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MADRAS LEGISLATIVE ASSEMBLY DEBATES

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

Volume X—Nos. 1 to 5.

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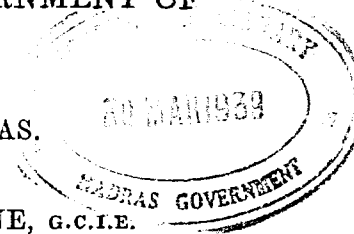
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PERSONNEL OF THE GOVERNMENT OF
MADRAS.

GOVERNOR OF MADRAS.

HIS EXCELLENCY LORD ERSKINE, G.C.I.E.

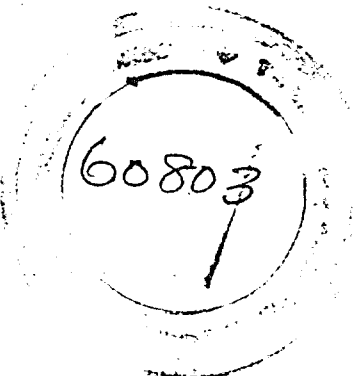


MEMBERS OF THE COUNCIL OF MINISTERS.

- 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 the 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.

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THE MADRAS LEGISLATIVE ASSEMBLY.

PRINCIPAL OFFICERS.

Speaker.

THE HON. SRI B. SAMBAMURTI.

Deputy Speaker.

MRS. RUKMINI LAKSHMIPATHI.

Panel of Chairmen.

- 1 RAO BAHADUR SIR A. T. PANNIR SELVAM.
- 2 SRI VEMULA KURMAYYA.
- 3 MRS. KHADIJA YAKUB HASAN.
- 4 SRI K. BHASHYAM AYYANGAR.

Secretary.

SRI DIWAN BAHADUR R. V. KRISHNA AYYAR, B.A., M.L.

Assistant Secretary.

SRI M. SURYA RAO, B.A., B.L.

THE MADRAS LEGISLATIVE ASSEMBLY.

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

Monday, 20th February 1939.

The House met in the Assembly Building, Chepauk, at three of the clock, Mr. Speaker (THE HON. SRI B. SAMBAMURTI) in the Chair.

I.—SWEARING IN OF NEW MEMBERS.

MESSRS. H. S. TOWN and D. M. REID were sworn in.

II.—INSTRUCTIONS FOR SPEAKING INTO THE MICROPHONE.

MR. SPEAKER:—"Instructions with regard to the use of the microphone have been circulated to hon. Members.

"Semi-automatic features have been added to the loudspeaker equipment and the attention of the hon. Members is drawn to the fact that it is now necessary to press the push-button on every occasion before using the microphone.

"2. On pressing the button, it will be noticed that the lamp behind the small window is immediately switched on, illuminating the wording, and pressure on the button should be continued momentarily until the light goes out, when the respective microphone is connected in circuit and ready for use. At the same time, all other microphones are disconnected and will remain so until the member has finished his speech.

"3. Hon. Members are reminded that when speaking into the microphone, they should stand approximately 1 foot 6 inches away from the same, and at the same time face the microphone as far as possible.

"4. Further, to obtain best reproduction, it is essential that hon. Members should speak *slowly* and in a *conversational* manner."

III.—CONDOLENCE RESOLUTION RE THE DEATH OF SRI O. LAKSHMANASWAMI RAO.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. Speaker, I beg to move with your permission—

'that an expression of the deep regret of this Assembly at the death of the late Sri O. Lakshmanaswami Rao, M.L.A., and of sympathy with his bereaved family be placed on record and conveyed to them.'

[Sri C. Rajagopalachariar] . [20th February 1939]

