws, can occupy those places. I have no objection for that. But why should these men be restored?' The hon. Member is mistaken in thinking so. If these arch-criminals who led the armies succeeded to any extent, it was due to the labours of these men and not merely to the leaders at the top or in the arm-chair. It is these men that helped them. Even the sentiments of these village officers have become rusty for the last 150 years or 200 years, whatever period it may be. They opened their eyes and fought for the country, for the freedom of the country. They joined the rank and file of the army: they constituted members of the army. After the battle, after the result of the battle, it is the duty of those who have come to office to help these people. It does not matter whether it was a non-violent battle or a violent battle; it makes no difference. Here are the men who were responsible for placing the present Government in office. Here are the men who served the nation really and not the opponents of the nation at that time. It is for that reason that the Government have brought forward this Bill. However much you may differ in politics, however much you may argue as a party against this Government, on such occasions, on such national questions, there should be no difference of opinion between hon. Members who take an opposite view in ordinary matters and ourselves. They have not only served this Government which has come into office to-day, but they have served the whole nation. Therefore they deserve the sympathy and support of all hon. Members of the House leaving aside party politics. I request the House to take the Bill into consideration."

The motion was put and carried and the Bill was taken into consideration.

334 THE MADRAS RESTORATION OF VILLAGE OFFICERS (VALIDATION)
BILL, 1939 (L.A. BILL NO. 15 OF 1939) AS PASSED BY THE ASSEMBLY

[16th May 1939]

Clauses 2, 3 and 4 were put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

* THE HON. SRI T. PRAKASAM :—" I move, Sir—
' that the Bill be passed into law.' "

The motion was put and carried and the Bill was passed into law.

(5) THE MADRAS CHILDREN (AMENDMENT) BILL, 1939 (L.A. BILL
NO. 16 OF 1939) AS PASSED BY THE ASSEMBLY.

* THE HON. DR. P. SUBBARAYAN :—" Mr. President, Sir,
I move—

' that the Bill^a further to amend the Madras Children Act,
1920, for certain purposes (L.A. Bill No. 16 of 1939) as
passed by the Assembly be taken into consideration at
once.'

" This measure has been introduced for the reason that some
power is necessary to be given to the Chief Inspector as well as
the Government in order to take children from schools in other
Provinces to schools of this Province and to send children from
schools of this Province to schools of other Provinces. I hope hon.
Members will assent to take this Bill into consideration now."

The motion was put and carried and the Bill was taken into
consideration.

Clauses 2, 3 and 4 were put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

* THE HON. DR. P. SUBBARAYAN :—" I move now—
' that the Bill be passed into law.' "

The motion was put and carried and the Bill was passed into
law.

III.—MOTIONS.

(1) AMENDMENTS TO SCHEDULE IV OF THE MADRAS DISTRICT
MUNICIPALITIES ACT, 1920.

(i)

THE HON. SRI B. GOPALA REDDI :—" Sir, I move—

' that the following draft of certain rules proposed to be made
by the Government of Madras under section 305 of the

^a Printed as Appendix II on pages 343-344 infra.

AMENDMENTS TO SCHEDULE IV OF THE MADRAS DISTRICT 335
MUNICIPALITIES ACT, 1920

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Madras District Municipalities Act, 1920 (Madras Act V
of 1920), altering Schedule IV to that Act be approved :—

DRAFT RULES.

1. To rule 9 of the said schedule, the following provisos shall
be added, namely :—

" Provided that in every case where there is an enhance-
ment in the assessment, the executive authority shall also
cause intimation thereof to be given by a special notice
to be served on the owner or occupier of the property
concerned ;

" Provided further that in every case where a special
notice is required to be served on the owner or occupier
under the first proviso, the period of sixty days and
thirty days referred to in this rule shall be calculated from
the date of service of such special notice."

2. In sub-rule (2) of rule 14 of the said schedule, the follow-
ing words shall be added at the end, namely :—

" or, in a case where a special notice is required to be
served on the owner or occupier of the property under
the first proviso to that rule, on the first day of the half-
year following that in which such special notice is served
on the owner or occupier of the property."

MR. "PRESIDENT" :—" Is Mr. Saldanha going to move his 1.30
amendment? " p.m.

* MR. J. A. SALDANHA :—" Yes, Sir ; I move the amend-
ment standing in my name, in the interests of the tax-payer,
especially of the town of Mangalore to which place I belong.

The amendment reads thus—

' Add to the provisos the following :—

" These provisions will have retrospective effect on all
pending proceedings including appeals for an enhance-
ment in the assessment, so that fresh notices shall be
issued as required by these provisos."

" Sir, just now in the town of Mangalore assessment of property
tax is being revised by the municipal authority. The municipal
authority has issued the notices according to the old custom.
Sir, the municipal office in Mangalore is situated at one end of the
town—near the river—while the rest of the town, i.e., a large
part of the town lies in an area of five or six square miles away
from the municipal office. So, although the municipality has
issued the usual notices, the majority of the people in Mangalore
do not know what has been published by the municipality.
Besides, they have also published the notices in the principal

336 AMENDMENTS TO SCHEDULE IV OF THE MADRAS DISTRICT MUNICIPALITIES ACT, 1920

[Mr. J. A. Saldanha] [16th May 1939]

newspapers. But, by far the majority of the people do not read newspapers; they are only poor people in Mangalore. Although most of the people in Mangalore are literate, they do not read newspapers, because they cannot subscribe for them. And when the people raise an objection, they have to say 'such and such ward' and people do not know the actual extent of each ward; they must know the wards only by numbers. For the last three years or so, only numbers are being given, and the old eight wards have now been converted into sixteen wards; with the result that people have to find out the number of the ward in which they are actually living. Therefore, many people do not know that there has been any notification of revised assessment. I am not going to say anything against the way of assessment, because that is quite a different matter. I may say that a mass meeting was held at which I was asked to preside by the people. We strongly protested against the arbitrary manner in which taxes have been increased and also against the procedure that has been adopted. I thank the Hon. the Minister for Local Self-Government for having brought forward this amendment to the rules, so that notice may be given to the owner of a house in due time of the enhancement. This rule is a very welcome one. What I urge is that as proceedings are pending, and as during the months of May and June objections will be heard, these proceedings be annulled and fresh notices be issued to every house-owner. It is well known that nowadays the owners have got many troubles on account of having to bear different kinds of taxes, such as, for instance, the land tax, the profession tax, etc., and to add to all these things, there is the education tax to be imposed, probably under the orders of the Government. I therefore say that in enforcing these benevolent provisions which have been brought in, retrospective effect may be given to them and move my amendment, Sir, and I hope that the Hon. Minister and the Government will accept the same."

SRI RAO BAHADUR M. RAMAN:—"I second it."

THE HON. SRI B. GOPALA REDDI:—"Sir, it is in order to avoid the difficulties put forward by the hon. Member that I have brought forward this amendment. With regard to giving retrospective effect to the provisions, it is difficult and undesirable to reopen cases where the revised assessments have been given effect to. Where they have not been given effect to . . ."

MR. J. A. SALDANHA:—"On a matter of personal explanation, Sir. They have not been given effect to in Mangalore. The cases are going on, and they are all to be decided in the months of May and June. The revised assessments are to be finally fixed by the Commissioner or the municipality only after hearing all the appeals in these two months. So, they are all still pending."

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THE HON. SRI B. GOPALA REDDI:—"I was just coming to that. Where they have not been given effect to, they will come into effect only from 1st October 1939, and by that time these rules will be published and gazetted; and the benefit of this amendment will be given to all those people on whom fresh notices will be served. So, in one case, it is undesirable to accept the amendment, while in another case the benefit of the amendment is going to be given to these people. I therefore beg to submit that the amendment is superfluous. I am not therefore accepting it."

The amendment was put and lost.

The original motion was put and carried.

(ii)

THE HON. SRI B. GOPALA REDDI:—"Sir, I beg to move—
that the following draft of a rule proposed to be made by His Excellency the Governor of Madras under section 305 of the Madras District Municipalities Act, 1920 (Madras Act V of 1920), altering Schedule IV to that Act, be approved:—

DRAFT RULE.

In the said schedule—

(i) for clause (a) of rule 57 the following clause shall be substituted, namely:—

"(a) by summons in writing, require the production of any book, deed, contract, account, voucher, receipt or other document the perusal or examination of which they consider necessary."

(ii) in sub-rule (1) of rule 60 for the words "deficiency or loss incurred" the words "deficiency, loss or unprofitable outlay incurred" shall be substituted.

(iii) rule 61 shall be renumbered as sub-rule (1) of that rule and to the rule as so renumbered the following sub-rule shall be added, namely:—

"(2) From any decision of the court under clause (a) of sub-rule (1), an appeal shall lie to the High Court"; and

(iv) after rule 62 the following rule shall be added, namely:—

"63. Notwithstanding anything contained in these rules the Provincial Government may at any time direct that the recovery of the whole or any part of the amount certified to be due from any person by auditors under this Act shall be waived if, in their opinion, such a course is necessary considering all the circumstances of the case."

The motion was put and carried.

338 AMENDMENT TO SCHEDULE V OF THE MADRAS LOCAL BOARDS ACT, 1920

[16th May 1939]

(2) AMENDMENT TO SCHEDULE V OF THE MADRAS LOCAL BOARDS ACT, 1920.

THE HON. SRI B. GOPALA REDDI :—“ Sir, I beg to move—
‘ that the following draft of a rule proposed to be made by His Excellency the Governor of Madras under section 201 of the Madras Local Boards Act, 1920 (Madras Act XIV of 1920), altering Schedule V to that Act be approved :—

DRAFT RULE.

In sub-rule (2) of rule 8 of Schedule V to the Madras Local Boards Act, 1920 (Madras Act XIV of 1920)—

- (i) in clause (a) for the words “ with the sanction of the district board,” the words “ with the sanction of the Inspector of Local Boards ” shall be substituted; and
- (ii) in clause (b) for the words “ with the sanction of the district board and subject to such conditions as to security or otherwise as the district board may lay down,” the words “ with the sanction of the Inspector of Local Boards and subject to such conditions as to security or otherwise as he may lay down ” shall be substituted.’

“ Sir, this is with regard to the deposit of panchayat boards’ money. Sometimes when the matter is referred to the district board, unnecessary delay is caused, and it has given rise to some misappropriation also in some cases. In order to avoid the difficulty, we are empowering the Inspector of Local Boards to sanction the panchayat boards depositing their moneys either in the co-operative societies or in savings banks. For this purpose an amendment is needed, and I am accordingly moving it.”

The motion was put and carried.

IV.—NON-OFFICIAL BILL.

THE MAPPILLA MARUMAKKATTAYAM BILL (L.A. BILL NO. 8 OF 1937)
AS PASSED BY THE ASSEMBLY.

* SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR :—
“ Mr. President, I move—

‘ that the Mappilla Marumakkattayam Bill ^a (L.A. Bill No. 8 of 1937) as passed by the Assembly be taken into consideration at once.’

“ Sir, in doing so, I wish to point out that this Bill, though very important to the community, affords a very sharp contrast to the heated discussions that we have had to-day on the other Bills. It is a measure of purely religious reform and affects Mussalmans only. This Bill seeks to bring all the Mappillas

16th May 1939] [Syed Abdul Wahab Bukhari Sahib Bahadur]

residing in Malabar and having property in Malabar and outside, under the Islamic law of inheritance. We all know, Sir, that the Mappillas are an intensely religious group and it was an anomaly that so far they have allowed themselves to be governed by the Marumakkattayam law, according to which the inheritance devolves in the female line. This anomaly as it apparently is, caused great consternation among the community, resulting in agitation of great magnitude. As a result of it came the Moplah Succession Act of 1918 according to which it was conceded that although the inheritance devolved on the female line, it was left to the individual to divide his private self-acquired property according to the law of Islam. But in the actual working of that Act, it was found that the enactment was shelved and that custom had the upper hand, and that property was being divided mostly according to the Marumakkattayam system. There was an agitation against this anomaly. There was a complaint that the law of 1918 and the Moplah Succession Act were not properly given effect to and that its spirit was not followed. There was great agitation and it culminated in the All-Kerala Muslim Conference of 1918 presided over by that veteran leader, Sir Muhammad Habib-ul-lah. Resolutions were passed urging upon the Muslim M.L.Cs. to get shariat Bills passed. As a result of that Mr. Schamnad of Kasargod brought in the Moplah Wills Act according to which an individual was allowed to distribute a third of his property according to the Islamic law. Later on, it was felt that this also was not satisfactory and therefore, it was that in 1932 the All-Kerala Muslim Sangam met under my presidency and demanded an Act to bring all the Mappillas of Malabar under the Islamic law of inheritance. It is probably due to that fact that my Mappilla friends have thought it fit to allow this Bill to stand in my name. This in short is the old story of this Bill and I am very thankful to the Government for having included it in the agenda of an official day and facilitated its passage to the Statute Book.

1-45
p.m.

“ I beg to state that this is a very beneficent measure. It enjoins upon all the Mappillas as far as the law of inheritance is concerned, to observe the Islamic law. This law brings in many ameliorative measures with regard to the karnavans; it enjoins upon them to keep an inventory of all the articles in their charge; it enjoins upon them the necessity of giving proper maintenance to the various members belonging to the tarwad. In short, it is a measure calculated for the good of the Mappilla community in general. The one thing that is peculiar to the Bill is that it is not binding upon all the people to follow the Islamic law for there is a provision in the Bill according to which if two-thirds of the members of that tarwad want to maintain the system of marumakkattayam, they can follow it and it is not forced down their throats. If two-thirds of the members of

^a Printed as Appendix III on pages 345-350 infra.

[Syed Abdul Wahab Bukhari Sahib Bahadur] [16th May 1939]

that family are for the acceptance of the marumakkattayam law of inheritance, they can follow it. The choice is left to the individual tarwads. On the other hand if two-thirds want to follow the Islamic law, it is open to them to adopt it. There is a wide choice left to the members of the community and it is a beneficent measure. I do feel, therefore, that the House will have no difficulty in giving the consideration it deserves to this Bill."

* KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR :—
"Mr. President, coming as I do from Malabar and being a Mappilla and having suffered on account of the want of such a beneficent measure like this, I strongly support the measure. I do not want to make a long speech and detain the members. I will with a few words convince members of this House that it is a very necessary measure. Hon. Members may perhaps know the marumakkattayam system of inheritance but they may not be aware of the defects of the working of that system. The karnavan who is the seniormost male member or in some cases the seniormost female member of the family takes the whole income of the family, buying properties and giving jewels to their own children neglecting the poor members of the family. My father belongs to a family which has got properties not only in Malabar but in Bombay and other Presidencies. Many of the tavazhies have almost all lost all the properties on account of the mismanagement of the karnavans. For instance, the very tavazhi in which my children are members has now been reduced to such a position that though their properties were scattered all over Malabar—in Calicut there were 300 items of properties—now there is not enough for their maintenance. These are all duje to the mismanagement of the karnavan who is now continuing. He only enters the house when there is any ceremony. There are karnavans who have not whitewashed the tarwad houses for fifteen years. I think that such a state of affairs would be remedied under the beneficent provisions of this measure. I support the motion."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 27 were put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

* SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR :—
"I move—

'that the Bill be passed into law.'"

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR :—"I second it."

The motion was put and carried and the Bill was passed into law.

The House then adjourned to meet again at 11 a.m. the next day.

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APPENDIX I.

[Vide item II (2) at page 318 supra.]

L.A. BILL No. 15 OF 1939.

(As passed by the Assembly)

A Bill to validate the restoration of village officers who lost their offices by reason of their association or connexion with political movements.

WHEREAS certain village officers in the Province of Madras or their registered heirs lost their offices or their right to the offices by reason of their association or connexion with political movements ;

AND WHEREAS by reason of the Madras Proprietary Estates' Village-service and the Hereditary Village Offices Temporary Amendment Act, 1922, the hereditary right to the offices, of the undivided members of the families of certain village officers who had lost their offices as aforesaid has ceased ;

AND WHEREAS it is desirable now to restore the position which would have obtained if the officers or heirs aforesaid had not lost their offices or their right thereto and thereby establish an atmosphere of contentment and peace ;

AND WHEREAS some doubts have been raised as to the validity of certain orders already passed by the Provincial Government in pursuance of the aforesaid policy ; and it is expedient to remove such doubts and validate all orders which have been so passed or which may hereafter be passed by the Provincial Government on the subject ;

It is hereby enacted as follows :—

1. This Act may be called the Madras Restoration Short title, of Village Officers (Validation) Act, 1939.

2. Notwithstanding anything contained in the Validation of certain orders restoring, etc., village officers in certain cases, Madras Proprietary Estates' Village-service Act, 1894, or in the Madras Hereditary Village Offices Act, 1895, or in any decree or order passed in any suit, appeal, application, or revision or other proceeding (whether instituted, made, or taken under the Acts aforesaid or not), every order which has been, or which may hereafter be, passed by, or on the direction of, the Provincial Government—

(a) restoring a village officer who, by reason wholly or partly of his association or connexion with any political movement had been

Madras Act
VIII of
1922.

Madras Act
II of 1894.
Madras Act
III of 1895.

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- removed or dismissed from his office, or had resigned therefrom, or had otherwise in any manner whatsoever ceased to hold the same; or
- (b) appointing to the office or registering as entitled thereto the heir of any such village officer or of any person who in the ordinary course of events would have succeeded to the office or been registered as entitled thereto; or
- (c) appointing to a village office any person who, by reason wholly or partly of his association or connexion with any political movement, had declined to accept the office or had been declared ineligible therefor; or
- (d) appointing to the village office or registering as entitled thereto, the heir of any such person or of any other person who, in the ordinary course of events, would have succeeded to the office or been registered as entitled thereto; or
- (e) directing the removal of any person from a village office in consequence of an order of the nature referred to in clause (a), (b), (c), or (d) above,

shall be valid and be given effect to according to its tenor, and no such order shall be called in question in any Court of law.

3. If the Provincial Government declare that any order passed by them is of the nature referred to in section 2, such declaration shall be conclusive proof thereof, and all Courts shall take judicial notice of the same.

4. (1) Every suit, appeal, application, or revision or other proceeding instituted, made or taken before the commencement of this Act for a declaration that any order of the nature referred to in section 2 is invalid or for any relief based on such invalidity shall be dismissed by the Court or other authority concerned.

(2) If before the commencement of this Act any decree or order has been passed in any such suit, appeal, application, or revision or other proceeding, which is inconsistent with the provisions of section 2, the Court or other authority concerned shall, on the application of any person affected by such decree or order, whether or not he was a party thereto, vacate the decree or order and pass a fresh decree or order which shall be in conformity with section 2 aforesaid.

APPENDIX II.

[Vide item II (3) at page 334 supra.]

L.A. BILL No. 16 OF 1939.

(As passed by the Assembly.)

A Bill further to amend the Madras Children Act, 1920, for certain purposes.

WHEREAS it is expedient further to amend the Madras Children Act, 1920, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Madras Children Short title. (Amendment) Act, 1939.

2. To sub-section (1) of section 33 of the Madras Children Act, 1920 (hereinafter referred to as the said Act), the following proviso shall be added, namely:—

“Provided that the chief inspector may exercise the powers conferred on the managers of the school by this sub-section if, in his opinion, there will be delay in obtaining the orders of the managers and such delay will be prejudicial to the interests of the youthful offender or child concerned. A copy of every order made under this proviso shall be communicated forthwith to the Provincial Government and another copy shall be communicated as soon as may be to the managers of the school.”

3. In section 35 of the said Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(2-A) The powers conferred on the Provincial Government by clauses (a), (b), (c) and (d) of sub-section (2) may also be exercised by the chief inspector. A copy of every order passed by the chief inspector under this sub-section shall be communicated forthwith to the Provincial Government with full information regarding the age of the youthful offender or child, the language spoken by him, and such other particulars relating to him as may be prescribed.”

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Declaration
Government
not to be
conclusive
proof.

Revision
or suits
instituted
under
decree
passed
under Act,
1920.

Amendment
of section
33, Madras
Act IV of
1920.

Amendment
of section
35, Madras
Act IV of
1920.

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Insertion of
new section
35-A in
Madras Act
IV of 1920.

Transfers
between
certified
schools and
schools of
like nature
in different
parts of
British
India.

4. After section 35 of the said Act, the following section shall be inserted, namely:—

“35-A. (1) The Provincial Government may, generally or specially, notify in the Official Gazette that any specified certified school situated in the Province of Madras shall be available for the reception of children, young persons and youthful offenders directed to be sent to a certified school, reformatory school, or other school of a like nature, by any Court or Magistrate in any other part of British India; and thereupon provision may be made for the removal of the children, young persons and youthful offenders concerned accordingly:

Provided that no notification shall be published under this sub-section without the consent of the Provincial Government of the part of British India concerned.

(2) The Provincial Government may direct any child, young person or youthful offender to be transferred from any certified school in the Province of Madras to any certified school, reformatory school, or other school of a like nature in any other part of British India:

Provided that no one shall be transferred under this sub-section without the consent of the Provincial Government of the part of British India concerned.

(3) The Provincial Government may consent to the transfer to a certified school under this Act, of a child, young person or youthful offender detained in any certified school, reformatory school, or other school of a like nature in any other part of British India, and upon such transfer the provisions of this Act shall apply to such child, young person or youthful offender as if he had been originally ordered to be sent to a certified school under this Act.”

16th May 1939]

APPENDIX III.

[Vide item IV at page 338 supra.]

L.A. BILL No. 8 OF 1937.

(As passed by the Assembly.)

The Mappilla Marumakkattayam Bill.

WHEREAS it is expedient to define and amend in certain respects the law relating to family management, partition and succession among the Mappillas following the Marumakkattayam Law; It is hereby enacted as follows:—

CHAPTER I—PRELIMINARY.

1. (a) This Act may be called the Mappilla Marumakkattayam Act, 1938. Short title.

(b) It shall apply to all Mappillas following the Marumakkattayam Law, who are either domiciled in the Province of Madras, or have property situate within the Province of Madras. Extent

2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.

(a) “Anandravan” means any member of a tarwad or tavazhi, as the case may be, other than the karnavan.

(b) “Karnavan” means the oldest major male member of a tarwad or tavazhi, as the case may be, in whom the right to management of its properties vests or in the absence of such a male member, the oldest major female member; or where by custom or family usage, the right to such management vests in the oldest major female member, such female member.

(c) ‘Major’ means a person who has attained eighteen years of age.

(d) “Marumakkattayam” means the system of inheritance in which descent is traced in the female line.

(e) ‘Minor’ means a person who has not attained eighteen years of age.

(f) “Tarwad” means a joint family which includes all its members with community of property governed by the Marumakkattayam Law.

(g) “Tavazhi” means a branch of a tarwad consisting of a female, her children and all her descendants in the female line.

[16th May 1939]

CHAPTER II—TARWAD AND ITS MANAGEMENT.

Duty of the karnavan to maintain an inventory.

Duty of the karnavan to keep accounts.

Right of anandravans to inspect inventory and accounts.

3. The karnavan shall maintain a true and correct inventory of all the movable and immovable properties belonging to the tarwad.

4. The karnavan shall keep true and correct accounts of the income and expenditure of the tarwad.

5. (1) The inventory and the accounts of each year of the Malabar Era, shall be available for inspection at the tarwad house by the major anandravans throughout the month of Vrischikam following such year, and any such anandravan may take copies of or extracts from the same.

(2) If the inventory or accounts are not made available for inspection as provided for in sub-section (1), the Court of a District Munsif having jurisdiction over the place where the tarwad house is situated may, on application by any major anandravan, and after notice to the karnavan, pass an order causing the inventory or accounts to be produced in court and allowing the anandravan to inspect, or to take copies of or extracts from, such inventory or accounts.

Right of every member for maintenance.

6. Every member of a tarwad whether living in the tarwad house or not, shall be entitled to maintenance consistent with the income and the circumstances of the tarwad.

Investment of surplus income.

7. Any surplus left out of the income of a tarwad after providing for the customary or legitimate expenses of the tarwad including charges pertaining to the education, marriage, or death of the members of the tarwad, and the charges necessary for zakat and the proper maintenance or upkeep of the tarwad properties, shall be applied by the karnavan in the purchase of immovable property for the tarwad or otherwise invested to the best advantage of the tarwad.

Alienation of immovable property by karnavan.

8. (1) Except for consideration and for tarwad necessity or benefit and with the written consent of the majority of the major members of the tarwad, no karnavan shall sell immovable property of the tarwad or mortgage with possession or lease such property for a period exceeding twelve years.

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(2) No mortgage with possession or lease with premium returnable wholly or in part of any such property executed by a karnavan for a period not exceeding twelve years, shall be valid, unless such mortgage or lease is for consideration and for tarwad necessity or benefit.

(3) Nothing contained in this section shall be deemed to restrict the power of the karnavan to grant in the usual course of management, for a period not exceeding twelve years, any lease without premium returnable wholly or in part or the renewal of an existing kanom.

9. No debt contracted or mortgage without possession executed by a karnavan shall bind the tarwad unless the debt is contracted or the mortgage is executed for tarwad necessity.

Debt contracted by karnavan when binding on tarwad.

10. No immovable property of the tarwad shall be liable to attachment or sale in execution of any decree obtained by an anandravan for maintenance, until after the decree-holder has exhausted his remedies, if any, against the personal property of the karnavan or the income of the tarwad property.

Immovable property when liable for attachment or sale for maintenance.

11. An anandravan may institute a suit in a civil court for the removal of a karnavan—

Right to remove karnavan by suit.

(i) for any malfeasance, misfeasance, breach of trust or neglect of duty in respect of the tarwad;

(ii) for any misappropriation or improper dealing with the income or the properties of the tarwad;

(iii) for unsoundness of mind or any physical or mental infirmity which unfits him for discharging the functions of a karnavan;

(iv) for persistent default in the maintenance of the inventory referred to in section 3 or the accounts referred to in section 4 or in making them available for inspection by the anandravans under section 5; or

(v) for any other sufficient cause which, in the opinion of the court, makes his continuance as karnavan injurious to the interests of the tarwad.

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Relinquish-
ment of right
of manage-
ment by
karnavan.

12. Any karnavan may, by a registered document, give up his right of management.

CHAPTER III—PARTITION.

Right of
individual
members to
claim
partition.

13. Any individual member of a tarwad may claim to take his or her share of the properties of the tarwad over which the tarwad has power of disposal and separate from the tarwad.

Right of
tavazhi to
claim parti-
tion.

14. Two or more members belonging to the same tavazhi, may claim to take their share of the properties of the tarwad over which the tarwad has power of disposal, separate from the tarwad, and enjoy the same jointly, with all the incidents of tarwad property.

Representa-
tion of
minor in
claim to
partition.

15. For purposes of sections 13 and 14, a minor member of a tarwad shall be represented by his or her mother and in the absence of the mother, by his or her guardian under the Islamic Law.

Partition of
tarwad
house.

16. In a partition of tarwad properties, unless two-thirds of the members of the tarwad desire to the contrary, the tarwad house including the site or sites of any building appurtenant thereto and such other land as is necessary for the convenient enjoyment of the tarwad house shall be kept undivided for the common use of all the members of the tarwad, in which case, the charges of upkeep and maintenance of the tarwad house shall be borne by the member or members that live in the house:

Provided that where such house is no longer used or required for purposes of residence or is continually neglected, such house, site or sites and land may be divided among the members of the tarwad entitled thereto.

Ascertain-
ment of
share at
partition.

17. In case of a division under section 13 or section 14, the individual member, or the members of the tavazhi as the case may be, shall be entitled to such share or shares of the tarwad properties as would fall to such individual member or to such members, if a division *per capita* were made among all the members of the tarwad then existing.

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18. Succession to the property obtained by an individual member on partition shall be governed by the Islamic Law of inheritance. Subsequent
devolution
of the
property.

19. The provisions of this chapter shall not apply to the Arakkal family or to the stanom properties of the Ali Rajas of Cannanore. Exemption
of Arakkal
family from
partition.

CHAPTER IV—REGISTRATION OF TARWADS.

20. (1) If within a year from the passing of this Act not less than two-thirds of the major members of a tarwad present a petition to the Collector of the district in such form and with such particulars as may be prescribed he shall, after satisfying himself that not less than two-thirds of the major members of the tarwad consent and desire the registration of the tarwad as impartible, register the tarwad as impartible. Registration
as impar-
tible tarwad.

(2) On such registration the provisions of Chapter III shall not apply to such tarwad unless and until the registration is cancelled under section 21.

(3) During the pendency of a petition under subsection (1) of this section, all proceedings in court if any under Chapter III shall be stayed.

21. (1) If at any time after the registration of a tarwad as impartible, not less than two-thirds of the members of the tarwad present a petition to the Collector in such form and with such particulars as may be prescribed for the cancellation of such registration the Collector shall, after satisfying himself that not less than two-thirds of the major members of the tarwad consent and desire the cancellation of the registration, cancel such registration. Cancellation
of registra-
tion.

(2) On such cancellation the provisions of Chapter III shall apply to such tarwad.

22. The Collector shall, for the purposes of this chapter, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters; namely:—

(a) enforcing of attendance of any person and examining him on oath or affirmation;

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(b) compelling the production of documents;
and

(c) issuing commissions for the examination of witnesses;

and any proceeding before the Collector under this chapter shall be deemed to be a judicial proceeding.

Collector's
order to be
final.

23. The order of the Collector registering a tarwad as impartible under section 20 or cancelling such registration under section 21, shall be final and shall not be questioned in any civil court.

Collector to
maintain a
register.

24. The Collector shall keep a register of all petitions presented to him under sections 20 and 21 and of all orders passed by him on such petitions and shall on payment of the prescribed fee, give a copy, certified under his hand, of any entry therein.

CHAPTER V—GENERAL.

Chapters
II and III
to apply to
tavazhi.

25. The provisions of Chapters II and III shall apply to every tavazhi possessing separate properties as if it were a tarwad.

Provincial
Government
to make
rules.

26. The Provincial Government may make rules consistent with this Act to carry out the provisions thereof and these rules shall have effect as if enacted in this Act from the date of publication of the same in the *Fort St. George Gazette*.

Savings.

27. Nothing contained in this Act shall be deemed to affect the provisions of the Mappilla Succession Act, 1918, or of the Mappilla Wills Act, 1928 or of any law or custom or usage except to the extent expressly laid down in this Act.

THE MADRAS LEGISLATIVE COUNCIL.

Wednesday, 17th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

THE MADRAS GENERAL SALES TAX BILL, 1939 (L.A. BILL No. 11 of 1939) AS PASSED BY THE ASSEMBLY.

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ Sir, I beg to move—

*‘that the Madras General Sales Tax Bill, 1939 (L.A. Bill No. 11 of 1939) * as passed by the Assembly be taken into consideration at once.’*

“ Hon. Members are aware of the objects and the reasons . . . ”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ On a point of order, Sir, is it not necessary that the rule requiring three days' notice should be suspended?”

THE HON. SRI C. RAJAGOPALACHARIAR :—“ There is no necessity for that.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—“ Then I raise a point of order. Under Rule 102 I raise it. The Bill was validly laid on the table of this House only on Monday; therefore there has not been given three clear days' time before the consideration of the measure is taken up. So I beg to submit the Hon. Premier is not entitled to move his motion unless the President has otherwise directed or the rules are suspended. I want your ruling, Sir, on this point.”

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ This sitting of the House, I presume hon. Members are aware, is specially to deal with these measures, and for that reason, notices were given, and copies of the Bill as well as copies of the Select Committee's report were sent to all hon. Members, and hon. Members were kept in touch with the progress of the Bill many days before this sitting. I am referring to all this to show that apart from any forms and rules there is no substantial injustice done. This Bill was passed in the other House on Saturday last, and immediately

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notice of it was given to this House that the Government would move here for consideration of the Bill as passed by the other House. But the next day happened to be Sunday. There were three full days between then and now. But, Sir, if it be thought there is some technical defect, and therefore the consideration of this Bill to-day is incorrect, that is, that Sunday, Monday and Tuesday do not form three days and are thought insufficient, I have no objection to move a formal motion for suspending Rule 102."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" Not a question of bargaining. I want to know whether the rule of three clear days' notice has been observed, and in the absence of that, Rule 104 says, 'unless the President otherwise directs no such motion shall be set down in the list of business for any day which is less than three days from the receipt of the notice.' That being so, I am at a loss to know how this Bill can be taken into consideration now."

The HON. SRI C. RAJAGOPALACHARIAR :—" Is it a fact, Mr. President, that all hon. Members had copies of the Bill on Sunday?"

SEVERAL HON. MEMBERS :—" Yes."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" I do not dispute that fact. My point is, that even the Hon. Premier has to act up to rules. Rule 102 says, 'As soon as possible after a Bill which has been passed by the Assembly is received in the Council copies of the Bill shall be laid on the table at a meeting of the Council.'

"And Rule 103 says, 'At any time after copies have been laid on the table in the case of a Government Bill, any member acting on behalf of Government and in any other case, any member may give notice of his intention to move that the Bill be taken into consideration.'

"And this will happen only after the notice was validly placed before the Council. But here the notice was laid on the table of the House, only on Monday; and for such a case, Rule 104 provides thus :—" Unless the President otherwise directs, no such motion shall be set down in the list of business for any day which is less than three days from the receipt of the notice." That is my point. Unless the Chair otherwise directs the Hon. Premier cannot move the motion to-day."

MR. PRESIDENT :—" I have 'directed otherwise' in respect of the tabling of this notice. Sunday, Monday and Tuesday, three days' clear notice there was; and so there is no point in the hon. Member's contention."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" I thought the notice was received by hon. Members only on Monday, and that is why I spoke as though it were received only on Monday. It

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is now clear that it was received by hon. Members on Sunday. It was my intention to give notice of the Bill on Saturday immediately after the Bill was passed in the other House. On Sunday, all members received notice, though it was again laid on the table of the House on Monday. Laying it on the table should not necessarily mean literally placing on the wooden table here, even if the doors were kept shut. Receipt of notice by hon. Members is equivalent to and better than that. There has been three clear days' notice already, and therefore the motion to-day is quite in order. Further when the motion has been put down on the agenda it should be considered as having been done 'as directed by the President.' There is no question of Rule 104 now."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" Sir, my point entirely is based on Rule 103. The Hon. Premier says it is not the intention that the Bill should be actually laid on the table of the House. It only means that hon. Members should receive notice of it. I say, it is not so. I say it is purely a matter of the notice being laid on the table of the House. Otherwise, the Hon. Premier may send notice to hon. Members individually one week or ten days before the Council meets and then say, on the day of the sitting of the Council ample notice has been given of a Bill. That is not a correct position. I cannot accept that interpretation. I feel this is a matter which affects the privileges of this House."

* THE HON. SRI C. RAJAGOPALACHARIAR :—" On Saturday the notice was issued to the Members, and on Sunday the notice was in the hands of the hon. Members."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" I am not disputing that. I say, three days' time should be computed only after the day on which notice was placed on the table of the House as stated in the rules. That is the point. Unless otherwise directed by the President, i.e., unless the Hon. Premier obtained the previous assent of the President, the motion cannot be moved now. Whatever your ruling may be, Sir, on this point I shall obey."

* SRI R. SRINIVASA AYYANGAR :—" I do not think there is any substance in the objection raised by the Leader of the Opposition. Rule 104 is distinctly clear. It deals with cases where business is sought to be done in respect of which less than three days' notice is given. Rule 104 distinctly lays down

'Unless the President otherwise directs, no such motion shall be set down in the list of business for any day which is less than three days from the receipt of the notice.'

Government think that the three days' notice has been complied with in the case of this Bill and therefore rule 104 has not been applied. Even if be otherwise it must be presumed that the President has directed otherwise."

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* SIR FRANK BIRLEY :—“ May I suggest, Sir, it would be expedient to proceed with this Bill to-day and that it would be mere waste of time to postpone it. With all due deference to hon. Members I submit that. It would be of great inconvenience to this House if this Bill is put off to-day. In spite of Mr. Samiappa Mudaliyar's objection I should think a great majority of us are certainly in favour of proceeding with the Bill.”

MR. PRESIDENT :—“ It was through my direction that copies of the Bill were sent to all hon. Members on Sunday; and that should be considered as placing them on the table of the House. Therefore, there were three full clear days, Sunday, Monday and Tuesday. So the motion is quite in order.”

MR. J. A. SALDANHA :—“ May I point out, Sir . . . ”

MR. PRESIDENT :—“ It is all finished; the ruling has already been given.”

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ I moved. Sir, that the Bill be taken into consideration. Hon. Members are aware, I was going to say, of the objects and reasons of this measure. It is true that the proceedings commence afresh here, but it does not mean that we should begin ignoring obvious facts. All members are fully aware of the discussions and the very keen controversies that have been the subject-matter of attention on the part of the public at large all these few weeks. It would be merely waste of time on my part to take up a dilatory attitude, and begin in a formal manner, and proceed as if nothing had happened. I should much rather ask hon. Members to use the time that is available, in a businesslike manner so to say, proceeding on the footing that this House is aware of all that had happened, and dealing with the measure in such supplemental fashion as the importance of the subject demands. I should say, therefore, at once that we should proceed on this primary footing of the policy of the Government, whether members voted for Prohibition, or did not vote for Prohibition. Whether hon. Members voted for it or against it or have forgotten how they voted, as was perhaps the case of the hon. Lady Member who spoke in connexion with another Bill, in whatever way hon. Members might have voted on Prohibition, we may take it, as was pointed out, I think, by a member of European Group in the other House, the House and the Government, having been committed to Prohibition, we should proceed on the basis that Prohibition has been accepted by the Government and by the House and it must be given effect to. We may proceed on that basis and see whether it is right or wrong for the Government to introduce this measure for the purpose of making up the revenue that is necessary in the course of administration. It is on that basis that this Bill is brought forward. Strenuous objection has been taken here as well as in the other House that the actual financial gap that is to be filled by

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Government this year with the assistance of the House is not a gap so big as to demand a tax of the nature or at the rate that is proposed. It is argued that this tax is likely to bring in much more revenue than the few lakhs of rupees that have to be made up for the gap in the financial accounting of this budget year. It is argued that the taxes already passed by the Houses might be sufficient revenue to meet all the requirements and that therefore this tax is unnecessary or even if it should be necessary, it need not be at the rate, that is proposed. In answer to that I have said—and I need not repeat except merely summarize it—we should not be content with providing only for the exact arithmetical difference that has to be met, but we should provide for that deficit which is certain and which is likely to attain its full magnitude in the immediate future, that is to say, the deficit caused by the entire excise revenue being taken away by the policy of Prohibition. The deficit is bound to reach the full figure of that revenue and we will have to provide for it. And all these taxes taken together are not still enough in my humble opinion and calculation to make up that gap. We will have to estimate more accurately than we have been able to do, the revenue that can be got from these taxes. Being new taxes all estimates are more or less conjectures. Taxes are new, not simply because the levy is new. Even the system of registration or licence fee has not prevailed so far, with respect to the business which is sought to be brought under this Bill. In the absence of any data with regard to the number of businessmen employed or the amount of the business that is turned over or their location, not to speak of other details, it is difficult for any legislative chamber to make a correct estimate of the revenue. Apart from that, even an estimate of the expenditure that has to be incurred in order to collect this revenue is also very difficult to make. A new organization has to be organized with respect to a new tax and a new method of taxation and collection. All things taken into account, it can be seen easily by the House that it is not only difficult to estimate the gross revenue, but it is equally difficult now to lay out a plan for the collection or for the administration and estimate the net yield. It is a case of a new adventure in taxation; and, therefore, allowances must be made for the necessary incidents of such a new procedure. I guess, Sir, I have said already, that a crore or a crore and a half would be the outer limit of any full-fledged collection in respect of this tax. I calculate in a very rough and ready way, which I shall present to the House, on the basis of the law of necessity, so to say. People cannot buy more than their purchasing power enables them to buy. All the people are to-day buying only according to their purchasing power. Since we are not dealing with individuals, but with the total aggregate, we may take the national dividend calculated by the various experts as fairly correct and at that rate we could get the figure compounded by the 4 crores of our people and the average income of Rs. 50

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per annum; taking these together, we might get a total purchasing power of 200 crores, let us say. According to the scheme of this tax all the smaller shops are excluded, all turnovers below Rs. 10,000 are excluded. The significance of this fact must be fully realized. In our economic organization, it is at the bottom, more than three-fourths of the total. Such is the character of our people and of our population and of our life, that if we exclude all turnovers below Rs. 10,000, we certainly exclude more than 75 per cent of all transactions. If we take three-fourths away out of the 200 crores, we get only 50 crores which could possibly come within the ambit of this measure. It may be said that the purchasing power is repeated as this tax is a tax at several points. The purchasing power will have to be multiplied by the number of stages through which the commodities might pass before reaching the actual consumer. Therefore multiply it by three or even four. We, therefore, come again to a total figure of 200 crores as the possible outer limit of the purchases which can be taxed under this Act. And therefore it is that I say we could only get a crore and not more by the most efficient organization of this tax.

"Then, Sir, people have referred to the burden, to the regressive effect that this tax might have on trade in general. Naturally, Sir, I am dealing with it more by way of answering objections; because I have said already, it is not the first time that people begin to think on the subject and it would be idle formality, if I went on, without taking into account all that has been said against this measure. I proceed straightaway to the serious objections that have been urged that this tax is regressive. Our answer is that the levy itself is not such as to bring about any undesirable result in trade. But there is a stronger argument than that which hon. Members have to consider and dispose of: 'What does it take the place of?' is the question. Apart from the calculations that I have placed before the House, let us see the nature of the thing we are proposing. It is to tax every transaction of sale provided it comes within certain limits and within a certain scope. Now, sale is the elementary transaction in any civilized society in the present economic organization. Among people who are not merely living like superior domestic animals, the simplest transaction of man in civilized society is a sale, and is indicative of something being done by him in a manner which the State might well take note of on its financial side. Now this sale is taxed. If a man is very well off, he naturally buys many times and any many articles. If a man is better off than others, he buys more articles and costlier articles than others. There is a just and correct proportion between the position he occupies economically in society and the number of transactions and the value of the transactions that he makes in the form of a sale. This is subject to a tax in the proposed measure. Therefore, there is something juster and more correct than the processes of taxation to

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which we were hitherto used. In this proposal, therefore, there is an element which hon. Members may take into account in order that they may appreciate the important point that this is a more just and proper tax than many of the taxes that we have been hitherto paying.

"What are the taxes we have hitherto depended on? I ask people just to consider it, however unpleasant it may be, to admit oneself to have been in the wrong all these days; let us consider and examine the position correctly. What are the taxes that we have had to depend upon? I have, Sir, profited much by the discussions that have taken place in the other House, in the Press and on the platforms and in the Select Committee. My mind has been perfectly clarified over it and therefore, I say nothing now, but the barest and the sincerest truth, when I say that I am much more convinced to-day that it is a proper tax than I had thought when I started. What are the taxes that we have been paying hitherto? One big excise tax and one big sale tax. The revenue of the Province is made up of two principal items. One is a heavy duty called Land Revenue and the other a heavy sale tax called Excise Revenue. Our present revenue system, if properly analysed and understood, consists of one important sale tax and one important excise. The land produce excise is most unreasonable. A more unreasonable excise there cannot be than the excise on the production of foodstuffs. Elementary foodstuffs are excised, that is the meaning of the land revenue, to the extent of 25 per cent. I have calculated that there is a 25 per cent excise upon the production of primary foodstuffs in our Province in the shape of land revenue. People have been objecting to it, no doubt, with good reason. But apart from the quantitative objection—to which the landowning classes have been drawing attention—the nature of it must now be analysed and appreciated. The whole of this land tax is an excise on foodstuffs. One-fourth of the gross produce is taken as excise, and the remaining three-fourths is divided in a very unjust manner between the capitalist owner of the land and the tiller or the actual farmer on the land. The unjust distribution is this, that more than half is taken away by the man who remains at home, who is the capitalist. He sits at home and he gets more than half the balance of gross produce, after deducting this excise. What remains is the wage which those who labour for the production of this elementary and primary article have to divide among themselves. I have made a careful calculation and I say that those who produce foodstuffs in this country of ours do not get the wage which they are entitled to for the bare manual work that they put forward in order to produce these foodstuffs. If calculated in that manner it will be seen that the Government of this Province has imposed a most objectionable excise all these years, the most unjust excise which makes the tiller of the soil lose his proper wage calculated even as a day labourer. According to the present system the State takes away one-fourth of the whole of the gross produce of this

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manufacture of an essential and primary article and this levy is the main part of our revenue. Is it not time that any one who understands the realities of things should set about rearranging the whole thing?

“Then what is the other tax that we depend upon? I said it was a big sale tax. I referred to the point briefly in a speech when answering Mrs. Hensman’s argument against the tobacco tax. I said we did not realize that we depended upon a tax on the sale of only one commodity and I described the commodity and the consumer of that commodity, showing that it was a very unjust sale tax. And, Dr. Thomas yesterday made a much more elaborate reference to the subject and explained it in full. While the Land Revenue system imposed a heavy excise on the production of food, we have seized upon only one article of commerce and we have taxed it in such a way that the man who has to pay it, pays it not because he buys what is necessary or because it is good for him but pays the tax because he is a slave to a craving which is unhealthy. We have very clearly seized one single commodity which is the subject-matter of commerce and we have seized, so to say, the addicts to that commodity by the throat and we make them pay whatever we like them to pay and whatever we want for the expenditure of the whole of our Province for all the other classes. Four crores is obtained by a single sale tax on drink and drugs, that is to say, a single sale tax on commodities of intoxication, on a commodity for robbing people of their senses through the process of a pretended happiness and a subsequent insensibility to pain or pleasure. Whether it is country spirits, whether it is toddy, whether it is opium, whether it is hemp or whether it is ganja, whatever it is, it does not matter. They are all of the same kind. And we say ‘Pay as much as we order.’ That sale tax is not subject to any discussion in the House. That sale tax is not subjected to any reasoned application of the minds of hon. Members. If I raise it from 25 per cent to 30 per cent nobody questions, because they are not here at all. Nobody here suffers. If I say ‘Slave to this article, you have paid four annas a bottle to-day; you must pay six annas to-morrow,’ he pays and no hon. Member raises any objection. If I say ‘Pay eight annas,’ he pays because he is a slave to the article and not because he has calculated the use of the article. No hon. Member raises any objection because it does not concern him. That is the one single sale tax on which we have depended.

“What is the real percentage of that sale tax? May I tell hon. Members, Sir, what the percentage is? Not half per cent, not twelve per cent, but anything from 300 to 1,000 per cent! A bottle of fresh toddy juice is sold—hon. Members may compare my statement with the actual facts—a bottle of fresh unfermented toddy can be purchased to-day if you like and a bottle of fermented

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toddy can be purchased on which has been paid all duties. What can be bought for less than six pies becomes an article for which has to be paid four annas. What are country spirits? Government knows the cost of the production of country spirits. On a very very liberal estimate the cost of production of a gallon of country spirit is 14 annas. But what is the duty on it? Round about five rupees is the duty on it—five rupees duty on a commodity the cost of which without duty would be only 14 annas a gallon; that is a percentage of over 500! Including all charges of transit and management, the tax would be more than 300 per cent by the most moderate calculation. Now, no one objects to this sales tax. It is considered the most reasonable in the world and which should not be disturbed at all but must continue. Why, because we are not concerned, and we profit by it.”

SRI B. NARAYANASWAMI NAYUDU :—“May I know whether I can have drink without paying a tax?”

* THE HON. SRI C. RAJAGOPALACHARIAR :—“If this House says ‘We won’t vote any other tax,’ if this House says after wise and sincere thought, that drink is necessary or that it is even half necessary, that drink is a good thing, I say the State is bound to give it at a less price than it is now given. I maintain it, Sir—I do not deny it for a moment—I am not afraid of making the statement in the most absolute terms. I do not believe it is good—but if hon. Members say it is good or something like good, I say that it is our duty to give it at less price than we are giving now. We are getting that price and the tax imposed on it, not because it is a good commodity worthy of purchase and consumption but by reason of the compulsion of the craving on the addict. It is an inequitable impost on a man’s addiction to a vice. I would much rather, Sir, allow him to have free drink than to run the Government with a 500 per cent tax on a small section of the people who have become slaves to the article not by themselves but by what the Government has done. We all combined to keep the shops open. We all combined to increase that addiction. We all combined to make him a slave to the commodity and we tax that commodity. If as in European countries everybody drank, almost everybody drank beer and spirits as we drink buttermilk or take salted food, a tax on drink would be a just tax. Some people who drink more often may have to pay more, but the tax is not unjust. But in our country, Sir, if all the vegetarians of this country combined and taxed meat, would it be a just tax? No. Similarly all the vast bodies of tee-totalers in our country have combined and have conspired to tax only drink, and to levy four crores per annum in this little Province of ours to run the whole administration by taxing those miserable people. It is not open to anybody to go and wean them from it lest they should be put in prison for disturbing the peace. It may be allowed in a

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moderate measure as a hobby for decent gentlemen, but it should not go too far! That is the law. I submit, Sir, this is the most unjust financial arrangement that can possibly be conceived and it cannot be tolerated by any Government that has a conscience. If drink to-day had somehow become suddenly a common habit for all people, then the only question would be 'Shall we prohibit it or shall we keep it?' It won't be then an unjust tax to levy. But to-day, as Dr. Thomas pointed out, it is not only a wrong thing, but a very unjust distribution of the tax burden apart from many things else.

"Let me give actually the figures, Sir. Somebody tried the other day in another place to raise a cloud of dust over it to confuse the issue. 'It is not proved,' said some one, 'that it is only the poor people that are drinking.' Nothing is better proved in our country. It is true that some of us might drink foreign liquor, high priced foreign liquor. If we tax at 300 or 1,000 per cent that kind of commodity there would not be injustice in it, because people who can bear the burden will pay it. But what are the facts? Our toddy is certainly drunk—by one or two of our wealthy people also—but the vast bulk by the poor people. There is no doubt about it. The vast bulk of our country spirits is consumed by the poorest classes. There is no doubt about it. Some of us—one, two, three, a dozen—might perhaps go in for it even though we are well off but it may be clearly understood and accepted that the bulk of the arrack is consumed by the poorer classes. It is the poor that pay the taxes on country spirits and toddy. All the revenue that we derive from country spirits and from toddy is, we should admit clearly, derived from the poorest people, the most miserable people, the most illiterate people and what is worst of all by a fraction of the population and not all.

"Members may see the 'Excise Report' year after year. Imperial return No. 1 which is published in that report furnishes full information, gives all the details I am now referring to. The total receipts from country spirits, whether it be duty at the distillery or whether it is the revenue that is received by the sale of the licence, all that has to be put on the poor man's dram of country spirit and the total of it that is received in the treasury is one and a quarter crores of rupees. And from toddy, two and a quarter crores. Therefore three and a half crores come through toddy and arrack. There is no doubt about it. Foreign liquor which may loom large in the eyes of some people gives eight lakhs only to this Province in all. It is a miserable flea-bite when compared with the crores with which I have been dealing. If we can multiply that tax on foreign liquor many times, we could get a few crores. But then, if we did so, people would stop drinking and there would not be that return. Foreign liquor is only eight lakhs, so far as Government is concerned. Even beer

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made in India which may perhaps be considered middle class drink, gives only three and a quarter lakhs to the Government. So that between beer, whether Indian or foreign and liquor which comes from abroad altogether, it is only twelve lakhs, not even one-eighth of a crore, whereas three and a half crores are given by those who drink country spirits and toddy. To this, Sir, must be added opium and hemp drugs. I do not suppose people who are well off are much given to them. Even there, Sir, we can take it that it is the poor that pay. Opium and hemp give half a crore, so that practically four crores of our excise revenue, apart from this trifling 12 lakhs, is made entirely out of single sale tax levied on a fraction of the population and that fraction carefully chosen by the enslavement to habit that they cannot escape this tax whatever may be the rate. Is this honest finance? I have no hesitation in saying that this is dishonest. This terrible levy on a fraction of the population of our country to run the whole administration should be put an end to as soon as possible. I won't say that the system being so dishonest we should leave and go away. It is not possible since we are in mid-ocean and there is no land in view. We have to get on as best as we can. We should however try to alter these dishonest, improper and unjust distribution of the tax burden. We should not impose on the wage-earner who raises the food that is necessary for the life of our people, the heavy excise tax of 25 per cent of the value of the gross produce. We should do away with this other tax, 300 to 1,000 per cent sale tax on the miserable addicts to drink and drugs. It would be far better that we gamble or run lotteries to run the administration than that we should do this open bare-faced injustice. Let us therefore distribute the sale taxes and the excise taxes properly and justly. Let everybody and every commodity bear the tax and not only toddy and arrack. Let every commodity bear the tax and let everyone bear it according to the real value and not the tax or craving value of the article. Let everybody bear the burden of taxation according to the real value of the various articles produced and sold and bought and then let everybody pay proportionately to the expenditure of the State. That is the justice of the general sales tax and it would enable us to do away not only with the injustice of this exaction on a fraction of the population who cannot escape from that commodity, but it will remove a moral evil and tend to make people live in happier families. If the foodstuffs that are sold in the market are taxed it would be just because he who consumes more will have to pay more. But if the foodstuffs raised are taxed on the spot at 25 per cent of production, who suffers? The man who raises the foodstuff and he has to live anyhow. That is unjust. Therefore it is far better to raise the sales tax from half to five per cent, and do away with all this unjust taxation with which we have been carrying on. Sir, this is all that I wish to submit in asking this House to consider this Bill."

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MR. PRESIDENT :—"To this motion three hon. Members have given notice of amendments. One hon. Member wants that the consideration should be postponed for one week. Another wants that the consideration should be postponed for three days and the third wants that the consideration should be postponed for a day. I suggest that all these amendments might be moved together, so that the House might then discuss all these amendments and at last vote on all the amendments one after another."

* SRI RAO BAHADUR M. RAMAN :—"Mr. President, I move the amendment that stands in my name, viz.,

'For the words "at once" substitute the words "this day next week".'

"It is clear that what I want is a period of interval of about seven days for reading and understanding and taking an intelligent part in the discussion of this very important Bill. No doubt we got the Bill as amended by the Lower House at about 4-35 p.m. on Sunday. I got exactly at 4-35 p.m. on Sunday. Sunday is a day of rest to most of us and the receipt of the Bill at 4-35 p.m. cannot be understood as a day. But I am not calculating on that. It is a mere technical affair. My request is that to do justice to the subject we want more time. On Monday and Tuesday we had Council. We were very busy. With the heat at 106 degrees we were very busy and we could not do very much work. So that all that we could do was very poor work. It is my request that we might be given more time so that we might take more useful part in the debate. Therefore I move my amendment."

MR. J. A. SALDANHA :—"I beg to second it."

SYED ABDUL WAHAB BUKHARI SAHIB BAHADUR :—"I move that—

'For the words "at once" substitute the words "three days after" (i.e., 20th May 1939).

"Of course it is evident that due to lack of time an important measure like this has not been properly considered and personally, speaking for myself, I have been busy with the Marumakkattayam Bill and I feel I have not been able to study this particular Bill that is before the House. Therefore apart from the general consideration of the other members there is this personal inconvenience also caused by the Bill standing in my name yesterday. Therefore I feel if at least three days were given for consideration, I think it would have been fair to us. Therefore I move the amendment."

S. K. AHMED MEERAN SAHIB BAHADUR :—"I second it."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—"I beg to move—

'For the words "at once" substitute the words "tomorrow".'

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"Sir, I am requesting the Hon. Mover for only one day's time. I would only say a few things in support of that. Sir, it was stated that the Bill was sent to us on Sunday. Mr. Raman said that he received it at 4-30 p.m. But as I was not in town I was able to get it only on Monday. No doubt I am not adducing that as an argument for adjourning. As my hon. Friend stated, Council work took much of our time the other two days and left little time to give our best attention to this important measure. The Hon. the Prime Minister stated that it was thoroughly discussed in the other House and here we have only to supplement them. He was telling this, Sir, not only in regard to this Bill but in regard to other Bills as well. We have not got the authenticated discussions of the other House so as to enable us to come to correct conclusions as to which of the amendments have to be moved and which amendment need not be moved and what the trend of the argument was. No doubt he may tell us, 'You are all readers of newspapers and you may be able to understand that.' It is common knowledge that even with regard to a particular matter no two newspapers give the same version. If we take one paper it gives one version and another paper gives another version entirely different from the version given by the other paper. So, with regard to the news appearing in newspapers we cannot take it as authenticated news for being used in the discussion. Generally, Sir, our deliberations are being commented upon by eminent lawyers who have no axe to grind."

MR. PRESIDENT :—"We are not concerned with the lawyers outside the House."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—"Not the lawyers but the public. The public are feeling that our deliberations even in important measures like these are rushed through and are sometimes making comments which are not complimentary. It is not good for us or to the House to give room for such complaints but we are giving room to the public to make those comments and I hope that the Hon. the Prime Minister who has equally to see to the fair name of this House will not allow the public to make any such comment which will affect it adversely. There is no harm in giving time to us and he will have no fear that any amendment that may be moved from this side will be carried out even if he allows one year's time. Therefore he may be charitable enough to give some time to go through all the provisions and understand its implications. I hope the Hon. the Prime Minister will at least accept this modest resolution of mine."

The amendment was duly seconded.

MR. PRESIDENT :—"All the three amendments are now for discussion."

* SIR FRANK BIRLEY :—"Sir, it is with the utmost diffidence that I intervene in this debate because I certainly do not feel that it is my role to oppose the Opposition. But I do feel

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that the arguments that have been used in supporting these proposals do entirely disregard the actual facts of the case. If there had been any material amendments in this Bill during its passage through the other House, there might indeed have been some substance in asking for a longer time to consider the Bill before this House. But taking into account that the members of this House are by reason of the fact that they are members of this House, men of intelligence and experience, to ask for a further three days and delay the work of this House for such reasons as have been given are quite without substance and in fact I can hardly believe that they are put forward seriously." (Laughter.)

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR :—" Sir, I am really surprised at the attitude of Mr. Saldanha. The other day he said that this is a Council of veterans and to-day by seconding the first motion he thinks perhaps that we are slow in understanding things. As for the adjournment of the House till to-morrow as suggested by the Leader of the Opposition there is no substance in it at all. We are not going to finish the general discussion of the Bill to-day. Practically the Bill will come up to-morrow for discussion."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR :—" Mr. Usman cannot anticipate what is going to happen in this House."

* SRI R. SRINIVASA AYYANGAR :—" I rise to oppose all the amendments in the House. The hon. the Leader of the Opposition concluded his short speech with the remark that he was sure that even if one year's time be given there was absolutely no chance of the Opposition carrying out any amendment moved by it. With that consciousness I am surprised he is getting up and asking for time. We are not so unreasonable. Probably he anticipates what is likely to come. It may or may not probably happen. We are not so unreasonable. The whole thing has been discussed before the Assembly threadbare and I am unable to see any substance in the observations made by the movers of the amendments. The remedy is entirely in their hands. The main motion before the House is that the Bill be taken into consideration. It has not been passed. It is open to hon. Members on the other side to keep the House engaged for two or three hours and thus prevent the possibility of the Bill being taken into consideration to-day. That remedy is open to them. To meet that, the other side might move for closure and carry it and have the motion taken up. What is generally known as obstructive tactics can be met that way."

"This Bill, Sir, has been before the Select Committee and before the public for three weeks and while it was in the Lower House nobody crossed the t's or dotted the I's. As stated by the Hon. the Finance Minister this Bill was passed into law after six full days' debate. We know for a fact that this Bill is going to become an Act early enough. In this stage of affairs to ask for time ranging from one week to one day is meaningless."

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THE HON. DR. T. S. S. RAJAN :—" For the information of the House, Sir, I suggest that we disperse at one o'clock and meet again at 3 in the afternoon and sit as long as the House decides to sit. We may then be able to take up the clauses and the amendments in as orderly a manner as possible and give each amendment sufficient time for consideration. So I suggest that the House should sit in the afternoon also for three or four hours if necessary."

* MR. J. A. SALDANHA :—" This is I think adding insult to injury. We proposed that we adjourn for a short interval on the ground that though we saw in the papers the proceedings over this Bill in the other House we had no time to digest them all. Copy of the Bill as passed by the Assembly reached us on a Sunday—one of the great institutions left to us by the ancient religion of Israel. It is not a day on which we find much time for work."

MR. PRESIDENT :—" The statement made by the Leader of the House is not open to debate. The hon. Member may resume his seat."

* MR. J. A. SALDANHA :—" We may have some sort of rest at least for digesting the amendments that are pouring in on us. I wonder how the office will manage to place before the Hon. the President all the amendments in their proper order. We must have some time for doing the same."

MR. PRESIDENT :—" The President will take care of himself."

* MR. J. A. SALDANHA :—" I propose therefore that we meet to-morrow at 11 o'clock and go on with the debate till about 1 or 2 p.m."

* MR. S. J. GONSALVES :—" I beg to support the amendment moved by Rao Bahadur M. Raman. As far as my memory goes, never before in the history of the Legislature of this Province has there been a session in Madras in the month of May. The city is just now experiencing a heat wave. We have been here already engaged for a week. My submission is that if the adjournment moved by my hon. Friend, Mr. Raman, is agreed to and the Sales Tax Bill, over which there is much heat already created, is taken up for consideration next week, we may be able to do business without much heat and in a cool manner. It seems to me, Sir, that as a measure of small mercy, the Government may agree to the adjournment for a week."

SRI M. D. KUMARASWAMI MUDALIYAR :—" Sir, after the Bill was passed by the other House there has been only a very short interval. We must all remember that the elected Members here are representatives of the public and that unless the public are given an opportunity to express their opinion on this measure we, who are their representatives, can do nothing and it cannot be said that in what we say we will be reflecting their opinion. For this purpose it is necessary that some time should be given."

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THE HON. SRI C. RAJAGOPALACHARIAR :—“ Sir, I am very sorry that, while the arguments look plausible, there is no real substance behind them, and, though Sir Frank differs very much from me in regard to the merits of the Bill, I am glad he entirely agrees with me in regard to the appreciation of these objections that warrants my saying that there is no substance behind this proposal. I submit, Sir, it would not be a right use of the public time to put off this matter. After all that has been said it is better that we dispose of this matter one way or other. I therefore oppose the amendments moved in regard to the various forms of adjournment.”

MR. PRESIDENT :—“ The question is—
‘ that for the words “ at once,” substitute the words “ this day next week ” ’ ”

The amendment was put and declared lost.

Dr. Sir K. V. Reddi Nayudu demanded a poll. A poll was taken and the House divided thus :—

Ayes.

- | | |
|---|---|
| 1 Sri Rao Bahadur N. R. Samiappa Mudaliyar. | 6 Syed Abdul Wahab Bukhari Sahib Bahadur. |
| 2 Khan Bahadur T. M. Moidoo Sahib Bahadur. | 7 Mrs. M. Hensman. |
| 3 Sri B. Narayanaswami Nayudu. | 8 Mr. S. J. Gonsalves. |
| 4 Hajee Munshi Abdul Wahab Sahib Bahadur | 9 Sri M. D. Kumaraswami Mudaliyar. |
| 5 S. K. Ahmed Meeran Sahib Bahadur. | 10 Dr. Sir K. V. Reddi Nayudu. |
| | 11 Sri Rao Bahadur M. Raman. |
| | 12 Mr. J. A. Saldanha. |

Noes.

- | | |
|--|-------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 15 Sri T. C. Srinivasa Ayyangar. |
| 2 Sri Bheema Rao. | 16 “ D. Sriramamurthi. |
| 3 “ K. Madhava Menon. | 17 “ V. Ganga Raju. |
| 4 “ V. V. Jogayya Pantulu. | 18 “ L. Subba Rao. |
| 5 “ R. Srinivasa Ayyangar. | 19 “ P. Peddi Raju. |
| 6 “ A. Rangaswami Ayyangar. | 20 “ P. Veerabadradaswami. |
| 7 “ K. V. Srinivasa Ayyangar. | 21 “ K. P. Mallikarjunudu. |
| 8 “ N. Sankara Reddi. | 22 “ N. Venkatachalamaji. |
| 9 “ V. Vasantha Rao. | 23 “ V. Venkatapunayya. |
| 0 “ S. A. S. Rm. Ramanatham Chettiyar. | 24 “ C. Perumalswami Reddiyar. |
| 1 “ M. Narayana Menon. | 25 “ K. S. Sivasubrahmanya Ayyar. |
| 2 “ L. Subbarama Reddi. | 26 “ S. K. Satagopa Mudaliyar. |
| 3 “ K. Venkataswami Nayudu. | 27 Sir Mahomed Usman Sahib Bahadur. |
| 4 “ T. A. Ramalingam Chettiyar. | 28 Sir Frank Birley. |

Ayes 12. *Noes* 28.

The amendment was lost.

The question is—

“ that for the words ‘ at once,’ substitute the words ‘ three days after ’ (i.e., 20th May 1939).”

The amendment was put and lost.

The question is—

“ that for the words ‘ at once,’ substitute the words ‘ to-morrow ’.”

The amendment was put and lost.

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MR. PRESIDENT :—“ The motion moved by the Hon. the Premier is now before the House.”

* MR. J. A. SALDANHA :—“ Mr. President, I am afraid I shall be somewhat desultory in my remarks, because it has been very difficult for me to digest this Bill. We have to go through carefully each clause of this important Bill, if we are able to say in what particular this Bill is defective and amendment should be made. For this reason, if I go on in a somewhat rambling fashion . . . ”

MR. PRESIDENT :—“ The hon. Member must not ramble. (Laughter.) He must always speak to the point.”

* MR. J. A. SALDANHA :—“ I shall attempt it, but it is difficult. I shall be thankful, Sir, if I am stopped when I am rambling. (Loud laughter.)

“ This Bill is called the General Sales Tax Bill, but I think it is a misnomer. It must be called the General Sales and Purchases Tax Bill, because in the definition of ‘ turnover ’ purchases also are included. Purchasers also have to pay the tax. This is a very unusual thing. I do not think in any other part of the world, the purchasers are made to pay tax. This was not in the original Bill. By a clever device the Hon. the Premier has put in the word ‘ purchaser ’ also. I may point out that so far as the definition of ‘ turnover ’ is concerned, it is *ultra vires*. ‘ Turnover ’ means the aggregate amount for which goods are sold. Under the Government of India Act, 1935, in the Schedules attached to it, item 40 of the Provincial List speaks of taxes on the sale of goods only. Under this Bill the Government propose to tax the purchase as well as sale of goods. So it is clear that to that extent this Bill is not regular and therefore I have given notice of an amendment for the omission of the words ‘ either bought by or.’

“ To go further on this subject, I should say that this Bill was 12-15 originally called the Sales Turn-Over Bill. I should rather call it p.m. Over-Turn Bill, because it is really throwing everything topsy-turvy. The usual argument used by the Opposition was that Government were robbing Peter to pay Paul, as one of the Hon. Ministers reminded us in one public hall that what the Ministers were doing was that they were going to rob very rich Peter to pay the very poor Paul. As I shall be able to show presently, this Bill is going to rob all people. There is robbery from top to bottom. It is a desperate remedy for a desperate disease if there be a really desperate disease. There are taxation measures which are in principle unsound. It has been recognized by very high authorities—I am not an expert on this matter—that this is a most unsound form of taxation. I shall just quote from a book which I have in my hand entitled ‘ Public Finance ’ by an eminent Professor of Political Science—Clyde L. King, Ph.D., in the University of

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Pennsylvania. Of the many books that have been published, I have found that this is one of the most exhaustive and up-to-date, published in 1935. Having had experience of the levy of this General Sales Tax in Pennsylvania itself, his remarks, I think, deserve some attention on our part. But I shall extract only a few passages from that book:—

(At this stage the Deputy President took the Chair.)

“ This is what is stated in that book :—

‘ The general sales taxes have had advocates in this country especially since the Depression of 1929. They bring in tax monies though almost every economic argument is against them as we shall see. Over half the States and at least twenty foreign countries now have one form or another of general sales taxes. The purpose of the general sales tax is to broaden out the base of the tax more widely than can be done by selecting the commodities or services to pay the tax.’

“ Then it is stated :—

‘ At the beginning of this discussion we noted that the great argument for general sales taxes is that they bring in badly needed tax monies at low rates. There the argument for them substantially ends. In theory they are said to be paid by the consumers. Tax laws usually provide that businesses may hand the sales tax on to the consumers. This business interests try to do in any case. They may pass on the tax when prices are rising anyhow. But under the pressure of keen competition, the average retailer or the manufacturer will prefer to try to hold his trade and not pass these taxes on. Or if he does pass them on he adds them to those commodities that if possible will bear the total tax. They get lost in the business of selling. During depression times particularly, when competition is keenest, they will usually not be passed on by at least half the merchants. They serve rather to retard the poor merchants and to augment the rich.’

“ Now these are important points which should be borne in mind :—

‘ They bear on living standards as do few other taxes. They have been tried out in the past, and have been thrown out when times permitted. We endure them only because other taxes have declining receipts in hard times, and there are at hand no other sources of public income equal to the demand for public expenditure. Such taxes tax the poor and let those able to pay escape.’

Those are the concluding words. I should like to see any other authority which controverts the weighty words that are stated here.

“ To a few other points I beg to draw the attention of hon. Members of this House. The Hon. Premier has rightly described this tax as Shylockian tax. I say it is Shylockian tax, because the Government will squeeze everything out of the tax-payer just as Shylock did squeeze the blood and everything.”

THE HON. SRI C. RAJAGOPALACHARIAR :—“ I referred to it in a much earlier scene, and used the words ‘ good amount ’ meaning thereby sufficient amount. I said this tax was a good tax because it would fetch sufficient revenue.”

* MR. J. A. SALDANHA :—“ The Government can squeeze out as much as possible from the poor people as has been found in the United States and other places.

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“ One other point that I wish to refer to is diversion of trade from the British territory. The Chairman of Cochin Municipality and other people have sent in their representations saying how they are already suffering from diversion of trade from British Cochin to Matancherry. Now this will be a further inducement. The trade will gradually shift and ultimately British Cochin will cease to be a prosperous port.

“ I may mention another instance which is nearer home, viz., South Kanara, where a large number of people are depending for their wealth on coffee plantations in Mysore. Out of 8,000 or 10,000 tons that are produced, at least 2,000 tons are produced by the people of Mangalore in the Mysore territory. On account of depression we have been very hard hit and many of us are in a state of distress. I say that most of the coffee estates do not yield a sufficient income as to be the basis for income-tax. When there is no income at all, you can imagine what the fate of our people will be when coffee products are subject to this form of taxation. When this tax is imposed what will happen is this : A man who does Rs. 20,000 business gets no net income at all. He pays no income-tax. When the screw is turned up by the Revenue Department to pay this sales tax, he will have to pay this tax out of his gross income which gives no profit to the merchant. This tax is intended to be imposed not on the profit but on the turnover. I may warn the Hon. Premier that already many of our merchants in coffee plantations divert their business from Mangalore. Instead of bringing the coffee to Mangalore, they are taking it to Bangalore and other places. So these 2,000 tons will very soon be diverted from being imported into Mangalore. All the coffee planters who export their coffee to Europe, whether it is produced in British territory or in Indian State, will not pay a tax, but the purchaser of this coffee has to pay tax. He will have to pay the tax even when the exports are carried out by the Agents of British merchants, say Parry & Co., or some other party, while others, will not have to pay. Under the provisions of this Bill, a purchaser will have to pay the tax. If a man who produces the agricultural produce sells his produce he is not liable to tax. Now the purchaser will, under these circumstances, say ‘ Well, we have to pay tax; therefore I deduct so much from your price.’

“ Another point urged by the Hon. Premier is that he should make up the deficit in loss of revenue on account of Prohibition. I may point out that Prohibition has been introduced only in two or three districts. I am at a loss to understand as to why it should be presumed that it is going to be introduced in the whole Presidency within three or four years or within the tenure of the present Ministry. If they want to go to the country and tell the 12-30 electorate that they have introduced Prohibition, they must p.m. achieve this purpose only by a slow process. ‘ Fastina Lente,’ hasten slowly, that is the old proverb, if one wants to go on steadily

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and cautiously also. If they had adopted this policy, they need not have brought in this General Sales Tax Bill. Gradually they could have made up this deficit by some other taxes, by taxing for instance luxuries like tobacco. The Prime Minister told us that he has not been able to find the total value of the goods that will be taxed all over the Presidency. Therefore I would recommend to him the caution that is observed by the Bombay Government in introducing a tax on sales. That Government too do not know the total amount of the sales; so they propose to begin with licensing alone for the first year at the end of which they hope to find out the total amount of goods which will come under taxation. Instead of proceeding cautiously as the Bombay Government is proceeding, our Government here proceed on guesses. I have heard hon. Members on the other side say that they expect to get one crore of rupees without any difficulty in the first year, two crores in the second year and so on. In any case they expect to get five crores ultimately. I ask, Sir, why go on guesses, why not proceed cautiously, first by having a modest measure of licensing alone?

"Admittedly, Sir, this tax is not a tax on income. The fundamental principle laid down by this great author whom I have quoted is that as a rule taxes should be levied on income and should be based on the capacity of the people taxed to pay. I mentioned the case of a friend of mine who deals in coffee and whose annual turnover is over Rs. 20,000 and I have explained that under the circumstances of the trade he is unable to pay any tax. This tax is calculated on the total turnover and not on the actual income. Thus two fundamental principles of sound finance are offended by this Bill. Of course, in an emergency, when the country is in a state of war for example, we have to pay death duties and other duties besides a sales tax. It is said that a sales tax is levied in France, Germany and such other countries. But they are in a perpetual state of war. For a long time they were making up the losses of the last War and now they are preparing for another war. But are we in a state of war, unless we call prohibition a war against the vice of drinking? The sales tax is a desperate remedy for desperate situations and I ask, Sir, are we in such a desperate situation now as to necessitate the adoption of such a desperate remedy as this? As regards the policy of total prohibition it is just like Don Quixote fighting against all sorts of armies of imaginary evils. I am reminded of him when I see these great Congress heroes with their queer ideologies. (Laughter.)

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

"Now, Sir, let me approach the question from a commonsense point of view. Let us take the case of Muhammadan countries like Persia and Turkey. Let us take the case of Japan, a very civilized country. Let us take France, Scotland and so on. In all those countries liquor is a great source of wealth and revenue. Japan,

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for instance, will never give up drinking the rice liquor, because they do not consider it a sin. Sir, many of us die from excessive eating. One of the causes of sin, according to our religion is gluttony. Drinking has not been mentioned as a cause of sin, but gluttony, that is to say, excessive eating, is said to be one of the causes of sin besides lust, anger, envy, etc. How many of us including myself have brought upon ourselves various ailments and diseases by excessive eating and eating wrong things or eating good things in wrong times. What is condemned in religion is the abuse of anything. Wine is a God-given thing and drinking wine has never been forbidden by any ancient religion. This habit was prevalent in olden days among the Jews and the Arabs too. It was prevalent in the time of Abraham and Moses."

ABDUL WAHAB BHUKARI SAHIB BAHADUR :—"It was previous to the coming of Islam."

* MR. J. A. SALDANHA :—"This habit had the sanction of ancient religion. Wine and women are causes of sin, but that does not mean that we should avoid wine and women altogether."

MR. PRESIDENT :—"Order, order, it has nothing to do with this."

* MR. J. A. SALDANHA :—"The point was raised by my hon. Friends on the other side that they have done a great thing by introducing Prohibition and that they have lost revenue on that account and therefore they should have this sales tax. I say, let us call a halt to this policy, see what has been the effect of it and proceed further cautiously and not introduce all these emergency taxation measures at once.

"Now, Sir, one point has been lost sight of in all these arguments. I think the Hon. the Prime Minister has recognized the value of it. In countries like Europe and Asia where wines and other drinks are allowed, these are a great source of wealth and revenue. They form a great industry. As was pointed out by Mr. Gonsalves wine is used like water in some countries. Even in Goa they often drink cheap wine, instead of water. The same is the case in Pondicherry. If you want to drink good wine you may as well go to Pondicherry. In Europe it is a source of wealth, a source of pleasure and a source of revenue. It is a big industry. Look at the amount of wealth involved in the industry of whisky in England and Scotland, in the industry of champagne in France and in the industry of rice liquors in Japan. When first the English came to India they realized the wonderful value of the rich wines we have in the shape of toddy and the first Englishman in India, Fr. Thomas Stephens wrote a long letter to his friends in England extolling the virtues of toddy and pointing out that toddy was a rival to their wines. Gradually as the British came into power they

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passed many vexatious measures for checking the growth of our distilled liquors and toddy which is better than beer and more efficacious than beer.

"My hon. Friend, Mr. Rangaswami Ayyangar said the other day that the Hon. the Minister for Public Health admitted the virtues of toddy and said that it had some food value and that there were vitamins in it."

MR. PRESIDENT :—"The hon. Member is going away from the subject."

* MR. J. A. SALDANHA :—"The Hon. Minister admitted that toddy has certain vitamins. Vitamins need not necessarily be food. They are certain forces, certain powers and that force is found in toddy in a certain shape. It is not a sin to drink. It is a sin to abuse anything. It is a sin to drink coffee excessively. What amount of mischief is caused by excessive drinking of coffee or tea? We are introducing coffee and tea in the place of liquor and what is the cost of a good cup of coffee? A cup of good coffee or tea cannot be got for less than one anna a cup. In the villages they only give an apology for coffee or tea. They give bad coffee and bad tea which are mere poisons. Coffee or tea itself is condemned by some Hindus as poison. The Prime Minister the other day said that they must encourage the substitution of tea or coffee for toddy. I must admit that if coffee and tea are prepared properly and drunk they will be very good beverages. Therefore, Sir, I say that to condemn drinking toddy is quite wrong and unfair. Let us bear in mind the international customs and not condemn a thing because our Shastras say that it is bad. After all, Sir, the Shastras do not condemn drinking of liquor. They only say that if a Brahman drinks liquor molten lead should be poured into his mouth."

MR. PRESIDENT :—"That is all irrelevant to the issue before the House."

* MR. J. A. SALDANHA :—"Whatever it be, I am submitting that no case has been made out at all for raising this tax at the present moment. If the Government think that they are going to banish the habit of drinking from the country I am sure they will never succeed. Even if they succeed in doing that, I say they will do a great injury to a big industry and good source of wealth and revenue."

* SIR FRANK BIRLEY :—"Mr. President, in rising to say a few words on this motion, I am so imbued with the truth of the maxim that 'brevity is the soul of wit' that I promise not to keep the House for more than a few minutes. The views of my constituents have already been adequately voiced by someone else in another place and as I am in substantial agreement with those views I do not propose to waste the time of the members of this House by reiterating them."

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"I cannot however refrain from taking advantage of this opportunity to say a few words of my own on this vexed subject."

"One of the outstanding features of the reception of this Bill throughout the Presidency was the unanimity of approval from those whose pockets are not directly affected by the terms of the Bill and I would suggest that the very fact that they are not affected is some reason for discounting their approval. However Government having lent a patient ear to the chorus of praise will, I trust, lend an equally patient ear to those like myself whose views are tainted with self-interest."

"Sir, in speaking on the Tobacco Bill I mentioned that having accepted the inevitability of the policy of Prohibition I must also accept the inevitability of taxation to compensate Government for the loss of revenue which the policy of Prohibition entails."

"In other words I recognize that it is useless to knock my head 12-45 p.m. against a brick wall or rather a steel bulkhead, and again with reference to the Tobacco Bill I said that I recognized tobacco as a suitable object for taxation; and I can now say that there are many points in favour of raising revenue by means of a sales tax but there are sales taxes and sales taxes and this is one of the sales taxes of which I disapprove for reasons which I shall endeavour to make in the several amendments which I propose to move at the appropriate time."

"I consider the scale is too high, the scope too wide, the rule-making provisions too liberal and in fact it is full of omissions and commissions which make the Bill unacceptable in its present form and I really think it ought to be rubbed out entirely and written again like the school boy's exercise that was full of mistakes."

"Before I finish I would like to say that I do not like to think of the Hon. the Prime Minister in the guise of a Shylock demanding his pound of flesh but I prefer to think of him as a gentle maiden yielding gracefully to the wooing of his suitor. I admit that neither he nor I are well cast for such a scene but if he will appreciate the general idea involved in my simile he will, I hope, see the reasonableness of the amendments which I shall propose and allow the Act to be amended so that it may be a better and wiser Bill."

SRI V. GANGA RAJU :—"అధ్యక్షా! ప్రస్తుతపు ఈ చట్టపు విధానము ఇదివరకన్న చట్టపు విధానముకంటే చాలా సందర్భమునానున్నదని మన ప్రధానామిత్యులు తమ అనుభవములనుబట్టి తలచిచూచారు. మామూలుగా మన రాష్ట్రములో వచ్చు ఆదాయములో ఎక్కువభాగము వీధిప్రజలవల్లనే వచ్చుచున్నది. దానికి తార్కాణముగా ఇంతకుముందు ₹॥ ప్రధానమంత్రిగారు చెప్పినట్లు 2½ కోట్ల రూపాయలు కల్లువల్లను, 1½ కోట్ల రూపాయలు పారావల్లను, 50 లక్షల రూపాయలు గంజాయి, నల్లమందులవల్లను వచ్చుచున్నట్లు తెలియచున్నది. మొత్తమువీధి

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ఈ నాలుగు కోట్ల రూపాయల శిస్తు మీద ప్రజలనుండి వసూలుచేయుట చాలా దుర్భరమైన విషయము. ఈవిధముగా ప్రజలను దురభ్యాసములకు లోనుజేసి దానివల్ల ప్రయోజనమును పొందుచు ప్రభుత్వమును సాగించుట నైతికముగా మానవత్వానికి వ్యతిరేకము. అందులోను ప్రస్తుత భూమి పన్ను విధానమువల్ల రైతులేవిధముగా బాధ పడుచున్నారో మనకందరకును తెలిసినదే. ఒక యకరము భూమిగల ఆసామి తన భూమిపై సంవత్సరముకు కచ్చు ఆదాయములో 40 రూపాయలలోను 10 రూపాయలు శిస్తు చెల్లించవలసివచ్చుచున్నది. అంటే నూటికి 25 రూపాయలు భూమి శిస్తు కట్టుచున్నాడన్న మాట. ఇంకొక ఉదాహరణనుబట్టి చూచినట్లైతే రైతుయొక్క బాధలికను వివరముగా తెలియగలవు. ఒక వ్యాపారస్థుడు సంవత్సరానికి 20 వేల రూపాయలు నిలువచేసిన నే తప్ప 1,999 రూపాయలు నిలువచేసినప్పటికిని అతడు ప్రభుత్వానికి పన్ను కట్టుటలేదు. వీటినిన్నిటినిబట్టి చూచినట్లయితే ప్రస్తుతమున్న పన్నుల విధాన మేమాత్రమును సమంజసముగా లేనట్లు తెలియుచున్నది.

“గౌ. సాలానాగారు మాట్లాడుచు ‘ఈ పన్ను దేశములో అశాంతి ప్రబలి యున్నప్పుడు వేయదగినది కాని శాంతియున్న ఈ సమయములో వేయదగినది కాదని’ చెప్పినారు. వారి దృష్టిలో ‘ఇప్పుడు దేశములో యుద్ధము లేకుండా’ యనుకొనుచున్నారు. కాని ప్రభుత్వమును నిర్వహించు కార్యకర్తలు భారతదేశమును స్వతంత్రదేశముగా జేయ సమకట్టి ఆ లక్ష్యమునకై దేశములోని ప్రజలయొక్క నైతిక బలము, ఆరోగ్యము, విద్య సర్వవిధముల వృద్ధిచేసి వారిని స్వంత యుద్ధానికి బ్రతికే సామ్రాజ్యతత్వముతో పోరాడుటకు సంసిద్ధులగుజేయ సమకట్టినారు. కార్యకర్తలువారు ఈ విషయమును ఇప్పుడు చెప్పలేదు. ఎన్నో సంవత్సరములనుండి చెప్పుచున్నారు శ్రీ నారాయణస్వామి నాయుడుగారు ఈ పన్నువల్ల ఎన్నో కోట్ల రూపాయలు వచ్చుననియు, కాలిన ఈ పన్ను అవసరములేదనియు చెప్పినారు.”

SRI B. NARAYANASWAMI NAYUDU :—“ఈ సంవత్సరము అవసరములేదని చెప్పినాను.”

SRI V. GANGA RAJU :—“అక్టోబరు నెలలో సప్లిమెంటరీ గ్రాంటులలో విడోయొకటి కోరవచ్చును. మనకు డబ్బున్నట్లయితే ఖర్చు కనపడకుండా యుండదు. ఈ పన్నువల్ల ఎంత ఆదాయము వచ్చుననే విషయముకూడా ఆలోచిద్దాము. మన రాష్ట్రములో 800 కోట్ల రూపాయల వరకము సాగినగాని ప్రభుత్వానికి 4 కోట్ల రూపాయల ఆదాయము రాదు. 800 కోట్ల రూపాయల అమ్మకములు జరుగునాయనే విషయముకూడా ఆలోచించవలసిన విషయమే. 10,000 రూపాయలు అమ్మకములుచేసే వర్తకులు గ్రామములలో లేరు. ఈ పన్ను చాలా అవసరమని అందరును వచ్చుకొనుచున్నారు. విలే అందులో కొన్ని బాధలున్నవని మాత్రము చెప్పుచున్నారు. రేటు విషయము చూచినట్లయితే ప్రపంచములోని ఇతర దేశములలో అప్పుకప్పు పన్నును పోల్చిచూచినట్లయితే ఈ పన్ను చాలా తక్కువగానున్నదని చెప్పక తప్పదు. కొన్ని వస్తువులపై వారు నూటికి 30 రూపాయలు అమ్మకపు పన్ను విధించినారు. ఇవన్నియు చూచినట్లయితే పన్నుల విధానములో ఈ ప్రభుత్వము వారు ఇతర దేశముల ననుకరించుట కిదియే మొదటి పర్యాయము. అది ఈ అమ్మ

17th May 1939] [Sri V. Gangaraju]

కపు పన్నుద్వారా ప్రారంభమయినది. ఈ పన్ను సంపూర్ణంగా ప్రభుత్వ భజానా లను నింపినట్లయితే గౌ. ప్రధానామాత్యులు చెప్పినట్లు భూమి పన్నును తీసివేయ గలుగుదుమని చెప్పినారు. నిజముగా వీదప్రజలనుండి భూమి పన్ను తీసివేసి ధనవంతులైనను భరించగలిగిన వారిపైనను విధించినట్లయితే చాలా లాభదాయకముగా భుండును. ఈ విల్లు ప్రవేశపెట్టిననాటికంటే నెరెట్టు కమిటీలోను తరువాత అసెంబ్లీలోను తగిన సవరణలతో ఈ సభలో ప్రవేశపెట్టినందులకు ప్రభుత్వమువారి నభినందించుచున్నాను.”

The House then adjourned to meet again at 3 p.m.

After Lunch (3 p.m.).

MR. PRESIDENT :—“The House will now resume discussion on the motion for consideration of the General Sales Tax Bill.”

SRI B. NARAYANASWAMI NAYUDU :—“Mr. President, an eloquent plea has been put forward by the Hon. the Prime Minister that the sales tax would take us to a great height in meeting the loss of duty on toddy. There is no question at all about that, and I may at once say : if it is going to reduce the excise revenue loss, or if it is in any way going to give relief to the toddy-drawer, there is absolutely no objection ; but that is a different question altogether. The real dispute is between the annihilation of that tax”

MR. PRESIDENT :—“I think it is better you come to the microphone.”

SRI B. NARAYANASWAMI NAYUDU :—“The annihilation of the liquor tax is a matter about which there will be difference of opinion. It is however unnecessary to detain this House over that question. The real practical question to my mind is the financial reconstruction of the provincial tax autonomy which is sought to be made. Is it made in a manner that is most suitable to the interests of this country? I do not dispute that a financial reconstruction is necessary ; but the dispute really is as to the manner of that reconstruction—whether the manner now proposed in this House is the right and the proper manner. That is the only question to be considered by this House.

“The general proposition that a general tax readjustment is necessary is a general thing and is absolutely beside the point, to my mind, as far as I can see. What the Government must justify now is the manner in which they seek to recast this tax system. Therefore, as I have stated already with regard to the Tobacco Bill, I do say with reference to this Bill also that so far as the financial year is concerned, there is absolutely no justification at all for this Bill. I am using the words guardedly ‘for this year’ because the estimates presented before the House are for a certain purpose, and those estimates do not require at all a crore of rupees

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that is sought to be raised by this Bill. It is not a technical plea that I am raising now. The attitude of the Opposition will depend on what the Government are going to do with regard to this crore of rupees. I am not at all disputing the programme of the other side, I am not at all disputing the fact that they want to accelerate the pace of Prohibition. It is their duty to tell this House what, if this crore of rupees is received this year, the progress we are going to make is, whether this money is going to reduce the land burden or whether it is going to fill up the Prohibition pit. It is not a technical matter in any sense: because if you say that you are going to fill up the Prohibition pit, then I am going to oppose it; if on the other hand, you are going to use this crore of rupees in order to lighten the tax burden on articles of consumption or the excise taxes with regard to production of crop, then the attitude of the Opposition will be entirely different and is bound to be different. Therefore, it is not a technical question that I am putting forward for the consideration of this House. If the Government say: 'No, we want this money in order to be kept as a reserve for tiding over depressed times; certain countries have adopted this method'—I do not have the references now with me, but I know certain countries have such reserves in order to tide over depressed times—if they say so, then by all means, let them say it. If the Government say that they want it for pushing on the Prohibition programme at the cost of all other activities, then I will oppose it. If they want this money for the purpose of relieving the burden with regard to the land tax, then, as I said, my attitude will be different. Therefore it is, Sir, that I say, both in regard to the Tobacco Bill and in regard to this Bill, that it is wrong for this House to be asked for a taxation measure without a regular definite programme being placed before it. It is a clear and decisive issue and I am putting it to the Government. Suppose, for instance, this crore of rupees is raised this year, and you are going to relieve the land tax; the land tax man will turn round at once and say: 'You have no business to oppose a measure which will give me relief; you must support the measure; otherwise, you are acting against my interests'; and that is why I am put in a dilemma now. If the Government say that they are going to put it in the Prohibition pit, I am voting against the proposal; on the other hand, if they are going to lighten the land tax burden, my attitude will be different. Therefore it is that I repeat with regard to this Bill, although the Government have got the right to collect the tax, is it right for them to collect the tax without stating how they are going to spend it? It is absolutely unfair to the Opposition. That is my first objection with regard to this Bill.

"My second objection, as I have stated, is not what may be called an objection to a sales tax, but to the sales tax as embodied in this Bill. That is the question now before the House.

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Is the sales tax as embodied in this Bill a proper tax? Does it deserve our committal or does it not deserve our committal, or does it deserve our condemnation? Surely, Sir, as Sir Birley put it, there are different forms of sales taxes; but the question is, what is the kind of sales tax now before the House? Does it justify the assent of this House?

"With your permission, Sir, school-boy though I might be, I might quote a passage from Fagan and Macy on 'Public Finance', experts who have contributed articles with regard to the sales tax. This is what they say:

'I am led to the conclusion that uniform general sales taxes are the worst; uniform general retail sales taxes, the intermediate; and selective sales taxes, with suitably adjusted rates, the least objectionable for the purpose' (page 583).

"I do admit that the structure of provincial autonomy necessitates the Government to have resort to taxation measures of this type; but that does not relieve them at all at once of the burden of considering the various forms of sales tax. It is no doubt an objectionable method of tax; and what is sought to be done by this measure, the taxation method as embodied in the Bill is the most objectionable. Again, the passage goes on:

'If legislators should nevertheless adopt the worst of these three alternative forms of sales taxes, it will be because they must, or think they must, make concessions to those who believe or affect to believe that sales taxes should be spread uniformly, and universally over all sales or all retail sales. It is perhaps inevitable that some experimentation with general sales taxes be carried on, but every citizen should devoutly hope that the experimentation may be done by some other State than his own.'

"The difficulties in the working of the Act, the incidence of the tax, how the tax will affect the trade and the industries and the primary products—these questions all go to the very root of every kind of agricultural and industrial activity in this country. Therefore, I say it is not a tax of the ordinary type; it has therefore to be examined in all its particulars and in all its details with the necessary care that is due to a measure of this type, by this House. It is no answer to say that prohibition is necessary or that the crore of rupees will fill up the prohibition pit and therefore this measure has been brought in. The real question is: what is the kind of tax before us? Is it a general sales tax, or as we find in the quotation that I now made just now, is it a retail or a selective sales tax? These are the questions before the House, and these are the points now at issue. I submit, Sir, it is not at all an academic point. It literally has a very important bearing, and in fact, the future of provincial autonomy will always be bound up with what may be called the tariff revenue derived from the several articles produced in the country and also in relation to competition in sales with the products of other countries. This tax is bound to affect us, and it is on a par with what may be called the Imperial preference business of Britain when they dealt with matters like this. Take, for instance, the case of

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only a duty on the turnover and the payment of a tax on Rs. 10,000 and upwards, but there is vast power taken under the Act by means of rules to regulate all the trading activities of this Presidency by licences. I do not know whether I am correct in this and I am open to correction by the Hon. the Prime Minister. This Bill no doubt proposes to levy a duty of half per cent on the turnover of Rs. 10,000 and over; but it does not stop there; it also proposes that all trades in the country should be licensed under the rules to be framed by the Local Government; and after all, we do not know what those rules are going to be. So, Sir, the whole thing is roped in and without any definite information. If it is merely a question of licences, as they have got in Bombay, it may be all right, because in Bombay they have got statistics and figures which they have compiled to show what its effect will be. Of course, statistics to the Hon. the Premier—and I think, he used the words—‘are like mosquitoes’; . . .”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I did not say statistics are like mosquitoes; I said, we must get rid of the mosquitoes and not only count them.”

SRI B. NARAYANASWAMI NAYUDU:—“We cannot dismiss these things as mosquitoes. But, you must consider this question as far better than mosquitoes. So, some sort of statistics must be taken and that is why notice of an amendment to the effect that the rate might be fixed at 1/8th has been given. As a matter of fact, we can start with a rate of 1/8th or 1/4th per cent. It should not be taken as if we are opposing it merely for the sake of opposition. As Sir Frank Birley said, it should be rubbed out. If you start with 1/8th per cent and get an idea of the several trades in the country which may be affected by the Bill—whether it is significant or insignificant—you can then ask us, ‘Is it unreasonable or obstructive or is it right?’ The difficulty is due to this all-embracing provision. It is like, if I may use a familiar expression ‘காஞ்சமாடு கம்பில் விழுந்தாப்போல்.’ That means if a famished person gets charge of a thing, he will, so to say, get all the chickens in the world and put them in the broth. So, Sir, I submit this Bill does not deserve our support and has to be rubbed out.”

* SRI T. A. RAMALINGAM CHETTIYAR:—“Sir, both yesterday and to-day we have been hearing a lot about the economic principles that have to be applied in matters of taxation, especially the taxation measures which came up before this House yesterday and to-day. In the first place, I was very much surprised that members who belonged to the Justice Party in the old Council, should now come forward and oppose these measures and ask for justification of the Prohibition scheme, that has been adopted by the Government. Sir, no doubt the policy of prohibition was first enunciated by the Congress when they were out of office. But in the old Council—and I am sure especially my hon. Friends Sir

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Mahomed Usman and Sir K. V. Reddi know—even in the old Council opinion changed very much indeed. With the concurrence of the Justice Party, of which both of them were the shining lights, and I believe Sir K. V. Reddi was at that time a member of the Government, a resolution was passed amending the motion of which I gave notice to the effect that prohibition ought to be introduced immediately and steps should be taken to bring that about, that immediate steps should be taken for the purpose of attaining total prohibition in the province within a period of twenty years. That was the resolution of the Justice Party adopted while they were in power. So, it is not at all correct for them now to say that it is a policy which is now imposed upon them by somebody else and that they are not responsible for that policy and all that follows from the adoption of that policy. (The Hon. Sri C. Rajagopalachariar: ‘Hungry bullocks.’) It is not a question of any single party or any single individual asking for total prohibition in this country and trying to adopt it, but it is a question of practically the whole country, including the Justice Party, seeing the necessity for it and adopting it as a national policy, even though for purposes of party politics, since it has been introduced by their opponents in actual practice, they may now come and ask for justification of it, or oppose it as it suits them. Then, Sir, I can only say, and we find, that even though they were convinced of it, they had not the courage to put it into practice. All that the Congress Party does now is, it has taken courage in both hands and is giving effect to the policy to which they (the Justice Party) themselves were converted and which they were also prepared to adopt, but for the fact it would have been unpopular as this measure is found unpopular.

“Well, Sir, having said that, my hon. Friends on the other side will also see the necessity that while they did not take courage and put the policy into practice, they should at least see that it is their duty to help this side of the House which courageously is going to carry out the policy which they themselves accepted while they were in power. Their attitude should be one of helpful co-operation; and I do not of course go to the length of saying like the Hon. the Premier, that they should support us in everything we say and what we bring forward, but what I say is, that they ought to be helpful to us in finding the money. It is their duty, as much as it is the duty of this side of the House that the required amount should be found for the purpose of giving effect to the policy adopted both by them when they were in office and by the whole House here when it was placed before it. Now, Sir, what is the position with reference to finding money for this purpose? Many of my hon. Friends on the other side, especially Sir K. V. Reddi and others, have gone into the list of available sources of provincial taxation, but if they had suggested the possible sources of raising revenue for meeting the deficit that might be incurred in giving effect to this policy of prohibition, there would have been no difficulty in adopting

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groundnut. Groundnut is a primary product; it is exported to foreign countries, but it is not a monopoly of this Presidency. It has got to face foreign competition; and when it faces foreign competition, the question naturally arises as to what is the effect of this tax on the groundnut trade. I do not mean to say that groundnut is going to be annihilated. This is not a question of what are called extremes, but the question will have to be considered as to what effect the tax will have on the groundnut trade. It has been definitely stated that the duty on the groundnut trade will fall upon the agricultural producer. Twenty-five per cent is said to be an excessive tax upon agriculture. The Hon. the Revenue Minister was saying something about the effect of the sales tax. I ask: Is it right with regard to groundnut trade? Has the question been examined? What is the incidence of this tax on groundnut? I heard, Sir, that in the Select Committee, it was represented to the Hon. the Prime Minister that the sales tax will be shifted to the producer and therefore the ryot will have to bear it, i.e., that the groundnut producer will have to bear it. The Prime Minister was heard to reply: 'I do not care: I want this money: I may give . . .'