"In moving this resolution, Sir, there is just one thing which I might mention, and that is that he came from the same district of the Province as myself. He was the son of a well-known Deputy Tahsildar of our place. He joined Government service as a Police Inspector; but later he resigned his post and went to England and took his M.A. degree in the University of Edinburgh before he became a Bar-at-Law. He practised at Kurnool where he became the Public Prosecutor and Municipal Chairman. He was also the President of the Taluk Board and was a member of the District Board before he became a member of this House. It is a sad thing, Sir, that even before one full term of his tenure in this House is closed, he has passed away. I hope that the House will accept the resolution in the usual manner."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I rise to second the motion moved by the Hon. the Leader of the House relating to the death of one of our colleagues. I had had the privilege of knowing the late Mr. Lakshmanaswami Rao for a certain number of years and of appreciating the amount of work that he has done to the district not only as a public man, not only as a very able barrister but also as one who had the idea of service foremost in his heart. He took great interest in public affairs and was a member of the various public bodies referred to by the Hon. the Premier. He took a keen interest in the matter of education of the entire Kurnool district where he spent a good many years of his lifetime. He was one of those gentlemen who would well serve as an example to most of us who seek to serve the public. He was a gentleman who served all communities. I have known that he was most popular among the Muslims of the Kurnool district. He was one of those who was looked upon as having served them as much as any Mussalman. He did not make any distinction whatever between one community and another. He had a large heart and has served them all alike. Indeed it is very, very sad that Mr. Lakshmanaswami Rao should have passed away even before the full period of his membership of this House was over. I second the motion and suggest that the sympathy of this House be conveyed to the members of his bereaved family."

* KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—"Mr. Speaker, in the absence of the leader of this group, I beg to offer my condolences on behalf of the members of this group, on the death of Mr. Lakshmanaswami Rao. I associate myself very fully with all that has been said by the Hon. Premier and the previous speaker about the qualities of the late lamented Mr. Lakshmanaswami Rao. I hope the House will pass the resolution and convey the sympathies of this House to the members of his bereaved family."

20th February 1939]

* K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"Mr. Speaker, I associate myself with the Hon. the Leader of the House and the other speakers in their sentiments of sorrow on the death of Mr. Lakshmanaswami Rao. We all know that he was a worthy member of this hon. House, a gentleman of vast experience, sound views and genial temperament. He was already in indifferent health and advancing in years when the call came from the Congress and he had to respond to it as a staunch adherent of that organization. He thought it was his duty to stand for election and he was returned with an overwhelming majority. We know that in spite of his poor health and of his vast professional work, he found it possible to attend the sessions of this House."

"As the Hon. the Leader of the House said, he had come down to the district of Kurnool and settled there for the last twenty years. Ever since he came there he associated himself with the public activities of that district. I should say he more or less guided the destinies of the public life of that district and in doing so he always acted with remarkable breadth of vision, clear foresight and warm fellow-feeling. It is not for me to enumerate the various organizations with which he was associated and the work he has done for the benefit of the district, for, the Hon. the Leader of the House has in his own inimitable way summed up his whole public life and has shown the part he played in the public activities of the district."

"I would like to make one particular mention of his love and sympathy with the Muslims of Kurnool. His sympathies for us were so great that we regarded him as one among us. I think that I should be failing in my duty if I do not point out that on several occasions we used to see him side by side with us in any work that we did. You will pardon me if I just refer to one incident that took place during the municipal elections that were held last time in our town; and that will show the sympathy he had for the Muslims. Sir, he was selected by the Congress Civic Board as a candidate for one of the wards and it so happened that he had to oppose a candidate who had the support of the Muslim community. As a true friend of that community, he found it very difficult to keep in the contest, and so, he expressed to the Board his inability to contest the seat and withdrew on the ground that he could not do anything which would offend the sentiments of the Muslims. That, Sir, is a great thing. As a true follower of the big organization to which he belonged, it was his duty to stand as a candidate especially when he was nominated; it is a great thing that out of regard and consideration for the feelings of the Muslims he did not choose to stand for election. It was on account of this love for the community, on account of this policy of give-and-take, on

[K. Abdur Rahman Khan Sahib Bahadur] [20th February 1939]
account of the respect that he had for the sentiments of the community, that we, Muslims, were enamoured of him; we were so to say in love with him. In spite of our political differences we, the Muslims rallied round him and associated ourselves with him in any activity, non-political or political, even though it may be a Congress function and made it a success. His death has created a void in the public life of our town which is hard to fill. It is very unfortunate that he should have been separated from us so unexpectedly. It is not for me to speak at length on this motion, because we know much about him and, to add to that, the Hon. the Premier has already told us about his brilliant career at the Bar and the amount of help that he used to render to persons who went to him for consultation and help. In conclusion, I may say, Sir, that if hon. Members of this Legislature have lost a colleague, we, the citizens of Kurnool have not only lost a good representative but we have also lost a pre-eminent lawyer and a true friend of the Muslim community. Not only that, we have lost a noble soul."