SRI L. SUBBA RAO:—"Mr. President, is it permissible to refer to the proceedings of the Select Committee?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"The objection may make it appear that the quotation is correct, but it is not." (Laughter.)

SRI B. NARAYANASWAMI NAYUDU:—"If it is not correct, Sir, I do not want to pursue it. I simply say: what is the effect on trade? Groundnut is an important export trade; it is a trade which gives a revenue of about Rs. 10 crores to this Presidency. It is intimately connected with the agricultural products of this country. Agriculture, even according to the opening speech of the Hon. Prime Minister, is paying an excise tax of 25 per cent of a horrible type. What is the effect of this tax then on it? Is it going to add to it? My submission is that it is going to add to it.

"Not only that. Take again rice. We have got boiled rice. What is the position? There is keen competition with regard to boiled rice between Burma and Bengal and this Presidency. What are the figures with regard to this? So far as I can see, boiled rice exports from Madras amount to about Rs. 95 lakhs, while Bengal exports come to about Rs. 105 lakhs—I do not know what the figures are with regard to other provinces. So, what is the position? There is keen competition between Bengal and Madras in this respect in the Ceylon market. By the imposition of this tax, are you not subsidizing the Bengal trade in boiled rice? I want to know whether this is right. Is it right, without a full examination of all details, to put this tax upon Madras rice alone? That is one thing.

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"With regard to other articles, so far as I can see, turmeric exports amount to about Rs. 10 lakhs for the whole country, of which Madras exports amount to about 3 lakhs and Bombay exports amount to about 6 lakhs. There is therefore rivalry in trade with regard to turmeric as between Bombay and Madras. Again with regard to onion, the value of Madras exports is about 8 lakhs while that of Bombay is 9 lakhs, and here too there is competition. Unless there is going to be what may be called a certain uniform tax on the manufacturer or the producer in this country, traders in this province will be at a greater disadvantage if this tax as proposed in the Bill is to be levied. As a matter of fact, this point also is referred to in this book. This is what the expert says:

'It would fall most heavily on the native products of the State and their basic industries as compared with the imported ones. Few States would knowingly pursue that kind of tax policy.'

"It is again the policy of every Government to stabilize what may be called the home products, to give bounties to them in order to make them flourishing. Is your tax system to be the reverse of what is going on in other countries, i.e., are you going to subsidize the trade of foreign countries and place your own home-products at a disadvantage with regard to other markets? That is why I say that the question of exports and imports is a very important question, and that is one of the reasons why I say that this tax ought not to be put. This Bill cannot receive the assent of this House. So far as a selective tax is concerned, that is quite a different question. If it is a tax on particular articles it is a different matter, but we are now on a General Sales Tax Bill. 3-15 p.m.

"There is a further point and I hope other hon. Members will elaborate on that, and that is with regard to the scope of the Bill. It includes practically every article, for instance, rice, chillies, salt and every other blessed thing; it includes not only the breakfast table, but even the things that we must eat. The real question is—it is not as though the producer is not paying; he is of course paying the land-tax—'Are we justified in increasing his cost of living?' If there is in this country what is called the Unemployment Insurance, how the people are affected as a result of this Bill, will be known, because we will know how many persons are drafted into the scheme and how Government will deal with them. Fortunately or unfortunately in this country we do not have that Unemployment Insurance Scheme. Therefore, the result of a thing like this does not necessitate the collecting of figures to show how it will affect the unemployment insurance fund. Sir, increasing the cost of living has always to be avoided at least so far as the wage-earners are concerned. Wage-earners are an important section of the people and it is not good in the interests of the State that the cost of living of these people should be unnecessarily raised.

"Further, Sir, it will be found that this Bill is rather very, very comprehensive and I may even say, too ambitious. There is not

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their suggestions; but no sort of constructive proposals have so far been made by the other side as to the alternative methods of raising money for giving effect to the policy of Prohibition. Unfortunately, Sir, this policy of Prohibition involves us in very large expenditure. During the years 1923 to 1926 I implored the Justice Party which was then in power that that was the best time for giving effect to prohibition, because we had a reserve of 348 lakhs out of the contribution we were then paying to the Government of India and it would have therefore been easy for them to give effect to the policy of Prohibition had they only the courage to do so. But they did not heed the advice given to them and all the entreaties made to them. But, what did they do? The result was in the year 1920 when our provincial expenditure was nine crores, by the year 1930 when the whole of this 348 lakhs was released to us, our expenditure mounted up to 16 crores, an increase of 7 crores, or very nearly 90 per cent. That was what took place. If at that time, the Justice Party were only true to their resolution and wanted to give effect to the policy, they could easily have given effect to it; instead of doing that, it is not generous on their part to come here now and find fault with those who have the courage to put that policy into practice.

“ Well, Sir, it has been said by some, no doubt we have agreed to this policy of Prohibition, but there are so many things you have got to justify. ‘ You have not told us what exactly you are going to do with this money and so we are not going to support you. ’ I do not know what exactly my hon. Friend Mr. Narayanaswami Nayudu wants. Sir, we have said that the only thing that stands in the way of enforcing this Prohibition programme is the question of money; and the moment we find it, it is necessary the whole province should be made dry. The first charge on the revenues of the province, according to the Hon. the Premier—he has repeated it both inside and outside this House several times—is the introduction of Prohibition. In fact, he is going to extend prohibition throughout the province with all the available resources that he can find from this and other taxes. This is what he has stated everywhere. I do not think that there will be any difficulty about it at all. Sir, the policy of the Congress is well-defined in their election manifesto; they have stated it on many platforms. It is also well-known that we have got our Mecca, as our Muhammadan friends have got theirs. There is Wardha from where instructions are issued nowadays. It has issued instructions that there shall be compulsory practical education in the elementary stage extending over a period of seven years, within as short a time as possible. That instruction has come and my hon. Friend, Mr. Narayanaswami Nayudu knows it as everybody else

SRI B. NARAYANASWAMI NAYUDU :—“ You go on with ambitious programmes; I was only referring to priorities.”

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* SRI T. A. RAMALINGAM CHETTIYAR :—“ That is the second policy to which we are committed. Sir, I believe it was my friend, Sir A. P. Patro who made an estimate of the cost of compulsory introduction of elementary education in this Province and he found that for every year the boys had to be in school, the cost came to a crore of rupees and for the five years for which he had to make provision he found that he wanted five crores for introducing compulsory elementary education in this Province. Now, Sir, the provision that has been made for elementary education in the Budget is only two crores; so an additional three crores will have to be found if we are going to introduce compulsory elementary education in the province. But under the new system, that is, the Wardha system, they extend the period to seven years; of course, it is not too long. As a matter of fact both in England and America the school age has been extended from 14 or 15 to 16. From the sixth year up to 15th or 16th year, the boys have to be in school compulsorily and they have provided for it both in England and America. The proposal here is to have this compulsory education for seven years. The calculation made by the previous Government if correct, would raise the cost to seven crores, out of which we have provided for only two crores in our budget, and there is a balance of five crores to be made up. Even if we are going to get a large amount by way of income from the work turned out by the boys, all that we expect is at least the teachers' salaries may be found from out of the sale of the production of the boys in the schools. Even if that is realized, the cost will be two to three crores, over and above what we have provided in the Budget. There are these two things that have to be attended to.

“ My hon. Friend, Mr. Narayanaswami also knows and he referred to it just now, that in their election manifesto, the Congress Party promised that the land revenue question would be dealt with. They said that the land revenue would be made permanent giving substantial reduction and they also added that there will be a sort of income-tax on agricultural incomes on an equitable basis, which if well worked will give some amount. There are some adjustments to be made. In short, these are more or less the three big charges which the Congress Party is committed to; and all these things have to be got done.

“ Probably we would not be far wrong in saying that they want from ten to twelve crores at the outset. If that is found, then only effect may be given to the declared policy of the Congress and they will be able to carry out all that they promised in their election manifesto. Up to that amount, money has to be found. If Mr. Narayanaswami Nayudu wants to know how the amount is going to be spent, the answer is there already. The first is that we have to meet our deficit caused by the Prohibition policy of the Government and then there are the questions of elementary

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education and land revenue. These are the three matters which are being dealt with together. I do not think that it is quite right saying that the Premier is going to use all the money for only one purpose. The Government, for that matter any Government, has to run the Government as a whole. It is not as if the Government will sit still with respect to all other departments and give effect to their policy only with reference to one department. All the requirements of the country have to be dealt with and it has to spend its income distributing it over all the departments that they consider necessary in the government of the country. So, there are the three policies that I have mentioned. No doubt there are so many other things; there is the question of village re-construction; there is the question of cottage industries to which in one way or another the Congress Party is committed. Though they have to attend to all these questions, the above are the three items which will swallow the bulk—probably much more than the bulk—of the amount; it may even be the whole of the amount, that we may be deriving from this tax. It is quite unnecessary to ask how this particular amount will be spent because it has already been said by the Hon. the Premier that if he was going to get five crores of rupees, that very moment he would extend prohibition to other areas.

“It was remarked by Sir Frank Birley that the general sales tax is being supported by those persons who are not affected and it is the person who pays that is opposing. It is nothing new. Everybody who has got to pay would rather avoid it if he could help it and nobody wants to pay taxes if he could help it. I assure him that he and his constituents were not the only persons that have to pay; there are many on this side of the House, who support the Congress, who have got also to pay. It is not as if members on the other side of the House and their constituents only that have got to pay this tax; there are heaps of people on this side as well who have got to pay; we would also not like to pay if we could help it. As a matter of fact if I could admit those on the other side into the secret of what is going on in this side, I could say that the Premier has had no sleep or any sort of rest owing to the importunities of his own supporters. If it could be helped everybody would like to avoid paying taxes. But what they realize is that they have to pay, otherwise they will not be able to carry out what they have committed themselves to. They think that the heroic course would be to pay the additional taxes; there is no other go, however unpleasant it may be. (Interruption.) That is the difficulty; it applies to every tax, not only to these two taxes. Unfortunately these taxes affect a very large number of people.

“It ought to be said in favour of what Mr. Nayudu said that the general sales tax is bound to affect different trades in different ways. There are some trades which will be affected very hard and

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there may be others which may be affected less. But to assert anything with reference to who is going to pay the tax or to say how it is going to affect them is a very difficult matter. I have been reading literature on the subject for some time and I can say that in the whole field of economics there is nothing more difficult than to assert about the question as to who ultimately will pay a certain tax. It is a very difficult job. Take for instance the general sales tax. What happens? In some cases it is the producer that will have to pay. In some other cases the consumer will have to pay. In a considerable number of cases, the actual dealer will have to pay. It is very difficult indeed to say with certainty who will ultimately pay because it depends on the circumstances of each case. Take the case of the groundnut trade. I agree with my hon. Friend more or less that the market is outside and the prices are fixed by the purchasers and not by the producers. There the tax will have to be paid by the producers. This is quite possible in this trade. But circumstances may not be the same with regard to the other trades. If there is a monopoly as in the case of petrol, there is no difficulty and the tax will without difficulty be passed on to the consumer. But if there is competition and if there are a large number of dealers, probably the dealers will have to pay it. Competition will be such that the dealers will not be able to pass it on to the consumer. In such cases, there will be the difficulty of some of the middlemen being eliminated; but these are difficulties which are incidental to a tax like this.

“But as the hon. Member himself said there are no statistics and no information with reference to all these things. It is only by experience that we have got to learn. He suggested that the experiments might be made by somebody else and that we might profit by that experiment. Who is going to make such experiments for us to benefit? Our difficulty is that we want money and we have got to make experiments ourselves and undertake this legislation and learn how the incidence of this taxation is going to affect the various trades in its actual working. Already when the matter was represented to the Hon. the Premier, he had been anxious to meet many of the difficulties that were represented to him. You may have seen that when the original Bill was published, there was no provision for exemptions. Now, what has he done? He has, so far as cotton and yarn are concerned, in order to help an indigenous industry which is almost in a tottering condition owing to competition from the local mills and imported articles, done the right thing by exempting them from taxation. This is a case in point. Similarly, we have the case of skins and hides where he has introduced partial exemption though it is not a full exclusion. Then the case of bullion dealers was brought home to him; he was convinced that they will really suffer and he has excluded them. He has been trying to meet some of the difficulties. I personally think that he could have done well in

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meeting some more objections; that is a different matter and it is not a matter about which we can really complain and say, 'Because you have not excluded those things, we have to oppose the Bill'. For these are matters which we will have to reconsider in the light of the experience which we may gain during the next half year. If he is convinced by March next that particular trades had been affected very badly by this tax, he will, I am sure, bring in an amending Bill to rectify it. I may also tell my hon. friend, Mr. Narayanaswami Nayudu, who suggested a selective tax in preference to this general tax that some of us on this side agree with him that probably a smaller general tax with a tax on a higher scale on selected goods might yield the same amount that is expected of this tax. But the Hon. the Premier is not in the present position willing to accept that because he considers it too speculative on one side and also it may probably affect the other traders which will have to pay a higher rate. That, I presume, is his attitude so far as I could gather from his speeches. I am sure that Mr. Narayanaswami Nayudu will admit that these are matters with reference to which experience has to be gained. It is only after actual experience is gained and after finding out how we can deal with these things that we could finally adjust this taxation. I am sure that in the absence of statistics and in the absence of any basis on which we may arrive at a decisive conclusion with reference to the incidence of taxation and the results of the tax on various trades, the only course that is open is to have a sort of general tax which is not a final position to which the Government will be committed for ever but a matter for re-adjustment later on after studying the effects of the taxation on the various dates.

"Something was also said yesterday about the calculation of the income from this tax and my statement of the possible income from this tax was put forth sometimes as an argument and sometimes as a matter for ridicule. The data upon which I based my calculations were rough and I had no time to prepare a speech on the particular occasion when I made the statement and I had to make an extempore speech. I made that statement on the basis of what I had in my memory as a result of what I could gather. The data were necessarily rough and I assure the House that that statement was not made in an irresponsible way. The amount is arrived at like this. The sea-borne trade of this province comes to about 100 crores of rupees; the rail-borne trade will be somewhere equal to it. We have no statistics for it. Our rail-borne trade may be somewhat less or very near that. We get a large quantity of goods even when they come from abroad, through Bombay and other ports coming through railway. Though we have no figures to proceed upon, we may take it that the rail-borne trade will be very near the sea-borne trade of the province; it may perhaps be somewhat less. Then there are the mineral resources and also industries. Of course the industries do not

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stand by themselves and they have to be taken along with raw products. The industrial and mineral output have to be added. Then we have got the agricultural products. We have got 36 million acres under cultivation. I think that in 1937-38 the extent of area under cultivation was 36 million acres, three-fourths of which produced foodstuffs and one-fourth produced non-foodstuffs. If we take one hundred crores under each head as the income then the total income will come to five hundred crores. Out of that we will have to leave something for the agriculturists' own consumption. And for that if we leave half of one hundred crores, the whole trade will come to something like four hundred crores.

"Now, Sir, another difficulty arises. This is all rough calculation. In the case of groundnuts it was mentioned that it changes hands about three times before it finally goes out of the province to other countries. But if you take a commodity like cotton, before it reaches the consumer it passes through something like eight to twelve hands; and so, you will find how many turnovers there will be in each case to pay tax. If you take four hundred crores as the basis of the transactions of the turnover, and if you calculate four or five times on that, you will get ten crores. So you will find that figure ten crores, I originally said, was not made with an idea of a bravado on one side or with an idea to threaten other people, on the other side. It was made only on a rough calculation. The exact figure could not be worked out, as nobody knows what will be the number of turnovers with reference to each goods. So I was able to say only on a rough scale. I may say that I mentioned some of the data for arriving at the figure and all that, naturally, as there was no written speech, the report of my speech did not contain all that I said. The Chamber of Commerce expected from me the treatment of the matter at some length; I made a speech extending over nearly two hours, but the report of it was only 1½ to 2 columns in the Press, and naturally you do not expect all I said to appear there. So, I am sorry to say, I was attacked on both sides. (Laughter.) Not only that it was necessary, in justification to myself I have to explain how that figure was arrived at. The statement was not made irresponsibly.

"Then, Sir, it was also said that we are not helping exports, and that it ought to be in the interests of this national Government to support our indigenous products. That is the policy that is adopted by this Government. As a matter of fact, the Select Committee went into this question and one of its reasons is."

MR. PRESIDENT :—"The hon. Member should not say anything about the proceedings of the Select Committee."

* SRI T. A. RAMALINGAM CHETTIYAR :—"Sir, the question of competition from other markets and other provinces has been one of the reasons for exempting cotton and yarn from the incidence of taxation. Similarly with reference to skins and hides, it is this same consideration that led to the levy of the tax at one

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stage instead of at all the stages. And again it is this consideration that made Government agree to give a rebate of half the tax on finished goods exported from this province. I dare say there will be several such goods to be exempted in that way; and experience alone will show that. I am sure the Hon. Prime Minister will consider the situation when it arises. Of course, I have already said that there is a way of adjusting matters and he will do it when next he amends the Bill. And also I hope he will make the tax as low as possible, have a list of luxury articles to be taxed heavily under this measure, like motor cars, perfumery and things like that. So that what may be lost by way of general tax may be gained by way of a luxury tax. By doing so, Government will not be worse off. Even if the luxury tax is begun at a low figure it is bound to increase the income from this source in course of time, and then the rate can be increased. Such re-adjustments will occur with reference to this tax; because this tax will take the place of the excise and land revenue. Ultimately this is going to be a big source of revenue for the Government in years to come. This I think is the present position; and so this is the justification for this Bill.

"I am now reminded by an hon. Member near me that the Justice Party, while it was in power undertook also the policy of Prohibition, as we have done. They started four lakhs allotment for the purpose of anti-drink propaganda. Yes; but it did not have any effect; they only wanted to show to the people that it is not good to drink. All the same, that only shows, it is not a new policy that this Government is putting forward. In fact that has been the policy for a long time of the Government-in-power; all the parties in India support it; all the people in India support it. It is also a fact that the upper classes do not give revenue under this drink tax; and the general feeling in the country is that the upper classes should say that they do not want drink at all. And if they say that, there is no justification for the poor people, the illiterate people to be forced to bear this Drink tax. And that is why all parties in the country including the Justice Party adopted the policy of Prohibition."

* MR. S. J. GONSALVES :—"Mr. President, the question that arises for determination by this House is whether the tax proposed as a general sales tax is a just tax, and whether it ought to be sanctioned by this Chamber. This morning the Hon. Prime Minister made a vigorous attack upon two main sources of revenue that paid the cost of administration of this Province. The first is land revenue. And he said that it is an excise on foodstuffs, and as it is an excise on foodstuffs it is dishonest. The second source was excise revenue; and he said that excise revenue was an excise collected from the poor people. And as it is money drawn from the pockets of the poor people, it is unjust and it is also dishonest. I think, Sir, he used the word 'dishonest' and that is why I am repeating that word."

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THE HON. SRI C. RAJAGOPALACHARIAR :—"I did say 'dishonest'."

* MR. S. J. GONSALVES :—"Thank you, Sir. I desire to examine the tax proposed to be levied in the light of these observations. My submission is that the taxes proposed to be levied by this Bill are also dishonest when examined in the light of these observations. Because this Bill does not exempt foodstuffs; and mind you, they levy tax on foodstuffs not once, twice, thrice or four times—and I think, here, I may use the language of Mr. Ramalingam Chettiyar, when he said that the commodity will change hands from 8 to 13, and he said that with reference to cotton and cotton yarn. It is also true of foodstuffs; for they too, before they reach the actual consumer will change as many hands as cotton or cotton yarn."

THE HON. SRI C. RAJAGOPALACHARIAR :—"Perhaps Mr. Gonsalves will not grudge my telling him, that it is not foodstuffs that is taxed, it is the man who buys the foodstuffs; not the producer of the foodstuffs, but the consumer who pays for it and who is able to pay for it. The difference lies in this; the foodstuff is taxed; but not the man who produces it, but the man who buys it."

* MR. S. J. GONSALVES :—"The Hon. Premier says it is not the producer but the consumer of the foodstuffs that is taxed. Now the point that arises is whether foodstuffs should be taxed in this country, where the purchasing power of the people, as has been several times pointed out, is very very small. I think it was pointed out yesterday that the average income of a man in this country is Rs. 4 or Rs. 5 only per mensem, or roughly say Rs. 50 a year. (Interruption from the Opposition Benches.) Anyhow the purchasing power of the ordinary man in this country is far lower than that of similar people in other countries. I think that proposition cannot be controverted."

"Now, the point I want to make is that it is not just to tax foodstuffs when the purchasing power of the people is low. If you look at the taxing clauses in this Bill you will find that not one single article of foodstuff has been exempted. Even the most necessary articles are also brought within the scope of the Bill. The exempting clause is clause 5, where you see only bullion, specie, cotton and cotton yarn and cloth woven in hand-looms are only exempted. So in the list of exempted articles you do not see a single article of prime necessity. May I submit it is very unjust to levy a tax even on the primary articles of food. Now the point is also this: how many times is this tax to be levied? If it is to be eight to twelve times, what will be its effect on the price of those articles? Is anybody in this House in a position to say that the price of foodstuffs will not increase?"

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"I think Mr. Ramakrishna Reddi went into details and said that in numerous cases the consumer will have to pay; and I, for my part, think that in the matter of foodstuffs the tax will eventually fall upon the consumer, for he has to pay whatever price is demanded. Therefore, the producer and the dealer will see that the burden of the tax will be shifted on to the consumer of necessary articles of diet. I submit, Sir, that taxing the consumer by raising the price of the foodstuffs is unjust and is certainly dishonest. It seems that it is eight times as dishonest as land revenue.

"Then, Sir, the persons that are exempted are the bullion sellers and specie sellers. Well, we are not very much interested in bullion sellers and specie sellers and I think they are people who can take care of themselves. I do not think that they want protection from this House. I think the persons who want protection from this House are the poor. It is these poor people of India that we must look after and that we must protect.

"Then, Sir, it has been pointed out that cotton sellers, cotton yarn sellers, and sellers of cloth woven by hand are also exempt. Well, Sir, dealers in those articles will be exempt and these dealers I place in the same category as the dealers in specie and dealers in bullion. They are big men like Mr. Ramalingam Chettiyar and other people and they will be able to take care of themselves. But all this cotton and all this yarn that is produced by big people and that is produced by mills are not usable by the common man and they are not usable by the poor man, unless it reaches the manufactured form; and when it reaches the manufactured form, the tax is levied upon it. It will be seen, Sir, that the tax is to be paid upon these articles, not when they are in the hands of big people but when they come to the consumption stage, when they have to be used as articles of clothing.

"I submit, Sir, that this exemption is only a seeming exemption, but not a real exemption. I lay stress upon the word 'seeming'; it is not real exemption. Actually the poor consumer has to pay the tax. The observations that I have made with reference to foodstuffs are applicable to this also, because articles of clothing, ordinary clothing, are required by every man; and therefore the dealers will see that they shunt this tax on to the consumer and we will be making the consumer pay. Therefore this tax is unjust and this tax is dishonest.

"Then, Sir, probably another exemption that is found in section 5 though deemed to be an exemption, is also only a seeming exemption. It is not a real exemption. That exemption is 'cloth woven on handlooms.' Cloth woven on the handlooms will be exempt only in the hands of the dealers, who deal exclusively in it and not in the hands of dealers who deal in other articles. How many people are there who are dealing in cloth exclusively woven

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by hand? Every dealer has to deal in a number of articles, because it will not pay him to deal only in one article; he must earn an income by trading in more than one article. Therefore, after all, the dealers who will be exempt will be very few and when the articles reach the consumer, they will have to pay a heavy tax, because the man who produces the cloth does not pass it on to the consumer direct, but I think it will pass through 8 or 12 hands, and as Mr. Ramalingam Chettiyar said, the 8 or 12 point tax will affect the price and the effect upon the price will be the same as that on foodstuffs and the consumer will have to pay a heavy tax. Therefore the tax is an unjust tax and it is also dishonest.

"Now, Sir, coming to the other point of the Excise Revenue it was said that the Excise Revenue is dishonest revenue. Well, I certainly object to the word 'dishonest.' I agree that some points may be made against Excise Revenue."

THE HON. SRI C. RAJAGOPALACHARIAR:—"May I again correct, Sir. I did not say the revenue is dishonest. The system of taxing a particular class of people to support the State expenditure of the whole of the population is a dishonest system, especially when these people do not know that they pay for the whole of the State expenditure."

* MR. S. J. GONSALVES:—"If I understand the Hon. Premier aright, what he says is that the system by which the revenue is derived from the poor and how they are made to contribute to the cost of the administration without their knowing it is dishonest. After all the drink revenue is only contributed by a very small percentage of the poor and I think that fact will not be controverted. It is not all the poor people that go to the taverns and toddy shops to drink. Certainly some of the people go and that is a very small percentage; and I think, by statistics, we could say what percentage; of these poor go to the taverns and from what percentage of the poor this revenue is drawn in order that they may contribute towards the cost of the Provincial administration. But in taxing the foodstuffs it seems to me, Sir, that the tax is being imposed not upon a small percentage of the poor, but upon cent per cent of the poor people. Every poor man will be made to pay the tax; it is not only the men who choose to go to the tavern or toddy shops, but every man, whether he be a paralytic, or a man begging in the street and every woman who may not be able to go out of doors—even she—will be made to contribute to the cost. Her foodstuffs are taxed and she will have to pay when the Bill becomes law; she will have to pay more than she has been paying to-day, the contribution that is demanded by this Government. How can it be said that it is an unjust contribution when the contribution is made by a small percentage of the poor, who perhaps were able to pay—because it is not that they had not the money; (the system of buying toddy is a cash system; so far as

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I know there is no credit in the toddy and arrack shops) the man has got a surplus and instead of spending it on foodstuffs and better articles, he spends this on drink. I am not going to justify it. After all, it will be seen that the man who has got the surplus, instead of spending it on foodstuffs and other commodities, spends it on toddy, etc. (Interruption: Coffee and tea.) I am coming to that. It is an argument that has been advanced in all districts. Coming to the question of coffee and tea, it is really this. No doubt amenities have been provided for instead of drink in the shape of coffee and tea. It is certainly good. There is no doubt about it at all. What I am going to say is that these people who had the surplus money, 4 annas or 3 annas or 5 annas a day are now spending on coffee and tea instead of on toddy and arrack. Before they leave the coffee shop, they spend their 2 annas or 4 annas. I may say it is certainly a better form to spend on coffee and tea rather than spend it on toddy and arrack. But after all the money does not reach the house. Now, Sir, the point I was making is that taxing the people upon the absolute necessities of life is not just and here we are taxing all these people upon the absolute necessities of life.

(At this stage the Deputy President occupied the Chair.)

"We are taxing not merely people who are willing to pay, but taxing people who are unwilling to pay. Therefore, Sir, this tax must be deemed to be a tax which is unjust and it is a tax which is far more dishonest than the excise tax. (Hear, hear.)

"Well, Sir, I am turning to another aspect of this Bill. And it is this: the hardship caused to the people by the obligation laid upon them. Every person is bound to keep the account except very small people. That is clause 13:

"Every dealer and every person licensed under section 8 shall keep and maintain a true and correct account showing the value of the goods sold and bought by him; and in case the accounts maintained in the ordinary course, do not show the same in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf."

Then there is the proviso,

"Provided that this section shall not apply to petty dealers whose business is such as is not likely to make them liable to taxation under this Act."

"It is not clear as to who are those petty dealers. What is the definition of a petty dealer? Practically it comes to this, that every dealer, any man who deals, is liable to keep an account and if he does not keep the account, I think, he will be subject to unnecessary harassment which is sure to be the result.

"Then another aspect of the Bill is: it seems to me that this Bill has been very hastily conceived and that the Government themselves did not know what powers are necessary for collecting the tax that is levied under the Bill. It is a very short Bill. If you go through the clauses, I may say, every section has been

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provided with a rule-making power that the Government take for themselves. Except sections 2 and 3 almost every section, if we read the sections through, is provided with rule-making powers. Section 4, says 'shall be determined by the rules made in this behalf'; again in sub-section (2) says 'in such manner as may be prescribed by the rules made by the Provincial Government in this behalf'; rules are yet to be made by the Executive Authority. The next section, section 5 says: 'subject to such restrictions and conditions as may be prescribed.' Therefore the conditions and restrictions are to be prescribed again by the Government. Section 7 again says 'such finished articles of industrial manufacture as may be notified by the Provincial Government and subject to such restrictions and conditions as may be prescribed.' Again section 8 says 'The Provincial Government may, on application and on payment of such fees as may be prescribed in that behalf, etc.;" section 9 (1) again says: 'shall submit such return or returns of his turnover, in such manner, and within such periods as may be specified in the rules made under sub-section (2) of section 3.' Sub-clause (b) of clause 9 (2) again says the same: 'If no return is submitted by the dealer . . . the assessing authority shall proceed to determine the turnover in accordance with the rules under sub-section (2) of section 3.' The rules have yet to be made. Section 13 says the same thing: accounts have to be kept in the form 'prescribed in this behalf.' The forms have yet to be prescribed. In almost every section the Government want to take powers to lay down the procedure and to determine the method of taxation. Now, Sir, legislative powers are powers which a responsible Legislature jealously guards and which a responsible Legislature cannot surrender to executive authority. Here undefined powers are sought by the executive authority, and this argument was advanced by Sir Frank Birley when he spoke on the Tobacco Bill. These undefined powers which the executive want to take for themselves are powers of the responsible Legislature.

"Then, Sir, again there are the other sections to which objection was also taken in similar sections of the Tobacco Bill. There is the last section: 'If any difficulty arises in giving effect to the provisions of this Act, the Provincial Government may, as occasion may require, by order, do anything which appears necessary to them for the purpose of removing the difficulty.' It is difficult for us with a proper sense of responsibility to abdicate these powers in favour of the executive, for practically it will amount to an abdication of these powers in favour of the executive.

"Now, Sir, coming to the yield of this tax, in the Statement of Objects and Reasons, it is said that the incidence of the tax will come to a pie in the rupee and that therefore it may not be considered a very heavy imposition. I really do not know how Government have arrived at this figure of one pie in the rupee. If

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Mr. Ramalingam Chettiyar said somewhere upon his own calculation that this tax will yield ten crores, the Hon. the Prime Minister said that it is expected to yield only one and a half crores."

SRI T. A. RAMALINGAM CHETTIYAR:—"With the exemptions."

* MR. S. J. GONSALVES:—"If the Hon. the Premier had said with the inner knowledge as head of the Government, by having the facts and figures, by having reliable statistics before him I would have accepted it. But in giving us the figures, he says, 'I shall give it only as a guess.'

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

"I would not accept it if it is a guess, even if it is a guess of the Hon. the Prime Minister. I hope he will excuse me. He said that the net result of this tax will be that the Government will get a crore and a half. And then he said, 'You are talking of ten crores and five crores, but you are forgetting how much you will have to spend on the cost of collecting.' We have to invent the machinery, a very difficult machinery for collecting this tax. An elaborate machinery is required for collecting this tax. We do not know what the machinery is and we do not know what this will cost. If the Hon. the Prime Minister will tell us what the working of the machinery will cost, we can come to the conclusion as to what the net result of this tax will be. He says that the net result will be one crore or one crore and a half. If he comes to that conclusion he must give accurate figures. He must tell us the gross collections. He should tell us what the Government expect from this. Then he must tell us what he considers to be the cost of collection of this tax. Then deducting the second from the first and thus only he must give the figure which is the net income of the Government. I say this in order to show that the incidence of taxation would be far heavier than what the Hon. the Prime Minister thinks it will be. I think the consumer will be hit very hard. The consumer will have to pay very much and I think the purchasing power of the consumer is so low that to put this burden upon him is certainly unjust and far more dishonest than the dishonesty involved in the land revenue and the dishonesty involved in the excise revenue. So, Sir, I submit that it will be difficult for this House—I personally find it difficult—to give assent to this Bill."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, I am sorry I have to speak with diffidence for I am not a student of finance as Dr. Thomas. But as a ryot I think I have to speak on the various provisions of the Bill.

"Mr. President, as an agriculturist I am sorry I have to oppose this measure of taxation that is placed before this Honourable House, for I honestly feel that this Bill when it is translated into law will produce very mischievous effects on the agriculturists

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as well as the rural classes of this province. Here is a tax, Sir, which is a bad and pernicious form of capital levy not merely curtailing the enjoyment and comforts of a large number of the middle and poor classes but also drying up the stream which fertilizes the whole field of employment and industry. It is an admitted fact Sir, that agriculture in this province is the main industry. Mr. President, eighty per cent of the population of this province entirely depend upon agriculture and agriculture alone and the main products of trade in this province are the products of agriculture to a very large extent. At present in these days of depression the ryots are not able to find proper markets to sell their goods such as groundnuts, paddy and rice. They have to be at the mercy of the businessmen. At times they have to sell these articles at very low prices. When you levy this Sales Tax what is the position of the grower? It is true that we have provided a clause in this Bill to say that the agriculturist will not be taxed when he sells his products to the purchaser. But how far it is going to help the producer is a question that we have to decide. Mr. President, I honestly feel that this position will not help the agriculturist under any circumstances. Taking for instance groundnuts, we have to sell it to the foreign merchants. He purchases the article only having regard to the tax that he has to pay to the Government. He deducts that from the cost and pays the remaining amount to the agriculturist. If there is a provision to say that all agricultural products are exempted, then I can understand how far it is going to help the agriculturists. But when we have introduced a provision that when the agriculturists sell the articles, the purchasers have to be taxed, then there is no benefit to the agriculturist. It is all the same whether there is the exemption provision or not. And, again, Sir, with regard to these articles they must have good markets. The power of consumption must be enlarged. The Government must see that this consumption is expanded by various methods. But by introducing this you are curtailing that power of consumption, because it will be a tax on the rich as well as the poor, whether the articles are luxuries or necessities. The cost of living will be greater. The purchasing value of the person will be decreased with the result that he will not be able to purchase as freely as he could do otherwise. So the consumption is limited with the result that there is a fall in the price of the commodities. Who is the loser? I say it is the agriculturist. In spite of the provision you have made, you are not able to give the necessary relief to the agriculturist as far as the cost of their products of the province are concerned.

"Then, Sir, if you look into the history of other nations you will find that on account of this tax the power of consumption has been decreased to a very large extent. The following passage will bear eloquent testimony to my statement:

'The writer during visits on two occasions to Germany and France, made some investigation of the effect of the Sales Taxes in those countries and prices and became satisfied that the result was to increase the prices to

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the consumer in at least as much and often more than the amount of the tax. In this connexion it ought to be said that a mistaken idea is prevalent that the consumption of what are ordinarily called "necessities" goes on the same, regardless of business conditions. Reliable statistics have shown that in this country at least and probably elsewhere the consumption of such a staple article as flower has decreased to a very considerable degree by the effects of what are commonly called "hard times," and the depressed period of 1930, 1931 and 1932 has shown to what a great degree purchases of such articles of necessity as clothing are affected by such conditions.

"So the history of this tax in the foreign countries has shown that the power of consumption has been to a very large extent affected and the prices have gone down. The same rule holds good in this province also and therefore I submit that this Sales Tax goes a long way to affect the agriculturist of this province. Again, it not only affects the agriculturist but even the poorer classes, the workmen. As I have already said the cost of living will be greater and the purchasing power will go down. The standard of living will be at a low ebb. Again I say, Sir, if you look into history of the taxes in other countries the rule holds good there also. The cost of living has been very high. The rich man will no doubt be taxed to a large extent, but I submit that he will not be affected as much as the poor. After all, the money that the rich man has to spend on the cost of his living will not be much. It will be negligible for him when it is compared to his income. After all, perhaps instead of spending a thousand rupees the rich man will be driven to the necessity of spending a couple of hundreds more. He can afford to spend, that easily. But what about the poor man whose income is only about four or five annas a day? That man, instead of spending four annas will have to spend more. He will have to spend half a rupee perhaps. So, the way in which it affects the rich man is nothing. It is, as I said, negligible for him. I therefore say that this tax affects the poor man more with the result that he has to starve.

"I am surprised to see that even the foodstuffs have not been exempted from the operation of the law. A large number of countries have exempted them. Here even the ragi, the cholam, and the rice, have not been exempted. It is an admitted fact that the standard of living is very low as I already said, and that it is difficult for the poor people to make both ends meet. Under these circumstances how can you insist on these people to pay more taxes not on luxuries but even on necessities of life such as ragi and cholam? If you look into the conditions of other countries as I already said you will find what happens there. When I go to the amendment which I have given notice of I would draw the attention of the House to the operation of the law in other countries with regard to foodstuffs. But here we have not exempted the foodstuffs and that is the reason why I oppose this Bill. It has been argued that the Justice Party people are opposing everything. It is not the case. We have supported the prohibition policy. We have given our consent and even have voted for it. But why is it that we are opposing this measure? It is because you have not given exemption to foodstuffs and the agricultural

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products. You have not allowed the poor man to have his food. If you had exempted the agricultural products and the foodstuffs of the poor and taxed only the luxuries, I will be the first man to support your measure."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Is it so?"

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I have no practical objection."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Is it a sporting offer, Sir?" (Laughter.)

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Sir, the other day when the Electricity Bill came up before the House I asked the Hon. the Premier whether it is going to affect the agriculturist. He said, 'No' and then I said I had no objection to it."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I am referring to the foodstuffs tax."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"What all I say is, that if you give exemption to agricultural products and foodstuffs, I will be the last person to oppose the Bill. Because we oppose this measure I do not want the Government or the Chief Minister to think that we are opposing prohibition. As you know, we have voted for prohibition. But what I want to impress upon Government is that they should take into consideration the present miserable condition of the ryots, and the poor classes of this Province.

"If you look at the working of the various Parliaments, you will find that 'Ways and Means Committees' sit there in order to advise the Government as to how a particular source of revenue could be derived. They discuss and finally come to a conclusion and then advise the Government as to what sort of taxation measure they might bring forward in order to raise money. I ask 'Is there any such committee here?' You have brought forward within a couple of months six or seven taxation measures in this Province. Have you found out what would be the income that would be derived as a result of giving effect to those taxation measures? You do not know what the actual income from those measures would be and whether there is any necessity to levy more taxes now? Some three or four Bills were passed only day before yesterday; you have not given effect to those measures and immediately you now come before the Legislature with a fifth proposal to put a sales tax on all articles, without finding out whether such a tax is necessary or whether it will benefit the poor or the rich. My submission is 'why are you in a hurry?; find out if there is a necessity for such a tax; if you find out after full investigation that more money is necessary, by all means you can come forward

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with a proposal like this.' Without doing that, there is no meaning on your part in coming forward with a fifth measure of taxation. If we oppose such a measure you say 'you are opposing the policy of prohibition.' My submission is 'you better find out what the probable income would be from the measures that have already been passed; and if you think that something more would be required, then resort to this taxation measure.' Now, Sir, supposing we ask the Government, 'what are you going to do with the large amount of money that will be collected as a result of this sales tax?'—of course we want that more land revenue remission should be given—they will probably say 'we cannot say anything definite now; we may spend the surplus perhaps for education or for rural reconstruction' and so on and so forth. Hence, Sir, we become diffident; and at times we are inclined to think whether the Government will even increase the land tax in spite of the fact that they are going to pass this measure.

"Another point which I would like to stress upon is this: the trade and industry of this Province will greatly suffer on account of this tax. Sir, I can understand if you tax a person when he gets a profit, but it is not like that. You are going to tax a person whether he gains or whether he loses. In this connexion I would like to just place one illustration before the Government for their consideration. Generally in all cases the local merchant goes from place to place and enters into contract with owners of different commodities. For instance, take the case of mangoes. What the local merchant does is this: he enters into contract with the owners of mango gardens even when the mangoes are not ripe, saying that they would pay such and such an amount for a particular mango garden for a particular year. In this way he goes from village to village and takes on contract a number of gardens, say on the whole for Rs. 20,000; now, after the agreement suddenly you have a storm; what would be the effect of it on these mango gardens? Sir, I may tell for the information of the House that it is usual at least once in three or four years that mangoes fall down before they are ripe on account of storm. Then, what is the position of the traders? He loses the whole amount. Now, I ask, under these circumstances whether it is fair for the Government to go and ask him to pay this tax, whether he loses or gains in his business. Sir, when a man has lost his money and when we see with our own eyes that there has been a storm and on account of that he has lost, is it fair, I once again ask, without realizing his hardship, to go and ask him to pay the tax? I say it is unreasonable and unfair to do so. If Government are convinced by the records or oral evidence that the trader has really lost, I ask 'why don't you give some remission?' I believe that he is entitled for some remission; it is but quite natural and reasonable. So it is my humble opinion that such cases deserve consideration. Again, Sir, the point is whether it will help trade if a business man is asked

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to pay a tax, whether he gains or loses in his business. I believe it renders him unfit to come out boldly and carry on his trade. He loses his enthusiasm. For instance a trader in a commodity feels diffident before he makes up his mind to purchase articles on a large scale. Supposing I have lost in my paddy trade I may not be able to pay the tax at all. It may be argued that after all, you are asking the traders to pay only one-half per cent. But I ask 'Why should you create so much diffidence in the minds of the traders by introducing this tax?' Now take the case of paddy. It is cultivated in Nellore. The grower first sells the paddy to the rice mill-man and the mill-man sells it to the wholesale dealer and then the wholesale dealer sells it to the retail-dealer and so on. So before the rice reaches the consumer it passes through five or six stages. So the consumer, in addition to other kinds of expenditure that has been incurred in the transport and other things, has also to bear this additional tax added on at so many stages. So my submission is that this tax will kill the trade to a large extent unless you see that some articles at least are exempted from this kind of tax.

"Then, Sir, take for instance the rice bag that you purchase in Nellore costing Rs. 15 per bag. Now the dealer will be able to sell his bag with a small margin of profit say annas 2 or so per bag. But if you impose a tax on the turnover, I am afraid, the tax would be considerably very high when compared to the profits he makes at the rate of annas 2 per bag.

"Sir, it is argued that this tax is levied in other countries like France, Canada and other advanced countries. Sir, we have been told that this tax was introduced in other countries under extraordinary circumstances just when there was a war. As a matter of fact—that is what so many writers have told us—after the war was over, in many countries they have repealed a number of provisions in the Sales Tax Act and exempted, for instance foodstuffs, agricultural produce, etc. Even after such exemptions, there is a lot of opposition in countries like the United States of America, France and in a large number of countries. They are struggling hard to repeal the sales tax. I should like just to refer you to what a writer has said with regard to this tax in France. He says:—

'It seems to be generally supposed that in France the sales tax has been accepted, if not with entire satisfaction at least without serious complaint on the part of the French people. This supposition is quite erroneous. The sales tax has been a storm centre in France. Cabinets have gone into power upon it and have been quickly swept away when they attempted to strengthen it. In the Chamber of Deputies charges based on campaign pledges in relation to it have been hurled back and forth and members have indulged in personal altercations. Attempts have been made to repeal it and it has been changed and modified in many respects since it was first established. The small shop-keepers of the Rue de Honore struck against it in its original form and put up their shutters. No one seems to have supported the tax as being a desirable one. On the contrary its adoption and preservation were urged on the grounds of necessity.'

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'A large number of the deputies were strongly opposed to it. The most bitter against were naturally the radicals and socialists. One Member attacked the turn-over tax, saying in substance that the tax would be especially hard on workers with large families; it would be passed on entirely to the consumers; it would paralyze the spirit of enterprise of those firms working on a large turn-over and a small profit margin basis and it would crush the small dealer and the middleman.'

'That was the state of affairs in several countries like France, United States of America and Canada. If that was the state of affairs in those countries, what should be the position of India where you have got only poor people who are struggling hard to make both ends meet? I only draw the attention of the Hon. Premier who has a great interest in the affairs of the poor to this fact and urge that there must be exemption with regard to foodstuffs, agricultural produce and such other necessities of life.'

'Again, it looks as if that what the Government are giving with one hand, they are taking away with the other. It is true that by introducing Prohibition they are helping the poor people. Prohibition has also been introduced in my district, and we are certainly supporting the poor people. I do not object to the introduction of Prohibition. But what I say is that the very same people who have been saved from drink are now asked again to undergo more trouble on account of the various taxes, especially the sales tax which is going to be imposed on them. Therefore I say that what you have given with one hand you are taking away with the other. I am only sorry that this Government should have come forward with this measure of taxation without waiting for three or four years to know the results and the loss on account of Prohibition.'

'After all, after the passing of all these taxation measures it appears to me that what one writer had said on some occasion with regard to these various taxes, will also hold good to the taxes in our Province also. Turning to the effects of the various taxes on middle classes, he pointed out

'that a Member of this class rose in the morning from the taxed bed, ate a taxed breakfast, sent a taxed child (there being no allowance for children) in a taxed car, or a bicycle to a school where it imbibed taxed knowledge and wrote on a taxed paper, went to work himself, returned to a taxed meal, turned on a taxed radio, listened to a taxed news and finally retired to a taxed bed.'

'After the passing of the Sales Tax, Sir, I believe that would be the position in our Province also.'

* Dr. P. J. THOMAS :—'I belong to the unfortunate profession of economists. If we support politicians, they call us experts. If our opinions go against theirs, then they call us mere theorists, 'so-called' experts and so forth. Some of them also impute motives to us, when we support or oppose a measure. It was only the other day, I think, in the Lower House a Member spoke of me as a 'convenient economist,' because I supported the Sales Tax Bill. I do not know what he meant by the term 'convenient.'

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I do not know whether he meant that economists are people who support the Government whenever it suits their convenience. Sir, on this point, may I be permitted to say that long before this Government thought or at any rate discussed the Sales Tax Measure, I had pointed out the need for the Sales Tax. On the very first occasion when this Council met, the 7th September 1937, I pointed out—this is found on page 145 of the Official Report of the proceedings for that date—that a General Sales Tax on goods was desirable if more revenue is needed. Then, two pages following the above page, I again adverted to it and said that in several European countries the sales tax was an important source of revenue, and that with the introduction of prohibition, a sales tax would be particularly justified as a means of tapping a part of the extra income that prohibition would put into the pockets of traders (page 147).

'Now, having already supported a Sales Tax, even a general Sales Tax, as early as 1937, it cannot be said that I have come conveniently to support the Government at the last stage. Even before 1937, I have urged the need for broadening the basis of the provincial tax system by levying fresh taxes. It is unnecessary to go further into this small matter.'

'On this occasion I wish to point out not only to Mr. Langley in the other house but to members of this House like Sir Frank Birley, that we in this country are trying at the present moment to re-adjust our tax burdens on an equitable basis. They in their country had to carry on a similar fight since the days when Sir Robert Peel repealed the Corn Laws. Mr. Gladstone had to encounter even more opposition when he imposed the income-tax. In more recent times, Mr. Lloyd George had to fight for introducing the 'people's budget.' For the time being several politicians and traders in England were up against the Government. Of course now we realize that these reforms have paved for an equitable system of taxation, one suitable for democracy. But this was only possible after a severe struggle. In the same manner we have got to fight in this country against vested interests. Some of us speak out frankly about this. We have to adjust our tax burdens more equitably. We have to take away unjust burdens which are now on poor shoulders and impose the same on the shoulders of people who are better able to bear them. If the traders have to pay some new taxes, it is their duty to pay them because they have not been burdened much in the past. We are trying to fulfil a very noble purpose. It may be we are only doing it imperfectly. Other people in future can rectify the mistakes we are making.'

'I may now explain why I supported the Sales Tax. I did so on two grounds. First of all I believe with reason that the

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tax-burdens in this country have been and are unjustly distributed. That is to say, the burdens have been chiefly borne by the lower classes of people, namely the small landholders and some classes of labourers. The hon. Member who spoke before me also commiserated the lot of the poor man. He forgot the real causes of the agriculturists' miseries when he elaborated the possible woes from Sales Tax. The real burdens are—land revenue in the case of small ryots and customs duties in the case of the urban labourers. We have to remove certain burdens and for the rest fresh burdens have to be imposed on those who now are lightly taxed. My second reason is that the classes that benefit by prohibition have a duty to contribute something to the State fisc. Prohibition creates a steady demand for articles other than liquor. My friend, Mr. Gonsalves stated that much of the money formerly spent on toddy is now spent on tea. I have made enquiries upon this. Half the amount liberated by prohibition, i.e., 8 annas out of every rupee saved on account of prohibition goes to foodstuffs, 10 per cent goes to cloth, and the rest goes into ornaments, furniture, repayment of debt, etc. These are all really assets. As for tea it comes as a small part of the fifty per cent spent on food. A leading Newspaper in the city pointed out that there was a mistake in this computation. There is no fresh purchasing power; there is only a diversion, it says. This is more or less true. But the point to be noted is that a good part of the money formerly spent on drink is now going into trade and business. The liquor renter had part of the money formerly, but he did not spend it as the labourers now do. They put the money into a bank or purchased land. But this did not benefit trade directly. Not so when the money remained with the labourers. Such money has found its way largely to the tills of shop-keepers. Therefore these classes must bear fresh burdens. (Hear, Hear). My point here is that in the part of the Presidency where prohibition has been introduced, business has increased and therefore it is possible to tax the increased purchasing power by means of a Sales Tax.