* MR. W. K. M. LANGLEY:—"Mr. Speaker, I wish to associate the European group very fully with this resolution. In moving it, the Hon. the Premier has read out to us a list of the public services carried out by the deceased member, which is an example to anybody. This country, in fact, no country, is so rich in people who are prepared to carry out such useful and unostentatious service that it can afford to lose any one of them. We did not know the deceased member, but, we associate ourselves fully with the remarks made in connexion with this resolution, which I hope, will have the unanimous support of the House."

3-15 p.m. * SRI S. NAGAPPA:—

"అధ్యక్షా. ఇదివరలో ప్రధానమంత్రిగారు పాదించిన సంతాపముతో కూడిన తీర్మానముతో నేనేకీ భవించుచు గలించిన శ్రీ లక్ష్మణస్వామి రావుగారి విషయమై గొంతెము చెప్పవలసివచ్చినది. వారు మన సహోదరులు చెప్పినట్లు ఒక్క మహమ్మదీయులకు మాత్రమే స్నేహితుడు కాదు. ఆ పట్టుముగల బ్రాహ్మణులకు, బ్రాహ్మణులకు, మహమ్మదీయులకు, హరిజనులకు, అందరికిని కూడా ముఖ్యముగా కావలసిన వారే. వారు చనిపోయిన దినమున ఆ గ్రామ ప్రజలందరూ పొందిన చింతకు మేర లేదు. ఆనాడు ఘమారుగా మా పట్టుములోని అంగళ్లన్నియు మూసివేసినారు. వారు మన ప్రధాన మంత్రిగారు చెప్పినట్లుగా తాలూకా బోర్డు అధ్యక్షులుగాను, జిల్లా బోర్డు మెంబరుగాను, మ్యూనిసిపల్ చైర్మనుగాను యన్నారు. వారికి అనేక సంస్థలయందుండి ఆస్థానములయొక్క గౌరవమును వెంపొందించి వాటినుంచి ఎవరైనా కేరళెంప మేళ్లు చేయుట కవకాశముండెడి అంతంత మేళ్లను చేసిన మహా నీయులు."

"అంతే కాకుండా క్రిందటి మెన్బర్లలో ఆ జిల్లాలో రెండు స్థానములుండగా క్యూములేషన్ పద్ధతిని ఒకరే రెండు వోట్లను వేయించుకొనుటకు నీలున్నప్పటికీ,

20th February 1939] [Sri S. Nagappa]

వారికి హరిజనులపై గల ప్రేమాదరములజేత తా వొక్క వోట్ వేయించుకొని, మా హరిజన అధ్యక్షి గౌరవించుటకుగాను ప్రయత్నించినారు. వారు భగవంతునిజూచి ప్రజలందరిపైనను చాలా భక్తి శ్రద్ధలతో యుండెడివారు. వాపము, వారికి 61 వ సంవత్సరములోనే మరణము ప్రాప్తించుట చాలా దుఃఖకరమైన విషయము. వారు పోవడమువల్ల మా జిల్లాకు చాలా నష్టము. మేమానస్టాన్ని ఎన్నడు తిర్చుకొందు మా నేను చెప్పజాలను."

"కావున లక్ష్మణస్వామి రావుగారి మరణమునకై సంతాపమును వెలిబుచ్చుచు, ప్రధాన మంత్రిగారి తీర్మానముతో నే నేకీ భవించుచున్నాను."

The resolution was put and carried unanimously, all the members standing.

IV.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Re-employment of Government servants after retirement.

* 698 Q.—SRI GRANDHI VENKATA REDDI: Will the Hon. the Prime Minister be pleased to state—

(a) how many retired Government servants were re-appointed within the last three years;

(b) whether they are drawing both pensions and salaries; and

(c) whether the Government will be pleased to stop the re-appointment of retired Government servants hereafter?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) Eighty-eight. Of this number 13 were employed in posts like watchman, etc., the cost of which is debited to office contingent charges, and 10 on piecework establishments. Four were employed as peons. Twenty-nine head constables and constables were employed temporarily on plague or famine duty. Thirteen persons retired from the Local Fund Audit department and were employed in the same department temporarily in order to clear off arrears within the least possible time, as new recruits could not do the work as expeditiously as experienced persons.

“(b) The number of persons who were allowed both pay and pension was 55 and the number in whose cases the pension was held in abeyance in whole or in part was 33.

“(c) There are sufficient safeguards against the re-employment of pensioners. Re-employment of pensioners in receipt of superannuation and retiring pensions can be sanctioned only on public grounds and is subject, usually, to the restriction that the pension and the pay for the post held should not exceed the pay drawn at the time of retirement. The Government cannot accept the absolute rule suggested.”

[20th February 1939]

SRI G. KRISHNA RAO:—" May I know, Sir, if the age restriction of 55 years is not applicable to these men?"

THE HON. SRI C. RAJAGOPALACHARIAR:—" It is applicable, Sir, but, as I have already said, Government can make a special arrangement in the public interest."

Grant of kist concessions to agriculturists in the Tanjore district.

* 699 Q.—SRI V. BHUVARAHAN: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Government are aware of the fact that the paddy crop in many areas in the Tanjore district is affected by many diseases owing to severe drought; and

(b) whether the Government are considering any proposals for giving redress in the matter of kist to the agriculturist as the low yield owing to drought and disease tells more upon the agriculturist owing to the existing low price of paddy?

THE HON. SRI T. PRAKASAM:—" (a) The Government are not aware that the facts are as stated.

" (b) The attention of the hon. Member is invited to the answer to clauses (b) and (c) of starred question No. 516 given on 12th December 1938. The land-revenue concessions for fasli 1348 have been announced in the Press communiqué, dated 2nd February 1939."

SRI G. KRISHNA RAO:—" May I know, Sir, if the Government are aware that owing to a large quantity of Rangoon rice being imported, the price of paddy in South India is very much affected?"

THE HON. SRI T. PRAKASAM:—" It is not only now; for a very long time it has been affected. Government are aware of it."

SRI G. KRISHNA RAO:—" Will the Government make recommendations to the Central Government to see that action is taken in regard to this matter?"

THE HON. SRI T. PRAKASAM:—" Government have been considering the matter and have already taken steps."

Particulars regarding the ruined Periakulam irrigation tank in Vayali village, Sankarankoil taluk.

* 700 Q.—SRI P. CHINNAMUTHU: Will the Hon. the Minister for Public Works be pleased to state with reference to the ruined "Periakulam" irrigation tank in Vayali village, Sankarankoil taluk, Tinnevely district—

(a) whether the former existence of the so-called Periakulam irrigation tank in Vayali village can be traced from any Government records; if so, from what records;

[20th February 1939]

(b) whether the tank is mentioned in the T.R.S. Memoirs; (c) the last fasli year during which there was wet cultivation under the tank;

(d) the area of its waterspread;

(e) the area of its ayacut;

(f) the year in which the tank was abandoned; and

(g) how the waterspread poramboke has been disposed of?

THE HON. MR. YAKUB HASAN:—" (a) Particulars regarding the Vayali tank are available from the old records in the Collector's office, Tinnevely, and remains of the tank are still found at the site.

" (b) The tank is not mentioned in the Tank Restoration Scheme Memoirs.

" (c) Fasli 1262.

" (d) 256.46 acres.

" (e) 442 acres.

" (f) About 1860 or 1861.

" (g) 179.46 acres were conditionally assigned and 22.32 acres were assigned absolutely." }

Present stage of the question of provincialization of the service of Official Receivers in District Courts in the Presidency.

* 701 Q.—SRI B. VENKATACHALAM PILLAI: Will the Hon. the Minister for Law be pleased to state whether any final orders have been passed regarding the provincialization of the services of the Official Receivers in all the District Courts in this Presidency on the reports received from the High Court in February 1937 and whether there is any likelihood of passing final orders before the end of this official year?

THE HON. DR. P. SUBBARAYAN:—" The report was received from the High Court in October 1937. It is under consideration and it is not likely that final orders will be passed before the end of the official year."

Selection and appointment of a Pharmacist for this Province.

* 702 Q.—KHAN BAHADUR P. M. ATTAKOYA THANGAL SAHIB BAHADUR: Will the Hon. the Minister for Public Health be pleased to state—

(a) how long ago the appointment of a Pharmacist was made in this Province;

(b) whether it is a fact that a committee including the Surgeon-General was appointed to invite applications and to select a candidate for the post;

[20th February 1939]

(c) whether the candidate selected was a Brahman or a non-Brahman;

(d) whether the individual appointed was the candidate selected by the Government committee; and

(e) if not, why the recommendation of the committee was not accepted?

THE HON. DR. T. S. S. RAJAN:—“(a) The post of a Pharmacist in the Government General Hospital, Madras, was sanctioned in October 1937.

“(b) The answer is in the negative.