“It was pointed out by my friend Mr. Narayanaswami Nayudu that the Government is on a wrong path financially, that the Government ought not to tap any new resources or raise any new tax unless until a deficit is disclosed. He wants apparently a deficit first and then taxation to make it up. I do not think that budgeting is so very routine a business as he thinks. Modern budgeting is not so rigid as Mr. Nayudu imagines. Countries like England, France or America are still making experiments in budgeting. There is all the more reason for us at this stage to chalk out new lines of budgeting. In Bombay, prohibition has been extended without finding the money. Here, the Government want to find the money first and then only extend prohibition. Ours is therefore in conformity with orthodox budgeting.”

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“The sales tax is still a subject of controversy even in the West. Economists and statesmen differ widely. When sales tax was first imposed in America, several leading persons were dead against it. They found that the sales tax followed a principle different from the taxes usually levied. Generally, it is understood that a tax must come from surplus. Tax must be based upon some net income, not like land revenue which is the negation of all such principles. A country which imposes a land revenue like ours cannot complain about a sales tax. In England and America, where they have been basing their taxation largely on net income and where people are prepared to pay direct taxes, one can understand some antipathy to sales taxes.”

MR. PRESIDENT (addressing Mr. Narayanaswami Nayudu):—“The hon. Member must not pass between the speaker and the Chair.”

* DR. P. J. THOMAS :—“But in other countries we have got to raise revenue by other means more suitable to people's habits. Thus, in France a third of the revenues comes from sales tax; in Germany and Italy also, it is an important source. In America it is a growing source of State revenue. Most of the States there have now got sales taxes. Now I may ask, if sales tax will drive away trade, America must be the best example of that. It was pointed out that there is the possibility of the hides and skins trade migrating to Hyderabad. If that were so, what about the American States some of which are of the size of our districts and even taluks? The usual rate there is 2 per cent. Even then those States have not lost their business. How then could a large territory like Madras Presidency incur such a loss?

“Then, coming to the question of the possible amount of revenue collections, it is extremely difficult to be categorical. The Hon. the Prime Minister and the Hon. the Revenue Minister have tried their hands at some computation. They have indicated that estimates are but guesses, but going through some of the data they have employed, I feel even more diffident than they. But the Hon. the Revenue Minister in the other House made certain calculations which are ingenious and came to the conclusion that the total amount would be a crore and a half. But, using the same data, one may come to a more optimistic estimate. He states that the total volume of internal trade is Rs. 80 crores. I do not know how he arrived at that figure. My own impression is that although we have not got sufficient data for calculating the total turnover, we may say that, in a country like India, internal trade must be at least 10 times the export trade. The export trade of the Madras Province was about 36 crores last year, and I do not think, therefore, that the internal trade can be anything less than Rs. 360 crores. Then, of course, there is the question of how many times this figure is to be multiplied, and what exemp-

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tions should be allowed for. It is likely that the estimate of the Hon. the Revenue Minister will be found rather cautious. If large evasions do not take place, if the tax is levied properly, I think we will be able to realize a larger amount than $1\frac{1}{2}$ crores. A criticism has been raised against this. We must know definitely how much revenue will be produced, before agreeing to this new tax. But this is too much to ask, when prospecting an altogether new source like the sales tax. This is true not only about the sales taxes but other new taxes we are proceeding to levy. And the Hon. the Prime Minister has admitted that if we get a pie more than Rs. $1\frac{1}{2}$ crores, he would allow us to pull him up and reduce the rate. I do not know how far it is possible; but anyway it is a very noble promise. He does not want any more than the actual requirements. I personally would like to have more. I believe that with increased resources in the Government we could make this country a much better place to live. We must make the condition of the poor much happier than it is to-day. It is only possible by having a larger revenue.

"I now come to a difficult subject. Can we say anything about the incidence of this tax? It is extremely difficult to say anything final about this. Yet I find that several Hon. Ministers have been making bold guesses. On one and the same day, I read one Minister saying that this tax would fall on the consumer, and another Minister saying that it would fall on the trader and that it would stick where it is laid. Probably both are right in one way or other; but it is rash to be categorical. The effect of sales cannot be the same in regard to all trades. In some cases, it is bound to be shifted to the consumers, but in a good many cases the trader will have to bear it. I should like to see more of it in the latter category. It would have been better if we had a few more particular taxes and then add to it a general rate of $\frac{1}{4}$ per cent. If so, it would have been possible for us to say how much will be borne by the consumer. It would have been possible for us to make the consumer pay the particular taxes on articles like ornaments, clocks, motor accessories, perfumery or even aerated waters. These are some of the articles which ought to bear a larger burden. I do not see why articles like perfumery, aerated waters and so on should not be made to pay more than $\frac{1}{2}$ per cent. It can even be 1 per cent or 2 per cent on these articles and the consequence will be that these taxes will be borne by people who are able to bear them. Already such taxes are common in other countries. In several countries sales taxes are particular taxes and we know on whom the tax will fall. They are consumers' taxes.

"In the Bill before us, we have a general sales tax with certain exemptions. I have some points to make against some of these exemptions. There are probably some reasons for reducing the rate on the bullion dealers, but certainly not to exempt them altogether from the tax. They are probably making a very small profit on the

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turnover, but they *are* making a specific, if small, profit. We know what their establishment charges are. They ply their business in a small way in the Mint street or thereabouts and their expenses are little. If they cannot bear a tax like $\frac{1}{2}$ per cent, they can bear at least a one-sixty-fourth. To let them scotfree is too great a concession. This is also with regard to several other categories of persons. The exemption of hides and skins is also open to criticism. It is possible that these exempted cannot bear the full rate of half per cent; but **can not** they bear a quarter per cent or one-sixteenth (*Mahani*) or even a *Mundani*? There are so many very small fractions which we can fix. In that way we could have carved out our large revenues. The bullion dealers are making only a small profit, but they are making money and not losing it. It would have been just to get some revenue from them by means of the sales tax.

"A general sales tax must be such that it should fall on the trader. If the rate is small, the presumption is that it would fall largely on the trader. There are various factors which work in that direction. My whole purpose in supporting this measure is that the trader is to bear the burden. The traders have not been bearing a large burden in the past. Excepting those who pay income-tax, the traders in this country go nearly tax-free. In towns, of course, they have to pay certain small rates; but compared to what their confrères in other countries are bearing, the traders' burden in this country is very low. I should like to see them bearing this tax and that is I want a very low rate. I very much like the idea of small traders being exempted from the tax. It is possible that the small traders will obtain a larger share of business than hitherto and thus the prices of common articles may not rise appreciably. I hope the burden will remain where it is laid and not pass on to the consumers as some Ministers have said, because this tax is a tax on sales. If you want the consumers to bear some of these taxes, you may impose particular taxes on articles like motor accessories, perfumery, aerated waters and so on. Sir, the Taxation Enquiry Committee recommended some years ago that a tax on aerated waters should be levied. I do not know why it was not imposed. It is a very legitimate tax. The poor man does not want aerated waters. He drinks water or butter-milk. I am myself taking butter-milk for quenching my thirst on this hot day. It is better than aerated waters and with milk worth two annas we can make several glasses of butter-milk. The poor people do not drink soda. Well-to-do people are prepared to spend one anna or more on one glass of soda, and those that value it will pay the addition to price resulting from a tax on it. We must single out such articles and thus increase our revenues without burdening the poor.

"I do hope that even now the general sales tax will not burden the poor. Fears have been entertained widely—and Mr. Gonçalves and many others have expressed it here—that the sales tax

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from the poor consumer. The weight of a policy of two decades of discriminating protection, has unduly burdened him. The excises on a variety of articles of necessity have aggravated the situation. Sir, the burden of salt tax is often ignored on the ground that an old tax is no tax. On the top of all there is a land revenue pressing with its primitive regression. The Sales Taxes, Sir, will be the last straw. There is little doubt that under such regressive tax system the poor are paying out of all proportion to their means. This is the peculiar situation facing us here to-day, Sir.

“Reactionary measures like the Sales Taxes, convenient and handy as they are to-day, cannot be the remedy. The element of progression already achieved in the income-tax and recently perfected by Sir James Grigg under the slab system must be extended to other forms of taxation. This may not appeal to the academic-politicians who are haranguing the country side on an old-world campaign of converting all direct taxes into indirect taxes. Taxes like succession duties and agricultural income-taxes that immaculately fit in with the canons of taxation can be thought of as alternatives.

“Sir, I am at a loss to understand how a marriage tax escaped the notice of the Hon'ble Ministers, the rate being proportionate to the expenses of the marriage and the amount of dowry; certainly it would be less odious and much more salutary than a poll-tax with which we were recently threatened by a benevolent. Parliamentary Secretary.

“The attitude of the Government to the views of Opposition is not decided by what constitutes the case of the Opposition, but by who constitute it. This is not the first time that such a thing takes place under this Government, Sir. The Opposition of businessmen are held up as an evidence of the fact that the tax falls on them only. Business, big and small, knows too well that ultimately the taxes would be shifted on to the customers and seldom stick. In the long run, business, like liquid finds its level. But in the long run, we are all dead. The immediate repercussions are not less important. Flight of business integration, unemployment, dislocation, all these are possible consequences in the short period.

“These, however, are days when great ones look to small mercies. The heterogeneous consumer community would not call the tune although it pays the piper. Concessions and exemptions have to be sued for. Even here the poignant edges of regression can be rounded off to however small an extent by proper modifications. Articles of food must necessarily be excluded. Turn-over of service must be included as in Germany and France. Differential rates for luxuries must be devised.

“In rural parts, Sir, more than 75 per cent of the labourer's income is spent on food, and food alone. Industrial labour may perhaps lull itself in security reposing faith in the hope that all

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they require is to stage a reasonable fight against the employers and they would get the rise in wages. But what about the vast mass of padayals and panayals that form the bulk of the rural labour tenantry?

“The Sales Tax is like the camel in the fable which beginning with a prayer for shelter for the face ended in thrusting the whole of its uncouth anatomy into the tent and finally ejected the Arab himself. Give the tax an inch, it will take a yard. The half per cent rate may turn out a deceptive beginning. No one knows where the demands of a prodigal Government at a future date may lead to. Will it end in driving away the Arab out of his own tent or gnaw away the thatch under which it is sheltered?

“Sir, I appeal to the Government not to introduce this Trojan horse. I know my cry and of others on this side will be a cry in the wilderness. Public opinion has been thoroughly ignored in this matter. No doubt the people put them in power by plumping their votes in the yellow boxes but they would have least dreamed that the Congress Government would bring in such oppressive taxation measures.

“One word more, Sir, before concluding and that is about the machinery that may be set up for assessment and collection of the tax. There is an apprehension in the minds of the public that this might be taken as an opportunity by the Government for extending their patronage to their own partisans who might in their turn harass non-Congressmen. (‘An hon. Member: Question.’) I earnestly hope, Sir, that the Government will give no room for such a fear but would have the recruitment made by the Public Services Commission and the usual communal rotation will be prescribed for such recruitment along with other necessary academic qualifications and administrative experience.

“Sir, let the Government remember that they are introducing not one tax but five taxes—the electricity tax, the petrol tax, the entertainments tax, the tobacco tax and the sales tax. I do not know if they have any more taxes in view. For this trick of shooting five arrows the great Manmatha had to pay dearly. The wrath of consumer God when roused would deal ruthless destruction. I do not know how many Rathis will have to weep and wail then. Well, Sir, the Government might make frantic attempts to quench the fire by means of land revenue concessions, remissions, etc., just on the eve of the next election. But I doubt if that would put out the Vadavamuhagni of the public consciousness and public awakening.

“I oppose the Bill, Sir.”

DR. SIR K. V. REDDI NAYUDU :—“May I know how long we are going to sit to-day?”

MR. PRESIDENT :—“The House will now adjourn and re-assemble at 11 a.m. to-morrow.”

The House then adjourned.

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APPENDIX

L.A. BILL No. 11 of 1939.

(As passed by the Assembly.)

A Bill to provide for the levy of a general tax on the sale of goods in the Province of Madras.

WHEREAS it is expedient to provide for the levy of a general tax on the sale of goods in the Province of Madras; It is hereby enacted as follows:—

1. (1) This Act may be called the Madras General Sales Tax Act, 1939.

(2) It extends to the whole of the Province of Madras.

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Provincial Government may, by notification in the *Fort St. George Gazette*, appoint.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) "assessing authority" means any person authorized by the Provincial Government to make any assessment under this Act;

(b) "dealer" means any person who carries on the business of buying or selling goods;

*Explanation (1).—*A co-operative society, a club, a firm, or any association which sells goods to its members is a dealer within the meaning of this clause.

*Explanation (2).—*The agent of a person resident outside the Province who carries on the business of buying or selling goods in the Province shall be deemed to be the dealer in respect of such business for the purposes of this Act.

(c) "goods" means all kinds of movable property other than actionable claims, stocks and shares and securities and includes all materials, commodities, and articles;

(d) "licence" means a licence granted or renewed under this Act;

(e) "notification" means a notification published in the *Fort St. George Gazette*;

Short title,
extent and
commence-
ment.

Definitions.

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(f) "prescribed" means prescribed by rules made under this Act;

(g) "Province" means the Province of Madras;

(h) "sale" with all its grammatical variations and cognate expressions means every transfer of the property in goods by one person to another in the course of trade or business for cash or for deferred payment or other valuable consideration, but does not include a mortgage, hypothecation, charge or pledge;

Explanation.—A transfer of goods on the hire-purchase or other instalment system of payment shall, notwithstanding the fact that the seller retains the title in the goods as security for payment of the price, be deemed to be a sale.

(i) "turnover" means the aggregate amount for which goods are either bought by or sold by a dealer, whether for cash or for deferred payment or other valuable consideration provided that the proceeds of the sale by a person of agricultural or horticultural produce grown by himself or grown on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise, shall be excluded from his turnover;

Explanation.—Subject to such conditions and restrictions, if any, as may be prescribed in this behalf—

(i) the amount for which goods are sold shall include any sums charged for anything done by the dealer in respect of the goods sold at the time of or before the delivery thereof;

(ii) any cash or other discount on the price allowed in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the turnover; and

(iii) where for accommodating a particular customer, a dealer obtains goods from

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another dealer and immediately disposes of the same to the said customer, the sale in respect of such goods shall be included in the turnover of the latter dealer but not in that of the former; and

(j) "year" means the financial year.

Liability to
tax under
the Act.

3. (1) Subject to the provisions of this Act, every dealer shall pay in each year a tax in accordance with the scale specified below :—

- (a) If his turnover does not exceed Five rupees per twenty thousand rupees. month.
- (b) If his turnover exceeds twenty One-half of one thousand rupees. per cent of such turnover.

Provided that any dealer whose turnover in any year is less than ten thousand rupees shall not be liable to pay the tax under this sub-section for that year :

Provided further (1) that in respect of the same transaction of sale, the buyer and the seller shall not both be taxed, but only one of them, as shall be determined by the rules made in this behalf under sub-section (2), shall be taxed thereon, and (2) that, when the amount for which any goods were bought by a dealer has been included in his turnover, the amount for which the same goods were sold by him shall not be included in his turnover, for the purposes of this Act.

(2) The turnover for all the purposes of this Act shall be determined in accordance with, and the tax shall be assessed, levied and collected in such manner and in such instalment as may be prescribed by, the rules made by the Provincial Government in this behalf :

Provided that no rule for the determination of the turnover shall come into force unless approved by a resolution of the Legislative Assembly.

(3) Subject to any rules made under sub-section (2), the assessing authority may fix the turnover of any dealer in any year at the amount of his turnover in the previous year.

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Madras
Act VI of
1939.

Madras
Act I of
1886,
I of 1878.

4. The provisions of section 3 of this Act shall not apply to the sale of electrical energy, motor spirit as defined in the Madras Sales of Motor Spirit Taxation Act, 1939, manufactured tobacco as defined in the Madras Tobacco (Taxation of Sales and Licensing) Act, 1939, and any goods on which duty is or may be levied under the Madras Abkari Act, 1886, or the Opium Act, 1878. Application of the Act.

5. Subject to such restrictions and conditions as may be prescribed, including conditions as to licences and licence fees, the sale of bullion and specie, of cotton, of cotton yarn, and of any cloth woven on hand-looms and sold by persons dealing exclusively in such cloth shall be exempt from taxation under section 3. Exemptions from taxation.

6. Subject to such restrictions and conditions as may be prescribed, including conditions as to licences and licence fees, the sale of hides and skins whether tanned or untanned, shall be taxed under section 3 only at such single point in the series of sales by successive dealers, as may be prescribed. Sale of hides and skins.

7. In respect of such finished articles of industrial manufacture as may be notified by the Provincial Government and subject to such restrictions and conditions as may be prescribed, a rebate shall be allowed of one-half of the tax levied on sales of such articles for delivery outside the Province if such articles are actually so delivered. Sales of certain goods for delivery outside the Province.

8. The Provincial Government may, on application and on payment of such fee as may be prescribed in that behalf, license any person under this section who for an agreed commission or brokerage buys or sells on behalf of known principals specified in his accounts in respect of each transaction and may exempt from the tax under section 3 such of his transactions as are carried out in accordance with the terms and conditions of his licence : Licensing and exemption of agents.

Provided always that, save where the transaction consists of a sale by a grower of produce grown by him or on his land, no such exemption shall be given unless the amounts for which the goods concerned in such transactions are sold, are included in the turnover of the principals or of the dealers from whom purchases were made, or would have been so included but for an exemption provided under this Act.

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Procedure
to be
followed by
assessing
authority.

9. (1) Every dealer whose turnover is ten thousand rupees or more in a year shall submit such return or returns of his turnover, in such manner, and within such periods as may be specified in the rules made under sub-section (2) of section 3.

(2) (a) If the assessing authority is satisfied that any return submitted under sub-section (1) is correct and complete, he shall assess the dealer on the basis thereof.

(b) If no return is submitted by the dealer under sub-section (1) before the date prescribed or specified in that behalf or if the return submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority shall proceed to determine the turnover in accordance with the rules made under sub-section (2) of section 3 :

Provided that before taking action under this clause, the dealer shall be given a reasonable opportunity of proving the correctness and completeness of any return submitted by him.

10. The tax assessed under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be specified in the notice of assessment, not being less than fifteen days from the date of service of the notice. In default of such payment, the whole of the amount then remaining due may be recovered as if it were an arrear of land revenue.

11. (1) Any assessee objecting to an assessment made on him may, within thirty days from the date on which he was served with notice of the assessment, appeal to such authority as may be prescribed :

Provided that no appeal shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority may think fit.

Payment
and
recovery of
tax.

Appeals.

[17th May 1939]

(4) Every order passed in appeal under this section, shall, subject to the powers of revision conferred by section 12, be final.

12. The Board of Revenue may in its discretion at any time either *suo motu* or on application, call for and examine the record of any order passed by, or any proceedings recorded by, any officer or person under this Act for the purpose of satisfying itself as to the legality or propriety of such order, or as to the regularity of such proceedings, and may pass such order in reference thereto as it thinks fit.

Nothing contained in this section shall apply to the orders or proceedings of any Court or Magistrate.

13. Every dealer and every person licensed under section 8 shall keep and maintain a true and correct account showing the value of the goods sold and bought by him ; and in case the accounts maintained in the ordinary course, do not show the same in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf :

Provided that this section shall not apply to petty dealers whose business is such as is not likely to make them liable to taxation under this Act.

14. (1) Any officer empowered by the Provincial Government in this behalf, may, for the purposes of this Act, require any dealer carrying on business in any kind of goods to produce before him the accounts and other documents, and to furnish any other information relating to such business.

(2) All accounts and registers maintained by dealers in the ordinary course of their business, the goods in their possession and their offices, shops, godowns, vessels or vehicles shall be open to inspection at all reasonable times by such officers as may be authorized in this behalf.

(3) Any such officer shall have power to enter, for the purpose referred to in sub-section (2), any office, shop, godown, vessel, vehicle or any other place in which business is done.

15. Any person who—

(a) wilfully submits an untrue return or fails to submit a return as required by the provisions of this Act or the rules made thereunder, or

Accounts
to be
maintained
by dealers.

Powers
to order
production
of accounts
and powers
of entry
and
inspection.

Offences and
penalties.

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- (b) fails to pay the tax due from him within the time allowed, or
- (c) prevents or obstructs inspection or entry by any officer authorized under section 14, in contravention of the terms thereof, or
- (d) fraudulently evades the payment of any tax due under this Act, or
- (e) wilfully acts in contravention of any of the provisions of this Act,

shall, on conviction by a Presidency Magistrate or a Magistrate of the first class, be liable to a fine which may extend to one thousand rupees, and where the breach is a continuing breach, to a further fine which may extend to fifty rupees for every day after the first during which the breach continues.

Composition of offences.

16. The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

- (a) where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so recoverable, a sum of money not exceeding one thousand rupees or double the amount of the tax recoverable, whichever is greater, and
- (b) in other cases, a sum of money not exceeding one thousand rupees.

Bar of certain proceedings.

17. (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Provincial Government, for any act done or purporting to be done under this Act, without the previous sanction of the Provincial Government.

(2) No officer or servant of the Provincial Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

Limitation for certain suits and prosecutions.

18. No suit shall be instituted against the Crown and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the Provincial Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

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19. (1) The Provincial Government may make ^{Power to make rule} rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) all matters expressly required or allowed by this Act to be prescribed ;
- (b) the licensing of persons engaged in the sale of goods and the imposing of conditions in respect of the same for the purpose of enforcing the provisions of this Act and fees for licences ;
- (c) the assessment to tax under this Act of businesses which are discontinued or the ownership of which has changed ;
- (d) the assessment to tax under this Act of businesses owned by minors and other incapacitated persons or by persons residing outside the Province of Madras ;
- (e) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of the Court of Wards, the Administrator-General, the Official Trustee, or any receiver or manager appointed by or under any order of a Court ;
- (f) the assessment to tax under this Act of any turnover which has escaped assessment, and the period within which such assessment may be made, not exceeding three years ;
- (g) the rectification of mistakes apparent from the record of any assessment, appeal or revision and the period within which such rectification may be made ;
- (h) compelling the submission of returns and the production of documents and enforcing the attendance of persons and examining them on oath or affirmation ;
- (i) securing that returns furnished or accounts or documents produced or evidence of any

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kind given under this Act before any assessing authority or on appeal or revision from any decision of such authority are kept confidential;

(j) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(k) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act; and

(l) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Provincial Government may provide that a person guilty of a breach thereof shall, on conviction by a Presidency Magistrate or a Magistrate of the first class, be punishable with fine which may extend to one thousand rupees and, where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(4) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

(5) All rules made under this section shall be published in the *Fort St. George Gazette*, and upon such publication shall have effect as if enacted in this Act.

Transitional provision for levy of tax.

20. If, when this Act comes into force, the tax is leviable for the second half of any year, it shall be levied in accordance with the scale specified in section 3 and on the basis of the turnover as determined in accordance with the rules made under this Act.

Power to remove difficulties.

21. If any difficulty arises in giving effect to the provisions of this Act, the Provincial Government may, as occasion may require, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

THE MADRAS LEGISLATIVE COUNCIL.

Thursday, 18th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

* 291 Q.—(Sri M. D. Kumaraswami Mudaliyar who had given notice of the question was absent). SRI RAO BAHADUR M. RAMAN:—“ May I put the question, Sir? ”

MR. PRESIDENT:—“ Has the hon. Member the written permission from Mr. Kumaraswami Mudaliyar? ”

SRI RAO BAHADUR M. RAMAN:—“ No, Sir.”

MR. PRESIDENT:—“ The hon. Member may put the question.”

Medical report on the health of Sri E. V. Ramaswami Naicker.

Q.—SRI RAO BAHADUR M. RAMAN MENON on behalf of Sri M. D. Kumaraswami Mudaliyar: Will the Hon. the Prime Minister be pleased to place on the table the report of Dr. M. R. Guruswami Mudaliyar about the health of Periyar Ramaswami Naicker? ”

THE HON. SRI C. RAJAGOPALACHARIAR:—“ According to the prevailing practice, detailed medical reports on individuals cannot be published. The prisoner's health is satisfactory, apart from age and chronic ailments which cannot be helped.”

Particulars about the action taken by the Superintendent, Central Jail, Trichinopoly, regarding release of certain persons involved in Kadayanallur rioting case.

* 292 Q.—S. K. AHMED MEERAN SAHIB BAHADUR: Will the Hon. the Minister for Law be pleased to state—

(a) whether the High Court ordered on the 20th April 1939 (in Cr.R.C. No. 859 of 1938) releasing all the 27 accused involved in the Kadayanallur rioting case;

(b) whether the Superintendent of the Central Jail, Trichinopoly, released only 18 persons on the 21st April 1939;

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(c) whether the Superintendent of the Central Jail, Trichinopoly, released eight more persons only on the 26th April 1939 at about 5 p.m.;

(d) whether the Superintendent of the Central Jail received a telegram regarding the eight persons on the 26th April 1939 from their vakil and whether he released them on the 26th April 1939 only after the receipt of the said telegram;

(e) why the Superintendent of the Central Jail, Trichinopoly, delayed releasing the above-mentioned eight persons till 5 p.m. on the 26th April 1939;

(f) whether one of the above 27 accused involved in the rioting case was detained in the Borstal School, Palamcottah;

(g) whether he was released only on the 26th April 1939; and

(h) why he was not released earlier?

THE HON. DR. P. SUBBARAYAN:—“(a) to (h) The Government have no information but have called for it.”

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—THE MADRAS GENERAL SALES TAX BILL, 1939 (L.A. BILL NO. 11 OF 1939) AS PASSED BY THE ASSEMBLY—cont.

DR. SIR K. V. REDDI NAYUDU:—“Mr. President, generally sales taxes in Europe and America were levied for the first time mostly at any rate after the Great War and after the depression. Text-book writers tell us that it was the emergency caused by the depression and the War that compelled those countries to levy these taxes. So far as we are concerned, we did not have any emergency arising out of the War. No doubt we had to take part to some extent in the Great War. Depression too there was, but not to the extent to which the European and American countries were subjected. Therefore, Sir, we have to seek for another kind of emergency in this case and that is prohibition.

“Sir, the main objections on which we contend from this side, are two. One is that the Sales Tax Bill will affect trade and secondly, it will affect the poor people of the Province. The Hon. Premier met these two points by saying that trade will not be affected in the first instance and that, though the poor may have to pay this tax—it is admitted that the consumer will have to pay this tax or a share of the burden of this tax—it is not a heavy burden. On the first point I beg to submit that the Hon. Premier was not pleased to tell us how he considers that this tax will not affect trade. I expected that some reasons will be given how he considers that trade will not be affected. In this country we have been seeing during the last few months ever since the Bill was published, such a huge agitation as we have not known for a generation in this country.”

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SRI K. MADHAVA MENON:—“Question.”

DR. SIR K. V. REDDI NAYUDU:—“The hon. Member is entitled to question. If the hon. Member is referring to the Rowlatt Act agitation or to that relating to the partition of Bengal, my humble suggestion is that I count this as a greater agitation than that in these two cases. No village escaped from meeting and sending its protest; not a single day passed ever since the Bill was published, without a protest being sent to the Government; not a single day passed without newspapers filling their columns after columns with protests and views of public meetings from every corner of the Presidency. Was there any agitation like this, before? How are we to account for this exceptional and rare phenomenon, if I may so call it, of a group in the Legislative Assembly here—I mean the European group—refusing to move the amendments standing in the names of the Members of its group? Why did they do so, if the tax does not affect their trade? I believe they have nothing else to do with but trade. How again did it happen that the various groups in the Assembly, the Justice Party, the Muslim group, the small party of the National Democrats and the Independents—four groups—walked out of the House, unless they seriously felt, honestly felt, rightly or wrongly that this tax does injure the people of this land, that this Bill does injure the trade of this country?”

“Mr. President, as regards the second point, it is not seriously denied that this Bill does not affect the poor. It is admitted, I take it, on the other side that every consumer will have to pay a portion of this tax. Let us take the cost of rice. Take the city of Madras. There is not a single person in the Madras city—man, woman or child—that does not eat rice. How many hands does rice pass through before it reaches Madras and the retail seller in Madras? The producer in the Godavari, Kistna and Nellore districts sells paddy to the mill-owner. The mill-owner mills paddy and sells it to the merchant at Bezwada or Nellore. The wholesale merchant in Madras buys from the merchant at Bezwada or Nellore. He sells it to small wholesalers; finally it comes to the retailer. No doubt the retailer does not pay any tax; we are told that the retail trader is not taxed at all. True. But what about the other four persons through whom rice passes hands? Has not the retail trader to pay for the taxes paid by the persons from whom he gets the article? Do not the wholesale merchants and the intermediary merchants pile up the amounts of the tax they pay and add them to the cost of the article when they sell it? What is the income of the small poor retail traders? You know, Sir, Mr. President, how many thousands of people there are in Madras who earn only six annas a day. Even among the middle classes, the lower middle classes, how many men are not there who live on Rs. 15, Rs. 20 or Rs. 30 a month? Will not this tax

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1-15 a.m. affect them? I have seen people taking one anna, going to the shop and purchasing rice for the day. The retail shopkeeper will not only include the amount of taxes that has been paid by the merchants from whom he got rice but will add more to the cost of the article. He will not be able to calculate half a per cent and one per cent. There is no coin to represent that. He will add half an anna or one anna more to the cost of the article. The increase will work out to 25 per cent or 50 per cent. That will be the state of trade. We know how many hundreds and thousands of people in this Province are living on a single meal a day; even that meal consists of rice kanji and water. Even the salt that is put in the rice kanji is taxed; it is not exempted from tax. For years Congressmen have been fighting against the increase of the duty on salt, by half a rupee a maund, by the Government of India. How can it be said that this sales tax does not affect poor people? Does it not reduce the standard of their living, make it lower and lower? Already it is very low indeed. My submission is, Mr. President, there is absolutely no doubt that this tax is a very pernicious one, so far at least as the poor are concerned. I shall confine myself to the remarks made by the Hon. the Premier in this House. He has asked us not to repeat what has happened in the other House. The country and the members of this House know fully what is happening and what is being said for and against it and it is therefore unnecessary to refer to it. I agree. I shall, therefore, confine myself solely to the observations made by the Hon. the Premier in this House.

“ ‘ Use your time dealing with this subject in a supplemental fashion,’ said the Hon. the Premier—I bow to his decision—‘ on the assumption that the Legislature and the Government were committed to a policy of prohibition.’ I submit there is a very little snag there for me at any rate. I was not one of those who agreed to this prohibition law. Those that voted for it may perhaps feel compelled to vote for this tax because, having agreed to the depletion of the treasury to the tune of four crores of rupees, something must be found to make it good. But even for them I fail to see why and how they could agree to any and every form of taxation that might be imposed. The fact that money has got to be found may be admitted. But does it mean that money should be found in any manner and under any circumstances? Does it mean that they should vote for any taxation proposal that may be brought in? Suppose for instance,—I say it with apologies to Mrs. Hensman—they say that every woman who wears jewels over and above a certain amount, let us say Rs. 500, should give half of be excess, are we bound to accept that? My submission is that even though they might have agreed to that law, they are bound to agree only to such taxation as they may consider to be fair and reasonable and not detrimental to the prosperity of the country.

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“ The Hon. the Premier referred to the quantum of taxation and that has been replied to by my hon. Friend, Mr. Narayana-swami Nayudu. The Hon. the Premier said that we should not be content with providing only for the exact difference to be met; they should provide on the other hand for the deficit of the entire excise revenue of four crores of rupees. My respectful submission is that it is all contrary to all canons of public finance. It has been pointed out that there is a deficit of 17 lakhs of rupees. But after the passing of the two Bills, the Electricity Tax Bill and the Petrol Tax Bill, we would have got more than that amount. Where then is the necessity for insisting upon the quantum of this half per cent at this stage? Could we not wait till next April? Could not they start with one-eighth or one-fourth per cent for the present and raise it when the need actually arises? I believe that it was on a previous occasion, I think in the Budget discussion, that I dealt with how that great financier Mr. Lloyd George found money for the Great War. It is true that he said that the tax ought to be elastic. This tax is undoubtedly so. It will grow from year to year with the improvement in trade. You can even raise this tax from year to year as your demand increases. But to-day in this year, in this half year at any rate, from October next to March next, there seems to be no justification for it and there is no justification for so high a rate.

“ The Hon. the Premier next said that it was difficult for the Government to make a correct estimate of the revenue—I would like hon. Members to mark the word ‘ correct ’ because it draws a distinction between ‘ correct ’ and ‘ approximate ’ revenue. It would be difficult to say what would be the approximate estimate of the expenditure to be incurred in the collection of the revenue. An entirely new organization is required and it is an adventure in taxation, an adventure forsooth. My respectful submission is that this is not a correct approach towards the proposed taxation. People cannot be taxed on mere adventure. Evidently no attempt has so far been made as regards the estimate of the cost of administering this Act. Difficulties of administration and the cost thereof should have been estimated, however roughly, before they proposed to levy this tax, for it may be that more tax is collected than is absolutely necessary. Sir, it is rather a bit of surprise that the Hon. the Premier told us that even a rough estimate of the cost of administering this Act and the cost of collecting this revenue has not yet been made. My submission is that the Government have no business to come before the House or for that matter before the other House either and ask for the sanction of the legislature for it when they themselves do not know what the cost of collection and administration will be. Roughly of course, they have some idea and they said that it may be a crore or one crore and a half. But what is to happen if the income is less and

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the cost of collection is more? People will have to pay this tax; and for what? For spending it on the administration they have to pay this tax. In this case probably they are sure in their minds of what they would be getting but they could have told us what the cost of it would be. I think that the Hon. the Premier was perfectly right, if I may say so with great respect, that this is an adventure.

"Look at the other side; look at the other picture that is being shown in another place. What have the Government of Bombay done? They too passed their sales tax or are about to pass it. They were not evidently adventurers there. They confined themselves this year to licensing the various dealers. By doing so, they are able to estimate approximately, if not exactly, what will be the income from the tax and what the total volume and value of trade are and the number of people that may be affected. I wonder what prevents this Government from following such a course as that. Is it not wiser, is it not safer? Will not you be in a better position if you know how many traders there are in the country, what they are dealing in, how much their transactions run to and other details, to proceed further with certainty. If we have such information, it would be easier to conclude which articles have to be exempted and which not. When we know that certain classes of trade will be affected seriously, almost to the detriment of that trade and to the ruin of that trade, will it not be safer to follow some such course. But this Government say, 'We will be adventures and we shall be adventurers and we are not to learn a lesson from others.' They will not learn a lesson from the sensible example of a neighbouring Congress Province. They will have their own way and that is the view of the Government.

"Then the Hon. the Premier referred to the effect of the Act and of the burden on the people. He told us that the levy would be such as not to affect any business. That point, I have already dwelt upon.

"Then, Mr. President, we were treated to a new interpretation on very ancient taxes, the land tax and the excise revenue. For the first time since our studies at the schools and the colleges as students and as students of politics in the Legislative Assemblies, we are told that the land tax is an excise tax. Sir, during all that controversy that was going on between Romesh Chandra Dutt and Lord Curzon, in all the literature that flooded the Press and the platform and in the Legislative bodies, the one question was whether this land revenue was a tax or rent. But now we are told that it is neither flesh or fish but red herring; it is neither a tax nor rent but it is excise."

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SRI A. RANGASWAMI AYYANGAR:—"The literal meaning of excise is to cut off. It has literally acquired a meaning which is applicable to drink revenue. It is illustrated in the Federal Court Judgment."

DR. SIR K. V. REDDI NAYUDU:—"Permit me to say, Mr. President, that this is not an interruption.

"Excise revenue has had its *upanayanam*, the thread ceremony and it is re-born as a sales tax. We are thus treated to what I may be permitted to call an apocryphal exposition, an interpretation the purpose of which evidently is to revise our elementary notions of taxation. We beg leave to reply, Sir, that we are unable to accept that view.

"The Hon. the Premier next proceeded to say that since there was no restriction in respect of drink in other countries, the tax levied there was a just tax. Sir, this has taken away my breath. I was wondering whether it is a mere statement or a confession of confusion . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is not a confession of confusion; it is a confusion of confession."

DR. SIR K. V. REDDI NAYUDU:—"There is confusion enough in it, Sir. Has the Hon. the Premier given the go by to the protestations against drink on the ground of morals?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No, Sir."

DR. SIR K. V. REDDI NAYUDU:—"On grounds of ethics?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No, Sir."

DR. SIR K. V. REDDI NAYUDU:—"On economic grounds?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No, Sir."

DR. SIR K. V. REDDI NAYUDU:—"On grounds of health?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No, Sir."

DR. SIR K. V. REDDI NAYUDU:—"How then, Sir, is it that you come to this wonderful theory?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"You must think over it."

DR. SIR K. V. REDDI NAYUDU:—"How has he come to this wonderful theory that if all people drink, it is a good tax and it is a just tax."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member should remember that there is a difference between a good and a just tax. A tax may be bad but it can at least be just, that is to say, proportionately distributed among all classes of people. Though it may be proportionately distributed among all classes of people, still it may be a very bad tax."

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11-30
a.m.

DR. SIR K. V. REDDI NAYUDU:—"I regret I do not see the distinction. It seems to me it is a distinction without a difference."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Is the sales tax an example of the latter?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"If it is proved to be bad. But the drink tax is an example of the former."

DR. SIR K. V. REDDI NAYUDU:—"Whatever it is, the Hon. Premier has always called the drink tax a vicious tax. If only a sufficiently large number drink the tax becomes a just tax."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Unjust tax."

DR. SIR K. V. REDDI NAYUDU:—"Contrary to his usual serenity the Hon. Premier grew vehement, though he says others were vehement. But perhaps he grew vehement because of the viciousness of the drink tax. He gave us figures, and he exaggerated when he told us that the price of toddy to people has grown 800 times, if not 1,000 times." (Laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member is guilty of that offence now. (Laughter.) I did not say 800 times or 1,000 times; I said it is 800 per cent or 1,000 per cent; it is equal to eight times or ten times. The exaggeration is exactly hundred-fold." (Laughter.)

DR. SIR K. V. REDDI NAYUDU:—"Whatever it is, for instance, the cost of country spirits is fourteen annas per gallon and the duty is five rupees, and how it becomes eight times I do not know; or again the cost of toddy is two and a half annas, and even there, it does not become eight times. But, evidently Sir, the whole truth appears to be to my mind that the Hon. the Prime Minister is now thinking of another theory which economists call 'equal distribution of the burden of taxation.' That is the only way in which we can reconcile the observation that if almost everybody drinks it becomes a just tax.

"Sir, there are only two other observations for me to make. The Hon. Premier told us that $3\frac{1}{2}$ crores of money are being paid by these poor people, of which $1\frac{1}{4}$ crores are from country spirits. My experience, Mr. President, is that the poor people, the farm labourers, the wage-earners, who earn six annas in the City of Madras and much less in other places—I have never known these people drink country spirits—drink only toddy, which comes to $2\frac{1}{2}$ crores. The Hon. Premier will have to remember that toddy-drinking is not confined to these people alone. I have stated it before in this House and I repeat it again. I have known hundreds

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of cases, if not thousands, where people who pass for respectable persons, the upper middle classes and the lower middle classes, both drink toddy. They have trees in their land, they set apart a tree for their own toddy and leave another tree for the toddy of their labourers; and not only the labourers, their own women and children also drink toddy out of that tree. The Hon. Premier may think it is a vicious thing; but I beg to submit I hold a different view on that point. It is food for them, and if they should pay—or for that matter their masters pay—it is I submit not just.

"Another thing which runs through the whole speech of the Hon. Premier is this: He seems to think—though he may not actually think, his speeches have impressed me, that he seems to think—that all the poor drink, or nearly all the poor."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No. All those who drink are nearly all poor. I did not say that all the poor people drink. The two are different. There is a great deal of difference between the two statements."

DR. SIR K. V. REDDI NAYUDU:—"I think it is the poor people that drink."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The same mistake as in the case of the percentage." (Laughter.)

DR. SIR K. V. REDDI NAYUDU:—"I think Government ought to have some figures by this time.

"I will refer to another point to which the Hon. the Premier referred yesterday in this House. He said the existing system of taxation is not an honest financial arrangement; it is dishonest to levy a duty on a fraction of the population. Mark the words, 'a fraction of the population.' And that is what we call abkari revenue. And then he said, 'we must get out of these dishonest, unscrupulous, improper and unjust proportions that we maintain of the wage-earner who raises the food that is necessary for the life of our people.' So far as the first observation is concerned, my friend, Mr. Gonsalves—he is not here—has replied; and I think I cannot add a word to it; so exhaustive or reasonable to my mind was his reply that nothing more is necessary from any one on our side.

"I would like to say a word or two with regard to the rest of the remarks. Now about the unscrupulous and unjust arrangement. May I submit that what seems to be more improper and more unscrupulous is this sales tax upon the poor people. It is admitted that only a fraction, a miserable fraction of the people are addicted to drink. And here, I think I am telling a truth which cannot be disputed, all the people—not only those who may be benefited by prohibition, but all the poor people in the country—bear a share of the national income. It was questioned yesterday. But it was long ago said in the *Shiraz* that a man earning 40 dollars—we may

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take a dollar to be Rs. 2½, and that means a man earning Rs. 100—pays a tax of Rs. 8. All the people in the lower ranks who do not earn much, all the salaried people including officials, all the biggest merchants in the country who pay taxes and all the greatest professional men in the country who contribute to the revenue of the country, if only we include all these people's contribution, we get the average that a man earning 40 dollars pays a tax of Rs. 8 per month. As a matter of fact there are millions and millions of men who do not earn more than three or four rupees a month, and that an additional tax should be added to them, because the treasury of the Government is depleted on account of our Prohibition scheme, that these people should be called upon to pay, can there be anything more unscrupulous than that? Can anybody with a heart support a measure like this? It is all very well for us to say that 'we are doing everything for the poor.' Was my friend wrong when he referred to crocodile tears? Where is your sense of fairness, where is your sense of justice? Nay, under your kindness and generosity you have not omitted even the foodstuffs which these unfortunate poor people eat. Cannot you exclude them? And yet to talk of doing everything for the poor people is unjust.

"Next, the Hon. Premier has enunciated a very good principle of taxation, with which I cannot say, 'I respectfully agree.' The Hon. Premier said, every commodity should be taxed according to the real value and not according to the taxable value, and everybody should bear proportionately to the expenditure of the State. Mr. President, I would ask the House just to apply this principle to the taxation Bill which we passed recently, the tax on motor spirit. Any one who has stopped at a petrol bunk would have seen on the board the price or the charges which he incurs or which has to be paid for the petrol per gallon. Well, Sir, the board says, the company's price of petrol excluding retailer's rebate but including freight from America is six annas. It costs the company here which sells American petrol six annas per gallon. Add to this the customs duty paid to the Central Government which is ten annas per gallon. There is a rebate of two annas, which, of course, this man collects from us; on the top of it we have to add under that Bill one and a half annas. Now what becomes of this rule 'that every commodity should be taxed according to the real value.' The real value is six annas; perhaps it is much less."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Excuse me, Sir, the whole argument is proceeding on a misconception. I am sorry, I used the words 'tax value' which has led to this mistake. It was not intended by me to make a distinction between the price of the article and the price of it together with the tax or duty paid. I made only a distinction between the real intrinsic value of the article and the use to which it can be put for getting taxes. Toddy, for instance, is of no value for a man; but it is of great

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value for Government for taxation purposes. We should tax all those things which are bought and sold, which are of real value to the people and tax not merely those which are of taxable value. I did not make a distinction between the cost of production and the duty value of any commodity. I do not want the hon. Member should go on speaking on this wrong basis."

DR. SIR K. V. REDDI NAYUDU:—"It is not wrong basis so far as I am concerned, because, I have taken it from the newspaper; either it is the fault of the newspaper or the Hon. Minister himself is wrong when he says that he did not draw this distinction yesterday."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is quite true. I could see that my language led to this mistake. 'Taxed value' as I called is open to this misconception as value including the taxation; that is not what I wanted to say."

DR. SIR K. V. REDDI NAYUDU:—"Very well, Mr. President, I am bound to accept the statement made by the Hon. Prime Minister in that respect. Now, Mr. President, when we urged all these things that I have been saying, when we say that the poor are affected, when we say that the poor will be the sufferers mostly, the extreme poor whose food charges would be increased, their wages are not increased correspondingly; it only means that they must buy less and eat less than what they are eating to-day. And what is the reply? 'We have given you Prohibition.' It remains to be seen whether all these people about whom I have been speaking have been benefited by the abolition of the drink. It has been admitted, Sir, that it is only a miserable fraction, not all, and it cannot be denied that those who are drinkers hitherto or drunkards hitherto will also be affected and will lose their standard and lower their standard of living. And yet it is Prohibition that is given to them. My friend Mr. Raman here asks 'what has the Government done for the poor?' Off comes the reply, 'Prohibition.' The bus passengers complain that they are obliged to pay more and that they are unable to travel and they have to walk in this sun of 105 and 106 degrees; what is the answer? 'We have given you Prohibition.' The cheroot smokers in the northern country complain that they are not rich and that now they are getting three or four cheroots for a copper and that hereafter it will be reduced to two. The reply is: 'You don't complain, have we not given you Prohibition?' At the top of all this, Sir, there is this tax, Saviour of Prohibition!"

"Mr. President, hereafter, I suppose people of this country need not perform their *japam* and call Ram, Ram with the garland of Tulasi beads in their hands. Hereafter they can take the garland of Tulasi beads in their hands and say not Ram, Ram, but Prohibition, Prohibition!" (Laughter.)

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* THE HON. SRI T. PRAKASAM:—"Sir, I had no idea of intervening in this debate but some statements made by some of the hon. Members have induced me to say something in reply."

"The hon. Member Sir K. V. Reddi said that the depression that started a decade ago, has no doubt affected some countries, but it has not affected our country."

DR. SIR K. V. REDDI NAYUDU:—"On a matter of explanation, Sir, I did not say, it has not affected, but it has affected to a limited extent."

* THE HON. SRI T. PRAKASAM:—"Not so much as it has affected the western countries." That is what the hon. Member said. I may point out to the hon. Members of the House that the depression which started in 1929 and continued in 1930, 1931 and 1932, and affected the whole world, made Germany bankrupt, England very nearly bankrupt; that depression compelled Great Britain to declare 'Gold standard off,' to take necessary measures, protective measures to protect her own trade, industry and business. The other countries that were also affected took necessary steps to get over the consequences of the depression. Some countries like Germany in spite of the bankruptcy recovered so well; even though she had not a single coin in her chest, a single gold coin in her vault, Germany recovered in such a wonderful manner on account of her skill and ability. She said: 'Even though we have no money, even though our banks have failed, our credit lost in the world market, yet here we are to carry on our business with the rest of the world. We have got the capacity to produce manufactured articles here in this country, we give them in exchange to what we want from other countries.' She did succeed in doing so. She succeeded to such an extent that Great Britain was not able to understand how that was possible.

"Well, Sir, the trouble of our country and our province has been with the fall in prices that started in the world depression referred to by the hon. Member, Sir K. V. Reddi. What are the causes of this fall in prices? There are two recognized causes; one is overproduction and the other is shortage of money which is called the purchasing power in the technical sense. Have we got plenty of money to-day? Have we got overproduction to-day? Hon. Members will consider. While there is so much of land to be developed in our country which could yield all that we want and even more, so that we can export them in proper time, we are not producing what we want. We are importing over 5 crores worth of foodstuffs instead of growing them here. What is our position to-day with regard to prices, with regard to exports and imports and the balance of trade? Our exports have been on the decrease, imports are higher than exports. In 1914, that is the war year, our exports were more than our imports and we had over 4 crores to our credit. In 1920 we went on to the deficit side to the extent

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of 6 crores. In 1937-38 we are in the deficit side to the tune of 4 crores. When exports are smaller than imports, the trade balance is adverse to us. How has this adversity come? This adversity has come with the fall in prices that started in 1929-30. Other countries have everything under their control to protect their own interests; Britain, particularly, by putting tariff walls and by preventing Russian goods from entering their markets, and by declaring the gold standard off and by abolishing the free trade, protected her interests. But what happened to India which has been dependent on Britain? Has India been given that protection by way of levying a tariff duty so as to prevent Burma rice or the other foodstuffs that are coming into this country from elsewhere from coming into this country? No, nothing of the sort. On the other hand, after taking all the necessary measures to protect herself, she wanted to find a gold mine to fill her pots, because all the gold she had in the country had been depleted on account of America compelling her to pay the War debts and reparations in gold and not in silver or in any other metal. India supplied all the gold. How many hundreds and crores of gold bars have been sent during the last decade until now from here? And what are the terms on which this gold was sent to Great Britain? The Secretary of State for India who holds the key in his hand even to-day—even after this so called Provincial Autonomy has been given to the people, he has got the power to declare anything he liked with regard to the currency policy—said, 'We want gold now. We are in distress now. All our gold has gone to America. If we have not got gold here, our credit will be lost. We offer to our Indian subjects not 20 shillings per pound, but we offer 27 shillings or 30 shillings for every pound of gold. We want gold!' Gold left the Indian shores year after year, some of our great friends having started the game themselves. All this gold has gone away . . ."

SRI B. NARAYANASWAMI NAYUDU:—"May I know, Sir, whether this is relevant to the Sales Tax Bill?"