“(c) to (e) An Indian Christian was first selected but, as it was found that he did not possess all the prescribed qualifications, a duly qualified candidate was appointed.”

Proposals for the reduction of grazing fees in the forest panchayat areas.

* 703 Q.—SRI A. SUBRAMANIAM: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the reduction in the grazing fees recently announced by Government applies to the forests under the jurisdiction of forest panchayats;

(b) whether the agreement between the Revenue department and the forest panchayats for the current year has been completed and if so, whether the Government will effectuate the reduction for forest panchayats even from the current year;

(c) whether the Government are aware of the discontent of the ryots of the forest panchayat areas on account of the difference in rates of grazing fees in their area as contrasted with areas under Government reserve forests; and

(d) whether the Government will consider the advisability of issuing early orders with reference to the reduction of fees to the forest panchayats in time for the current fasli itself?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The answer is in the negative. The attention of the hon. Member is, however, invited to the answers given to question No. 280 on 30th November 1938 and to starred question No. 597 on 17th January 1939.

“(b) & (d) Agreements have been renewed except in a few cases. The rates of grazing fees have been revised for the current fasli in all cases in which it was considered necessary to do so.

“(c) There have been some representations in the matter.”

[20th February 1939]

Constitution of co-operative sale societies.

* 704 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) what the qualifications required are to be a member of a co-operative sale society;

(b) whether proper representation of all interests concerned is considered at the time of the constitution of a sale society; and

(c) whether representation of agricultural interest is provided for during the forming of a co-operative sale society?

SRI B. S. MURTHI (Parliamentary Secretary) on behalf of the Hon. SRI V. V. GIRI:—“(a), (b) & (c) Any person over 18 years of age who is competent to contract residing within the area of operation of the society is eligible for admission as a member.

“As a sales society is, like other co-operative societies, a voluntary association of individuals; the question of ‘a proper representation of the several interests concerned’ does not arise.

Allegations against the District Panchayat Officer, Chingleput.

* 705 Q.—SRI RAO BAHADUR M. C. RAJAH: Will the Hon. the Minister for Local Administration be pleased to state whether the President of the Panchayat Board, Alanthur, made a report to the Inspector of Municipal Councils and Local Boards about the attempt made on 9th October 1938 by the District Panchayat Officer, Chingleput, to obtain certain statements from the three bill collectors of the panchayat board; if so, what action was taken on it?

THE HON. SRI B. GOPALA REDDI:—“The answer is in the affirmative. The Inspector considered that the District Panchayat Officer did nothing beyond what was required of him in the lawful discharge of his official duties and no action was taken.”

SRI E. KANNAN:—“May I know what was the substance of the report of the Panchayat Board President?”

THE HON. SRI B. GOPALA REDDI:—“I cannot paraphrase the long statement he has submitted.”

Grant of poverty certificates to Muslim pupils by the headmasters of board schools.

* 706 Q.—KHAN BAHADUR P. M. ATTAKOYA THANGAL SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that the headmasters of board schools who granted poverty certificates to Muslim pupils for half-fee concession, now refuse to do so;

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(b) whether it is a fact that there are certain new rules regarding the same;

(c) if so, what those new rules are; and

(d) whether the Government are aware of the hardships and difficulties experienced by the illiterate Mappilla community in the matter of their education in district board schools?

THE HON. SRI C. J. VARKEY:—“(a) to (c) It is presumed that the hon. Member refers to the half-fee concessions in secondary schools. The authorities empowered to grant poverty certificates in connexion with these are specified in Rule 92 of the Madras Educational Rules. Headmasters of schools are not among those so empowered. No new rules have been issued in regard to poverty certificates.

“(d) If the hon. Member will specify what the hardships and difficulties are, the matter will be enquired into.”

ABDUL HAMEED KHAN SAHIB BAHADUR:—“Sir, is the Hon. Minister aware that in the Angadipuram Board High School even several Mappilla students have been asked to pay the full fees, and the poverty certificates produced by them have not been accepted?”

THE HON. SRI C. J. VARKEY:—“The Government have no information on the subject.”

ABDUL HAMEED KHAN SAHIB BAHADUR:—“Will the Hon. Minister make an inquiry in the matter and see why these certificates were not accepted?”

THE HON. SRI C. J. VARKEY:—“Yes, Sir.”

UNSTARRED QUESTIONS

Admission of the Marina gardeners as members of the P.W.D. Workers' Union.

211 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) who are considered industrial workers according to the Government and why they are considered as such;

(b) why the Government do not consider the artisans and clerical and other staff engaged in an industry as belonging to that industrial establishment and entitled to the rights and privileges of industrial workers;

(c) whether the Government ever objected to the P.W.D. Workers' Union, Madras, admitting as its members the gardeners employed in the Marina Gardens, and if so, on what grounds; and

(d) whether the Government have since reconsidered the matter and if not, whether they will do so now at least?

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A.—(a) The term “industrial workers” has nowhere been defined, but its general meaning is well understood. It includes workers in factories, mines, railways and other classes of workers engaged on what is generally regarded as industrial labour.

(b) In view of the answer to clause (a), this does not arise.

(c) & (d) The Government did raise an objection on the ground that gardeners and industrial workers belong to different category of employees. Government would suggest the formation of a separate union catering for them.

Reasons for the fall in the area under wet cultivation under the Cauvery-Mettur Project.

212 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state what the reasons are for the fall in the area under wet cultivation under the Cauvery-Mettur Project for first crop and second crop, respectively, as compared with the area forecasted for last year?

A.—Failure to reach the forecast area under first crop has occurred only in respect of ryotwari and proprietary dry and manavari lands under the Vadavar ayacut and ryotwari dry and manavari lands under the Grand Anicut canal, first and second reach.

The chief reasons for the defective development of irrigation are:—

- (1) Non-excavation of field bothies by the ryots.
- (2) Economic depression.
- (3) Difficulty in reclamation of the lands.
- (4) Difficulty in securing labour and cattle.
- (5) Want of adequate communications.

The above reasons apply also to the non-development of second-crop irrigation under both the Vadavar and Grand Anicut canal. About three or four years will have to be allowed to the ryots for selecting the best area suited for raising two crops.

Particulars of sentences passed on persons convicted of offences committed in the course of agitation against compulsory introduction of Hindi.

213 Q.—SRI GRANDHI VENKATA REDDI: Will the Hon. the Minister for Law be pleased to state—

(a) how many persons that offered satyagraha against the compulsory introduction of Hindi have so far been sent to jail; and

(b) what sentence has been passed on every one of them?

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A.—(a) On 31st December 1938, the total number of persons convicted of offences in connexion with the anti-Hindustani agitation, who had been sent to prison, was 507.

(b) A statement a is placed on the table.

Objections, if any, to the grant of loan by Government to the Negapatam Steel Rolling Mills, Limited.

214 Q.—SRI R. MARUTHAI: Will the Hon. the Minister for Industries and Labour be pleased to state whether the Government have received any objections to the grant of loans by the Government as State aid to the Negapatam Steel Rolling Mills, Limited?

A.—The answer is in the affirmative.

Motor transport in Trichinopoly.

215 Q.—SRI R. MARUTHAI: Will the Hon. the Minister for Law be pleased to state—

(a) whether the Government have received from the Trichinopoly Municipality, a resolution passed at the instance of the questioner, recommending that the management of the motor transport in the district be undertaken in conjunction with the District Boards and Municipalities in the town with a view to co-ordinate road-rail service;

(b) whether there is any regulation fixing the latest hour up to which buses can ply;

(c) whether it is a fact that the Trichinopoly-Srirangam Transport Service are plying three of their buses throughout the night up to Teppakulam as they have entered into an agreement with the South Indian Railway to put down the road transport to Madura, Karaikudi, Pudukottah and Tanjore;

(d) whether this concession will be extended to the other services that also act as out-agencies in distant Turaiyur, Perambalur and other places;

(e) whether any stage carriage plying between two places could at any time be withdrawn from service causing inconvenience to the passengers and diverted to carry air mails at 10-30 and 2-30;

(f) whether the Government are aware that the provision laid down under section 175 of the Madras Motor Vehicles Act, directing the maintenance of counterfoils is more honoured in the breach than in the observance;

a Printed as Appendix I on page 98 infra.

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(g) whether it is a fact that the Trichinopoly Municipality has accepted as a gift certain waiting sheds erected by a transport company; whether the effect of the acceptance of this gift has resulted in loss of ground rent to the municipality and exemption of the Transport Company from liability to pay; and

(h) what the need was to accept such gifts?

A.—(a) The answer is in the negative.

(b) There is no such regulation.