* THE HON. SRI T. PRAKASAM:—"My hon. Friend will raise the question, I knew. This is pertinent to the Sales Tax Bill and this is pertinent to the question which the hon. Member started with in his speech stating 'Well, Sir, what is the justification for this levy? I am in a different position here to-day. If it is merely to fill the Prohibition pit I will oppose it, but if on the other hand it is in any way helpful to the tenant or the ryot I shall be willing to support this. If I do not support it under those conditions I will be taken to task to-morrow.' He said that and he wanted to know, 'What is the necessity for levying this money? Is it only a Prohibition—excise—tax deficit?' He has been told not only in this House, but in the other House as well, that the Government are committed to

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the Prohibition scheme, started work, first one district was over, then a second district, and then a third district, to one of which this hon. Member belongs, and a fourth district has been taken; and it is admitted that four crores of rupees will be the deficit. When that is the deficit, what is the duty of any Government? The duty of the Government is to see that in the light of the policy to which it is committed there is sufficient money secured. No second question can arise on the face of it. As has been stated by Mr. Ramalingam Chettiar it is the first charge on the revenues now. Taking that as the first charge I may endeavour to point out to this hon. Friend who raised these two questions that it is not only for this purpose but it is for other purposes which require money and demand money to-day from the Government that we have to look to. Whether this money is sufficient or not is a different matter. It will not be sufficient to me. It will not be sufficient according to us even to cover, to fill, this Prohibition—excise—deficit. But that does not matter. We have to place before hon. Members that we have great doubts about the needs of the country. I am pointing out to the hon. Member the financial position in which his province and his country generally stand to-day. 'What is the relevancy?' he asks. If this is not relevant what else would be relevant?"

SRI B. NARAYANASWAMI NAYUDU:—"It is relevant."

* THE HON. SRI T. PRAKASAM:—"His gold is gone. Whatever gold there was of even the poorest of the people in the village is gone. He has come out of the villages and speaks for the ryots and the tenants! He ought to know what the effect of that gold leaving this country is. So, Sir, I am pointing out that this deficit in the export trade must be made up. How will this be made up? I wanted to tell the Honourable House, Sir, how a situation like that was met by Britain herself when her markets were flooded not with German goods, not with Japanese goods but with the goods of Soviet Russia, the much condemned Soviet Russia. At a time when every country was engaged in the War, when every country had been declared bankrupt, the country that sent manufactured goods was Soviet Russia. Germany and Japan followed. What did Great Britain do? I am addressing the hon. Members of this House and through them those traders of our Province who were told that this was a disastrous tax and that they should raise a protest. Sir K. V. Reddi has said here, 'Every village has protested; every man has protested; every woman has protested; every child has protested.' It is a long time since he has gone into the villages, apparently!" (Laughter.)

DR. SIR K. V. REDDI NAYUDU:—"No, Sir. It is only a few days ago that I went into the villages and I spent a greater part in the villages than in the city. (An hon. Member: 'In your own village.') Yes, in my own village."

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* THE HON. SRI T. PRAKASAM:—"I do not dispute that he lived in his own village. (Renewed laughter.) I am glad he has gone to his own village if he had not done so in the past. (Dr. Sir K. V. Reddi: 'I have often gone.') But his own village does not make the whole Presidency. There are about 50,000 villages. If I go with him to his own village, he will be able to understand perhaps what his own villagers will say. (Dr. Sir K. V. Reddi: 'You are welcome.') He has stated here to-day. 'Every man and woman has protested against this.' Every man and woman in the villages, the hon. Member ought to know, have found out the truth long before the agitation was started in some of the cities and towns. They are of opinion that nothing would be done by this Government which would bring trouble to them, which would bring ruin to them. They know that. Even they may be told that this is a tax that would affect anybody. But they will wait and see whether the Government that is put into office to-day would take any step which would bring ruin upon them. They have got enough good sense, I may tell Sir K. V. Reddi Nayudu."

"Villagers' interests are to be protected primarily. I stated the other day in the other House that it is not enough for any Government to balance merely the budget. It will have to balance the trade, it will have to balance the budget of the cultivator and the villager. It is only then that the Government can claim to be the Government of the people, working for their interests. Whether we have succeeded or not, whether we succeed or not, it is the endeavour of this Government to see that all these three budgets are balanced. One cannot expect the Prime Minister to get up and declare what all he is going to do from morning to evening and during all the period of his office. He has started it and he has placed these before this House and before the country. Now, money has to be secured. How can this money be secured for helping the cultivator for filling in this deficit, excise revenue deficit and also for making all the necessary arrangements to make the exports and the imports balance? It is an elementary rule that exports and imports can be balanced only by improving the export trade. The export trade can be improved only by developing the industries and by developing the manufactures. How can these things be done unless you have got money on hand? To-day I am telling the hon. Members of the House that the Government have got a scheme of colonisation, a scheme of development and a scheme for adopting certain preventive measures recommended by the Famine Code Revision Committee recently in the western districts. We have got all these things. According to the Famine Code Revision Committee recommendations three or four mills have to be erected which will cost nearly a crore of rupees, according to their estimate. They have recommended certain

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irrigation works with a view to give water to the people there. Where will you get the required money from? It is the duty of the Government to see primarily that all the material that is going from India to other countries by way of exports, if it is possible, is diverted towards manufacture and industry in this country itself. Without looking into all these things, without examining the financial position of the Province as a whole and without examining the condition of the people the hon. Member, Sir K. V. Reddi, who has filled such high offices, who has gone to Great Britain and who has seen the people in the villages and noticed how they are living, noticed their standard of life, knowing his own village into which he has gone recently, has come here and eloquently stated in the manner in which he has done. I am really sorry, Sir, that we should forget our own position and our people in the country. Their position to-day demands, not one and a half crores, not two crores, not five crores, but even twenty crores would not be sufficient if you wish to make the country, which is a desert to-day, smile once again and give food and cloth to the people just for their bare subsistence. This is the position which I request the hon. Members to note and examine and study from day-to-day as they proceed. There is no good of obstructing the Government merely for the sake of opposition because we stand politically on opposite sides. You must help the Government in all matters possible. This measure is introduced with a view to promote the industry, trade and general welfare of the people in the country. You have to examine this measure from that standpoint.

"What is the point in what he has stated when he said 'The depression has not affected this country so much as it affected other countries.' I have got to say, 'The depression has left them so far as they were concerned.' Great Britain depends day-to-day upon this country, India, so long as it holds that key to regulate the currency policy and the exchange policy of this land. That is our difficulty. How are we to raise the price-levels in the province, I would like to know. You can raise it only by taking stock to-day, the deficit exports and the increased imports into account. You can raise it only by taking steps immediately in the country to improve your products, increase your industry and manufacture; and it was only in this way that in Italy, when a similar situation overtook them, they managed. By doing these things, I may point out to the hon. Member, they will not only increase the industry and the manufacture of this country, not only supply the food and cloth required by the people, but they will contribute to the rise of the price-levels. India is a self-contained country but for the fact that this country is under subjection to another country even to-day. In this country if only we could levy tariff walls just as Britain had done, just as America had done and other countries had done

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in times of trouble, we will solve our troubles within even one or two years. But we are not permitted to do this under this so-called Provincial Autonomy. Therefore we can, by way of self-protection and for promoting the interests of our own people, levy only the Sales Tax. The sales tax we levy, Sir, not secretly. We are taxing the foodstuffs not secretly; we are doing it deliberately. I am ready to go into the country and convince the people there that the tax is rightly levied on their food and all the necessities which are mentioned here, chillies, salt, etc. Of course he said that on salt the country had gone into jails. The freedom was fought on salt and these people if they are sitting in office to-day, they are sitting on account of the salt. (Hear, hear.) We know that and we know our people also. We can tell them, 'Unless you tax everybody and all necessities of life you cannot have the money to carry on the administration of this Government. This Government is yours. You put the Government in office. Tax yourselves first and tax others who have not been taxed until now.'

"Who are these traders? Am I quarrelling with merchants? Are we not aware of the fact that these friends were by our side in the fight for freedom? Yet it is our duty to tell these friends, these merchants and traders, 'This is not the old administration; this is not the old Government. This is your Government. Your Government can run only when you tax yourselves and pay the money. We are here to educate you. You may be misled by some agitators who do not understand or who do it perversely. But we are here to tell you that it is your fundamental duty to lay a portion of your money for the administration of the Government and then use only the balance for yourselves.' I want the traders of this province and this country to become real traders, to become real merchants, to become the masters of their own business here. Who are the masters of the business here? Take any one case you like. Go to the exporting port. Find out who the exporters are. There may be very many other people who gather all these things from the poor people up to the last point. But who are the real exporters here? All these are common agents who are called dealers. It is the desire of our Government to see as early as possible that these merchants and these dealers, who are not real dealers, divert their capital for the promotion of industries and manufactures in the country and become real manufacturers making money which the Englishmen are making in their own country or other people are making in their own countries. How can all these things be done unless Government levy a tax like this?

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"What is this tax? This tax, it was said in the other House, affects everybody. It does not affect everybody. The hon. the Prime Minister told you in the opening speech how those having

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a turnover of under Rs. 10,000 are exempted. Who are the consumers? I know the consumers along with Sir K. V. Reddi. In the Madras city, who are the consumers of all goods that come from foreign countries and increase the turnover of business? They are not the villagers. It is not the villagers that are purchasing the Japanese goods and all other imported goods and flourishing in the manner in which we are flourishing in the city. As I pointed out in the other House what you find of imported goods in the poor cottages is kerosene oil for lamps and it will be the endeavour of this Government to substitute kerosene oil by some vegetable oil. Everything has to be looked into. To-day there is a Paper Mill on the banks of the Godavari from which district the hon. Member Sir K. V. Reddi hails. That Paper Mill is in trouble. Some banks have failed here. We have not been able to render any help to the banks even though we thought of it. It was not possible for us. There was a Reserve Bank with a constitution that was rejected by us when we were in the Central Assembly in 1927-28. In our absence that was passed and that constitution gives no power for expansion anywhere. To understand the financial position of the province you will have to understand all these conditions. If one bank fails other banks fail. When many banks fail the manufactures fail. Has anybody taken into account the condition of the industries on account of the failure of the Banks? We have not been doing anything except tackling the financial deficit legacy that has been handed over to us by Sir K. V. Reddi and others—not anything to our credit worth the name. Twenty years in anticipation they increased the expenditure to the tune of four crores and we have not been able to find out how to reduce the expenditure which they increased in 1920-21. That is the financial position of the country and it is the duty of the Government although we are not able to jump and do everything at once, to take stock of the situation and they are endeavouring to do the whole of their duty. If only the hon. Members of the House understand the real position, no question will be raised why this money is required. If you forget all these and imagine that you are sitting on the top of the house enjoying everything, then such questions can be raised: 'What is it you want? Only 17 lakhs. Why don't you raise that much?' Now that is the position of this province. That is the programme and that is the policy of this Government. That is now the position in the country."

* SRI L. SUBBA RAO:—"Mr. President, after the impassioned address of the Hon. the Revenue Minister very little remains to be answered. But I will submit for the information of this House the views held by the hon. Sir K. V. Reddi fifteen years ago as reported recently in a newspaper. Sir K. V. Reddi no doubt voted against Prohibition. What was the reason for voting? Is it because he is in the Opposition to-day or it is

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because there is no prospect of his getting into office in the near future? In 1924 after having acted as a Minister for one term and when he was out of office he addressed the Third Annual Conference of the Hindu 'Temples' League in November 1924 thus:

'The Madras Presidency pays something like Rs. 4 crores in the shape of Excise Revenue to Government and that is a large drain on the purse of the poor people who are addicted to drink. It is a vice of the people that the Government tax now.'

"Has drink ceased to be a vice 15 years later?

'The excise revenue is paid by people who can hardly bear taxation.'

"Does it cease to be a truth now?

'The Government of India in order to save the morals of a foreign country like China has been prepared to lose several crores of rupees in the shape of opium tax. Is it unreasonable to expect the Government to forego a much smaller revenue and thus save the morals of people of their own country? The country is no doubt already taxed now, but in preference to excise revenue, derived from classes of people who can hardly bear it, the Government might levy revenue such as, death duties, surcharges on income tax, taxation on luxuries, transfer of properties, partitions, tax on tobacco against which he waxed eloquent four days back.'"

A Voice:—"Sales tax."

SRI L. SUBBA RAO:—"Sales tax was not known in this country then. Very few economists knew it even in European countries. For the first time it was raised in Germany in 1916. It was introduced into France in 1917. It was only in 1920-21 it formed one of the basic revenues in France. It was adopted by 30 European countries recently. Thirty-two American States have it subsequent to the War. It was not known to us. It was included in the Government of India schedule in pursuance of its adoption by various European countries. Sir K. V. Reddi might not have been aware of it then. It was not perhaps brought to his notice then. It was only a text book that was published in 1924 that mentioned it."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Or even deliberately omitted."

SRI L. SUBBA RAO:—"As the Hon. the Prime Minister said even if it had been deliberately omitted it does not matter. I say it is not a question of deliberate omission. It would have been pointed out as a source of revenue if he had been aware of it. He further said in another place. 'Then the tax on tobacco, banks, mills, railway companies and successions. All these taxes touch the pockets of the people who can bear a little up. [Transfer of property I am afraid comes under sales, rather includes sales. (Laughter.)] The Reformed Government failed in many of the public expectations, but in the matter of excise policy the failure is ignominious.' After this statement it is very difficult to understand the reasons that have been put forward by Sir K. V. Reddi against Prohibition. The only reason seems to be that he is sitting in the Opposition to-day and they are

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reason seems to be that he is not going to hold a responsible office, perhaps in this House in the near future (laughter) to be accountable to the electorate with regard to Prohibition. What is it that the Congress has done? When it appealed to the country it was a chief plank in the platform of the Congress that drink should be put an end to. The electorate which put the Congress in office knew very well then that the first item of revenue that would be abolished would be the excise revenue and people also would have known that some other sources of revenue would have to be tackled. So in the same speech quoted above the distinguished knight who spoke on the morals of people in India said:

'People in India are expected to be temperance men, whether they own it or not, not that there is less drink in this country than in other countries, but they have been trained in a school of thought which always believes that drink is a sin, according to the belief of most Hindus and Muhammadans.'

"This is also an extract from his speech. After this we have to find some substitute for excise revenue. What is the substitute, is the question? The hon. Member Mr. Saldanha said that there might be some other substitutes. In a long roving speech he has not been able to make any suggestions. From his place it is easy to make suggestions. In a country like France it is equal to the revenue from income-tax. In Belgium it is equal to the income-tax. In Germany also it has taken the first place and it is considered to be a better tax. Though it is called a regressive tax it falls on all people according to the capacity to pay. Much sympathy was shown in respect of the poor man. The poor man that earns eight rupees a month what is it that he spends on sales tax? He goes to the smallest grocer whose turnover may not be more than Rs. 30 but who buys from the wholesale dealer and he will not pay a tax of more than an anna and a quarter. Is it a tax that is oppressive to the poor man? The poor man does not generally contribute any tax to the State. For the protection that he gets from the State he has to make a contribution. The rich man who buys 500 or 600 rupees worth of food stuffs or other articles will have to pay so many 500 times among the traders. It is to be noted that there is agitation seeing. If in an year the trade is paralyzed or disturbed then it will be time enough to think of readjustment. The opinion of the manufacturers is that manufacture will be affected. It remains to be seen how far they will be. Mr. Gonsalves asked, 'you had better make an estimate of the income and the expenditure and then tell us whether it is worth undertaking.' It is something like asking a person to swim before he gets into the swimming pool. We will have experience within one year or half year as to what the income and the expenditure will be. Even in France they did not estimate what it would cost. Ultimately the tax developed to the extent that the expenditure was

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comparatively less as methods and means were devised. Then, Sir, there has been some agitation among merchants in my part of the country against the tax and in spite of arguments some merchants do not seem to have been convinced. That is because it is represented that it is a tax on trade. We find from various treatises on economics that it is treated not as a tax on trade but a consumer tax. It is a tax on consumers. It is only in a very few cases that it may be considered to be a tax on trade, because only when there is fall in prices, the trader will be obliged to absorb the tax. When there is a rise in prices the trader will make a profit after meeting the tax. All these require readjustment in course of time. With these observations, I commend this Bill for the acceptance of the House."

12-30
p-m.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"Mr. President, after the speech of the Hon. the Minister for Revenue and the speech of the Hon. the Prime Minister in the other House it cannot be seriously contended if I say, that this tax is going to be a sort of poll tax because it was accepted that it will affect mostly the consumers. Who are the consumers? Are not the entire population of this province, over ninety per cent of them, the consumers? Are they not poor? The Hon. the Revenue Minister asserted that they are doing it deliberately and that they have got sanction behind it. He questioned the statement whether it will affect the poor or not. May I tell him that it will affect the poor? It was stated that because exemption was given to dealers whose turnover is less than Rs. 10,000, it will not affect the poor. Can it be said that these dealers are getting their articles direct from growers without paying any tax? Wholesale dealers will pay the tax and will include it in the price to which they sell the articles to the retail dealers who in their turn add their quota of profit and then only fix the price for sale.

"The Hon. the Prime Minister stated yesterday that more than half of the gross produce is being taken away by persons in their homes and tillers were not given anything. I do not wish to say that the position of the tillers who are under the landholders who are in their homes is satisfactory and gives no room for improvement. But I would like to say that most of the pattadars are not persons who are sitting in their homes but are actual tillers of the soil.

"Much has been said about the Congress pledge and the Congress manifesto. Let me examine what they have stated in their manifesto. At one place they state:

'The poverty-stricken masses are to-day in the grip of an even more abject poverty and destitution, and this growing disease urgently and insistently demands a radical remedy. Poverty and unemployment have long been the lot of our peasantry and industrial workers; to-day they cover and crush other classes also the artisan, the trader, the small merchant, the middle class intelligentsia'.

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"In another place they state:

'At the Karachi session of the Congress in 1931 the general Congress objective was defined in the Fundamental Rights resolution.'

"That general definition still holds. The last five years of developing crisis have however necessitated a further consideration of the problems of poverty and unemployment and other economic problems. With a view to this, the Lucknow Congress laid particular stress on the fact that 'the most important and urgent problem of the country is the appalling poverty, unemployment and indebtedness of the peasantry, fundamentally due to antiquated and repressive land tenure and revenue systems and intensified in recent years by the great slump in price of agricultural produce, and called upon the Provincial Congress Committees to frame fuller agrarian programme.'

"Pending the formulation of the fuller programme the Congress reiterates its declaration made at Karachi—that it stands for the reform of the system of land tenure, revenue and rent, and an equitable adjustment of the burden on agricultural land, giving immediate relief to the smaller peasantry by a substantial reduction of agricultural rent and revenue now paid by them and exempting uneconomic holdings from payment of rent and revenue.

"Now, have they taken any steps to implement this pledge? As claimed by the party in power that they have accepted the office and wrecked the constitution by working it, they may claim that they are reducing the taxation by imposing additional taxation.

"Sir, reference was made to the lack of courage of the Justice party with regard to the Prohibition policy. Sir, it is true that my party is pledged to Prohibition policy but not to the break-neck speed of the Congress and at the sacrifice of other and more insistent relief, especially relief of land revenue taxation. What you call courage is nothing but foolhardiness. It may be further stated that a pledge to Prohibition policy does not involve a pledge to all the schemes of taxation which the Government might propose. Our vote for Prohibition policy cannot be understood as a licence for any taxation proposal of the Government. In fact, my hon. Friend Mr. Narayanaswami Nayudu definitely asked the Government to state, at the time when the Prohibition Bill was under discussion, as to how the Government were going to adjust their financial loss. No reply was given to that at that time.

"Reference has been made again to the enormous increase in expenditure during the time of the Justice party. May I ask the Members of the other side to take the House into confidence and tell us in what way they have attempted to reduce the expenditure and how far they have succeeded in it?

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"Again reference has been made to the concession shown to the cotton and yarn producers. I must take it, Sir, that it is a compliment paid to the Hon. the Prime Minister without whose consent the Select Committee could not have granted that concession and I am glad to note the same. I only wish to be in the happy position of my hon. Friend to be able to persuade the Prime Minister about the reasonableness of the suggestions which will be made by this House.

"My hon. Friend, Mr. Subba Rao, took Sir K. V. Reddi to task for the views which he held in the year 1924. I am not here to defend Sir K. V. Reddi, but may I ask the other side whether it lies in their mouth to charge others with inconsistency. What about the question of separation of Judiciary from the Executive?"

MR. PRESIDENT:—"That question is not now before the House."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"What I meant to say was that there was nothing wrong if one changed his views after experience. Now, the other side have changed their opinion and have stated that separation of judicial and executive functions is not necessary."

DR. SIR K. V. REDDI NAYUDU:—"A word of personal explanation, Mr. President. I never thought that the Leader of the Opposition would take any serious notice of the speech that was made. I really wonder what Mr. Subba Rao had in mind when he said that I have changed in mind. I supported the tobacco tax here. I only objected to the particular form in which it was placed before the House."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I would not depend on the 1924 speech of Sir K. V. Reddi at all. I give that assurance."

DR. SIR K. V. REDDI NAYUDU:—"I am very much thankful to the Hon. the Premier, Sir. What about the Rowlatt Bill or the Rowlatt Act? You condemned it yesterday and put it into force to-day. That you should come and take me to task!"

SRI L. SUBBA RAO:—"Do two wrongs make a right?"
(Laughter.)

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Sir, coming to the point of this tax, I beg leave to submit that we are not opposing this tax, simply because it is sponsored by this Ministry. We are not opposing it because we want to discredit this Ministry. But we want to oppose it as it affects vitally all classes of people. As I said before, it affects the agriculturist who is the real consumer as also the producer. It affects the consumers who are mostly poor men. Sir, when I say that this tax

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would affect the producer, I think I should explain how. It would affect in this way. While the Government have exempted him from this tax, the merchant imposes this tax by offering low prices for his products, in order that he may meet the tax imposed upon him by the Government. This clearly shows that the producer has got to pay this tax indirectly, though not directly. The most unfortunate position of the agriculturist is that he is doubly taxed: While he gets a lower price for his produce, he has got to pay higher price for his necessities of life and for his agricultural implements and for his clothing. Therefore it is wrong to suppose that the agriculturist is exempt from this tax. In fact, he is one of the worst sufferers under the present taxation policy.

"With regard to the total income from this tax there is difference of opinion. The Hon. the Prime Minister expects a certain sum, and one of the prominent Members of his party expects a different amount."

SRI T. A. RAMALINGAM CHETTIYAR:—"I gave an estimate on the basis of the Bill as originally framed. The several changes made in it by the Select Committee have changed the position."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"The hon. Member was heard to say that yesterday. My point in stating that is that men with experience and the expert member expect more revenue than what was expected by the Government. To-morrow, according to the provisions of the Bill, the rate can be increased and the exemptions withdrawn by an amending Bill or with the help of the rule-making powers. With his present majority in the Legislature the Hon. the Premier can get any amending Bill passed if he so minds. The Hon. Premier stated that if he gets more than 1½ crores, he will reduce the rate. The Hon. the Lady Member has shown clearly the other day when she dealt with the Tobacco Bill how it is not possible to give effect to that promise and I therefore do not propose to go into detail. I desire to point out that, if only the Hon. Premier had been serious in making his statement, it would not be possible to fulfil the promise in view of the fact that Government have not been able to modify the land revenue policy which they have been hitherto following or to give relief to the ryot, although the Congress party has quite definitely promised in their election manifesto that they would reduce the burden of land revenue. They say they are considering it still. It is 2½ years now, and yet they are saying that they are considering that question. I do not want to take up any more time of the House. I am hopeful that the Hon. Prime Minister will accept reasonable suggestions and amendments made with a view to lessen the rigour of the tax."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, first of all, I must say that I am not only conventional but I feel a sense of duty in expressing my gratitude for the courtesy and restrained manner in which strong feelings have been expressed. It is always easy to feel strongly but to find correct and courteous terminology for giving expression to those feelings it is very difficult; and it is really a matter for congratulation that on this measure of taxation criticisms in this House which probably contain the strongest elements of Opposition to-day, have been so framed as to enable me to tender this expression of thanks for the manner in which the criticisms have been expressed. At the same time, let me not be untrue to myself and let me say therefore that there is a feeling in my mind that not all the criticisms were quite fair. I have a distinct feeling—it would be hypocrisy on my part not to give expression to that—that some parts of the criticisms were not quite fair and were not addressed to the Government, but were addressed to people outside who may be easily misled and may thus take an unjust attitude towards us in respect of all that we are doing. I do feel that certain important observations were intended more for those people who may be misguided, than for people who may reshape or amend the Act.

"For instance, the repeated appeals made to the possibility of this tax becoming a burden on the poorest and giving expression to that feeling in language which is full of fallacies is a thing which I believe the speakers are not unaware of. Let me substantiate this complaint of mine. I think Mr. Gonsalves it was who said 'you are taxing the poorest people; the excise tax has been admitted to be a tax on a few people; and this sales tax which is going to be a tax on so many poor people is really worse than the liquor tax that is levied on a few miserable people.' I do not exactly remember if Mr. Gonsalves said this, but I think, some others also repeated that argument to-day. It is a plain mathematical fallacy. If the total amount which the Government want to recover by way of revenue, is imposed as a tax on a few miserable people, one kind of injustice results from it. But if the same total amount is distributed on all people in the country, naturally different results follow. It was argued on the basis of the words 'few' and 'all,' and was pointed out that when the liquor tax was imposed, it would affect only a few poor people, whereas the present sales tax, if it is imposed, will affect most of the poor people, and therefore this tax must be hundred-fold unjust. That was the fallacy which the elder Members of this House gave expression to so that it may be cast abroad, printed in black and white in newspapers and also be translated in various languages so that this miserable Government might not have the chance of preventing the fraud that may be practised on the public by giving them this fallacious information. I say this is a fraud. If a

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certain amount of revenue is distributed over the vast bulk of the people of this country, the burden which each will have to bear is reduced to that extent. But if the whole 4 crores is made to fall upon a little number of miserable people, it will certainly fall upon them heavily, and it will not only be unjust but it will also be oppressive. That is the fallacy I am pointing out. It is always good to distribute a certain amount of revenue that you want in the form of tax over a larger number of people than on a smaller number, whether they are good men or bad men it does not matter so far as the burden is concerned. Here is a tax which falls heavily over a few and here is another tax which will fall on all. So, I say you are doing greater injustice to those few people. I submit that would be unfair. The very reason that I put forward for this measure is its relief in reducing the burden over all. The words 'few' and 'many' have been used in such a manner as to bring out something which is atrocious and which is not worthy of the elder Members of this Chamber. That is why I took the liberty of saying . . .

DR. SIR K. V. REDDI NAYUDU:—"At any rate it is not so unworthy as the word 'dishonesty'."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That does not excuse him at all. I maintain that it is dishonesty. I did not apply it to any person. I applied it to a system, which I understand is dishonest. Now I want to remove that system; I say the system is dishonest, because in the shape of reducing consumption of liquor, it is sought to bring up the revenue from drinking which the miserable man cannot escape. So am I wrong in calling this system a dishonest system? The facts are correct and therefore you must confess that what I say is correct. Let me say in passing that I am trying to remove it. I do not call any particular man 'dishonest'. I am sure that, not owing to want of intelligence that this question of difference between throwing the taxation burden on a few people and over all the people was not understood and therefore it was much stressed upon . . ."

DR. SIR K. V. REDDI NAYUDU:—"I honestly say that nobody else can stand equal to you in the matter of intelligence."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am too old to be flattered by such expressions. I know there are many cleverer men than myself. Sir, it is not right to take up the time of the House on this point. I have no great admiration for myself. I wish I were cleverer in a true sense than I am. I am only trying to put forward things just as I see them frankly and courteously. I do not mean any discourtesy to any individual or others. I do say it is a great fallacy, and it is very confusing to utter in this House to make up the argument that because a burden

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is imposed on all, that burden is the same in quantum as that which is imposed on a few. The greater the distribution of the burden the lesser is the burden, and any arithmetician who knows the fractions will understand that the larger that a burden is distributed the lesser will be the burden to each one of them. Therefore, considered in any way it is a fallacy to say that the burden distributed over a larger number is more burdensome to each. To the extent to which the tax is distributed over many than over a few, to that extent it is a juster and fairer tax.

"Then, Sir, Sir K. V. Reddi raised a point about the need of being just and thus made a confusion between good and just. It is an important point and I am therefore hanging to it. It is wrong to confuse both. It would make nothing clearer if we try to differentiate between just distribution of a tax and morality of the subject-matter. I hold clear opinions. I change nothing. I do say that drinking is bad, the sale of drink is bad and that Government should not sell it and that the duty of the Government is to prevent drink and that it is wrong for a man to drink. As regards the justice of the tax that is imposed on sale of intoxicating liquors I say it is unjust, because the whole money that has to be paid is paid by those people who are slaves to this habit, instead of our making all the people bear the taxation burden. It is in that sense that I used the words 'proportion' and 'fair distribution.' They have nothing to do with the moral quality or the physical quality. The word 'balance' really means 'adjust, and we take the word 'adjustment' from the very same word 'balance.' It is the proportion that we are now dealing with. Sir, this tax is intended as an adjustment of tax-burden. Therefore it is a fairer tax; it is a juster tax. To that extent this tax has something to say in favour of it. Then another hon. Member, I think it was Sir K. V. Reddi, referred to the Bombay measure and asked us why we should not follow it. Have hon. Members seen the Bombay measure? I would like them to see it. The Bombay measure is this. It is not for me to criticize the Bombay measure; it is for me to defend myself when an argument is put forward that the Bombay measure would have been better than the present measure. The object of that measure is to levy a tax on the sales of goods specified in the schedule; it is not merely a licensing measure as was sought to be made out. Then the machinery for the collection and the particular sales—wholesale or retail—to be taxed are proposed to be left to rules. I want Sir Frank Birley's attention in this connexion."

SIR FRANK BIRLEY:—"Sir."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The Bombay Bill proposes to levy a tax on the sale of goods specified in the schedule and the machinery for the collection and the particular

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sales—wholesale or retail—to be taxed are proposed to be left to rules. But it is stated in the Objects and Reasons that the tax will be confined to a maximum of 6½ per cent. If everything is to be left to rules, that would give me a certificate from hon. Members opposite, and I am quite prepared to have it straight-away. Let me read the clauses of the Bill which leave these things to be done by rules and let not Sir Frank Birley's hair stand on end." (Laughter.)

SIR FRANK BIRLEY:—"I promise you it won't, Sir."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is why I dared to frighten him to this extent. I knew that he has no hair to stand on end. Clause 3(1) says that there shall be collected a tax on the sale of any kind, of goods specified in the schedule and at such stages between their manufacture, production or import as the case may be and their consumption as may be prescribed. The rules are to prescribe these matters. That is the Bombay Act."

DR. SIR K. V. REDDI NAYUDU:—"Sir, we read recently in the newspapers that the Bombay Bill was confined this year for the sole purpose of licensing. Is it wrong?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Odd pieces of news sent out for propaganda and other purposes by newspapers and others do not make a change in the Bill that is now before the House in Bombay. If in the rules to be prescribed they intend to be moderate and confine themselves to one thing or another, if they start with a licensing system in the first six months and then develop a taxing system according to the rules, there is nothing surprising in it. If hon. Members would give us the power to fix the rate of tax and the incidence of the tax and everything else according to our determination by means of a notification under the rules, there would be nothing dangerous in making such a law. A licence fee could be levied at once for the next six months and the tax can be developed later on and we need not come before the House at all. It is not for me to show that the Bombay legislation is a hard piece of legislation. It is for me to show that our legislation is not worse than that."

SIR FRANK BIRLEY:—"Two wrongs do not make a right, Sir."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Two wrongs do not make a right, I admit. But if a wrong is committed, it has to be remedied. We see that certain taxes are wrong and they have to be corrected and they can only be corrected by imposing other taxes. In that way it may seem that two wrongs do not make a right. For instance, if A kills B, we hang A afterwards. Two wrongs do not make a right according to the law of non-violence, but we have to remedy certain things and to remedy

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them we have to collect money and people are to be educated to see that it is not a wrong thing but a right thing that we are doing. In that sense they will understand that there is no such thing as one wrong making another wrong right. Sir Frank Birley says that the fact that the Bombay Bill is bad does not prove that our Bill is good."

SIR FRANK BIRLEY:—"Exactly."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I admit, Sir, but Sir K. V. Reddi and a few others have been trying to prove that we are greater monsters than the Bombay people. I am only anxious to show to them that we have got only as much ugliness about us as they."

DR. SIR K. V. REDDI NAYUDU:—"I did not call anybody monsters at all."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"They did not call us monsters: it was quite unnecessary. It was quite enough to say that we do monstrous things."

DR. SIR K. V. REDDI NAYUDU:—"We did not use the words 'monstrous' at all."

SRI B. NARAYANASWAMI NAYUDU:—"Is the Bombay Bill a general Sales Tax Bill or a selective Sales Tax Bill?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Call it anything you like, the Bombay Sales Tax Bill has a clause which says that 'a tax may be levied on any kind of goods specified in the schedule.' There is a schedule which contains certain selected articles."

MR. J. A. SALDANHA:—"What are those goods?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"We are not now dealing exactly with the Bombay Bill in great detail. The schedule contains such things as motor spirit, tobacco, artificial silk yarn and all sorts of things. That takes us immediately to the question of which is preferable—a selective sales tax or a general sales tax."

"Hon. Members have become very scholarly as a result of our efforts at taxation. Every one, I am glad to say, has taken the trouble of taking up volumes from the Library and sending for new volumes and studied them. And let me confess at once that I have not had the same time to go through these books as hon. Members have collectively commanded together. At the same time, I think I have understood the purport of these books and the quotations from them. I shall deal with them at once. Mr. Narayanaswami Nayudu said that he preferred, after a study of

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these books, that we should follow a selective sales tax system instead of having a general sales tax. Now my first answer is that we have done that. We have taxed petrol, tobacco, liquor and certain other articles of consumption. Whether you call them commodities or goods, it does not matter. We have had certain selective taxes. It is not as if we have given up the system of selective taxes. What is selected in London or America need not necessarily be selected here. I go so far as to say that what is selected in Bombay need not necessarily be the best selection in Madras. We have to select certain taxes and we have selected certain commodities for taxation. It is not as if we have given them up. Selective taxes, it should be remembered, are heavier than general taxes. Selective taxes being necessarily heavier, we have to be careful in selecting them, because not only are we not to ruin the trade in these articles, but we should also not press far too heavily on people who consume particular commodities. We have to be careful in choosing them all round. In our unfortunate country, it is not merely the economic status of the man that decides what goods he buys, but social habits go a long way. Certain people consume certain articles and certain other people consume certain other articles. We will be causing great injustice if we swear too much by selection. It is true that it is possible to select a few luxuries which the more well-to-do consume and tax them so that the more wealthy may be taxed. In that way we have done some little. Apart from that, we cannot become, so to say, monogamous selective taxation people. We have to have both selective taxation and general taxation so that all may share the burden to some extent. That is the principle of our scheme.

“Then, Sir, Mr. Narayanaswami Nayudu quoted from a book, a very good book published in 1934. It is a book of selections and extracts in which articles written previously by various gentlemen have been collected. It is essentially a book of collections and the particular passage he quoted was from an article written by an American gentleman, who is a propagandist against the sales tax. Sales tax is a controversial thing in America because it was introduced at a rapid pace since 1930 or thereabouts. It was introduced here, there and everywhere. As a result, two schools of taxation—pandits and doctors—started each one writing against the other and each one swearing violently that its view is correct and the other's view is wrong. Mr. Johnson whose article is quoted in this book is obviously an anti-sales tax writer. It can be seen clearly. But even he has said enough to show to me at any rate that there is much good in it and that it is possible after experimentation that this tax may prove useful, good, proper and just. In 1929, when that article was written by Mr. Johnson, the tax had not been experimented upon. We have now had the benefit of several experiments. It is not as if each State should

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wait for another State making experiments. So far as we are concerned, those experiments have already been made. Our country is not entirely in the position of the small States of America which Mr. Johnson has dealt with in his article. Dr. Thomas has dealt with that aspect of the question. Our Province is a big Province and the Government here are imposing a sales tax. In their turn other Provinces in the country will have to face the same situation and therefore we shall have a sales tax everywhere. It will be a necessity, so that the inconveniences arising out of an unfair distribution of taxation among the several Provinces and States will disappear very soon, if only Mr. Narayanaswami Nayudu will wait.

“Then, Sir, Mr. Ramakrishna Reddi began to quote from another book. I think it was Mr. Green's book. That was a book written in 1933. Is that book available here? I am asking for that book, because I want to draw his attention to the summary in that book. (The book was handed over to the Premier.) The summary is found on pages 138–139 of the book. This also is written by an anti-sales tax writer. It is possible we have got literature on both sides. Both on this question of the sales tax and on the question of Prohibition we have got tons of American literature on either side and we can get them without any difficulty whatsoever provided we or the Government library pay the high price that they generally charge for these books. This author is an anti-sales tax gentleman. Particular interests are concerned in sales taxes and philosophies are developed in accordance with the particular interests easily enough. Sir Frank Birley approves of what I say by his nod. He thinks that it is possible. I appreciate his frankness. Of course he will say the same thing about me. There is no harm about it, for we do not represent particular interests though we may be ignorant of all interests concerned. This is the summary that the American gentleman gives in spite of his anti-sales tax attitude.

“The defects and objections to sales taxes have been set out at length because they may not appear to one who has not made a special study of them, or who has not had an experience of putting them into effect. The merits of sales taxes can be stated briefly.” 1-15 p.m.

“It would not do for the propagandist altogether to ignore the opposite side.

“But it must not be understood that because this can be done that they are of but little weight or importance. After all the first question with reference to every tax is, will it produce the required revenue and here no question arises with reference to sales taxes. They are excellent revenue producers if enforced, and in many countries have been in a general way quite successful.” “They have fewer complications than the income-tax and the computation of sales taxes is easier and more certain.”

To these I wanted to come presently. I shall finish them off now. It is always easy to find out the turnover; in such a case it is not

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necessary to unravel accounts to find out whether there is profit or not, how much profit is hidden, how much profit is shown and whether profit has been shoved away into the reserves; such information may be available to the Income-Tax Officer. All these things are difficult to get at, even from audited accounts. But in the case of the turnover, there is no such difficulty. That is what is referred to in the book

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—"Does the Hon. Premier think that every turnover is a profitable concern?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is the assumption that any businessman does not carry on business, unless there is some profit in it. To me it seems that nobody will be like the top that is about to fall and will carry on business without any profit. That fact should not be forgotten."

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—"I may inform the Hon. Premier that there are timbers worth lakhs of rupees on the sea-shore. If they are sold to-day, we would be losing thousands of rupees, by reason of the low cost of timber. Rosewood which was selling at Rs. 50 is being sold now at a very low price."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Speculation is so rampant. I quite admit. Let me assure Mr. Moidoo that, if the tax, that we propose to impose, is to be imposed on the timber merchant, the man who wants timber is bound to pay for it. If it is lying unsold, the merchant need not pay any tax. If I do not sell, there is no tax at all. It is only when it is sold, the turnover is taxed. That is the difference. Mr. Green goes on to say:—

'While they sometimes require extensive records in the way of details, these records are, as a rule, comparatively simple and do not require highly expert accountants and technical advisers in order to make them.'

Tragic pictures, horrid pictures were drawn of enforcing people to keep accounts, of asking people who do not know to write at all to keep accounts. That is why I am reading this particular portion. It will not be difficult to keep such simple accounts. It is a simple affair, provided it is straightforward. Mr. Green says:—

'A general sales tax imposed at a low rate does not affect greatly any particular business, while a special sales tax must use a comparatively high rate in order to be productive of any considerable revenue. The merits and demerits of the sales tax will perhaps best be shown by examples taken from the tax systems of different countries.'

This is what Mr. Green says in his book, from which Mr. Ramakrishna Reddi read

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SIR FRANK BIRLEY:—"That extract would be appropriate, if it were intended to substitute the income-tax for the sales tax. But unfortunately, we have to pay both."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The particular portion referred to is also from an American book. The particular portion referred to the state of things in that country. Both the Federation and the States were taxing at that time; they are even now taxing. Both the Federation and the States are taxing the articles. The same man has to pay the Federation tax as well as the States tax. The income-tax also is to be paid by merchants; the sales tax also has to be paid by them. The tax is paid by different people. That is quite obvious also."

DR. SIR K. V. REDDI NAYUDU:—"May I know if the tax imposed by the Federation is sales tax?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It depends on the State. In some States, it is a Federation tax. In Canada the tax is a State tax. So far as the income-tax goes, the constitution there does not prevent the State levying income-tax also. That is the difference. In fact some passages of these books I went through yesterday, while references were being made to some other passages. It is better to have an income-tax and a turnover tax. It is better that the tax should be evenly distributed. It should not fall heavily on the man who is doing his business properly and is therefore making profit. It is wrong to tax that man and not to tax a negligent man who does business but does not make a profit. You must put your eggs in a number of baskets, so that if you break any of them, some of them might be left."

"Then, Sir, Mr. Ramakrishna Reddi gave me a proposal. He said if foodstuffs are to be saved, I shall support the Bill. When I actually asked him if that was a sporting offer, it seemed to me that he was withdrawing the same. However it is not a question of offer or sport. Let me deal with arguments. I do maintain that the particular men when they are consuming or taking their own foodstuffs, are exempted from this tax in a way. But hon. Members want to confuse the issue; they use the term foodstuffs broadly; they abuse the term and they want all foodstuffs to be exempted. They commit the mistake which I started with exposing and which they should not commit. It is this. I shall explain. The poor man in the village, the ryot, the cultivator, the poor rural citizen does not go to a big shop to buy foodstuffs. He goes to buy some things which are imported, certain articles which are not produced in the locality. He (or she) carries a basketful of some article which he has produced to be exchanged or to be sold and to buy other articles for the money that he gets for his produce. He does not purchase ordinary foodstuffs for his consumption. Therefore this tax does not fall upon such people in

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reality. Even assuming that poor people in the towns buy their foodstuffs, they will have to go only to the smaller shops and the incidence of the tax on the commodities will not be as heavy as hon. Members have described. Because, that particular shop will not pay the tax. May be; what has been paid on the wholesale, may have to be paid by this small shopkeeper also. The burden will be extremely light even in these cases. I can boldly say that the vast majority of our rural population do not buy such foodstuffs as will come under the operation of this tax. I do not say that this tax will not have any effect upon them at all. I shall presently admit and show how much effect it may have. I do not say it will have no effect at all. It will not be so high upon these people as hon. Members have tried to draw and paint in this House.

"There is another aspect of the matter to which I wanted to draw the attention of the House and it is this. Hon. Members in the name of the poor, in the name of food, under the good formula of foodstuffs, want all foodstuffs to be exempted from any tax under this measure. What is the meaning of that? It means that the man who wants to purchase the produce of other people's labour, will purchase it at a less price than he should pay for it. If I want to go to the bazaar and buy foodstuffs—rice, ragi, sugar—and eat everything that I want to eat and want to feed my guests with, myself sitting in my drawing-room earning salary out of all proportion to the labour that I do, am I to be free from any tax on foodstuffs? What is this formula with regard to foodstuffs? Men are apt to commit mistakes; men are apt to be misled by this formula. If you want to buy the produce of another man's labour, you must pay for it, and you must pay a tax also. That is what I say. But, if you want to use, if you can use your own foodstuffs, as most people in our country do, they need not buy and they need not pay this tax. It is only when you go to the sales' bazaar, when you go to a shop where labour is sold—it is not unfair to say so, in America slaves are sold—and when you buy other people's labour, that you pay the sales-tax whatever the commodity may be. That is the meaning of this Bill. Hon. Members bring forward a formula which only confuses ignorant people. That is why I state I do not accept the proposal that foodstuffs should be exempted as a whole. Foodstuffs' exemption will not help the producer. On the contrary, let me at once say, if we levy a tax on foodstuffs which are imported from one particular town to other countries and sold in our bazaars and if people want to buy foodstuffs which are sold, without labouring, without producing them, the price of foodstuffs goes up to some extent, not enormously. This little tax will not raise the price of the foodstuffs very much. It will rise to a certain extent. So, the man who produces his own foodstuff

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and who does not want to buy it, will be better off to that extent. He will not be worse off at all. Therefore, Sir, the formula of exempting foodstuffs is very misleading. It is not commodities that we should be thinking about; it is the men that we should be thinking about. If we think in the terms of the man who wants to buy foodstuffs from the bazaar, there is no justification for his claim that he should be excused. There is every justification for claiming that the man who produces foodstuffs should be excused. That is what we are doing now. The man who purchases foodstuffs has to pay a little extra.

"The Leader of the Opposition read extracts from our manifesto, read extracts from the Karachi resolution and reiterated his claim on behalf of his particular constituents, the landowners of Tanjore. He said that these landowners should be allowed to pay a little less of land-tax than they have been hitherto paying. He backed up his plea by the fact that he put forward that most people who pay land revenue are small pattadars, people who themselves till the soil. Therefore exempt them, he said. Here again, does he make a sporting offer? Shall we exempt them? Shall we levy a tax on others?"

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"What I wanted to say is this; you made a promise; what have you done to give effect to that promise?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"So far as the Government are concerned, the promise must be weighed in the scales of justice and reason and should be given effect to. What is the promise? Read the terms of the promise. The promise cannot be written down in two lines. It can be briefly sketched in two lines when carrying the resolution in the Congress. The resolution cannot go into details as to who should be exempted and how much should be exempted. Such details cannot be laid down in the proposal. This is a common measure. I just want to point out that the same fallacy is committed throughout. On the back of the poor man, we want to be all of us rich. We want exemption in favour of the poor man because we want exemption in favour of the rich man . . ."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—
"If the Hon. Premier exempts the poor man by some formula, I will accept it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is a spirit which I am grateful for. Let me apply that principle. I want to apply that position here. It is the poor man's tax that I am thinking of. I am thinking of the tiller of the soil, the petty pattadar as well as the tiller of the soil. How can we reduce the tax on him? Is it enough merely to ask for it? Is it enough to

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reiterate resolutions? Is it enough merely to ask for non-official days, when you can table a resolution on the subject? You must table a measure on official days, which will make this reduction possible. No use depending on non-official resolutions that will go only to the extent of blackening our character and that will not make it easier for us to carry out our promise. Resolutions are not intended merely to blacken the character of the Government. They should be intended to enable the Government to do something that they had promised. Here we are trying to reduce the land tax, the tax of those who till the soil, who grow their own paddy from the land. As I have pointed out already, first we have to remedy the grossest injustice, we must dispense with the Excise income of Rs. 4 crores. The people who pay this tax are very poor people who do not own any land, but who do labour and who are tired at the end of the day. I can sympathize with many anti-Prohibitionists better."

SRI B. NARAYANASWAMI NAYUDU:—"I do not sympathize with the drinkers."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is necessary for me to sympathize with the man who drinks. He labours hard the whole day and is tired at the end of it; he wants to forget his physical pain; he can get over it by parting with 6 pies. Liquor is necessary for him. 'It has food value,' people wrongly say. Make it 4 annas instead of 6 pies and take $3\frac{1}{2}$ annas to run our schools and hospitals, and to maintain our roads. That is the gravest injustice that we can possibly do to anyone, be he a teetotaler or a drunkard."

SRI B. NARAYANASWAMI NAYUDU:—"Question."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I say that that is the gravest injustice that is possible to be done by any Government; I repeat it, Sir."

"Books were read out; extracts from Dr. Green's book and Macy were read out. But I say, Sir, if these gentlemen had been asked by, and commissioned by, me to write about the rights and wrongs of this tax in our country on drink—not on the liquor tax as it obtains in America but on the liquor tax as it prevails in this country—I have sufficient faith in their honesty and their intellectual fairness that they would have condemned this tax outright and they would have said that this is wrong and that it ought to be made cheaper. Even though they be anti-Prohibitionists and pro-beveragists, they would have said, 'This is wrong; make it cheaper.' 'Toddy is available; if you cannot remove their troubles, let them at least have some physical relief from their fatigue. Why do you price it so high,' it will be asked

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'if you believe in what you say?' I do not believe in that. I do believe that it is bad even though it be made cheaper and I say it ought to be prohibited outright and not merely taxed."

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—"As we are meeting in the afternoon, Mr. President and as the Hon. the Premier said that he would be taking some time, would it not be better that we adjourn now?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I shall be finishing very soon. I am sorry I have to detain hon. Members but I cannot help it because the arguments of the other side have to be met."

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—"On the assumption that the Council will be rising at the usual hour, I have fixed an engagement with a friend, Sir."

MR. PRESIDENT:—"It would not take much time."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"If I do not refer to the arguments of the other side, I would be considered discourteous. If I did not reply to the points raised, it would be said that I did not deal fully with them because I had not listened to them. As I have to deal with all the points raised here, I have necessarily to take a little more time. I have to deal with the points as I feel about them and therefore, it may probably take a little more time."

"Reference was made to the burden on the poor people. I maintain that our poor people, our rural population mainly, will not be burdened. Their life is so ordered that they will not fall under this taxation in respect of such foodstuffs as they purchase necessarily for their existence. Even further than that there is the ten-thousand limit which saves them from it. That is why it was considered unnecessary to complicate it with a further measure of exemption with respect to all foodstuffs which would have the effect of exempting not only they but many of the trades of our country, which would have taken away many from the ambit of our taxation; and if we exempt foodstuffs and exports and everything and if we accept all that is said, there will be nothing but pain and irritation. There will be nothing more left by way of revenue. This is the impression that arguments from the other side have created in me. 'We agree to the sales tax; but see that it does not bring in any revenue, any decent revenue.' All the amendments proposed, all the arguments that have been advanced and all the suggestions that have been made come only to this. 'Alright since you are persistent and since you say Prohibition is there, we would not object to the sales tax. If you are so keen on it, bring it up in such a way that no decent revenue would be got from it.' I submit, Sir, that it is difficult for me to agree to that proposal."

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"Sir K. V. Reddi thought that the rate should be such that you may get only what you require during the half-year and you may increase it later to suit your further requirements. But I may tell the House, Sir, that this is not merely a Budget adjustment; it is more than that. As I have attempted to show, it is the first step in the re-adjustment of our tax burden and this first step cannot be taken without levying a tax and the tax cannot be levied in such a way as only to furnish revenue for a particular budget half-year without giving any more than that. These are difficulties which prevent us from adjusting the different principles together. The one principle is to tax as much as you require and to get as much revenue as you require and another is to do away with bad taxation and introduce good taxation which can take its place. I have already tried to show that in a full year we do not expect to get beyond the outer limit of a crore and a half and it does not go anywhere near the four crores that we shall have to give up and the amount involved in regard to grant of land revenue reduction. There is nothing extravagant in our proposals. Let me ask at once, 'Why is it that hon. Members imagine, if we are unable through the first six months to say how this would really work and what would be the full value that we would be getting to the Exchequer, that we shall not introduce prohibition in all the districts throughout the Presidency? What is there for hon. Members to imagine that we shall not be able at least to introduce it in all the inland districts if difficulties about coast line districts have to be encountered?' There is nothing that prevents our doing it because we have been convinced that it is an enforceable measure and is a good measure and a measure that ought to be carried out in full.

"The Leader of the Opposition read article 7 of the Karachi Resolution that something should be done for relieving the burden of the tillers of the soil. He should also read Article 13 which speaks of the introduction of total prohibition of all intoxicating drugs except for medicinal purposes. Both have to be done. As regards the reduction of the burden of debt, we have done it though the hon. the Leader of the Opposition opposed it also. The whole of the Karachi resolution is there. We do say that it is not so easy to fulfil it straightaway. It is quite easy to say that we have not fulfilled it. But I say we have not fulfilled a very insignificant part of all that is contained in that manifesto though we have done a great deal and we have taken steps which will do more than what we have done hitherto.

"Mr. Samiappa Mudaliar made a good point; though he did not mention it directly, he said enough to make me understand that any taxation will indirectly have the effect of reducing the purchasing power of the people, that is to say, it will fall upon the people indirectly. If Sir Frank Birley has to pay a very heavy

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income-tax, he would naturally adjust his business in such a way that the articles he sells will have a bit of it on it. Every tax in the world will no doubt ultimately affect everybody; it will affect the poorest also. That is admitted in all the text books. It is just like the sunshine going through to every nook and corner of the country even though we may have a roof over our heads. In the same manner taxation will affect everybody. It is true and in that limited sense this tax will affect the poorest sections of our people and that need not frighten us from having it. Has not drink affected everybody? It may not be that everybody is affected with regard to money and morals but in general peace and harmony of life and of social happiness, it affects everybody. To that extent will the tax affect everybody and nothing more. It affects everybody in the same way as everything in the world affects everybody. That cannot be an argument for us to put off what we have to do.

"I do not feel that at this stage, I shall take more time. I am glad that I have been able to cover much ground and we will have opportunities when the amendments are moved to further explain the points. I submit that there is good reason for taking this Bill into consideration."

The motion that the Bill be taken into consideration was put and carried.

The House then adjourned for lunch to meet again at 2-45 p.m.

After Lunch—2-45 p.m.

MR. PRESIDENT:—"The House will now take up the consideration of the Bill clause by clause."

Clause 2.

Sub-clause (b).

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, I beg to move the amendment that stands in my name, namely:—

'Omit the words "buying or" occurring in line 2.'

"Mr. President, the clause as it stands in the Bill does not exclude from the operation of the Act the agriculturists, when they sell the produce which they produce from their own lands. The word 'buying' will then cover agricultural goods as well. For example in the case of groundnuts when an agriculturist sells his goods to a person who happens to be a foreign trader, the latter will have to pay the tax under this measure, and naturally he will throw that tax on the price of the goods, and that means, he will reduce the price of the goods proportionately. Thus ultimately it is the agriculturist who will indirectly pay the tax. And that is why I want the words 'buying or' should be omitted. Obviously it is the intention of the

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Government that the agriculturist should not be affected by this Bill. In fact owing to that attitude the agriculturist is grateful to the Government. But my fear is even though this Bill wants to save the agriculturist from the tax under this measure, really, the agriculturists will be indirectly paying the tax if the words I suggest to be deleted should be retained. Therefore, Sir, I move that the words 'buying or' be deleted in line 2."

SRI B. NARAYANASWAMI NAYUDU:—"I second it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, mistaken impressions there are with reference to these words, perhaps genuinely entertained by some, and exaggerated by others; and I should like to remove them. The inclusion of the word 'buying' in this definition does not at all mean, as has been made in the other provisos, that the same transaction may be or is intended to be taxed both ways. That has been made quite clear. It has also been made quite clear that if a dealer who does a lot of buying in the course of his business also sells, he is not to be taxed at the next sale that he makes if he has borne the incidence of the tax calculated on a turnover basis and pays a tax of five rupees, so that not only the same transaction will be saved from any kind of double taxation on account of the definition but also the buyer-dealer will have the advantage of not paying any tax when he next sells in the chain of commerce in connexion with a commodity. Also it need not be imagined that this will be a promiscuously utilisable provision. That is to say, supposing we take a trade in rice, it is not as if we deal with the sellers in one place and with buyers in another place, and things like that. It is a regular system of rules that will be made in respect of particular commodities or trades in such particular commodities. So it can be settled whether we go on the buying-basis or on the selling-basis. And this buying-basis will still be called in for utilization only in cases where the selling clause cannot be applied reasonably. That is to say, there are certain articles which are mainly the subject-matter of trade and commerce in this province in the way of buying for final export. There are certain articles which are sold to consumers in our own province. But as I said, there are articles which in the main are only bought for the purpose of final export; and it is only in such cases that this buying-scheme will be applied; so that it means it will not be applied promiscuously.

"The point particularly stressed by Mr. Ramakrishna Reddi is that the retention of the words would mean that the benefit we are intending to give to the agriculturist producer will be lost if we levy a tax on those who deal for purposes of export, who, as I said, will be taxed in a buying-scheme. If we make that exemption in the case of agriculturists the primary principle,

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then the argument would be correct. But an exemption is only an exemption. An exemption should not be erected into a primary and fundamental principle, and the rest of the Act brought to shape in consonance with that. The Act is the fundamental thing, taxation is the fundamental thing, and the exception is what follows next. We should not shape the Act so as to suit the exemption; we should shape the exemption so as to suit the Act, at the same time taking care that the exemption is not nullified.

"Then how is this done? I explained there are certain trades, which, so to say, deal in money-products, that is to say, products which are much more valuable in terms of money than other products, because of their export value. And hon. Members know that several acres of land have been converted to that kind of crop, instead of the ordinary food-crop. Hon. Members are aware that we can only deal with the different position created by the money-crop by some kind of taxation measure only. Many schemes have been considered with reference to revision of land revenue, and it has been found impossible to put any higher rate on money-crops. Therefore this is a feeble tax, if I may say so, put upon money-crops raised on our lands, and therefore there is nothing inequitable in a sales tax levied even in the case of products which may be called money-crops. Therefore it is, I say, that this proposal to remove the words 'buying or' would not be consistent with the objects and reasons of the Bill. A certain amount of taxation on them is necessary; to exempt all exports would be altogether wrong. It seems to me it is reasonable to have a small or a light levy on them, not a heavy one; and that is what is done now. This levy is considered light. If we do not have these words it would be open for a certain whole business, I say, entire business, to get out of the sales tax. It would be very easy for the whole organization of export traders to avoid all taxation whatsoever, if we do not have this definition as it is. Therefore, this is the justification for this treatment. Mr. Ramakrishna Reddi is perhaps a little pessimistic when he said the entire burden of taxation will fall on the agriculturists if these words are not removed. Well, Sir, there is sufficient competition in the market and in the trade for the adjustment to take place; and in many cases the burden will not fall on the producer. I do not believe that he is unaware of the shock-tactics prevailing in the purchase of produce in this trade. We all know how the middlemen deal with the producers. Whether we levy this tax or not we expect this kind of exploitation to go on. For this cannot be stopped without educating the country-side. They are all illiterate. So a light tax will not affect them much. Till this major difficulty of illiteracy and fraud are removed the position of the producers will not improve; and so, I submit, this

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levy of half a per cent will make little difference to the producer. As I said, there are a number of harpies, I will call the middlemen so, who are harassing the poor producer, half-way to the market, dissuading him from taking his commodity to the market, declaring that there will be trouble with the Police and all that, producing a pair of false scales and cheating him of the commodity at a very cheap price. These are the practices that are employed by them, and hon. Members are quite aware of them. And even if this tax is levied he will certainly be able to bear it than the food-crop producer. These are the considerations that weigh with Government so that one-half of the whole business may not escape from the sales tax."

DR. SIR K. V. REDDI NAYUDU:—"I was told—whether it was in the Select Committee or in the other House, I don't know exactly where—the question was raised, whether the schedule under the Government of India Act gives power to levy tax only on sale of goods. The question was raised whether 'sale' includes 'buying' also. May I know how the difficulty was got over?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"Is the hon. Member raising any point of order?"

DR. SIR K. V. REDDI NAYUDU:—"I want to know how the legal difficulty was got over. I want to know what the ruling of the Speaker was."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I can say this: there is no legal difficulty in the matter. A legal difficulty was raised on the definition of the term 'sale', what a 'sale' is; and it was considered. It has been definitely provided that we do not want to reduplicate the tax, and that we do not want to make it in any manner inconsistent with the scheme of the Government of India Act. The schedule gives this Government power to tax transactions; and the actual incidence of the tax depends, whether it was at one stage or the other, on the nature of the commodity marketed and so on and not in the form of the transaction. It was not intended by the Government of India Act obviously that one class of transactions should altogether be saved from the sales tax, the buyer should not come under any other authority or jurisdiction, or the Government should tax one of the transactions in a different way; there is no distinction drawn between the two aspects of the same transactions and it is only when both the aspects join together that a transaction can take place. That was the legal analysis that was made. There was no legal difficulty as far as I could see, nor do I imagine that it is now raised. I understand that it is only a question."

SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"I have got one difficulty, Sir. I am speaking on the amendment . . ."

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MR. PRESIDENT:—"The hon. Member has no right to speak."

The amendment was put and lost.

Clause 2.

Sub-clause (b).

Explanation (1).

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Sir, I move—

'Omit the words "A co-operative society" in line 1.'

"Sir, it is said that the Government have come to the conclusion that the economic life of the villagers can be increased only through the co-operative societies and for that purpose they have appointed a committee to suggest ways and means and to send their recommendations to them. I am told that even in that committee the suggestion was seriously put forward to have compulsory membership. I do not know how ultimately the Government will decide the matter. However, it cannot be said that the co-operative society is one which is out for profiteering like other merchants and any other people. Therefore I do not see any reason why it should be included in this. I hope that the Government will now accept this amendment. If they come across any serious violation by major co-operative societies then they can include them."

SRI B. NARAYANASWAMI NAYUDU:—"I second it, Sir."

* SRI T. A. RAMALINGAM CHETTIYAR:—"Sir, in the amendment that is proposed there is a misconception. What was asked by the co-operative societies in the Presidency is something very different from the amendment that is now proposed. There are several types of co-operative societies, some societies are producers' societies of agriculturists. They are called by various names, loans and sales societies and so on. What was asked by the co-operative societies generally is a general exemption and a special case was urged that these societies in which the agriculturists are members and where sale is effected on behalf of the agriculturists should be exempted. What the Government have said was that they would be exempted as a matter of course on either of the following two grounds: namely, either on the ground that they are agriculturists or on the ground that these co-operative societies are merely agents selling the goods of the agriculturists and no other goods. That was the argument that was used by the Government and on that basis the amendment proposed was dropped. What is now asked for is not with reference to these societies . . ."

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SRI B. NARAYANASWAMI NAYUDU:—" May I know whether the hon. Member thinks that the Government's proposals are right in his opinion? "

* SRI T. A. RAMALINGAM CHETTIYAR:—" Oh, yes. That raises a bigger question. Unless other commission agents are going to be brought in under some provision or other, I suppose co-operative societies also will be exempt in the same way. That is a matter which will have to be examined with reference to commission agents generally. But any way, that is a different matter from what arises with reference to this amendment. This clause deals with what are called 'stores,' consumers' societies. These have no relation to producers' societies. I remember the Government were asked in general that all the co-operative societies may be exempted, but a special case was made out only for the producers' societies. With reference to that I mentioned what actually took place. So this amendment is a different sort of thing and the amendment that is now proposed will not meet the situation."

SRI B. NARAYANASWAMI NAYUDU:—" May I suggest that the exemption of co-operative societies for producers may be accepted on the side of the Government? "

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—" May I ask the Hon. Prime Minister whether he endorses the views expressed by the Member from Coimbatore? In that case I will be willing to withdraw the amendment."

DR. SIR K. V. REDDI NAYUDU:—" Only as a matter of information, Sir. There is in the Madras City the Milk Supply Co-operative Society. If the turnover of that society exceeds Rs. 10,000 will that also be taxed? "

Several Hon. Members:—" Oh, yes."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" The fact that a number of consumers combine themselves into a co-operative society should not, I submit, Sir, entitle them to any special privileges. The difference between a single consumer going and buying something from a producer, and a body of consumers buying at a favourable opportunity in the market and keeping them and selling among one another does not in my opinion entitle them to any particular facilities and exemptions. The producers' societies are wholly different and as Mr. Ramalingam Chettiyar explained, the producers' societies if they function merely on behalf of, and only for, the individual producer that is placed in their hands, however much they have taken advances and the like, would be merely agents and about that there is no doubt. The specific agency would be there and any sale by them, by the producers' societies, loan societies as they are called, would be a sale on behalf of a person who owned the property and they would be

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agents. If they mix up, it is a different matter. And so far as this amendment goes, I have already said the matter has been thoroughly discussed in Committee, as well as in the other House and I am only repeating what I have said there, namely, that the way in which we might help the consumers' societies or other co-operative societies or any form of co-operative movement would be by specific help of stipends and facilities otherwise given and not by giving exemption either from the normal incidence of business, trade or otherwise. For instance, registration fees, if ordinarily he wants to transfer his property or part of it, then a certain amount of registration fee if he becomes a member of a co-operative society; if he gets all these exemptions from all these laws, it would not be quite proper. It is a very untidy way of helping. We must help in the proper way and show that co-operation is good and that the co-operative movement is good by putting things on an equal level with the ordinary level of transactions and proving that co-operation confers benefits. But supposing we give exemption from some fees, we give exemption from railway charges, bus charges, from registration, from search certificates, from house rent, from everything, then we prove nothing to this world but show everything against the society when compared with an ordinary businessman. It will not help the co-operative movement at all. It is only by placing them on an equal footing with the rest of the business that we can prove to the peasantry in this country that co-operation is good. It can be done only by giving direct help where such help is necessary and not by giving indirect help and assistance in this manner and making the whole thing confused and not really showing to the ryots that it is good to become members of co-operative societies. That is the reason why mere co-operative societies as such should not be excluded from the operation of this Act.

" What Mr. Ramalingam Chettiyar said in principle is perfectly correct though I do not want the application of it to be confused because one party may differ from another. What he has said in principle is correct. If co-operative societies are formed by producers and they act only on behalf of individual producers and loans are given or advances are taken on the pledge of properties and the produce is sold afterwards, it will be sold by the society as agents on behalf of the producers; but on the other hand if these societies are conducted in the shape of first-class ryots who join together as co-operative societies it should not help them. I want at once to warn the Leader of the Opposition that there should be no mistake about it. If it is merely the agency, it is certainly saved by the other provisions of the Bill. I am sorry I cannot accept this amendment. It has already been discussed, as seen from what Mr. Ramalingam Chettiyar has said."

The amendment was put and lost.

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Clause 2.

Sub-clause (g).

* MR. J. A. SALDANHA:—"Sir, I beg to move—

'Add the words "*except British Cochin*" after the words "*Province of Madras*" at the end.'

"I bring this amendment at the instance of the Cochin Municipality and the Cochin people who have already written . . ."

MR. PRESIDENT:—"Are you moving clause 2 (g) or (e)?"

MR. J. A. SALDANHA:—"It is a mistake, Sir. I am moving the amendment to clause 2, sub-clause (e). I move—

'Add the following new sub-clause after sub-clause (e), namely:—

"'Order' means order made by the Provincial Government subject to the approval of both the Houses of the Legislature".

"I have dwelt upon this point before. This is a taxation measure which is passed by both the Houses of the Legislature. Now Government seek to have some dictatorial power. Though they are accustomed to have it, we consider it a rather dangerous precedent. That order is like this. Under clause 33 of this Bill they seek to pass orders to remove any difficulty they like by order of the Government without being subject to any sort of discussion in the Legislative Chambers. That is giving too much of power to the Government. Therefore, I propose, Sir, that the orders passed by the Provincial Government should be subject to the approval of both the Houses of the Legislature. Any order that is mentioned must be that order which is passed by the Government subject to the approval of both the Houses of the Legislature. Therefore, I think, this amendment is a thing which is quite reasonable. Any order passed by Government based on the provisions of this Act which enables them, the Government, to pass an order to remove any difficulty that might be found in carrying out the provisions of this Act should be subject to some sort of control by the Legislature. I had already dwelt upon it. It is a very important thing that whatever power they might have had under the old laws, they should not be utilized in future and especially, as has been pointed out by more than one Member of this Council, this sort of legislative powers which the Executive seek is severely condemned in England. In the guise of a legislative power they actually seek to legislate in future without any . . ."

SRI T. A. RAMALINGAM CHETTIYAR:—"I rise to a point of order, Mr. President. This is not the place in which anything is said about the power or about the procedure that is to be followed in making the rules. That comes in clause 19 (4).

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Clause 19 (4) lays down how the rules ought to be framed. The present clause does not provide for the procedure to be followed."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. Saldanha's proposition is that we should have a definition of the word 'order.' I think the only clause that he has in contemplation is clause 21 of the Bill in which the word 'order' occurs. If it occurs anywhere else in the Bill his definition that all administration should be conducted by resolution in both the Houses will be most dangerous. But if his motion is only directed towards clause 21 in moving this amendment, then, not as a point of order but as a piece of convenience I would suggest that this be moved as a proviso when clause 21 is taken rather than try it as a definition just now. I will not raise any technical objection."

MR. J. A. SALDANHA:—"I shall move this, if the Hon. the President will allow me, when clause 21 comes up for consideration."

MR. PRESIDENT:—"Mr. J. A. Saldanha again. Clause (f)."

MR. J. A. SALDANHA:—"I shall go to clause (g) at once, Sir."

MR. PRESIDENT:—"Hon. Member does not seem to know his own mind." (Laughter.) (An hon. Member: 'He knows his own mind.')

THE HON. SRI C. RAJAGOPALACHARIAR:—"I think Mr. Saldanha does not move his amendment to sub-clause (f)."

MR. PRESIDENT:—"If that is so, he may better move his amendment to sub-clause (g)."

MR. J. A. SALDANHA:—"Sub-clause (g) says that Province means the Province of Madras. I propose to add the words 'except British Cochin.' The reasons are these. British Cochin is a small tract of land at the opening of the harbour of the famous British Port Cochin. It is about one square mile."

SRI A. RANGASWAMI AYYANGAR:—"He is discussing the amendment with reference to clause 1."

MR. J. A. SALDANHA:—"I move my amendment to sub-clause (g), viz.,

'Add the words "*except British Cochin*" after the words "*Province of Madras*" at the end.'

THE HON. SRI C. RAJAGOPALACHARIAR:—"He is quite in order, Sir."

* MR. J. A. SALDANHA:—"Next to it is a port called Mattancheri. Mattancheri is what is called the Indian port of

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Cochin. Mattancheri belongs to Cochin State. On the opposite side is Ernakulam and all round is the harbour of Cochin State. This is only a little piece at the entrance of the harbour called British Cochin having a small municipality. Cochin is flourishing and famous in the history of India. It was Cochin originally to which the Portugese came and established trade. It produced the first of Indian printing presses. It has its own historical traditions from old Hindu times. This British Cochin is going to lose its position, its prestige and prosperity in case this Bill is passed. It comes this way. There being a flourishing port next to it Ernakulam next door to Cochin State, besides Alleppey in Travancore close by, there is a natural temptation for the foreigners who have got branches there to divert their business to those places. This Bill, if it enforced, will be driving these merchants from British Cochin. British Cochin will then lose its importance. Thousands of people are employed by these firms in the shipping and doing other things also in their offices and factories. The result of the enforcing of this Bill practically would be to ruin the prosperity of Cochin. The firms will not be ruined. But it will ruin the prosperity of the people and will bring about unemployment or people will run away from the port of British Cochin to the port of Mattancheri or Ernakulam or Alleppey. Therefore on behalf of all these people I move this amendment that the town of British Cochin should be excluded.

"Now, Sir, naturally it will be asked 'In that way so many other ports of the Province will suffer.' That is my contention of course but they will suffer not to the extent that British Cochin will suffer. It will be difficult to exclude large ports like Mangalore which might suffer to some extent. But this place will suffer especially. The result of all these taxes that are being imposed will be practically to ruin this port. Already on account of the high taxes that are being imposed in British India, the town of Cochin is suffering. Indian States have not got these harassing additional taxes which our benign Congress Government is going to introduce. (Laughter.) Therefore I plead for this. I would not ask for the exemption of any other place than British Cochin and I hope it will be easy to grant this concession which the British Cochin people seek."

* SIR FRANK BIRLEY:—"I beg to second this amendment. I am doing so because my attention has been drawn to the fact that if this amendment is turned down—which I know it will be—I shall probably not be allowed to move my amendment to clause 1 because it is a similar amendment. That, Sir, is my reason for seconding this amendment."

"Mr. Saldanha has described to you the geographical situation of British Cochin *vis a vis* the States of Cochin and Travancore in which territories this Bill will not operate, and I need not

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explain to you at any length after Mr. Saldanha's speech the serious disabilities that this Bill will entail to the traders and dealers and merchants in British Cochin surrounded as they are by these two States which are quite close to them and in which the Act will not operate. In the first place the Cochin harbour through which the bulk of the business passes serves not only British Cochin but it also serves Mattancheri which is in Cochin State. The artificial island, Willingdon island, which has been recently created in the middle of Cochin harbour is also Cochin State territory and is not British Cochin. The inevitable result of the application of this Act to British Cochin will be that traders and merchants who have been living for centuries doing the business of exporters will have to move their places of business either to Mattancheri or Ernakulam and the inevitable result will be that British Cochin will lose the whole of the business that is there. This is the situation, Sir, and I hope Government will accept this amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, this is an amendment directed against one of the necessary evils of such legislation. At every border there would be a case of this kind. At all the borders there will be places where it may be profitable to some of the businessmen to move across the border over in order to escape the tax or in order to escape the competition consequent on this tax. It cannot be helped. Supposing we agree to this, another problem will arise not between the Cochin State and the British Province, but between that place which is now exempted and the next neighbouring place. If it is viewed at from the point of view of the man and not of the Government of which the man is a subject, it will be seen that apart from history and the sacredness of the soil to which Mr. Saldanha referred, whatever adjustment we may make there will be again a new border. The border between British Cochin and the rest of the British Province will be there creating the same difficulty. Certain merchants . . ."

* SIR FRANK BIRLEY:—"I submit, Sir, there is no analogy throughout the Presidency to the conditions which are prevailing and which will prevail on account of the harbour at Cochin."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"On account of the harbour at Cochin it is true that the situation may be important. But apart from that difference more or less similar situations will arise everywhere. It may be that big businesses may be involved in Cochin but the small businessmen in numerous numbers will be involved in a similar way at all the borders wherever it may be, either on the borders of the Nizam's Dominions, or on the borders of the Mysore State, or Travancore State or elsewhere and not only in British Cochin. It is a necessary evil as I submitted. But if on account of the harbour any

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difference arises it is a subject which has to be examined later, Sir, and dealt with. As it is, it is quite possible, if not probable, that the situation is exaggerated, because there are many factors entering into this mobility of business. The mobility across the border is far too easily put forward in dealing with such proposals as taxation. There is the question of house tax; there is the question of property; there is the question of congestion in Mattancheri for instance and if all of them wanted to shift, where could they go? How much will it cost extra in order to move? All these things taken together we may perhaps find as a result that business has not proved so mobile as people picture it would become on account of this. It is therefore a matter of examination. I do not wish to dogmatize, but I submit that this should remain over for actually seeing and remedying if any contingency arises."

S. K. AHMED MEERAN SAHIB BAHADUR:—"On a point of information, Sir, does the Hon. Premier know the topography of British Cochin as it is situated? I want to know as a piece of information which will go a long way to make the difference about the border."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"There is always the difference, I know. I know the topography to some extent. But there is always a similar difficulty. I do not say it is exactly the same. There are similar difficulties. For instance in Pondicherry there are more difficult spots, the British creeks running into the French land. There are difficulties everywhere. But, of course, the harbour is the chief point in reference to Cochin."

S. K. AHMED MEERAN SAHIB BAHADUR:—"This is a point of land surrounded on all sides by Cochin."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is an island."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Not only an island."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I think that in the case of Cochin it cannot be dogmatized straightaway. I would rather wish hon. Members to leave it open for consideration."

The amendment was put and lost.

Mr. J. A. SALDANHA:—"Which amendment have I to move, Sir?"

Mr. PRESIDENT:—"It is not the duty of the Chair to suggest which amendments hon. Members have to move. It is a matter of courtesy that I am doing it."

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Mr. J. A. SALDANHA:—"We are thankful for the courtesy, but we have received so many amendments."

Mr. PRESIDENT:—"When hon. Members have given notice of so many amendments, hon. Members must take care to move them in their proper places. It is not the duty of the Chair."

SRI B. NARAYANASWAMI NAYUDU:—"May I submit that these amendments were received only yesterday?"

Mr. PRESIDENT:—"The hon. Member has given notice of amendments long ago."

Mr. J. A. SALDANHA:—"My point is this. I do not know what other amendments are coming up before my amendment."

Mr. PRESIDENT:—"Hon. Member need not worry himself about other amendments that are coming. His own amendment, he must be prepared for."

Clause 2.

Sub-clause (i).

* Mr. J. A. SALDANHA:—"I shall be more ready in future, Sir." (Laughter.)

"I move—

Omit the words "either bought by or" occurring in line 2."

Mr. PRESIDENT:—"It has been disposed of because the other amendment has been put and lost. The hon. Member need not move that."

THE HON. SRI C. RAJAGOPALACHARIAR:—"May I submit, Sir, that yet it is better that it is voted upon, because the two definitions are different. It is not exactly a point of order. It is possible for the Members to judge independently on this."

* Mr. J. A. SALDANHA:—"I have got certain facts to place before the House and the Hon. the Prime Minister. It is that the addition of the words 'either bought by or' will nullify the effect of the rest of the portion. I shall state what I mean by giving a concrete example. Now take the producer of coffee plantations. He produces coffee and he sells it to an agent and exports it through agents to Europe. Now that purchaser here is an agent of an European firm in London, who purchases it as an agent in India. Under this clause, the seller in the hope that he is exempted will say 'I am not at all liable to pay. I am only an agricultural producer of the land and so I am not liable' and he sells in that hope. But the purchaser at once will be caught hold of. The Prime Minister has an ingenious device

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to catch hold of these agriculturists and I congratulate the Prime Minister on devising such a method. The purchaser will say 'you have to pay because you are selling to the tune of 20,000 rupees.' Coffee plantations this year are so hard hit that they have not had any profits. Under this Bill he is taxed whether he gets income or not, whether he gets profit or not. This is an ingenious device. Practically what is given with one hand is taken away by the other hand. Besides that, it is *ultra vires*. The Government of India Act allows a tax on sales and not purchases. Therefore the purchaser cannot be taxed. So on legal and constitutional grounds, it is *ultra vires*, and also on the ground of justice. Therefore I move that the words 'either bought by or' should be omitted from this."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I have already explained the purpose and the scheme we have in view with regard to this. I need not repeat it. There is a difference between a dealer and the agriculturist who is contemplated for exemption in this particular provision. If that difference is kept in mind, it would be seen that we cannot remove the words which are sought to be removed by this amendment. It is not as if the same men will be taxed both ways, but we have to provide for both transactions in the definition and the provisos that follow this particular sub-clause would explain the whole thing most exhaustively. It occurs in the proviso to clause 3. The definition here would be inadequate to meet the definition of 'dealer' in the general scheme of the Act, if we do not have these words, which Mr. Saldanha wants to be removed. I do not raise a point of order, but in substance it has to be consistent with the scheme of the Act.

"With regard to the point raised by him that it is illegal, I may submit, Sir, that there is no point in it for it is confusion of ideas. To imagine that a sale can be divided into two parts and that one part of it is within the jurisdiction of the Province for taxation and other part of it is not within the jurisdiction of the Province is a legal attempt, which cannot possibly succeed. It is an attempt at legal ingenuity which cannot possibly be accepted by any school of jurisprudence. As a transaction it must have two parties. Any law or any powers relating to leases must cover both lessor and lessee; any power with relation to transfer of property, any law or power of taxation must cover both the alienor and the alienee, and the fact that sale of goods is executed between two parties and that it is not a unilateral transaction must be obvious especially to an ex-Judge like Mr. Saldanha. Therefore I do not think there is any point in the legal argument.

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"But apart from that, is there any merit in what he is suggesting? That is the only thing to be considered in an amendment to this turnover business. I think I have already explained the reasons why the words cannot be dropped. But let it be once again understood clearly that it is not intended to nullify any concession that is really sought to be given to agriculturists as such. To apply the agriculturists' exemption to dealers in coffee and dealers in money-products of that kind would be wholly wrong and what is not intended. While we are really going to get within the ambit of this measure sales of foodstuffs, there is no reason whatsoever to take away from this measure the sales of goods in money-products like coffee and the like, which are sold for good prices and exported. There are difficulties in the coffee business, I admit. This half per cent will not affect one way or the other. These difficulties will have to be removed by other processes and remedies altogether and not by exempting them altogether from this General Sales Tax."

MR. J. A. SALDANHA:—"In the Tobacco Sales Taxation Act, the term 'turnover' is confined only to sales. May I enquire why this distinction is made?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I shall explain. Because in the case of Tobacco Tax, after it was definitely restricted to manufactured goods, there is no object in keeping the other side of the picture. Here it is a matter of export commodities and commodities of internal trade. Therefore there was no necessity in the case of manufactured tobacco. It is essentially an internal trade in goods of that kind and therefore there is no necessity to bring in buying at all. Here buying has to be brought in. Real mercantile transactions take place with regard to certain products."

The amendment was put and lost.

* MR. J. A. SALDANHA:—"Sir, I move—

'Omit the words "grown by himself or grown on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise".'

My object in moving this amendment is to exclude from the operation of this Act all agricultural and horticultural produce until they are converted into flour, etc. If this is not done there will be rise in price of food-stuffs of the majority of the population in the Province. With all the sympathy shown to the poor people by both sides of the House, the poor consumer in the land will be compelled to pay more for his food-stuffs."

SRI B. NARAYANASWAMI NAYUDU:—"I second the amendment."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"This amendment, Sir, is an illustration of what I stated previously. Mr. Saldanha will not let us have a sales tax without any tax coming to us. This will exclude everything possible from taxation. I cannot, I regret, accept it."

The amendment was put and lost.

* MR. J. A. SALDANHA:—"Sir, I beg to move—

'Add after the words "on any land" in line 7, the words "situated within or without this Province".'

"What I want to press upon the attention of the House by this amendment is this: Grains come into this Province from other Provinces and from the States of Mysore and Travancore. The question arises whether these products should be subject to the operation of this Act. If a merchant has a horticultural plantation at Cochin and he imports rice from Cochin to Malabar and sells it, the question is whether such products are liable to taxation. I propose that they should not be liable to taxation because they are the produce from his land which he owns in an Indian State."

SRI B. NARAYANASWAMI NAYUDU:—"I second the amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, whether by mistake or otherwise, this explanation was not thought of. As it stands the clause may be helpful to Mr. Saldanha for the object he has in view. It is therefore better that he leaves the clause as it is without making this amendment. If at all any change is proper, it should be done by putting in the words 'within the Province' after the word 'land'. But, as it stands, I am afraid he will have the exemption even without the amendment. I do not think he should press this amendment."

MR. J. A. SALDANHA:—"I do not press the amendment, although I do not think that all officers concerned will take the same view as the Premier in regard to this matter."

The amendment was, by leave, withdrawn.

* SIR FRANK BIRLEY:—"I move, Sir—

'After Explanation (iii) insert the following as Explanation (iv):—

"(iv) the amount of any bad debt incurred by a dealer shall not be included in his turnover; provided that when any debt which has been written off as bad, or any part thereof, is subsequently recovered by a dealer, such part thereof as is recovered shall be included in the dealer's turnover in the year of recovery."

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[Sir Frank Birley]

"Sir, in case there is any misapprehension in the minds of non-commercial Members of this House about the existence of this bogey about which I am concerned in this amendment, I should like to state that in a fairly long life spent in commercial pursuits, I have never known a case in which the business in which I have been interested has not been free from bad debts. Credit in business is not a modern development, nor is it confined only to big business. Throughout the centuries, labour, services and goods have been supplied on credit terms and it is a natural corollary of the system that here and there should be individuals or companies who fail to meet their dues. Some of these debtors who cannot pay are perfectly honourable people and are victims of circumstances. Others are dishonest, frankly dishonest. In this connexion I may tell you a small story. A man on the Yarn Exchange in Manchester said one morning to his friend 'Well, John, how is business?' 'Business is so bad that even the buyers who do not intend to pay have stopped buying' he replied. (Laughter.) Business can never be worse than that! The point I wish to make is that it is impossible to run any business without incurring bad debts, and it is inequitable that the Government should expect a man to pay tax on sums that he never received or will never receive. Before I close I should like to suggest that perhaps it is the intention of the Government to take care of this requirement of the Act in the rules. Perhaps, if the Hon. the Prime Minister will give this House some assurance on that matter, I should be quite willing to withdraw any amendment."

MR. J. A. SALDANHA:—"I second the amendment."

SRI B. NARAYANASWAMI NAYUDU:—"Mr. President, may I request the hon. Member, Dr. Thomas, for the Government side to state in how many countries where general sales taxes have been introduced, this provision for bad debts has not been included in the Act?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Before I reply, Sir, I would like to know whether any hon. Member can throw any light on this point?"

SRI B. NARAYANASWAMI NAYUDU:—"With regard to this particular provision I would like to know how the other countries have dealt with it. Are the Government adopting the policies of other countries or have they got a programme of their own?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Mover perhaps would be able to throw light on this point raised by Mr. B. Narayanaswami Nayudu."

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* SIR FRANK BIRLEY:—"I am sorry I have no definite information. But I should think on the face of it that it would be a very logical thing to find exemption for bad debts in the Sales Tax Acts of other countries."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I shall try to explain how it is impossible. Much as we sympathize with the claim on the merits, it is not by exemption that we can at all deal with it, and I shall say why. This is not a tax on income. If it were a tax on profit or income, we will have to take the entire losses and profits and make the calculation. If in a year the bad debts are written off, there would be found so much loss. But this is a tax on the turnover. Turnover is calculated on some basis. For instance if it is for the year 1939, we calculate the turnover of 1938 or 1939. We take a particular year's turnover. Now, any bad debt cannot be called a bad debt or written off unless it has gone through a certain number of years. The minimum would be two or three years. It cannot be more. Now, in the turnover of that year, it would be impossible to meet the bad debts. The bad debts would belong to a wholly different year. The turnover of the year that we are taking for the purpose of assessment would be just the previous year's, if not, the same year's. It would be impossible to say, out of that turnover, that these are bad debts."

"Now, what is the amendment itself? The impossibility of applying this principle will be obvious even in the language of the amendment. What is the language of the amendment? Sir Frank says that the amount of any bad debt incurred by a dealer shall not be included in the turnover. It would not apply. I am sure he is sufficient master of the language to see that what he says is not logical. He will have to say 'Credit will be given to the dealer up to the amount of bad debts written off by a dealer in any particular year.' It is a complicated process. It is not possible to calculate the turnover and allow for bad debts for a year which is so recent as fit to be taken for calculating the turnover and yet the bad debts have not proved themselves to be bad debts. So that what do we come to? At the end of a certain number of years, the bad debts in the turnover prove themselves to be bad. But the turnover has already been calculated several years ago and already paid for."

SIR FRANK BIRLEY:—"Cannot a rebate be given?"

4 p.m. * THE HON. SRI C. RAJAGOPALACHARIAR:—"Then questions would arise as to how far we should go into these matters in seeing when the bad debts are repaid, and at the time when they are repaid whether the business belongs to one particular person

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or another. To attempt to find out all these things would create numerous difficulties. The whole argument I put forward is this; this is a question of trade and commerce and it cannot be taken into account in this direct form and it can only be taken into account by assessing the total amount of turnover. So this cannot be directly provided for. This was the reason urged when this motion was moved in the other House and argued upon. I repeat the same argument now. This would be a very good thing in an Income Tax enactment. But it cannot be provided for in a turnover tax measure. That is why it is not possible to get precedents for this in the taxation measures of other countries. But I cannot be dogmatic. If it is found that this provision exists anywhere else, Government will be able to copy it. I submit that this matter may be left at this, in view of the fact that any equitable arrangement that is possible might be made."

SIR FRANK BIRLEY:—"I shall be glad to withdraw the amendment."

The amendment was, by leave, withdrawn.

Clause 2 was put and carried.

Clause 3.

Sub-clause (1).

SIR FRANK BIRLEY:—"I beg to move the amendments that stand in my name as follows:—

Sub-clause (1) (a).

'For the words "five rupees per month" substitute the words "Rs. 2-8-0 a month".'

Sub-clause (1) (b).

'For the words "one-half of one per cent" substitute the words "one-quarter of one per cent".'

SRI B. NARAYANASWAMI NAYUDU:—"My submission is, there is also another amendment for the reduction of one-half of one per cent into one-eighth of one per cent."

MR. PRESIDENT:—"Yes."

* SIR FRANK BIRLEY:—"Hon. Members in another place during the course of the discussion on this Bill argued the case for a reduction of this tax and I have read the innumerable speeches of Hon. the Premier to the effect that the rate will not be reduced,

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programme. We ask, 'Which are you going to give effect to now?' 'Which are the things on which you are laying emphasis?' That is the thing we ask. By all means hoard up 2 crores of rupees before the beginning of next year and introduce Prohibition. I am not quarrelling with it. The items of programme, the methods followed for achieving those items of programme and the priority which is to be given to the different items of programme, according to their importance, are the real differences between party and party and therefore it is that that we are pointing out here, that what the Government are doing is wrong.

"Sir, apart from the above, there is this point, viz., that the rate of sales tax that is proposed is very high. That is a fundamental difference between the Hon. Premier and ourselves. So he cannot expect any support from us on that point. But what I say is—I am perfectly entitled to say that—whatever may be the consequences of this tax, whether you tack it on with the policy of Prohibition that you want to give effect to or not, I still maintain that a general sales tax is the worst form of taxation. I give this illustration: Supposing there are two villages, in one of which there are factions among the villagers and the cattle of the village can go astray into the fields without any control whatsoever, and in another there is control and cattle will not be allowed to go into pasture fields as they please; may I tell you that the village in which the cattle are let loose will be less happy and less prosperous than the other village in which there is some control. This General Sales Tax measure is like letting loose all the cattle to go astray as they please. You want to draw anything and everything under the grip of this taxation. This will lead all traders and businessmen to a sense of depression and a sense of insecurity. If you have some control in the village and if cattle are not let loose, and if the area to which these cattle could go is restricted, there will at least be some spots in the villages which will be protected. But if you impose on every kind of article this sales tax, then it will be really Pindari business. At least restrict the thing. At least, I say, 'Do not let the bulls; let the calves wander in the grazing area; then the ryots will be happy, and the whole country will be happy; and then you can think of letting loose the bulls also'. Therefore I submit that these amendments must receive the entire support of the House."

4-15 p.m. * THE HON. SRI C. RAJAGOPALACHARIAR:—"If you permit me to say, Sir, we had a study in contrast so to say, between the form in which Sir Frank Birley put his case and the form in which Mr. Narayanaswami Nayudu has chosen to put the same case. I was almost feeling taken off my feet when

18th May 1939] [Sri C. Rajagopalachariar]

Sir Frank Birley put the case and made an experiment, so to say, in the fine art of persuasion. But I felt relieved when Mr. Narayanaswami Nayudu came with his arguments. I felt relieved because the manner in which he tackled the subject made me feel that I am not after all so wicked as I thought I was when Sir Frank Birley spoke."

SIR FRANK BIRLEY:—"May I ask the Hon. the Prime Minister whether, if Mr. Narayanaswami Nayudu withdraws his speech, he will consider the matter in the light of my speech only?" (Laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"We are all children of nature and what has been done cannot be undone. That is a law of nature in which we Hindus believe, and it is very, very hard to get over it. What has been done has been done. Leaving that apart, I do not propose that the issue in any matter should depend upon any feelings of this kind. I was only thinking aloud. I was trying to place before the House exactly what I felt. It is better to take the House into complete confidence at every stage of the matter, if for no other purpose, at least so that we may understand one another better. It is in that sense I referred to what Mr. Narayanaswami Nayudu said. He reverts to the general questions. He says that this general sales tax is bad and that a selective tax should be put. I differ entirely from him in that. He is in favour of a particular tax which will fall heavily on particular people. I am entirely inclined to go against it, because I am fed up, if I may say so, with the taxes on particular groups of people bearing very, very heavily on some people and relieving other people of their natural and just burdens. I am so fed up that I dread even selective taxes. And in our country I dread it greatly because no stick is considered too bad to beat us with. Whatever we may do, however justly we may select commodities, a case will be made out that we have discriminated in favour of one and against another. I do not wish to launch upon any such adventure. On that essential principle I differ from Mr. Narayanaswami Nayudu. There is no use in reiterating the selective tax principle. I can face the danger of a selective tax to some extent but not as a general policy at all.

"I come now to what Sir Frank Birley says. He says that there is no use offering any new arguments and he appeals so to say to my sense of terror. He wants to make me feel that perhaps I am wrong and that was why so many people are trying so hard to change me. They have almost given up the game, because I have been so obstinate. They leave it entirely to my own judgment. Sir, I and my judgment are alone together. Man

[Sir Frank Birley] [18th May 1939]

because it will not be reduced (laughter). And this is the most unanswerable of all arguments. On the basis of the rate that is fixed in this Bill it will produce a revenue in excess of the amount required by the Government during the current financial year. In view of the number of times that Mr. Narayanaswami Nayudu used arguments for the reduction of the tax, I propose to spare the House of the agony of hearing the same arguments again and again. Because that has been experience of the Hon. the Minister during the last few days and perhaps he will feel that I am wasting the time of the House in bringing forward this amendment and because I feel he will not move from the attitude he has taken up with regard to this, I do not propose to speak much upon this amendment. But I have the interests and the wishes of my constituency to consider. However desperate my case may be, I am making this one more appeal in the hope that the cumulative effect of all the appeals that have been made might soften his heart and thus make him accept the amendment."

MR. J. A. SALDANHA:—"I second the amendments."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIAR:—"I beg to move the amendment which stands in my name as follows:—

"In Clause 3 (1) (b) for the words 'one-half of one per cent' substitute the words 'one-eighth of one per cent'."

"After the speech that has been made by the hon. Member, Sir Frank Birley, I do not want to inflict any lengthy speech on the House. I only want to put one aspect of the case to the Hon. the Premier. This morning the Hon. the Premier seriously asked whether this House would be agreeable to give him *carte blanche* which was given to the Premier in Bombay by the Bombay Government. . ."

MR. PRESIDENT:—"That amendment is not now before the House."

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I am referring to the question of rate. Sir, I am perfectly willing to give the *carte blanche* to the Hon. Premier provided he restricts the tax to those articles mentioned in that Act."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I would gladly do so if I become the Prime Minister of Bombay and had control of the various articles in Bombay."

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Very well, Sir. Under the Bombay Act only two articles are to be taxed while here almost all the articles are to be taxed. Further

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the rate of tax sought to be levied in this all comprehensive measure is, in my opinion, excessive. I therefore commend my amendment for the acceptance of the House."

SRI B. NARAYANASWAMI NAYUDU:—"I beg to second it. Sir, in supporting the amendment I wish to say a few words. I have reiterated the question as to how much amount is required for this year, and what are the items of their programme on which money is going to be spent. I have not reiterated my request for furnishing me information on some useless and technical details. The only thing that I wanted was the number of items of their programme. I am glad that at least this morning I got some information. Prohibition is the first charge of the Government. Education is their second charge, and thirdly the land development colonization business and all those things, and probably some readjustment with regard to land-tax, the last of which has been left somewhere. I am not quarrelling with it either. I am only stating that the question of carrying out the programmes of different parties does not rest merely with the policy of Prohibition, and things of that sort and that each party is wedded to all these items in some form or another. The question that should be tackled is 'Which is first'; 'Which is second'; and 'which is the third'. Every party in the world would say that it has different items of programme to be put into effect in the country. But the difference that should be taken into account in considering the different items of their programme is which of them is ameliorative work and which is not. So the way of approach to the different items of programme of a party is the fundamental difference between party and party."

"The approach of the Congress party is first Prohibition. Probably the second is education and so on. I do not say anything so far as their different items of programme are concerned. The programme of our party is, whether Prohibition or no Prohibition, there should be first taxation relief. Therefore whenever we reiterate this it must be understood that the first aim of our party is to give relief in taxation, whether the policy of Prohibition can be given effect to or not. So, that is the fundamental difference between our party and the Congress party. So if we say that what the Government are doing is not the correct thing, because they are increasing the taxation, then it does not mean that we are blackening them. It is really laying emphasis on that item of the programme which we wish to carry out. It does not mean that we are blackening the Government. It is only a fact which we are saying. There is no use of complaining against this. Nor is there any use of the Government saying that they want to give effect to their Prohibition policy and therefore they impose this sales tax. What was their Karachi programme? The 'Justice' party too has got all the items referred to in the Karachi

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is afraid to be alone. He leaves me with a sense of terror. I admit that. But, Sir, I must, speaking on behalf of the Government, say that nothing is final in this world and what we have done is worth trying. It is only in that sense that I answer and in the same spirit in which Sir Frank Birley has moved his amendment. It is only a request that we may be allowed to try this. If we go wrong nothing will prevent us from retracing our steps."

MR. PRESIDENT:—"Is Mr. Saldanha going to move his amendment?"

MR. J. A. SALDANHA:—"No, Sir, I am not moving."

MR. PRESIDENT:—"I will now put the amendments to the vote of the House. The question is—

'For the words "five rupees per month" in sub-clause 3 (1) (a) substitute the words "Rs. 2-8-0 a month".'

The amendment was put and declared lost.

A poll was demanded and the House divided thus:

Ayes.

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| 1 Sri Rao Bahadur N. R. Samiappa
Mudaliyar. | 6 Sir Frank Birley. |
| 2 " B. Narayanaswami Nayudu. | 7 M. D. Kumaraswami Mudaliyar. |
| 3 Abdul Wahab Sahib Bahadur. | 8 Dr. Sir K. V. Reddi Nayudu. |
| 4 Sri Rao Bahadur M. Ramakrishna
Reddi. | 9 Sri Rao Bahadur M. Raman. |
| 5 S. K. Ahmed Meeran Sahib
Bahadur. | 10 Mr. J. A. Saldanha. |

Noes.

- | | |
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| 1 The Hon. Dr. T. S. S. Rajan. | 14 Sri T. A. Ramalingam Chettiyar. |
| 2 Sri B. Bheema Rao. | 15 " T. C. Srinivasa Ayyangar. |
| 3 " K. Madhava Menon. | 16 " D. Sriramamurti. |
| 4 " V. V. Jogayya. | 17 " V. Ganga Raju. |
| 5 " R. Srinivasa Ayyangar. | 18 " L. Subba Rao. |
| 6 " A. Rangaswami Ayyangar. | 19 " P. Veerabhadraswami. |
| 7 " K. V. Srinivasa Ayyangar. | 20 " K. P. Mallikarjundu. |
| 8 " N. Sankara Reddi. | 21 " N. Venkatachalamaji. |
| 9 " V. Vasantha Rao. | 22 " C. Perumalswami Reddiyar. |
| 10 " S. A. S. Rm. Ramanatham
Chettiyar. | 23 " K. S. Sivasubramanya Ayyar. |
| 11 " M. Narayana Rao. | 24 " S. K. Satagopa Mudaliyar. |
| 12 " M. Narayana Menon. | 25 Sir Mahomed Usman Sahib Bahadur. |
| 13 " K. Venkataswami Nayudu. | 26 Dr. P. J. Thomas. |

Ayes 10. Noes 26.

The amendment was lost.

MR. PRESIDENT:—"The question is—

'In clause 3, sub-clause (1) (b), for the words "one half of one per cent" substitute the words "one eighth of one per cent".'

The amendment was put and declared lost.

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A poll was demanded and the House divided thus:

Ayes.

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| 1 Sri Rao Bahadur N. R. Samiappa
Mudaliyar. | 6 Mrs. M. Hensman. |
| 2 Sri B. Narayanaswami Nayudu. | 7 Sir Frank Birley. |
| 3 Abdul Wahab Sahib Bahadur. | 8 Sri M. D. Kumaraswami Mudaliyar. |
| 4 Sri Rao Bahadur M. Ramakrishna
Reddi. | 9 Dr. Sir K. V. Reddi Nayudu. |
| 5 S. K. Ahmed Meeran Sahib Bahadur. | 10 Sri Rao Bahadur M. Raman. |
| | 11 Mr. J. A. Saldanha. |

Noes.

- | | |
|--|-------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 14 Sri T. A. Ramalingam Chettiyar. |
| 2 Sri B. Bheema Rao. | 15 " T. C. Srinivasa Ayyangar. |
| 3 " K. Madhava Menon. | 16 " D. Sriramamurti. |
| 4 " V. V. Jogayya. | 17 " V. Ganga Raju. |
| 5 " R. Srinivasa Ayyangar. | 18 " L. Subba Rao. |
| 6 " A. Rangaswami Ayyangar. | 19 " P. Veerabhadraswami. |
| 7 " K. V. Srinivasa Ayyangar. | 20 " K. P. Mallikarjundu. |
| 8 " N. Sankara Reddi. | 21 " N. Venkatachalamaji. |
| 9 " V. Vasantha Rao. | 22 " C. Perumalswami Reddiyar. |
| 10 " S. A. S. Rm. Ramanatham
Chettiyar. | 23 " K. S. Sivasubramanya Ayyar. |
| 11 " M. Narayana Rao. | 24 " S. K. Satagopa Mudaliyar. |
| 12 " M. Narayana Menon. | 25 Sir Mahomed Usman Sahib Bahadur. |
| 13 " K. Venkataswami Nayudu. | 26 Dr. P. J. Thomas. |

Ayes 11. Noes 26.

The amendment was lost.

MR. PRESIDENT:—"The question is—

'In clause 3, sub-clause (1) (b), for the words "one-half of one per cent" substitute the words "one quarter of one per cent".'

The amendment was put and lost.

MR. PRESIDENT:—"Mr. Saldanha."

MR. J. A. SALDANHA:—"My amendment is to omit the proviso to clause 3. As there has been a vote already on the question in connexion with the definition clause, I do not propose to move this amendment."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Sir, I have given notice of a verbal amendment that will make the meaning clear. If the Hon. the Premier agrees, well and good. If not, I will not press it."

MR. PRESIDENT:—"The hon. Member may first of all move the amendment."

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S. K. AHMED MEERAN SAHIB BAHADUR:—"I beg to move, Sir—

'In the second proviso to clause 3 (1), for the words "the same" occurring in line 1, substitute the word "any" and omit the words "shall be taxed thereon" in line 5.'

"These words are unnecessary because the earlier portion makes the meaning clear without these words. 'In respect of the same transaction' may mean sometimes as if there are two transactions. But the object is to refer to one and the same transaction, that is to say, in one and the same transaction both the buyer and the seller shall not both be taxed. That idea is intended to be conveyed by the word 'same'. With regard to the other amendment, I submit that the words 'shall be taxed thereon' are unnecessary and the meaning is quite clear without those words. The proviso as amended by me will read thus:

'Provided further (1) that in respect of any transaction of sale, the buyer and the seller shall not both be taxed, but only one of them, as shall be determined by the rules made on this behalf under sub-section (2), . . .'

SRI B. NARAYANASWAMI NAYUDU:—"I second it."

4-30 p.m. * THE HON. SRI C. RAJAGOPALACHARIAR:—"I quite admit, Sir, that as reshaped, as Mr. Meeran Sahib proposes, there will be no harm; but I do not think that I have heard any arguments from him to show that the existing words lead to any harm or any ambiguity or difficulty. So, it is wholly unnecessary to my mind. If it had been shown that the words as they stand now would lead to any difficulty or any ambiguity, I can understand making this amendment; but it is neither un-English nor is there any ambiguity in the phrasing as the provision stands in the Bill. So, I do not think we need complicate the position by merely accepting verbal changes."

S. K. AHMED MEERAN SAHIB BAHADUR:—"I withdraw the amendment, Sir."

The amendment was, by leave, withdrawn.

Sub-clause (2)—Proviso.

* MR. J. A. SALDANHA:—"I move, Sir—

'For the words "a resolution of the Legislative Assembly" substitute the words "resolutions of both the Houses of the Legislature, the difference of opinion being determined by a joint session of both the Houses".'

18th May 1939] [Mr. J. A. Saldanha]

Sir, this amendment does not require much in the shape of a speech from me, because I have dwelt on it during the opening debates in regard to this Bill and also in connexion with the Tobacco Bill. It is not fair to make the Assembly the supreme authority for the carrying out of changes in the rates or in the turnover and other matters, giving no consideration for the voice of this House. As both the Houses are equally interested in such matters, this House has got a right to have a voice in the changes, as it has got a right now to pass this Bill. Any changes to be brought about in regard to rates or turnover are equally the concern of both the Houses of the Legislature. A point was raised by the Hon. the Premier the other day as to what could be done in case there was a difference of opinion. One way of settling it would be by having a joint session of both the Houses, and the majority of votes will naturally carry the day. That could be easily done by a joint session, especially as both of them are going to be in the same building hereafter and they can easily exchange ideas; members can meet together in the same hall, and it will be easy to bring about an agreement. I think it is only fair that we should have a joint meeting in such cases. The Hon. the Premier will find that it is the concern of both the Houses to have these changes made, instead of being dependent exclusively on the wishes of the Lower House. I hope, Sir, therefore that my amendment will be accepted."

SRI B. NARAYANASWAMI NAYUDU:—"I beg to second the amendment. Yesterday, a constitutional difficulty was raised by the Hon. the Prime Minister to the effect that there is provision in the Government of India Act with regard to the holding of a joint session on Bills, but not with regard to joint session on resolutions; but I submit that this House and the other House can make a provision in this Act itself that a difference of opinion in regard to resolutions can be settled by a joint session, even as it is the case in regard to Bills. I suppose, therefore, there will be no constitutional difficulty in getting every difference of opinion settled, whenever such difference of opinion arises."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, in spite of the explanation given by Mr. Narayanaswami Nayudu, I am still unable to feel that there is no constitutional difficulty. But before I go to that, let me explain the exact position with regard to this amendment. The proviso which is sought to be amended is not a proviso that gives the Government any power to change anything. It simply provides for a necessary step to be taken by the Executive Government, as distinguished from the Legislature. Unless that step is taken, the Act cannot be worked at all. And apart from the step to be determined, rules have to be made for that purpose. Therefore, we start with this position that a necessary step has to be done. If we provide in law for this by which

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a step may not be taken at all, then the whole thing is held up. Now, in the light of what I have said just now, we should examine the constitutional position. If it is laid down here that this should be determined by both the Houses, and if there is a difference of opinion, by a joint session, and if there is no provision by which a joint session may be called, then it would follow that the Act itself would be held up. It is a necessary step for working the Act that has to be filled up, not merely changed. If it were a power to change by having an additional rule, we could as well remain where we were before we tried to make the rule; but that could not be done here. Now then, it becomes important to see whether the constitutional difficulty I have pointed out is real or not. It is quite true that by a law passed by these two Houses, it can be laid down that a resolution of both the Houses is necessary for a certain thing; but if the two Houses differ, this House cannot lay down the law nor can the other House do it separately. The two Houses must agree together; and when there is a difference of opinion, there must be a joint sitting. Can we lay down a law now by which we can say as to who should preside over the joint session? Or can it be laid down by us as a rule? No. It is only under the constitution that we can provide for the procedure of a joint session. It is impossible, in my humble opinion, to provide any procedure for a joint session by a Bill of our own House or a Bill passed by both the Houses even. Therefore, it is a real difficulty. That difficulty being there, it is a matter which must remain as it is, till there is a new provision made generally for joint sessions in all cases where there may be difference of opinion. But, as I have pointed out, we have to do something here necessarily, and we cannot get blocked up in a difficulty like this. Hence, Sir, I am unable to feel that there is no constitutional difficulty in the matter, and I would ask the hon. Member to consider this and not press his amendment. Or, if the hon. Member presses, it may be put to vote."

* MR. J. A. SALDANHA:—"Whether there is a provision for joint session or not is the question. I say there is a provision for joint session."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"But not for resolutions; only in the case of Bills."

* MR. J. A. SALDANHA:—"A statute can very well provide for such a thing. I do not see any reason why we should not."

MR. PRESIDENT:—"Is the hon. Member withdrawing his amendment?"

* MR. J. A. SALDANHA:—"Not at all."

The amendment was put and lost.

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Sub-clause (3).

* SRI FRANK BIRLEY:—"Mr. President, Sir, I beg to move the amendment that stands in my name—"

"In clause 3, sub-clause (3), substitute a colon for the fullstop at the end and add the following:—"

"Provided that if it is shown that the turnover of such dealer is greater or less than the amount at which it was so fixed, the tax paid by him on the basis of such assessment shall be adjusted by an additional payment or by a refund as the case may be."

It seems to me, Sir, that this is a point which must be dealt with and it is conceivable that Government have decided that it shall be dealt with in the rules; but it is so obviously fundamental that one would have thought that it would be preferable from the point of view of the Government to make it clear in the Bill. It deals with an adjustment which is so patently equitable that I would be prepared to withdraw this amendment if the Hon. the Prime Minister would give this House an assurance that suitable provision will be made in the rules for the adjustment of actual turnover when the actual turnover is known."

The amendment was duly seconded.

THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, this was exactly the understanding, Sir, under which we accepted the proviso. There is really no necessity for enlarging on it. I have no doubt that it can be the only basis, and I am ready to give the same assurance that was asked for by Sir Frank Birley, as it was given in the other House."

SIR FRANK BIRLEY:—"I thank the Hon. the Prime Minister for the kind assurance, and I withdraw the amendment."

The amendment was, by leave, withdrawn.

Clause 3 was put and carried.

Clause 4 was put and carried.

Clause 5.

S. K. AHMED MEERAN SAHIB BAHADUR:—"Sir, with regard to this clause, I have given notice of three amendments. I shall move them all one after another, to make the meaning clear. I shall now take up only the first amendment."

MR. PRESIDENT:—"I think the hon. Member may move all the amendments together and speak on all of them."

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S. K. AHMED MEERAN SAHIB BAHADUR:—"That will not make the meaning clear, Sir, because there is difference between one amendment and another in regard to the principle. One amendment relates to foodstuffs; another is with regard to the sale of bullion and specie, and the third is with regard to handloom products."

MR. PRESIDENT:—"All right, then."

S. K. AHMED MEERAN SAHIB BAHADUR:—"Sir, the amendment which I will first move with regard to this clause 5 is—

"Between the words "licence fees" and the words "the sale of bullion and specie" occurring in line 3, insert the words "the turnover of rice, broken rice, paddy, ragi, cholam, cumbu, and other millets, used as articles of food, the turnover of salt"."

Mr. President, to a certain extent, I am very much handicapped in moving this amendment, because the Hon. the Premier has already expressed his views on this question when he was replying to the debate on the general consideration of the Bill. So, it is very very difficult for me even to get into an enthusiastic mood to vigorously fight for this amendment. Besides knowing the result which perhaps we knew even before we entered the premises of this Chamber, we also know the line of argument that the Hon. the Premier will take up. So, it is very very difficult to sponsor an amendment of this kind, though I . . .

MR. PRESIDENT:—"The hon. Member is not justified in anticipating the result."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I do not know if it is an advantage that I gave my mind earlier; but I think it was only in reply to the comments made."

4-45 p.m. S. K. AHMED MEERAN SAHIB BAHADUR:—"To a certain extent it is an advantage. But to a large extent in this case at least, it is a great handicap. As the hon. Member, Sir Frank Birley pointed out, you can refute irrefutable points, you can argue unarguable points. I shall deal with these points. First of all, let me make my position clear. The articles of food which I have given are articles which are absolutely necessary for life for one and all, irrespective of the fact whether he is rich or poor, whether he belongs to any class. I lay stress on this fact because there are other articles of food which are perhaps used only by a few persons and not by many, for example, tea, coffee, ovaltine and such like things. Even other articles such as condiments, etc., are ordinarily used in the Indian household."

18th May 1939] [S. K. Ahmed Meeran Sahib Bahadur]

I have excepted them advisedly. I have taken care to include only such articles without which men perhaps cannot live, unless they are yogis, or sanyasis who perhaps live on air. Without these articles, one cannot live at all. These are articles of food which are consumed by one and all. I have not chosen articles of luxury. I think hon. Members on the other side of the House will concede that I have included only articles of food. The question is whether these articles should be exempted or not. Already the Hon. Premier has said that there is a misconception when people try to claim exemption for foodstuffs. He says that when a producer from the land wants to use his own article, or the produce which he has reared on his own land, he can use it freely and there is no tax on it at all. He said and I am willing to admit that a poor man in the village does not go and buy in a big bazaar where the turnover is more than Rs. 10,000. He goes and buys in the nearest shandi, fair or market for a rupee or so. He buys his articles from a merchant who does not pay this tax. Therefore, the poor man will not be taxed. All these things are true, Sir. But on this point I would like to say one thing. First of all, I lay stress on the fact that these are articles of food. These are articles of food on which some poor people do not pay the tax and on which some other poor people pay the tax. It does not matter to me, if the rich alone are asked to bear this tax and if the poor are not asked to bear the tax. It does not matter to me whether the producer of the land bears this tax or not, or whether only the merchant, clerk or some others who have some other walks of life in a big city bear this tax. Such a distinction should not be made, because these are articles of food. The first proposition I wish to lay down is that all articles of food—this is to say, primary articles of food without which man cannot live—should not be taxed. We know the agitation on the question of the Corn Laws and other things. Of course it may be stated that there are people who hold different views. There may be different maxims, I do not know. But I would say as a general proposition that primary articles of food ought not to be taxed. Though the tax in particular cases might fall only on the rich or on the merchant, the poor purchaser also cannot escape it. It may be that the poor man does not purchase in a big shop but in a shandi, or market close by. All the same, he has to bear a portion of the tax.

"The next argument is we are concerned not only with the poor man who lives in a small hamlet, who also buys his food from a small bazaar and who does not pay the tax. Though more than 80 per cent of the villagers live in small villages, there are some big villages also and people in those villages have to pay this tax. In a big village, though the poor man does not buy directly in a big shop, he has to buy his articles from a shopkeeper who buys

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from a big dealer, who pays the tax and whose turnover will be Rs. 10,000 and more. It is not possible for all poor people to escape this tax. I can visualize such a position. Because even in villages poor people have to buy rice and other foodstuffs which have already been taxed. There are other sorts of poor people here in Madras and in other cities. I say these poor people also should not be taxed. We must not make any distinction at least with respect to primary foodstuffs purchased by the urban population and the rural population. I can understand the Government trying to shift the burden of taxation on general principles with regard to other commodities. They should not make a distinction in the case of foodstuffs used by the urban population and those used by the rural population. The Government should try to shift the burden of taxation from the rural population and the urban poor population. I can understand that general proposition with regard to sales of other goods. I cannot understand the Government making a distinction in the case of the absolutely primary and necessary food materials. What I say is, to-day in Madras the poor man who earns a few annas a day has to go and buy from a bazaar, rice and other articles which have been already taxed. That particular shop might not have paid the tax, I will assume, because its turnover is not Rs. 10,000. The retail dealer is not the producer; the producer is not the retail dealer. The produce comes from the villages or even from Burma. That means the merchant buys so many other things and he has ordinarily to pay the tax. I will go to the extent of saying that he would have to pay only 2 or 3 annas more. I will assume that the number of poor people who purchase foodstuffs is small. I submit that the State ought not to tax such poor men. These poor people will be compelled to pay the tax, if the price of rice, cholam or cumbu is increased.

"When the Hon. the Premier was dealing with the question of Excise revenue, he said, that the poor drinker goes to the village tavern because he has become a slave to that habit. He has become a victim to it and he could not resist it. He said we were committing a great folly in putting the temptation before him. I agree with him. On the question of Prohibition I agree with him. I consider it to be a first-class national reconstruction programme. I know there are many of my friends on this side who do not agree with me. I agree with the Hon. Premier on that question. I am willing to say so even now. I will use that argument in the case of foodstuffs also. The Hon. Premier said the drinker goes to the tavern, and likes to have the drink. He would prefer not to have it, if the tavern is taken away and if the temptation is taken away from him. That is Prohibition policy. He said you place a temptation in the way of the man who drinks. He has a craving; he has become a slave to that craving. That is the case with regard to 10 per cent of the population or less. That is a

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craving which, everybody knows, could be avoided if possible. Everybody knows that it is vicious to be addicted to the habit of drinking.

"But what about one's hunger? Is it not a craving or an instinct which every one of the community has? Is it a thing which can be avoided by people? Hunger is common to all people. No one can avoid it. You are taxing hunger. You are taking advantage of a man's weakness and you are taxing him. What is the difference between this and taxing liquor. There must be greater leniency or sympathy shown in the case of foodstuffs. We cannot avoid taking food. I can never subscribe to the proposition that absolute and primary articles of food should be taxed, that they should be made to pay in some way or other.

"Another thing I wish to say at this stage. With regard to rice and other articles of food, about which I move this amendment, they are not wholly produced in our country; large quantities of rice—if I remember right, to the extent of several crores of rupees—are imported into this country and they will be taxed because they pass through several hands. When it is a question of importing, the article has to pass through big merchants and they have necessarily to pay the tax. Ultimately the tax filters down to the poor man; it may mean the poor man in the towns or in the village. Even the poor man in the village is not able to produce his food. For example, in the case of famine, where the land has failed, the ryot in the village has to buy naturally rice and other articles of food which are imported into this country. Take any particular area where there is famine to-day. People in that area have to buy their foodstuffs. It is natural to levy a tax on imported articles of food. I ask why foodstuffs in such cases should be taxed. Ultimately why should the villager who purchases these imported foodstuffs be taxed? It may be said that the tax will be levied temporarily. I say that articles of food should not be taxed at all, even temporarily. Unfortunately our Province is visited by famine very often, though not the whole Province at least particular areas year after year. In such famine years, poor villagers will necessarily have to buy food which has already been taxed. It may be said that the tax does not exceed half a per cent. Hon. Members must understand that the tax is a cumulative one. Half a per cent tax in actual working will turn to be one per cent at least at each stage. It must be something like that. I cannot dogmatise on that point. Nobody has got data. This much I can say from the nature of the Sales Tax. When a merchant wants to shift the burden, he will not be satisfied with levying just this amount of the tax. He has to provide for bad debts also. He has to provide for so many other contingencies, which he cannot foresee. These are defects inherent

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in the tax itself. I need not dwell on this point further. It will be a hard thing to ask the poor man to pay tax on articles of food which have been taxed three or four times.

5 p.m. "Then, Sir, one word more with regard to some other point. I have included 'salt' in my amendment. I need not say much on the question of salt-tax, because I think that is a sheet-anchor of the Congress itself. They were willing to plunge the whole country into civil disobedience on that question. Right or wrong, I will not now deal with the merits of that question. As regards the taxing of the articles of food, it is said that the producer is not going to be affected and that the villager who purchases his articles of food at a shandy is not affected in that the turnover of that person will be less than the limit of Rs. 10,000. But what about salt? Are we purchasing it directly from the producer; is it got from the shandy direct from the producer? Is it not used by all the people whether they are townsmen or villager? It is well known that it is an article which is subject to licence-fees and its manufacture is regulated by rules and regulations made by the Government. It passes through particular hands and it does not pass through all the hands just like the other articles of food and it is taxed. It has to pass through a form of taxation which perhaps other articles of food escape under certain circumstances. I do not think that in the case of salt, we can get it free from tax at any stage whatsoever. Under such circumstances, I can only implore the Government to accept this amendment. We are suggesting this in the interests of the really poor in respect of articles of food which are absolutely essential. I have excluded the other costly articles of food which are commonly used by all, for instance condiments, which are used by all the poor people. I have excluded them because people can live without them but they cannot live without ragi, cholam, rice, cumbu and other millets, which are the primarily staple products of which all kinds of food are made. I have also included the turnover of salt."

SRI M. D. KUMARASWAMI MUDALIYAR:—"I second the amendment."

* SRI RAO BAHADUR M. RAMAKRISHNA REDDI:—"Mr. President, in supporting the amendment moved by my hon. Friend, Mr. Meeran, I like to place one or two points before the Government. At an earlier stage of the discussion, I dwelt on the circumstances under which foodstuffs should be excluded from the operation of the Bill. It is true that the villagers purchase their requirements from the shandy and sell their goods according to their convenience. I would like to say that all the foodstuffs are not available at one particular place as my hon. Friend just now remarked. For instance, we get rice from Nellore and we get

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chillies from Guntur. Some districts produce some articles which other districts cannot produce owing to climatic, soil, weather and other variations. Under such circumstances, the merchants who happen to be wholesalers have to get these things from neighbouring districts and then sell them to the retailers in the neighbouring town and from that town the retailer in the village gets his goods for sale in the village. That means that the goods have to change three or four hands before it actually comes to the hands of the villagers. Under these circumstances, at every stage the tax is added on before it actually reaches the hands of the villagers. It may be that the last retailer has not got to pay the turnover, but it is a different question altogether whether those who purchase from him would be given the benefit of the exemption in his favour. Though the measure imposing the taxation has not been passed by the House, as a matter of fact in the interior parts of the Presidency, the people have already raised the price of the articles on the plea that the prices of articles have to be put up in order that they may find the money wherewith to pay the tax. That being the real state of affairs, it would be a very good thing not to give room for such exploitation by saying that the food articles such as cholam, rice, cumbu and other things are altogether exempt from the scope of the Act. If the tax is levied at half a per cent without the amendment now being accepted, there is no knowing how many dealers in the interior parts will put up their prices on the plea of the Sales Tax. So, it is just that these things should be exempted and no loophole is left for the traders to gain an advantage which it is not the intention of the Government to give. It has also to be remembered that it is proposed only to exempt the very essential food-stuffs; and the loss sustained by the Government would be very infinitesimal compared with the advantages that will enure to the villagers. I would, therefore, appeal to the Government to accept the amendment and exclude the food-stuffs from the operation of the Bill. It has been argued that the amount is to be paid by the consumer. I would remind the Government that 75 per cent of the population are agriculturists except in large cities like Madras, Madura and other big cities where consumers are not agriculturists. In the rural parts consumers are only the agriculturists; so that indirectly, it means that the agriculturists will have to pay. It would be only proper that the food-stuffs are excluded from the operation of the Bill. It would be well to see that other civilized countries where this Act is in force, have excluded food-stuffs from the scope of their Act. I submit that it is reasonable to favourably consider the amendment under discussion and accept it."

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* MR. J. A. SALDANHA :—" I shall just refer to the charges brought by the Hon. the Premier against the members on the Opposition that they were not quite sincere in their arguments in not making distinctions between the taxes directly paid by the consumers of food-stuffs and the liquor tax paid by the drinkers. I shall straightaway answer it by pointing out to him that all the people purchase grains and take food whereas it is only some people that take toddy and liquor. In the former case it is a necessity, without which they would die but in the latter case, it is a luxury tax. It is monstrous to suggest that those who purchase necessities should pay in order to meet the loss of the taxes paid by a few for a luxury. Of course the Hon. the Premier is a master of sophistry and is a master of law, and he has got the pleasant knack of presenting his arguments in sweet suavity however unreasonable the position taken up by him may be.

" Coming to the question of exemptions in respect of articles of food, I submit to the Hon. Premier that a tax on food-stuffs would hit hard the poor people. Authorities were cited by the Hon. the Premier but he omitted to cite the later authority on economics, Professor King of the University of Pennsylvania and it is the latest publication of 1935 and the one point that I would like to invite the attention of the Hon. the Premier is that a tax on all goods would have the certain effect of lowering the standard of living of the people more than any other tax. It has to be remembered that he is not speaking in the spirit of a partisan. This is a tax which would affect the poor more than the rich. I plead that the exemption asked for in respect of rice, cumbu, cholam and other things, is very reasonable and they ought to be exempted. It will not, I suppose, be difficult for a Government which has the interests of the poor at heart—at any rate that is what they are professing—to accept the very modest suggestion contained in the amendment. I plead for their sympathetic consideration."

* MRS. MONA HENSMAN :—" In supporting the amendment under discussion, I do not wish to waste the time of the House and I would confine my remarks to the basic principles of the amendment. Although I do not represent any constituency, I do feel that those of us who are women have got a concern about the exemption of certain food-stuffs, that have been brought up to-day by means of the amendment of my hon. Friend, Mr. Meeran. I think that we have got a very strong case. I have consulted our economist here in the House and other economists and they have told me that in certain States in America—I mention America because reference was made to it in the course of the debate—in certain States like Pennsylvania certain food-stuffs are exempted altogether.

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Especially as regards salt, there would be a very great difficulty in justifying this tax on the masses—I have advisedly not referred to the poor people. For instance, we have been told that the people doing trade with a turnover of less than Rs. 10,000 will be exempted from this taxation. I fail to see how this is going to help the poor man. I am sure that it will be the small shop-keepers that will benefit from this. In that way the poor will be forced to pay the tax on the food-stuffs at any rate indirectly to the shop-keeper though it may not reach the Government treasury. If there is any assurance that the small shop-keepers will sell commodities like rice, jaggery and salt at a rate less than the bigger shop-keeper next door who will be assessed on this tax, it would be worthwhile to vote for all the clauses of the Bill. But that seems to be a doubtful assurance, if not an impossible one. The Hon. the Revenue Minister speaking at an earlier stage—I say this open to correction and with apologies to him if I took it down what he said with some small errors— informed us that it was not for offices, but, for the development of trade and for the development of agriculture that the present Government have taken up office. He also impressed upon us that so far as this Government was concerned, they had taken up office for benefiting trade and industry and agriculture. Would this not be achieved if the present amendment were accepted? He also referred to the blind faith of the villagers in the watchfulness and carefulness of the Government for the interests and welfare of the villages. The acceptance of the amendment would justify that blind faith on the part of the villagers in the present Government, but only if the present amendment were allowed to go through. Constitutionally speaking, I do not think that it would be possible for the Government to make up their minds on an amendment before it has been moved, far less before it has been voted upon. The Hon. the Premier appealed to us, women, last week in connexion with another Bill and now I would appeal to the present Government to look upon this amendment with favour. I do not think that we have got a House where the minds are made up before the very participants enter the building. Nor do I think that there are such statutory measures brought in here that they do not require even a 't' to be crossed, or an 'i' to be dotted. But I do feel that there is a feeling among members in this House that if the amendments that are brought in here are not accepted by Government, they are called in for nothing. It is only in extreme cases of necessity that we urge the acceptance of amendments, and the present amendment is one such case. We feel that this is an amendment that should honestly go into the measure and be referred to the other House. Of course there is some difficulty in the machinery of the Government in so doing as the other House has been pro-

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MR. PRESIDENT:—"No, it was only adjourned *sine die*."

* MRS. MONA HENSMAN:—"I am sorry, I stand corrected. Perhaps there is a certain amount of difficulty in sending this Bill back to the other House. But, surely, in a case like this, that should not stand in the way of Government accepting this amendment. Only last year we had the example of Government accepting certain amendments from the other House in a Bill initiated in this House and we were all most happy that this change of things had come about. I will not say, 'change of heart'; because Government feel, and sincerely feel, that they should do good to the poor masses. Though we may not know so well what the poverty of the people is and what their hunger is in the same way as members on the other side of the House yet it cannot be gained that we do know what poverty and hunger mean as we work along with those who are poor and who are hungry, with those in the city earning four annas and less a day and as we know the life of the menials not only in the city but scattered all over the Presidency. The Premier has assured us, Sir, that the 'very poor' will not suffer so much as we think from this Bill, because in the villages each man can grow for himself enough food-stuffs to be more or less independent of this tax, but this does not apply, Mr. President, to salt, a necessity of life, nor does it provide for the poor who live in the towns—and there are many of them—who have an inch of ground to call their own or on which to grow any food-stuffs."

I will finally conclude, Sir, with a reference that was made eight years ago in the Karachi Congress in March 1931. Mr. Jemnadas Mehta while speaking about the Ghandi-Irwin Pact, said, 'Mr. Ghandi has such a powerful hold on us that in his presence all thought is benumbed, judgment is paralysed and the courage of conviction is regarded with the greatest disapproval. I consider this, as an unworthy sign of public life of our country. Instead of proving our fitness for freedom, it tends to prove the contrary.' Sir, I would draw your attention to the concluding words, 'The courage of conviction' and 'A fitness for freedom.'"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Permit me, Sir, to say that I have not been able to see the relevancy of the last passage in respect of the importance of the subject with which the hon. Lady Member closed down her speech. I do not see the complete connexion between what Mr. Jemnadas Mehta said about Mr. Ghandi and this amendment. I do not know if I have missed any point or have become too dull in this long-drawn debate as to be unable to see the connexion. Apart from that we might discuss the matter of food-stuffs, and see whether they should be exempted. I hope it will not be considered a disrespect to this House if

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I say that this is not a new matter; this question has been thoroughly discussed before. I quite understood and followed what Mrs. Hensman said that no matter should be considered closed, that the Government should be always receptive and should be ready to accept any amendment apart from the difficulty of machinery or necessity to go through another debate in another House and that Government should be ready to accept anything right at any moment and that it is never too late to amend. I quite agree. But there is a difference between a matter of first-rate importance like this which has been discussed thoroughly and concluded before and a matter which for the first time comes for consideration now. In the latter case, we should certainly be more prepared to reason out and change than in other case. Also, if it were any new minor point which suddenly had cropped up, which we did not expect before, we should also be ready to make the correction, whenever it is pointed out; however late it may be. This clause satisfies both the conditions; namely, it is matter of first-rate importance and that it does not crop up for the first time: for it has already been thoroughly considered and decided. And the reasons for it are these: that it is administratively a most complex incidence in this new scheme if we are to go on making distinction and have a tax of low incidence also associated with particular objects. A tax of high incidence can be placed on selective articles; but a tax of low incidence, if also made selective, by exempting a number of articles from the operation of the Act would create again the same complexity about small incidence tax as about selective high rate tax. So that administratively the Government were from the outset unable to accept any provision by which the turnover accounts would have to be separated, analysed, kept separately, examined separately, and closely examined; it would become far more complex for execution and administration. But execution difficulty should not be the last word on the subject, if there is reason and justice in favour of exemption. They too should be taken into account. That is all what I say.

"With regard to the justice of the matter, let me examine it with a little more care and not run away with sentiment. Now, what is the total amount of food-stuffs which these poor people that hon. Members one after another referred to, would have to buy? Shall we say, it may be put down at Rs. 50 per annum, or four rupees or five rupees per month? Food-stuffs as such, how much can a man consume of broken rice, paddy, cholam or cumbu—all these taken together? Of course, it is limited; but a trader's turnover is unlimited! I quite agree and that is the real point. But if it is the poor man's actual consumption that you are dealing with, what is the total amount that the man can consume? Five rupees for himself and his whole family? Let

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me grant it; and what is the tax that we levy? I am quite prepared to say it is half per cent, or one pie in the rupee. I give the Opposition the most generous factor to multiply it with. Twelve times? Yes, very well, twelve times. Let us multiply this broken rice, paddy, cholam, cumbu and all that together with twelve; let us imagine we are living in wonderland, and that all this broken rice, paddy, cholam, etc., have to pass through twelve hands till it reaches its favourite, the villager. Yes, the poor man who buys it pays twelve times one pie, that is, one anna. And calculate that for five rupees; it comes to five annas. Therefore he pays five annas a month—or four annas, if you take his monthly food to be four rupees worth—and would he grudge to pay it? No. For he will have a proper tax of low incidence, as he may have all drink shops removed. So I do not think he would grudge to pay that four or five annas. So whatever this seeming important subject may be, it is really trifling in its value, but very great in its mischief. If we introduce it, apart from the difficulty of calculations and examining accounts, the mischief will be great, whereas the real profit that we derive for the man with whose interest we are concerned will be very small. It is only a low incidence tax, and therefore, it is, Sir, that we decided, on good advice in the select committee as well as in the other House, on the advice from the Opposition, if I may say so, there should be as few exemptions as possible.

“Of course, we differed as to what ‘low incidence’ means. Those on the Opposition side wanted half of what we wanted, whereas we thought half per cent was too low; on which we agreed to differ. But whatever it may be it was made definite that we should have a general tax of low incidence. So it was considered on the whole advisable not to have exemptions as far as possible. Now, if we exempt articles of export it is one thing, but if we exempt by far the largest commodity in internal trade, then the whole machinery is upset. Food-stuffs, no doubt, together, make some revenue for the country; but that too, separately considered from the point of view of individual sentiment and feeling, is far too trifling for hon. Members to imagine that any great burden would be laid upon food-stuffs. Propositions examined merely theoretically without reference to the quantum of the tax are perfectly sound. We ought not to put a heavy burden on food-stuffs; I agree entirely; but we have to put some little burden on all things. For instance, nobody imagines that railway trains should carry food-stuffs free; nobody imagines that buses should carry goods free for those who deal in food-stuffs, or that they should be charged as low as possible. It is necessary that all should share the burden with reference to some particular small article and that there should be no exemptions. If the tax had been anything substantially heavy then I quite agree it should be very selective. But since the tax is general, I submit we

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should err on the side of having no exemptions rather than have too many exemptions. These were the reasons which weighed with us, and it is my duty to place them before the House; because I admit if there were any other reasons which we did not properly consider, the question should be reconsidered. I do not claim that we are at the end of discussion in the second House and therefore we should not for the mere fact of dislocation of arrangement refuse to consider it. I do not stand on that ground at all. On the merits, Sir, I oppose the amendment.”

The amendment was put to vote and declared lost.

Several Hon. Members from the Opposition Benches demanded a poll and the House divided thus:—

Ayes.

- | | |
|--|--|
| 1 Sri Rao Bahadur N. R. Samiappa
Mudaliyar. | 5 S. K. Ahmed Meeran Sahib
Bahadur. |
| 2 Khan Bahadur T. M. Moidoo Sahib
Bahadur. | 6 Mrs. Mona Hensman. |
| 3 Sri B. Narayanaswami Nayudu. | 7 Sri M. D. Kumaraswami Mudaliyar. |
| 4 „ Rao Bahadur M. Ramakrishna
Reddi. | 8 Dr. Sir K. V. Reddi Nayudu. |
| | 9 Sri Rao Bahadur M. Raman. |
| | 10 Mr. J. A. Saldanha. |

Noes.

- | | |
|-----------------------------------|--|
| 1 The Hon. Dr. T. S. S. Rajan. | 14 Sri T. C. Srinivasa Ayyangar. |
| 2 Sri B. Beehma Rao. | 15 „ D. Srirama murti. |
| 3 „ K. Madhava Menon. | 16 „ V. Ganga Raju. |
| 4 „ V. V. Jogayya. | 17 „ P. Peddi Raju. |
| 5 „ R. Srinivasa Ayyangar. | 18 „ P. Veerabhadraswami. |
| 6 „ A. Rangaswami Ayyangar. | 19 „ K. P. Mallikarjunudu. |
| 7 „ K. V. Srinivasa Ayyangar. | 20 „ N. Venkatachalamaji. |
| 8 „ N. Sankara Reddi. | 21 „ C. Perumalswami Reddiyar. |
| 9 „ V. Vasantha Rao. | 22 „ K. S. Sivasubrahmanya Ayyar. |
| 10 „ M. Narayana Rao. | 23 „ N. Subba Raju. |
| 11 „ M. Narayana Menon. | 24 „ S. K. Satagopa Mudaliyar. |
| 12 „ K. Venkataswami Nayudu. | 25 Sir Mahomed Usman Sahib
Bahadur. |
| 13 „ T. A. R. nalingam Chettiyar. | |

Ayes 10. Noes 25.

The amendment was lost.

The House then adjourned to meet again at 11 a.m. the next day.

THE MADRAS LEGISLATIVE COUNCIL.

Friday, 19th May, 1939.

The House met in the Banqueting Hall, Government House, Mount Road, at eleven of the clock, Mr. President (THE HON. DR. U. RAMA RAO) in the Chair.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

I.—THE MADRAS GENERAL SALES TAX BILL, 1939 (L.A. BILL No. 11 OF 1939) AS PASSED BY THE ASSEMBLY—*cont.*

Clause 5.

MR. PRESIDENT:—"The Council will now resume discussion of clause 5."

S. K. AHMED MEERAN SAHIB BAHADUR:—"I am not moving my second amendment, Sir."

MR. PRESIDENT:—"Are you going to move the other amendments?"

S. K. AHMED MEERAN SAHIB BAHADUR:—"There are three amendments, Sir, which I have given notice of to clause 5. I have already finished one; the second, I am not moving. I propose to move, with your permission, the third amendment."

MR. PRESIDENT:—"Yes."

S. K. AHMED MEERAN SAHIB BAHADUR:—"As regards the third amendment, my object in moving it is to have a verbal change made, in order to make the meaning more clear. The amendment that I move is as follows:—

'Omit the words "dealing exclusively in such cloth" in lines 5 and 6 and substitute the words "who do not deal in any cloth other than those produced on hand-loomings".'

I take it, Sir, that the object of inserting the words 'dealing exclusively in such cloth' is to give exemption to those people who deal exclusively in hand-loom cloth, in order to protect those merchants who deal only in hand-loom products and not in any other kind of cloth. But the section, as I read it, may mean this: if a man who deals in hand-loom products, also deals perhaps in chillies for instance, or some other kind of goods, he will not get that exemption; it looks like that. He must not deal in any

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other kind of article. If, as I understand it, the object of the Bill is, to give protection to people who deal in cloth made on hand-looms, then my amendment would make that intention very clear. The words 'dealing exclusively in such cloth' may give room to the interpretation that a hand-loom cloth dealer who deals in chillies or any other article will not get the exemption, because he does not deal exclusively in hand-loom cloth but deals in some other article also. That is the object of my amendment, Sir."

* SIR FRANK BIRLEY:—"Mr. President, I beg to second the amendment; and I do so, because I have given notice of a similar amendment. If the Government are going to accept this amendment, I may not move the amendment standing in my name. My arguments for this amendment are the same as those advanced by the Mover of the amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, Mr. Meeran's amendment is to make the matter clearer and possibly to avoid any errors in that respect arising out of the language used in the section as it stands. Sir Frank Birley's amendment is found to be a little more explicit. It reads, as he has announced it—

'For the words "dealing exclusively in such cloth" substitute the words "who do not also deal in mill-made cloth".'

This is of course the intention and the only purpose of this proviso. I would beg of both of them to be satisfied with my assurance that that is the only way in which it is intended to work this. It is only a question of interpretation by executive instructions covering the manner in which turnover is to be calculated, and the matter will then be made perfectly clear. The language as it stands is 'exclusively in such cloth.' It was thought that the word 'exclusively' would refer to cloth only, not to any other matter. And for those rare cases where a man may be selling in the same shop some articles other than cloth, or in the case of a far-fetched misapplication of the section which Mr. Meeran imagines, they should be definitely provided for; but it is unnecessary to bring forward this amendment for the purpose. I give my absolute assurance that this will be recorded in the rules as soon as possible, and the matter will be made perfectly clear."

MR. PRESIDENT:—"Does the hon. Member withdraw the amendment?"

S. K. AHMED MEERAN SAHIB BAHADUR:—"I am not withdrawing it, because I am not satisfied with the executive interpretation; it is for the courts to interpret."

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THE HON. SRI C. RAJAGOPALACHARIAR:—"I may just add for Mr. Meeran's consideration that 'exclusively in such cloth' is certainly capable of the interpretation exactly as Mr. Meeran wants it to be; but I do not think there will be any difficulty arising, because the method of determining the turnover will be made perfectly clear by the rules."

S. K. AHMED MEERAN SAHIB BAHADUR:—"I conceded from the very beginning that it was so; but the language is capable of a different interpretation also."

The amendment was put and lost.

* SIR FRANK BIRLEY:—"Mr. President, I move—

'After clause 5, insert a new clause 5-A:

"5-A. When a business is sold as a going concern, the transfer of the goods of such business from the seller to the purchaser shall be exempt from taxation under section 3."

"Sir, this is an amendment which I am emboldened to move and to advocate very strongly because it is one which, if it is adopted, will not involve the Government in any loss because they will get their tax from the goods when they are subsequently sold by the purchaser of the business. When a business is sold as a going concern, it is not always easy to distinguish between the price paid for stock in trade and that paid for goodwill, etc., and it is obvious that if such sales are not exempt, the tax can be evaded by the payment of a nominal figure for stock in trade and a larger figure for goodwill. I may say it is within my knowledge that sales of property not only in this country but in England have been done in this manner in order to avoid taxation. Perhaps this is another matter which the Government intend to deal with in the rules, and if the Hon. the Prime Minister would be pleased to give an assurance here again to this effect, I shall be happy to withdraw the amendment."

Sri Rao Bahadur M. Raman seconded it.

THE HON. SRI C. RAJAGOPALACHARIAR:—"I do give the assurance, Sir, that it is not intended to cover wholesale transfers of the whole of a business in the calculation of the turnover of that business. It is not the intention at all."

* SIR FRANK BIRLEY:—"I thank the Hon. the Prime Minister for the assurance given, and I am withdrawing the amendment."

The amendment was, by leave, withdrawn.

Clause 5 was put and carried.

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Clause 6.

DR. SIR K. V. REDDI NAYUDU:—" Mr. President, I beg to move the amendment standing in my name, viz.:—

'In line 4, after the words "tanned or untanned," and before the words "shall be taxed," insert the following: "jaggery, sugar, onions, turmeric and groundnut".'

Hon. Members will see that clause 5 as it stands runs thus:

'Subject to such restrictions and conditions as may be prescribed, including conditions as to licences and licence fees, the sale of bullion and specie, of cotton, of cotton yarn, and of any cloth woven on hand-looms and sold by persons dealing exclusively in such cloth shall be exempt from taxation under section 3.'

I wish to add to this clause, to this partial concession shown to sales of hides and skins, the following list, i.e., the five articles mentioned in my amendment.

" Mr. President, I was submitting in the course of the general discussion that the Hon. the Prime Minister did not give any reasons why he considered that trade would not be affected. His reply did not take us very far. We have not been given any reasons of a convincing nature for the position that trade will not be affected. However, the very existence of this clause where a partial concession is shown to hides and skins is one piece of evidence that there may be some articles in the trade of which there may be trouble and difficulties in case they are not exempted.

11-15 Now, Sir, hon. Members will be pleased to see the articles which
a.m. I have mentioned. I shall first take groundnuts. This oil-seed is sent to France and other countries. My hon. Friend Mr. Ramalingam Chettiyar in the course of his speech told us that this was one of the articles, the trade in which is likely to be affected. The point is this, Sir. As he has pointed out, we have no monopoly in the supply of oil-seeds and in the supply of groundnuts, just as we have in the case of jute, for instance. Dundee and other places where jute articles are manufactured get their jute only from India and it may be open to India to fix her own rates and any one who wants to have any manufactures in jute will have to buy it if he means to carry on his business. But it is not so with groundnuts. I submit that it is very difficult for me to distinguish hides and tanned skins from the articles which I have mentioned. There is the competition and when foreign merchants offer to France their groundnut and other oil-seeds at a certain rate, it will not be open to the Indian trader, or whoever it might be that might be trading from India, to fix a higher price—that means at the other end of the price is fixed; it will have its repercussions on its price in this country. The traders would not like to trade if they are to lose. Therefore, the result will be that he

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will offer a smaller price to the producer and since the producer is exempted, if that is to be a reality, I submit, Sir, this has got to be exempted and taxed only at one point as in the case of hides and skins.

" Mr. President, sugar has been dealt with by my hon. Friend, Mr. Meeran and for the reasons that he has stated, that article, still I think, Sir, should be included in this list. Sir, the sugar industry in this country is in its infant stage. Owing to the heavy tax which the Government of India have imposed upon foreign sugar, customs duty I mean, people in our land have been encouraged to grow more sugarcane and factories have risen, especially in the Telugu country—let not my mentioning the Telugu country worry anybody; it is mostly in Telugu countries, I know that sugar factories . . . "

SRI T. A. RAMALINGAM CHETTIAR:—" Tanneries also!"

DR. SIR K. V. REDDI NAYUDU:—" Quite so, but not so much as in the Tamil country. We have only a very few tanneries. I was saying that factories have risen or have been built at enormous costs the one at Vuyyur for instance by a sort of co-operative arrangement, in which the share-holders have agreed to grow sugarcane themselves; and owing to this heavy customs duty decent profits are being made in the sugar industry. Still, Sir, we are importing a large quantity of sugar from Java and from the North in our own country. But we have land enough here capable of growing sugarcane, we have facilities, our labour is not dear and here is the field in which the Government could assist the people and here is the field in which the Government could assist the people and develop this sugar industry. This tax, Sir, will be a handicap, and develop this sugar industry. This tax, Sir, will be a handicap, Mr. President, if my information is correct; this heavy customs duty on foreign sugar cannot continue long. (The Hon. Sri T. Prakasam: 'It has already been reduced.') It has already been reduced, as the Hon. the Revenue Minister says and it is possible that it might come to an end very soon and it will add another difficulty to this industry. I therefore submit, Sir, sugar deserves to be included in this category.

" Jaggery, Sir, is mostly used as food in sweets prepared at home, especially on auspicious occasions like marriage, but a great deal of it also goes into the sugar factories and is converted into sugar.

" Turmeric and onions and the remaining items, I shall take. Onions, Sir, are exported to Burma and other countries. That is the only trade as far as I am aware, Mr. President, in which the people of the Ceded districts take a great interest. They grow onions, they buy onions and export to Burma and other countries. I beg to submit, Sir, it will be a great help to this trade in which the people from the Ceded districts are very much

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interested. I mentioned them because, they come from the famine stricken area. Apart from cotton, they have no other interest in business.

"As regards turmeric, Mr. President, I do not know whether other countries export it. But I know a large quantity is exported from our Province.

"These things I mention, Sir, because I feel that the trade on these items is still in an infant stage, it cannot meet competition from outside and unless this help is given, I beg to submit, there is a possibility, or it may be a likelihood, of injury to these trades. I therefore beg, Sir, that this amendment may be accepted."

SRI B. NARAYANASWAMI NAYUDU:—"I beg to second the amendment. I have stated already at the outset that in these trades there is foreign and inter-State competition. Onions and turmeric I have already referred to and with regard to the other things, the same conditions prevail in the inter-State or foreign competition and therefore I submit this is clearly a case in which the Government ought to yield."

*THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, this amendment may be taken as dealing with two aspects of the matter; one and the principal one is that dealing with the export commodities and the arguments advanced are the same as have been so vigorously advanced from the outset in the general discussion, that any burden placed upon the sale of commodities which should ultimately be exported abroad and compete with similar articles from other Provinces in foreign markets would injure the business. The other part of the amendment moved by Sir K. V. Reddi deals with sugar and the sugar industry.

"With regard to the export aspect of it, I do not think I can add anything more to what I have said already. There is no doubt that exports stand on a different footing from internal trade commodities. At the same time, the argument that that theory should be taken as sufficient reason for doing away with any taxation on them . . . (Sri B. Narayanaswami Nayudu: No, one point) is not correct. The theory that any kind of tax will hurt the trade is, I think, a little too much depended upon in every argument. At that rate do hon. Members want that all the export trade should be freed from any charge or liability in respect of the Government of this country and that everything should be borne by those who deal in other commodities? I submit that every commodity has a limitation also. When we have a general sales tax of low incidence, I submit, this argument in favour of exports ought not to come in, in our country, so far as we are concerned where the bulk of the business is only in exports. But if we levy a selective tax, I can understand the meaning and the force of the arguments that these export commodities should not

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be selected, for any imposition of that kind. But in this particular Bill, Sir, this differentiation in favour of exports has been set aside. But to some extent, as I have already admitted, the difference is recognized—though not wholly recognized—and that is why one or two articles have been chosen from the bulk of our business in export; cotton and in a limited form skins have also been dealt with by way of reducing the taxation to one point instead of levying it at all points.

"What I wish to add in dealing with this amendment is this, that it is not enough for those who are interested both in the Government of the country and in the export trade to simply ask that the export trade should be wholly free from any charge in respect of the expenditure in the State but they should strive to put a little more reorganization into this export trade. What should really be used for further forms of manufacture in our own country should be attended to and dealt with in that way. What is to be exported must be exported with the least possible loss to the producer. Instead of that, what do we now see? We find a few first-class firms from abroad exploiting all the exportable resources of our country. Then we find numerous intermediaries who simply get in in order to speculate and to gamble in the intermediate stages, with reference to the prices going up or the prices going down and exploiting the ignorance of the producer, going and buying as cheap as possible and taking in as much quantity as possible that can be stuffed into what is called the standard weight or the measure. Then these things are handed over to the importer who by this arrangement has as little to do with the actual producer as possible and who takes no risks whatever in the matter. He leaves his business entirely in the hands of others, for he insures his business by them; so to say, all the insurance premia they get is by exploiting the ignorance of the actual producer. Reorganization is necessary. I admit that exports are valuable additions to our trade. I admit that it is perhaps more valuable to our business to-day and it ought to be attended to properly. Integration and honesty are both necessary in re-organization of this part of our business rather than the exemption from the half per cent of our business in this country. This is the avenue tax that we put on businesses in this country. I for those who are interested in the re-organization of trade. I may be forgiven for making these few general observations so as to explain the motive of the Government. The Government do not intend to put the entire burden, but the Government only intend to put that small rate of percentage, on this part of the business of the country as on every other part of the business. We cannot make it escape altogether.

"But, Sir K. V. Reddi goes further. • After dealing with 11-30
primary commodities on the basis of exports, he comes to sugar a.m.
also. This is not a protective measure at all. Let no one imagine

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that this Sales Bill can be converted into a protective measure as simply for this article or for that article. It is impossible. This is merely a measure for getting the money necessary, for meeting bare necessities of provincial expenditure. It cannot be transformed into a protective measure for the increase of our sugar industry or tanning industry or for the matter of that, an increase of our groundnut trade. There is no colour of protection about it. But there is possibility for an infinitesimal degree of protection in spite of the safeguards that have been placed under the Government of India Act. But it is infinitesimal and negligible. The safeguard, as it is called, provides under section 297, that no law can be passed by any Province which will either prefer or restrict or discriminate by way of taxation between goods produced or crops raised in any particular Province as against—whom?—the whole world! It was possible for a Federation to ask for a law that one Province may not be discriminated against another. But whatever they have done they have included the whole of the world as against the Province and have made a rule that we cannot discriminate even against Java, that we cannot discriminate on the rice coming from Burma in favour of rice produced in our own country or the rice coming even from America, if ever it should, as against rice produced in our own Province. That is the limitation under which we have to work. No protection can be built up out of this taxation measure. For that hon. Members of India and not here. This, Sir, is only to meet a particular necessity of expenditure and we cannot make distinctions when putting down the one pie tax that we are putting. It is like stamps. It is like postage. It is like freight. I want hon. Members to realize that this Sales Tax will be like the stamp rate or railway charges and package charges, and that we cannot escape from the necessities of the taxation in our Province. That is the only answer I have to give.

“I have not made any attempt at discrimination in favour of this article or that article. I may confess here that great amount of pressure was brought to bear on us with a lot of reason behind it in order to save coconuts and copra from the terrible plight in which those commodities are now as against foreign competition. Why have we put all that aside? Not because hon. Members have not pressed enough. They have pressed quite enough. They have pressed more than they possibly could be expected to do. They have done all that. But it will be seen that we have adopted a uniform rate and we cannot make any distinctions with respect to this charge that we are putting upon trade as a whole. I appeal once more to those who help this export trade to see that the producer is not hurt and that they themselves do not undercut one another and ruin one another in gambling and speculate to

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improve export trade as a whole and also save the producer. This half per cent is not going to make the difference. It is their own morality and it is their own business capacity that will however make the difference.”

The amendment was put and declared lost.

A poll was demanded and the House divided thus:

Ayes.

- | | |
|---|------------------------------------|
| 1 Sri Rao Bahadur N. R. Samiappa Mudaliyar. | 6 Sri M. Ramakrishna Reddi. |
| 2 Sir Diwan Bahadur R. Srinivasan. | 7 Ahmed Meeran Sahib Bahadur. |
| 3 Khan Bahadur T. M. Moidoo Sahib Bahadur. | 8 Sir Frank Birley. |
| 4 Sri B. Narayanaswami Nayudu. | 9 Sri M. D. Kumaraswami Mudaliyar. |
| 5 Abdul Wahab Sahib Bahadur. | 10 Dr. Sir K. V. Reddi Nayudu. |
| | 11 Sri M. Raman. |
| | 12 Mr. J. A. Saldanha. |

Noes.

- | | |
|--------------------------------|-------------------------------------|
| 1 The Hon. Dr. T. S. S. Rajan. | 13 Sri K. S. Sivasubrahmanya Ayyar. |
| 2 Sri B. Bheema Rao. | 14 „ S. K. Satagopa Mudaliyar. |
| 3 „ K. Madhava Menon. | 15 „ P. Veerabadradaswami. |
| 4 „ V. V. Jogayya Pantulu. | 16 „ K. P. Mallikarjunudu. |
| 5 „ R. Srinivasa Ayyangar. | 17 „ N. Venkatachalamaji. |
| 6 „ A. Rangaswami Ayyangar. | 18 „ D. Sriramamurthi. |
| 7 „ K. V. Srinivasa Ayyangar. | 19 „ V. Ganga Raju. |
| 8 „ N. Sankara Reddi. | 20 „ K. Venkataswami Nayudu. |
| 9 „ V. Vasantha Rao. | 21 „ T. A. Ramalingam Chettiyar. |
| 10 „ M. Narayana Rao. | 22 „ T. C. Srinivasa Ayyangar. |
| 11 „ M. Narayana Menon. | 23 Sir Mahomed Usman Sahib Bahadur. |
| 12 „ C. Perumalswami Reddiyar. | |

Ayes 12. Noes 23.

The amendment was lost.

KHAN BAHADUR T. M. MOIDOO SAHIB BAHADUR:—“Mr. President, I beg to move—

‘Add the word “timber” between the words “untanned” and “shall” occurring in line 4.’

“In doing so, I beg to draw the attention of the House to the fact that timber is quite a different commodity from all the other commodities that come under this Bill, for timber is taxed by the municipality as soon as it comes into the city by steamer or rail at the very railway station or harbour at Rs. 5 per ton for all timber and in the case of timbers that go outside India a duty of 20 per cent on the value of the timber is also charged. Malabar especially is a country producing much of the timber, cheap timber that are sold in the markets here and everywhere. After paying these double or treble duties not only in the City of Madras, though the City of Madras charges Rs. 25 per ton as licensing fee for timber, in all other places the licensing fee is charged by the municipality. With all this heavy burden it will be killing the very industry by making it also pay this general sales tax. I have even quoted yesterday the fate of the timber lying at the ports which once fetched Rs. 15 to Rs. 20 per cubic foot and which there is none now to buy even at Rs. 2. This is

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the plight of the merchants. Unless it is exempted—I do not want full exemption; I want that the tax should be put at the first instance—the trade will be killed. I appeal to the Hon. the Chief Minister to seriously consider this matter as many of the timber merchants will find it very difficult to pay this additional tax. In the case of timber there are very many species which are often sold for cost price as there is keen competition. Timber must be encouraged as we have to compete with foreign timber which is flooding the market. For instance, we have got Malabar teak which is far superior and stronger than the Burma teak, but the Burma teak has captured the market. Cheap timbers are available in plenty all over the Presidency and they are being sold at competitive prices to compete with foreign timbers. Japan, Singapore and some other foreign countries are selling cheap timbers to compete with the Indian timber and with the additional burden of this tax the timber trade will be surely killed. I appeal to the Hon. the Prime Minister at least to accept this amendment of mine which is very modest.”

SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“I second it.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, I may mention in this connexion that I had the benefit of a fairly long discussion over this subject with the interests concerned and they had explained to me the position and the difficulties of their business. The points which I placed before them were these: that so far as internal trade goes in our own Province, since this tax will fall on all timber it would not make any difference and it is not likely that the consumers of timber will fall away on account of this tax. With regard to those dealers who have exporting business, I pointed out to them that in the bulk of their business they would not be subjected to this last point tax which they wanted to remove. They wanted to remove all but one point or at least they wanted only that at the last point it may be free. But I pointed out to them that their interpretation of the provisions of this measure was wrong and that they are not really to pay the tax which they were afraid they would have to pay. Then there was a consideration among them and some of the gentlemen explained that in some cases perhaps they would have to pay the tax also. But, Sir, it was my impression that they were made to understand that things were not so bad under this measure as they had apprehended it to be and then the discussion ended.

“Now, I have only to repeat the same thing. I say that the burden that is intended to be placed here on the trade on timber is on all timber in the Province and so far as the export of timber to foreign markets is concerned, the conditions are far too numerous. The conditions and advantages which one or another dealer enjoys in respect of timber in foreign markets as compared

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with our own dealers are so many and so various that this particular levy will not materially affect the position. It would be difficult to make everything free from this tax. But the present amendment limits itself to requesting Government to consider one point taxation in favour of timber also. I should submit, Sir, that according to our calculations it may not be affected materially. This tax will not materially affect the timber trade. But if we find any great difficulty in the matter it would be certainly open to reconsideration. At present I should submit that no particular exemptions need be asked for beyond what have already been provided for. We would be launched in numerous relative difficulties and considerations and the whole thing will become impossible if we begin to consider one particular trade or another. Already I am beginning to feel that what has been done in respect of hides and skins and in respect of cotton has led to all these difficulties. Possibly the Government might have been wiser not to have launched on any selective exemption at all, but we need not go back upon what we have done. I should submit that we need not make the difficulty greater than it is now. That is the reason, Sir, which I tender for consideration in order to reject this amendment.”

The amendment was put and lost.

Clause 6 was put and carried.

Clause 7.

MR. PRESIDENT:—“Clause 7.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“With your permission, Mr. President, I want to make a statement. Just now we intend leaving the House and before we leave the House, we want to make a statement.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“May I rise on a point of order? Is the question with respect to clause 7?”

SRI B. NARAYANASWAMI NAYUDU:—“No.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“The question now before the House is the consideration of clause 7 and the amendments in respect of clause 7. Hon. Members are free to rise in respect of that clause. But I do not know if the hon. Member has given notice of any amendments in respect of clause 7.”

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—“We, as a party, do not want to take part further in the discussion of the Bill. That is why I want to make a statement on behalf of the party so that . . .”

11-4b
a.m.

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THE HON. SRI C. RAJAGOPALACHARIAR:—"Can one have any demonstration at any time, Sir? There is a point at which you can do so. I want an orderly demonstration and it should not be out of place. If clause 7 is taken up, it may be made then in the course of the speech. But a mere speech and a demonstration is not within the agenda."

DR. SIR K. V. REDDI NAYUDU:—"We wish to make it at this stage as clause 6 has been defeated."

THE HON. SRI C. RAJAGOPALACHARIAR:—"But clause 7 has been taken up. Don't you wait till that is over?"

DR. SIR K. V. REDDI NAYUDU:—"There is no point, Sir, in waiting till it is disposed of."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Let me make a respectful suggestion not only to you, Sir, but also for the consideration of hon. Members who wish to make any such thing. It is possible and it is open for any one to rise and go away. A spontaneous demonstration of that kind appeals to me as one who has some experience of such demonstrations. But a very well considered procedure like that should be well considered in all respects, that is to say, it should be orderly. If any particular person wishes to speak in this part of the debate in the second reading when clause by clause is put, that occasion may be availed of. But we cannot use this opportunity, when clause by clause is taken up for consideration, for any particular Member making a general statement and demonstration. So I beg to state that if the Leader of the Opposition is fed up with the whole of the business, he may do so in an orderly manner and show his being fed up, and not as if the demonstration was included in the agenda or general procedure."

DR. SIR K. V. REDDI NAYUDU:—"May I submit, Mr. President, that the Hon. the Leader of the Opposition has risen just as you rose? That the Prime Minister should take advantage of the fact that the President has started by saying clause 7 . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"What advantage is it to me, Sir?"

DR. SIR K. V. REDDI NAYUDU:—"We are not going to make any speech. Not more than two sentences will be stated."

MR. PRESIDENT:—"I have already said that clause 7 was taken up."

DR. SIR K. V. REDDI NAYUDU:—"Very well, Sir, if that is your order, we will obey."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I raise this Sir, not because there is any advantage to me, but because there should be something like orderliness in the procedure."

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DR. SIR K. V. REDDI NAYUDU:—"Mere love of Opposition, Sir."

* SIR FRANK BIRLEY:—"Sir, I beg to move—

For clause 7, substitute the following:—

'Sales or purchases of goods for delivery outside the Province, if such goods are so delivered, shall be exempt from taxation under section 3.'

Mr. President, in view of the fact that Government have—I was going to say generously but I am afraid it is too parsimonious a concession to be described as a generous one—agreed to give a rebate of one-half of the tax in the case of goods manufactured in the Presidency and exported to places outside the Presidency, it may be considered that I am asking too much and to tell the truth, I would not have had the temerity to move this amendment had not the case for it been so overwhelmingly strong. Another reason which made me wonder was the remark that the Hon. the Prime Minister made in reply in dealing with the last amendment that he was afraid that he had gone very far in giving the concession he had given to hides and skins and cotton. This made my flesh creep, if not my hair stand on end (Laughter). Briefly stated the case is that any sales tax applied to manufactures in the Province for export is nothing more and nothing less than a subsidy to competitors in other Provinces. That, I think, Sir, is one of the irrefutable arguments. In these days one hears much of protective tariffs designed so as to protect the industries of a country but it is seldom—and in fact I might go so far as to say that it is unique—that a Government commits itself to a self-denying ordinance of this nature and actually taxes its goods so as to give an advantage to its competitors in any other Presidency or in any other country and in the interests of the industries of this Province, I trust that Government will accept this amendment."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am sorry, Sir, that Government have gone as far as they can in regard to the matter and it is my request that the matter may be left at that. Any further expansion of that exemption will lead to more difficulties. As regards the general proposition made by Sir Frank Birley, he may be right, but it is a question of principle whether this $\frac{1}{2}$ per cent tax will really amount to a subsidy in the foreign market. Those articles which go from this Province have certain intrinsic merit and advantage and if we try to start negative tariff walls against neighbouring Provinces, we do not know where it will land us. We have to see that we deal with them in a manner under which they may even have an advantage. I should like to have that on our side."

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* SIR FRANK BIRLEY:—"Excuse me, Sir, I am not asking for a subsidy on the products of this Presidency. I am merely asking for equal treatment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I did not make that statement, though my words might have led to that. I do understand the purpose of the whole thing. The 50 per cent rebate that we have provided in the case of articles which we put in foreign markets is something of a protection, something of a saving at least of a disadvantage. In that way, I may call it a protection. But if I explain this, we would have a strong case for proper treatment of our Province in all other provinces. If we proceed a little too far, I submit that we do not know where the other provinces may stop. In spite of all these safeguards, I do not want to start such an atmosphere. I submit that clause 7 as it is just gives a certain degree of protection and at the same time has a flavour about it which will help us in dealing with other provinces. I commend this aspect of the matter to the wisdom of those who are interested in the manufacture of export abroad. I tell them that it is likely that in course of time—human nature is such, selfishness of the provinces is such, the insularity of provinces is such—we will have a very bad atmosphere, if we once begin wrongly. It is that which makes me hesitate to consider the suggestion that has been made. At the same time we do not want to reject altogether. I am not a businessman but I do commend that aspect of the matter to which I have given expression to, to those in commerce and manufactures. There is something worth consideration in what I have said."

The amendment was put and lost.

Clause 7 was put and carried.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"Can I rise, Sir?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"May I again rise on a point of order? I am sorry. I do not really stand in the way of what the Leader of the Opposition wants to do. I only regret that he is unable to put the screw where it is to be put in. I have to give a piece of advice so to say against myself. But I may do so as one who has some experience of other people's demonstrations of that kind. I myself have never demonstrated in that manner up till now. In a second reading when a clause is proposed or when an amendment is discussed, it is open to any Member to rise and speak on that amendment and that opportunity must and should be made use of for the purpose of making any statements in respect of the discussion. It cannot come about without any clause or amendment. It cannot come at this stage. That is what I wish to point out."

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II.—STATEMENTS re. THE WALK OUT OF A SECTION OF THE HOUSE.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"I do not want to make any statement with regard to the Bill. What I want to say is that if we leave the House quietly, it may mean that we do not respect the Chair. It is only with regard to that attitude of ours I will say a few words and I am not going to make any speech. I am not a believer in stunts and empty demonstrations. We have come to the conclusion that in view of the attitude taken by the Hon. the Prime Minister, there is no use in our taking part any further in respect of this Bill."

(At this time the clock struck twelve. The Hon. Dr. T. S. S. Rajan was heard to remark (in Tamil) "*Sakhnamdan*" and Sri Rao Bahadur N. R. Samiappa Mudaliyar retorted "*Ungalukumthan*," as you can finish the other provisions of the Bill soon." 12 noon.

* SRI RAO BAHADUR N. R. SAMIAPPA MUDALIYAR:—"We are leaving the House, Sir, and in doing so, on my own behalf and on behalf of friends following me I wish to assure the Chair that we mean no disrespect to the Chair."

[Mr. Samiappa Mudaliyar and members of his party then left the House.]

DR. SIR K. V. REDDI NAYUDU:—"I should like to say the same thing in very few words. Sir, on behalf of the National Democratic Party, I beg leave to make this statement. From the attitude taken by the Hon. the Prime Minister towards the amendments proposed by the Opposition groups and the replies given by him, we find that not only is the mind of the Prime Minister made up to reject every amendment, but even the ordinary courtesies commonly observed in Parliamentary debates are not shown to us. We therefore think that no useful purpose will be served by our continuing to take any further part in the discussions on this Bill, and we withdraw from the House."

"In doing so, Mr. President, I wish to add on my own behalf and on behalf of the other Members of my group that we mean no discourtesy at all to the Chair. (Four or five Members were then seen rising from their seats and walking out)."

THE HON. SRI C. RAJAGOPALACHARIAR:—"May I ask the hon. Member's attention for a minute? I should like to know particulars about the discourtesies that are imputed to me. (After a pause) I must complain, Sir, that hon. Members who not only left, but left saying that I was guilty of certain discourtesies, should have the courtesy to explain or enumerate them. I am thoroughly at a loss to understand what discourtesies have been referred to in this matter. I myself am not conscious of any single act of discourtesy."

THE HON. THE PRESIDENT:—"I entirely agree with the Hon. the Premier."

[19th May 1939]

I.—THE MADRAS GENERAL SALES TAX BILL, 1939 (L.A. BILL NO. II OF 1939), AS PASSED BY THE ASSEMBLY—*concluded.*

Clause 8.

MR. PRESIDENT:—"As the hon. Member who has given notice of an amendment to clause 8 is not in his place, his amendment is treated as withdrawn."

Clause 8 was then put and carried.

Clauses 9, 10, 11, 12 and 13 were put and carried.

Clause 14.

Sub-clauses (1) and (2).

* SIR FRANK BIRLEY:—"Mr. President, I move

'In sub-clause (1) after the words "any officer" occurring in line 1, insert the words "not below the rank of Revenue Divisional Officer," and in sub-clause (2) after the words "such officers" in the fifth line insert the words "not below the rank of Revenue Divisional Officer".'

"Sir, clause 14 gives almost inquisitorial powers to the officers of the Government. The amendments which I have proposed are intended to restrict the rank of officers empowered by the Provincial Government to such powers. I have proposed that the Provincial Government may not grant such powers to officers below the rank of the Revenue Divisional officers. Under the Income-tax Act only the Income-tax officer is allowed to call for books of accounts. He may not even depute his head clerk for this work. When such a restriction is considered necessary in the case of the Income-tax Act, I submit it is equally desirable to put such a restriction here also in view of the very wide powers which are indicated in this clause 14. Sir, here is another amendment which I should be only too glad to withdraw if I could have an assurance from the Hon. the Premier that in the rules to be framed some notice will be taken of the necessity to restrict the juniority of the officer who has these inquisitorial powers over one's accounts."

The amendments were duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I at once rise to accept the suggestion made by Sir Frank Birley in regard to providing for safeguards against any misuse of the powers given under this clause in the rules to be framed. As a matter of fact, I would draw Sir Frank's attention to the fact that we have introduced in this clause the phrase 'any officer empowered by the Provincial Government in this behalf'. So that it does not come automatically within the duties of any officer. The Provincial Government will have to authorize officers specially.

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I promise that every attention will be paid to the two aspects of the matter pointed out, viz., the necessity for confidence in regard to the accounts, the status of the officers in dealing with them and the necessity for avoiding anything like oppression in regard to the matter. These will be fully considered and the rules I am sure will give satisfaction to the trade in this regard."

SIR FRANK BIRLEY:—"In view of the Hon. the Premier's explanations, I am prepared to withdraw my amendments."

The amendments were, by leave, withdrawn.

Clauses 14, 15, 16, 17 and 18 were then put and carried.

Clause 19.

Sub-clause (2) (1).

* SIR FRANK BIRLEY:—"Mr. President, I beg to move—
'Omit clause 19, sub-clause (2) (1).'

This, Sir, is our old friend sub-clause (g) of clause 32 of the Tobacco Bill. All I wish to say therefore is that every word I have said about that sub-clause applies with equal force to this sub-clause. I feel, Sir, that I need say no more to commend this amendment to the favourable vote of this House."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, without waiting for any one to second the amendment, I should like to give the same assurance that I gave with reference to a similar amendment moved to the Tobacco Bill when that was under debate. This sub-clause (1) of clause 19 (2), as well as clause 21 to which we are coming presently deal with kindred powers. The power that we seek to take from the House is to provide for difficulties and provide for lacunæ under the provisions of this Bill when it becomes law. How these are necessary I have already explained. They are not intended to alter the law as approved by the House. They are not intended to add substantially, without legislative sanction, to the laws of the land. They are intended to carry out the purposes and the objects of the laws which have already been passed. That is the scope for the exercise of power for which we want sanction under these two provisions, 19 (2) (1) and 21 coming up later. It is not intended as an escape from the legislative sanction. It is intended only to provide that the legislative authority may not fail for want of proper machinery to be carried out. In spite of the literature on the subject and the difference of opinion on the subject some years ago, as I said the other day, the opinion now in the modern administrative and legal world is more or less unanimous that this should be tolerated. It is not considered a fine perfection of legal construction, but, at the same time, people see that these are one of the necessary

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evils that they have to submit themselves to in dealing with the complicated business of modern administration. Yesterday a legal friend of mine handed to me a learned work in which the whole thing has been summarized. A Committee sat in Britain to enquire into all these matters and from various points of view examined what are called Ministers' powers and have offered considered judgment. I can summarize it like this: that this kind of power is to be tolerated in the modern world and is being tolerated in civilized democratic countries like even England. It is only under this justification that we want these powers.

"A passage was quoted from a speech of the Hon. Dr. Subbarayan by somebody the other day. Dr. Subbarayan had referred to the fact that a particular measure was a measure amending the existing law and therefore we may not be able to know how the amendment will work. But when on a particular occasion this power is justified, with reference to that particular subject, it does not mean that there is no justification with reference to any other subject whatsoever. That is not a correct argument. I maintain that when dealing with administrative machinery and when dealing with a kind of tax that is newly started with respect to the complicated business of trade and commerce, some difficulties will have to be overcome. Hence the necessity for this rule. But I assure the House that it will not be utilized in order to escape from the legislative machinery of the land. It will only be utilized to give effect to the will of the Legislature as already expressed in this measure."

* SIR FRANK BIRLEY:—"In view of the Hon. the Prime Minister's assurance, I withdraw my amendment."

The amendment was, by leave, withdrawn.

Clauses 19 and 20 were put and carried.

Clause 21.

* SIR FRANK BIRLEY:—"Sir, my amendment reads thus—
'Omit clause 21.'

This is another old friend like the one which we discussed just now. But I see that the Hon. the Prime Minister has dealt with it fully when he replied to my previous amendment. In the circumstances, I do not move my amendment."

Clause 21 was then put and carried.

Clause 1 was then put and carried.

The Preamble was then put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I move—
'that the Bill be passed into law.'

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"I hope that hon. Members will bear with me for a few minutes on this occasion. I have already explained the policy, the programme and the commitments which lead to this taxation measure. An objection has been raised to this taxation measure to the effect that there is no financial justification for it. Arguments were the same with respect to this as to the other measure with regard to tobacco. But this being a general sales tax, it is but right that hon. Members who raised the objection should reiterate it with all the energy they could command. Estimates with reference to the probable revenues that may be derived from this taxation measure were made. Some hon. Members struck to what I consider an over-estimation which they had made previously. But Mr. Ramalingam Chettiyar whose views expressed on an unofficial occasion had been depended upon by many hon. Members opposite who have sought to exaggerate the possible income that might be derived from this taxation measure, was good enough to rise and explain how he estimated that income and how it should now have to be altered and therefore it could not be quoted by hon. Members opposite. In spite of what Mr. Ramalingam Chettiyar stated that his own estimate had no application to the Bill as it now stands, some hon. Members opposite and some of the newspapers acting as their organ of propaganda in respect of this matter have continued to mistake and misstate Mr. Ramalingam Chettiyar's position. It was stated that Mr. Ramalingam Chettiyar had even now said that 8 or 12 crores of rupees could be got from this measure. Even Mr. Ramalingam Chettiyar does not think so. He said exactly the opposite. The estimate we make on behalf of the Government from all the new taxation measures that we have passed, when they become law and if fully enforced, will be in a full year not more than one and a half, and certainly not more than two, crores net after expenses of collection have been paid for. That would be for a full year when everything is in order and after the machinery is set in proper form and paid for. This is a substantial approach to making up the deficit that is bound to arise according to our programme to which we are committed and which we have started already. Even then it would not be a complete solution, it would only be a substantial approach to the solution. This is the main justification for the taxation measures. Had it been merely a question of a year's budgetary adjustment, some of the arguments advanced on the other side would have been correct. It is not merely a particular year's budgetary adjustment, but a scheme of readjustment of the tax burden imposed on the people of the Province. Therefore we cannot stop half-way and we cannot reduce the measure to a proportion which would just satisfy a year's budgetary requisite and stop there. We have to make it cover a field which would cover the taxation readjustment which we desire to make.

"What that readjustment is, I have explained already at some length. I do not wish to go over that ground again. I have stated

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fairly clearly and I think fairly convincingly that the four crores of rupees that have been derived from, as I have calculated, only four lakhs of people in our Province, is an iniquitous impost on those people. If that burden is distributed or sought to be distributed if not fully, at least to half the extent over a much larger number of people and a wider field, the result would be not increased unfairness, but increased fairness of distribution of the burden of taxation. That was my plea and on that mainly this measure should stand or fall. If that argument is wrong, this measure is wrong. If that argument is right, this measure is right. It is wrong for a Government to put more than one-fourth of its entire annual expenditure upon just four lakhs of people who are addicted to a particular craving. If that argument is correct, then this measure is correct. If it is right to put that burden upon these people, then this measure is unnecessary and we can continue to impose that burden.

“ Again references were made by me and hon. Members on the other side tried to refute my position with regard to the present scheme of taxation on land. Sir K. V. Reddi, who is not here, said that there was once a dispute whether land revenue should be called a tax or rent and that now we call it excise and that this was a third definition for which he had not been prepared. Why should he not be prepared, I ask. We have to be prepared for a thorough overhaul of all our ideas in respect of very many fundamental matters which had been taken for granted before. Once upon a time, private property was taken for granted and the only question was whether what was levied on land was a tax or was a rent. But to-day the sense of private property has been shaken very much. Everything is taken more or less as in the nature of a trust. Even in States where the system of private property is accepted as the main skeleton of the economic structure, even in those countries, private property is treated as a trust. Then with regard to the land revenue that we derive, I look upon it as an excise on the produce of the land. I think there is justification for that view. I think the excise amounts to not less than 25 per cent of the produce of the land, of one of the fundamental articles which hon. Members pleaded here should be completely exempt from the present taxation. If we have to exempt it from any burden we have to exempt it from the main burden, namely, the excise that I referred to, that is to say, the land revenue. In order to do that, we have to distribute the tax on all. We cannot save any one person altogether from all duties. That is the justification for this tax. If that argument of mine is wrong, then this measure is wrong. If that argument of mine is right, then this measure is right, apart from details and amendments to particular sections.

“ The objections that were raised run mainly into two channels. It was pointed out that export trade would suffer by any system of sales taxes. This is an old argument and this is considerably

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strengthened by the fact that in the previous cases where the sales tax was imposed in the West, this tax was thought to be a heavy burden on the exports and the States concerned did not place such a burden on exports. In those States exports played such an important part that, in view of their inter-State relationship, they avoided putting this burden on exports. That history however is not exactly parallel to ours. The nature of the tax that we impose is different, the nature of the structure of our trade is different and our boundaries also are different. In every way we are differently placed. Therefore wholesale exemptions in favour of exports from the sales tax could not possibly be entertained by us. We have made substantial concessions in favour of exports. We have made not only special wholesale exemptions, but also partial exemptions. We have exempted certain classes; we have exempted dealers with a turnover of less than Rs. 10,000. I therefore submit that all the arguments in favour of exempting exports should not be considered as final or far too important to be ignored in respect of the particular measure we are proposing. I submit that the measure is justifiable even in respect of the tax on the exports because the tax is very light and it is necessary for the financial adjustments that we desire to make.

“ Then, Sir, another objection ran along one other channel and that was with regard to the cumulative character of the tax. It is said that we are levying the tax at all stages and that it will be a very heavy burden on the trade. But Government feel that trade will not suffer in the consumption of goods unless indeed businessmen act very wrongly, unless indeed businessmen combine to increase prices beyond the needs arising out of the payment of this tax. I know there will be strong temptation to do so and feeble attempts have been made by unscrupulous people even now to charge three pies and six pies in the rupee at odd corners in the Province where nobody may be expected to correct mischief. There are unscrupulous men enough in the country who will make money out of any situation. The fact that the sales tax is being discussed in Madras is enough for such people to exploit others and make money in some parts of the country. We are not dealing with such arguments and such circumstances. They will come to an untimely end. Vices of that kind cannot last long. Men are wise enough and shrewd enough to nip those things at a fairly early stage. They will come to a termination very soon. But dealing with ordinary traders, I say that if they do not act unfairly and do not put too much screw on the consumers, trade will not suffer as a natural and normal result of the tax that we are imposing. That is to say, consumption will not go down on account of this.

“ Sir, let us examine one case which was most strongly pressed—food-stuffs. Let us make a calculation. People may make varying calculations according to the size of the family and the status

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of the people. Let us make a rough calculation of the actual food-stuffs purchased by a family for purposes of food only and not for trade purposes. If we make a calculation, we will find that the tax on those food-stuffs will not come to more than 4, 5 or 6 annas a month. This is the extra cost for a family on account of this tax, even calculating that this half per cent is levied at three stages and no exemption is available to them. In spite of taking it even at three or four stages, the burden per month on account of the food-stuffs purchased for consumption as food-stuffs will not be more than 4 or 5 annas a month for a family. Therefore, if traders will not deceive people, I say this tax is not going to ruin the people and make the cost of living very much more than it was before. That is my justification with reference to this argument.

12-30 p.m. "Then I suggest also one other aspect for consideration. This tax is going to help in the process of a healthy reorganization of trade itself, of the machinery of trade itself. Unnecessary and useless speculations and dangerous gambblings will have to pay a tax for that adventure and they will go out if we are wise enough. It is not a bad thing for business. There will be a certain amount of healthy integration of business and men will not swarm in the shape of intermediaries and pounce upon the producer before his article reaches the exporter. There will be less and less of a parasitic character in the machine and more and more of healthy reorganization.

"The main argument pressed by the Opposition was: 'This is a poor country; do not therefore tax trade.' I cannot, Sir, follow this argument. If this country is poor, I cannot understand why—the sequence of the argument—business should not be taxed. If the country is poor, should the business man be allowed to go free without being taxed? There is a vast market here, though the purchasing power of each individual is small and that is the great attraction of our country for the whole world. There is a vast market in our country though each individual's purchasing power is small; trades are organized on that basis. Therefore it is that a small tax on trade will not really and materially affect the individual; it may possibly affect the profits of the businessmen. If the businessman will not consider this tax as an indirect incidence of taxation on the consumer and if he will lighten the burden as far as possible, this tax will not go to the ruin of the people. If exploitation is stopped by those who are in the trade and, as they must do, if they help to stop this exploitation and if they really mean well by the poor, as I have already stated, I do not think the imposition of this tax will hurt the consumer or purchaser in our country. On the other hand there would be just adjustment of taxation which is necessary to-day and in this all should co-operate. Therefore we have taken this position, Sir, and we propose to levy this sales tax in spite of the apparent unpopularity or the difficulty of it. I am glad to say that the people have very

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soon understood the truth and the effects of the preliminary irritation, apprehension and fear with which they started have greatly subsided and people have understood how things really stand and why it is necessary that they should support this Bill.

"If you are going to proceed with proper use of this money, it was stated by some hon. Members that they would have no objection to this measure. I say so again, I have said it already, that they will soon see that a very substantial and forward step in regard to Prohibition will be the natural corollary of the imposition and the acceptance of this tax. Then people will bless this Government and there will be no intricate arguments against the taxation as such, that it is a heavy, wrong and unjust taxation. Then taxation would not be objected to. Taxation is one of the defences against revolutionary changes in the economic structure of our country. If people do not want a further and much more terrible change in the existing order of things, we have to submit ourselves to heavier and heavier taxation; those who are well off have to submit to such taxation. People who are in the middle classes also have to submit to a little extra taxation, because hitherto, they have relatively and comparatively escaped the burden; we have put all the burden on those who are below us. Therefore I do hope that good sense will prevail and there will be no difficulty for this country to accept the taxation as a civilized step for the maintenance and welfare of the people of this Province. Taxation as such will not be objected to by people. Our people are sensitive; what they should object to and what I would encourage them to do, is a heavy and unjust imposition of taxation on particular classes of people, specially on the poor people. I hope, Mr. President, the Bill will be passed into law."

* KHAN BAHADUR SIR MAHOMED USMAN SAHIB BAHADUR:—"Mr. President, just a word or two. I am sure the feeling in this House is one of great appreciation of the attitude of my hon. Friend, Sir Frank Birley, towards the hon. Members of this House. He has made speeches yesterday and to-day—strong speeches—but there was one thing lacking in them; that is personal bitterness either against the Hon. Prime Minister or against the Hon. Members of the Government because they are still continuing to sit on the Treasury Bench. I do not like to say much on the Bill at this stage; but I would like to point out that I have voted against every amendment brought forward by hon. Members on this side, because there is no use passing a legislation which will give no revenue to the Government. I support this Bill on account of the fact that it will ultimately raise the condition of the poor of this country. We have simply to go to a village and find the condition of the poor there. They hardly get one meal a day; they have no proper clothes to wear; they live in poverty and dirt. When you have got Provincial

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Autonomy, it is the duty of the people's Government to see that the condition of the people is improved. So long as I find the Congress Government doing things in the right direction, doing things to raise the condition of the poor people both morally and materially, I cannot but support this taxation measure.

"I should like to say on the same lines as was said by my hon. Friend, Mr. Ramalingam Chettiyar yesterday. These taxation measures are new to our country. There may be so many defects. Even the rules that may be made, may be found to work much hardship in particular cases. I am sure the Hon. the Prime Minister who is always courteous and who is always reasonable, will take the earliest opportunity not only to change the rules when difficulties are pointed out but also to amend the Act when great hardships are brought to his notice. Sir, I do not like to say anything further than to thank the Hon. the Prime Minister for doing his best to see that the great ideal of Prohibition becomes a success in our Province."

* SIR FRANK BIRLEY:—"Sir, I cannot help saying a few words to thank Sir Mahomed Usman for the very kind reference he made to me to-day. I have a strong suspicion that in a few minutes this Bill will be passed into law and I am sorry I shall not be able to congratulate the Hon. the Prime Minister on the passage of this Bill in its present form. But I can congratulate him and I do congratulate him on the maintenance of his urbanity and courtesy throughout this long and very trying session; coming as it does on the top of another trying session in the lower House. A lesser man would most certainly have lost his temper and perhaps would have been ruder to us than we were to him. Now, Sir, I would like to add—now that it is all over—that I find myself unable to controvert the argument that the effect of the financial policy of this Government must to a very great extent, shift the burden of taxation from the poor to the not so poor and it also has the merit which the Hon. the Prime Minister claims for it that it broadens the basis of taxation. I was hoping, when I spoke, that my Friends on this side would be present. I do not propose to say anything more about the Bill. I have given my considered opinion and I want to leave it at that. I propose to leave it to the House to decide whether it is an equitable opinion or not. I was also going to say—but unfortunately my Friends have deserted me—without being superior or didactic, very humbly to suggest to them that it is a tactical error in advocacy to which, I am sure my lawyer friends will agree to use arguments which are based on obvious fallacies. Some of the arguments that have been used against this Bill have been almost as fallacious as some of the arguments that have been used in its favour, for example, are arguments used with regard to rule-making powers. However, we

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must let bygones be bygones and as I have no colleagues in this House on whose behalf I cannot speak, I must speak only for myself; but if my Friends on this side of the House had been present, I feel sure that they would join with me in wishing the Hon. the Prime Minister and his colleagues a pleasant holiday."

* DR. P. J. THOMAS:—"Mr. President, Sir, I am very much touched by the statement made by the hon. Member, Sir Frank Birley, that this Bill would result in broadening the basis of taxation in this Presidency. There has been a great urge in this country for broadening the basis of taxation, because we need an addition to our resources without burdening poorer classes in the country. It is a great thing indeed to realize that our merchant friends are not so very selfish as is often thought. For the last few weeks or months, a rather noisy agitation has been carried on by some traders. Taxes are always unpopular and necessarily so; nobody wants to pay anything from their pocket. Traders, may I say, throughout the world have been trying to shift the burden from their shoulders to the shoulders of weaker persons. They always found arguments and got men to support them. They claim with a gusto that they must be consulted on all tax proposals; some claim that they alone need be consulted. I know that the Hon. the Prime Minister has shown great consideration to them. I agree with the proposition that those who are interested in the matter must be consulted. Unlike my hon. Friend here, traders and merchants generally do not much fancy the idea of broadening the basis of taxation, because it would affect their purse. This, to my mind, is a selfish attitude. Unlike those in other countries traders in this country have been lightly taxed, and this can be shown by statistical calculations, if necessary. On the other hand, the trading classes have benefited most by Government. The various measures undertaken by the British Government for developing the country have benefited the urban classes, including the professional classes, lawyers, medical men and others, and merchants benefited most. But the poorer classes, especially the rural population have been able to get much out of it, and they still remain where they were except in certain areas where irrigation has been carried out. But, their burdens on the urban classes were very low from the first and when the Government of India tried to impose an income-tax on them, there gave a stout opposition, and in this the European merchants of Calcutta were loudest. Even when income-tax was imposed, the rates remained low for a long time, and still remain lower than in other countries."

"The sales-tax has roused some opposition, but we must not be cowed down by this. It is true that the trade must not be burdened too much. It has been stated that this half per cent on the turnover will burden the trade heavily. I am not here saying that

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we must increase the rate. I found in a newspaper yesterday evening a statement to the effect that I recommended a higher tax than the half per cent tax. I have not said anything like that. As a matter of fact, I have been holding myself that one-fourth per cent would be the proper rate; and that in addition special rates or 1 to 2 per cent must be imposed on certain articles. If this had been done, I should think that in spite of the fears given expression to by the Hon. the Prime Minister, it might even be possible to get as large a revenue as by the present uniform $\frac{1}{2}$ per cent. I am strongly for a low rate on the turnover. I do hope the Hon. the Prime Minister will either reduce the tax-points or cut down the rate if he finds that he has realized the revenue he wants, and he has already given a promise to that effect.

"I fear, Sir, that even now in the mind of the Hon. the Premier the idea is lurking that this tax may be borne by the consumer. I shall be very sorry if this happens. That is why I favour a support a low rate; it is thus possible that the tax will be borne by the traders. After all the traders have a certain margin and in fact, many of them are not paying income-tax or any other tax. The Hon. the Premier pointed out just now that some mischievous traders may impose extra burdens and that they have already begun to do so. I know they will do it. It is reported that they have already begun to deduct the tax from their purchases. The Hon. the Premier thinks that this will be a passing phase. But, I fear that several traders will wantonly exact higher prices from consumers; of course where there is competition, they cannot do so. The trader purchasing goods will shift the burden on to the producer. The public in this country are not sufficiently capable of guarding themselves against such exactions. The rural population are helpless in such matters. We know very well how in this country the poor people have been hoodwinked by the traders and shopkeepers. There has been a regular exploitation going on, especially in the case of the labourers who purchase things in small quantities. This system should not continue for long, but I think there is no way out except in co-operation. It would be a great pity if the sales tax will aggravate this evil.

"In this connexion one thing should be carefully borne in mind. If you want to bring about a re-orientation of the tax-system or broaden the basis of taxation, then this Government has got to be more vigilant in future. A *laissez faire* attitude will not be sufficient. In a country like ours, we require a vigilant Government which will always keep a watch and put down any wanton act on the part of those who have power and influence; because in this country the common people are helpless.

"Then again, Sir, several traders and merchants in this country are threatening to send away some of our clerks and

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reduce the salaries of the remaining members of the establishment, when the sales tax was imposed. If the Government impose extra taxes, they say, some means will have to be found to make good the loss to them and the first step will be to send away some of the employees; or they will pay lower salaries than hitherto. I know there are several persons, graduates and even M.As. who have been employed in business firms on a mere pittance and when they ask for reasonable salaries they are threatened with dismissal, because other graduates can be had in their place. There are quite a good number of these people doing honorary work, expected to get a paid job some day. In fact there are graduates getting wages lower than what menial workers get. So, Sir, it is possible that businessmen who are against this tax will still further depress the condition of their employees, on the pretext that sales tax is a burden on them. I do hope that Government will do something about this miserable state of things. This cannot be allowed to continue. If social justice is to be realized, greater vigilance on the part of Government is necessary.

"Sir, on this occasion, I wish to make an appeal to the Hon. the Prime Minister. Yesterday, Sir, my hon. Friends, Sir Frank Birely and Mr. Saldanha, made out a cogent case for exempting British Cochin from the operation of this Bill. I have made enquiries, and I found that the case for exemption of British Cochin is very formidable. That place is sequestered from the rest of British Malabar; it is surrounded on all sides by the State of Cochin. Already, several shops have migrated from British Cochin to Mattancheri. The position is much worse than has been understood by Government. It is easy for the people of Cochin to make their purchases in the shops at the neighbouring place, Mattancheri. If the railway bridge which is under construction is completed people will go even to Ernakulam and make their purchases. I therefore feel that this is a matter which deserves to be looked into carefully by the Hon. the Prime Minister, and I hope he will do something to rectify this. I do not think much revenue will be lost by this; nor do I think that any other part of the Presidency can make out a case similar to that of British Cochin. That is why I make a special point of appealing to the Prime Minister in regard to this matter on this occasion.

"Finally, Sir, I wish to point out one more thing. Already the Hon. the Prime Minister has told us that this is an adventure in taxation. I can say, Sir, that nowhere in the East has there been a general sales tax. So, Sir, we have to be careful, and every step must be taken with deliberation. Hon. the Prime Minister has been trying to make calculations in regard to this tax, and confessed that we have no data for finding out the turnover of trade in the Presidency. Accurate statistics are therefore essential. Now, Sir, to my mind the first duty of the Government is

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to register all the shops. Almost in every country where they have the sales tax, traders were first registered. Here also, we must register all our shops and collect sufficient data so that the true position may be studied. After six months' experience Government must be able to find out the exact turnover and the tendency of the tax to be shifted. All these facts must be collected by the Government, and the public must be supplied with accurate information. Of course, some of the facts may have to be kept confidential, but it does not matter. But so far as possible, such data must be available to the public so that they may see for themselves the trend of things. My own fear is Governments in India including our own are rather unwilling to spend money on any enquiry or any kind of study even in important matters like this. I do not want Government to spend a great deal of money on such investigations. In fact, this purpose could be served if they could use the present establishment for collecting the information. It is a pity that Government could not get accurate information on this subject so far. The Government have a large establishment in the districts, and most other countries do not have such a facility. If this staff could be utilized for collecting information, it would indeed be a great advantage to the country and this will also dispel some of the misunderstandings which many people have got about the tax.

"Sir, if I have supported this measure it is because it forms part of the programme which I myself had before me as to what the Government should do under Provincial Autonomy. I do not think that without a tax on sales any Provincial Government in India to-day could find the necessary resources for their expanding nation-building services or for abolishing the cruel impost of liquor excise. That is why I say that all thinking men should support this measure. There has been a consensus of opinion in this country for a very long time about a reorganization of the tax-system; I think by imposing the tobacco tax and the sales tax we have commenced that process. Of course, the Government may not recognize openly that we are trying to do economic justice, but persons like me consider it in this light. I am no member of any party, but have only to be loyal to my conscience. In my opinion, social justice demands the reorganization of the tax-system. It is on these grounds that I support this measure. I would have been untrue to myself if I did not support the sales tax."

* SRI K. VENKATASWAMI NAYUDU:—"A change in the methods and the principles of taxation hitherto obtaining is very difficult to accomplish. Previously Government were getting revenue from certain sources, and those amounts the Government either spent lavishly or did not know how to spend upon particular objects. A popular Government must see how best the tax burden could be evenly spread among all the people and new principles

19th May 1939] [Sri K. Venkataswami Nayudu]

have to be evolved towards that end, though they may do violence to the principles hitherto followed by the past Government. It is from that difficult position that the Government have emerged with the Sales Tax Bill and nobody can deny that it would not pass on the burden of taxation to shoulders better able to bear it. The Government have, I am sure, evolved a very sound financial principle and they have given due consideration to the state of trade and such cognate things before this measure has emerged in its present form. As the Hon. the Premier said there are two important things to be considered; the one is the emergence of a socialist state with distribution of wealth as in Russia and if you are not prepared for it, there is only one other alternative, namely, of submitting to taxation which will make the poor people happier and will better their woeful lot. It is necessary that the people that have must give to the people that have not. And that is the principle underlying this Bill. Further there is the principle of prohibition and the giving of relief to the agriculturists who are suffering from an intolerable burden of taxation. For accomplishing these two things, money is necessary; and though with the money that we get from these taxes it may not be possible to carry out the entire programme, the people will in due course realize that the system of taxation that is evolved under the Bill is absolutely necessary and there is no other go for the Government.

~~Businessmen~~ Businessmen have a capacity for bargaining and I think that the Opposition has acted from a fairly businesslike point of view. They who have always been helpful to the Government will, I hope, continue to be helpful and come to their rescue and realize as I remarked earlier that this Bill is a necessity.

"I wish to refer to one other thing and that is the charge of want of courtesy on the part of the Hon. the Premier made by one of the members on the Opposition side. I suppose that such a personal hit as that is very uncharitable and we feel it very much. It ought to be plain even to them how patiently he answered every one of the points raised. Even in the Select Committee, he gave ample weight to the views of the Opposition and there was a weightage in their favour in point of numbers. That is an unkindest cut of all. He was the very pink of courtesy throughout the discussions of the Bill and I am glad that my hon. friends Sir Mahomed Usman and Sir Frank Birley have given expression to what they felt about it and how in fact the Premier treated the House."

* THE HON. SRI T. PRAKASAM:—"Mr. President, I did not intend to participate in this debate but I want to correct a mistake made in the reports of yesterday's proceedings in the Press and that is the reason for my rising now. It is represented that I said that fall in prices is due generally speaking to over-production and secondly to shortage of money. It has been by some mistake

[Sri T. Prakasam] [19th May 1939]

stated that there was over-production in this country. It is not correct; on the other hand, we have been having famines and floods which wash away even the moderate production that we are having.

"There is one other matter on which I would like to say a few words. It has been stated by my hon. friend Dr. Thomas that the poor people were being exploited by the traders. It is true; but I may say at the same time that the traders, if we can call them as such, are being exploited by outside people. That is the position so far as exploitation is concerned.

"I like to say one word finally to the merchants, dealers and traders and that is, that they should follow the example of the British merchants and they should adopt the policy and the methods of the British Chamber of Commerce. When Britain was in trouble, similar to what we are having now, when imports exceeded exports in value, when there was an adverse balance of trade, when their markets were flooded with foreign goods, it was not the British Government that moved in the matter. It was the British Chamber of Commerce who acted straightaway though the British Government was very much exercised over it. The Chamber took the lead and they examined the whole condition, appointed a Committee and asked them to go to Russia, investigate into the whole matter and report as to how Russia was able to flood the British market. The Committee examined the whole matter and found out that they in Russia were able to produce goods below the cost of production in England. On their advice, the Government took steps to get over that trouble. So, I request the traders to meet in conference and examine the position carefully why their markets are filled with foreign goods and why this country is in this condition. They should find out ways and means to remedy this defect and improve the position. This is their primary duty. If they do this, trade will be balanced, prosperity would be ours and the Government would be able to back them up."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am thankful to the members of the House who were so kind as to appreciate the conduct of the debate as far as I could contribute to it in point of courtesy and patience. Particularly am I thankful to the remarks of Sir Mahomed Usman and Sir Frank Birley in their defending me against the impatient remarks with which some of the members opposite finished off their participation in the debate. I do not think it would be right to conclude this debate without tendering my thanks to them. Further, I do not think that it has been any great strain for me to be courteous or patient. I confess, I see very great reason in the opposite point of view put before me by those who do not agree with me and I find it rather

19th May 1939.] [Sri C. Rajagopalachariar]

hard to differ but not to be courteous or to be patient. I am glad that the Bill has been commented upon in broad terms even as I interpret what fell from Sir Frank Birley. If I heard him correctly, I think that he admitted that it has broadened the basis of taxation and it has shifted the burden from the poor to those who are not so poor. That is the main motive of this measure and that is the main justification for this measure. Details can and will always be open to correction. It is the main purpose that is the important part of any measure and I am glad to see, even though there has been a substantial difference of opinion between other schools of thought and the Government, this fact has emerged and that is, that it has shifted the burden from the rich to the poor and it is a matter for great consolation. I move that the Bill be approved by the House and passed in law."

The motion was put and carried and the Bill was passed into law.

The House then adjourned *sine die*.

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