(c) The Trichinopoly-Srirangam Transport Company, Limited, is using three buses to meet the trains at Trichinopoly Junction seven times nightly, five of the seven trips being between Trichinopoly Junction and Teppakulam, and the remaining two between Trichinopoly Junction and the Court House. The services are run for the convenience of the passengers and not with a view to the suppression of other services.

(d) The Sri Ramajayam Motor Service, which has been given an out-agency in respect of Turaiyur by the Railway Company, is running two buses between Turaiyur, Trichinopoly Junction and Trichinopoly Fort Railway Station nightly. No other bus service has been given any out-agency by the railway company.

(e) The Madras Motor Vehicles Rules provide for the authorization of a departure from the prescribed schedule of timings.

(f) The matter is being enquired into.

(g) & (h) Waiting sheds for the use of passengers were constructed by the Trichinopoly-Srirangam Transport Company on road margins in the Trichinopoly Municipality with the approval of the Collector which was given subject to the condition that the sheds should be handed over to the Municipality as soon as they were constructed. The sheds were accordingly handed over to the Municipality and are used by the general public. No ground rent is leviable in respect of these sheds.

Levy of tax on private electric companies for the use of the posts carrying overhead lines, for the exhibition of advertisements on a remunerative basis.

216 Q.—SRI R. MARUTHAI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Government have granted permission to the Trichy-Srirangam Electric Corporation to use wooden poles for overhead transmission lines without "ASCU" treatment;

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(b) whether the Government have permitted the use of the other flank of the road for planting poles for purposes of putting central lights in the street;

(c) whether the Government will be pleased to state if the permission granted to electric companies for planting poles free of any rent for transmission of overhead lines extends also to the exhibition on such poles of advertisements on a remunerative basis; and

(d) if not, whether the Government will direct municipalities to tax such private companies as use the poles for that purpose?

A.—(a) The Corporation has been permitted by the Chief Engineer for Electricity to use treated wooden poles for overhead lines. No particular treatment has been specified.

(b) No permission of Government is necessary. The planting of poles whether on one flank or on both flanks of the road is governed by section 13 of the Indian Electricity Act, 1910.

(c) & (d) The matter is one for regulation by municipal councils with reference to the by-laws framed under section 306 (28) of the District Municipalities Act.

Business transacted by co-operative societies and Land Mortgage Banks during the year 1937–38.

217 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state in respect of co-operative societies for the year ending with 1937–38—

(a) the number of societies;

(b) the membership of all such societies;

(c) the total amount of loans disbursed;

(d) the total amount of loans collected during the same period; and

(e) the total amount of loans issued by Land Mortgage Banks?

A.—(a) 13,138.

(b) 948,152.

(c) & (d) The total amount of loans disbursed to and collected from individuals were Rs. 5,20,39,440 and Rs. 4,31,50,991, respectively.

(e) Rupees 34,59,474.

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Statistics of applications for extension of service of Government servants, drawing a salary of over Rs. 150, received and disposed of, communalwar.

218 Q.—SRI B. BHAKTAVATSALU NAYUDU: Will the Hon. the Prime Minister be pleased to state—

(a) how many persons in Government service drawing a salary of over Rs. 150 per mensem have been allowed to be in service after completion of their 55th year; what their castes and communities are; and

(b) how many have applied for such extension of service and what their castes and communities are?

A.—On 2nd December 1938 the figures were as follows:—

Department or office.	Gazetted officers.		Non-gazetted officers.	
	Number.	Community.	Number.	Community.
(1)	(2)	(3)	(4)	(5)
(a) Presidency Port Office ..	..	..	1	Non-Brahman.
Police department ..	..	..	2	Brahmans.
			1	Muhammadian.
Government General Hospital, Madras.	..	..	1	Non-Brahman (retired on 15th December 1938).
Judicial department, Chittoor.	..	..	1	Brahman.
Judicial department, Kurnool.	..	..	1	Do.
Collector's office, Tinnevely.	..	..	1	Non-Brahman.
(b) Education department.	1	Indian Christian.	1	European.
Secretariat of Madras Legislature.	1	Brahman ..	1	Brahman.
Judicial department, Chittoor.	..	..	1	
Police department ..	..	..	1	Brahman.
			1	Non-Brahman.

Government subsidy to the Madras Handloom Weavers' Provincial Co-operative Society, Limited, for the years 1935–36 to 1938–39.

219 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) what amount was disbursed to the Madras Handloom Weavers' Provincial Co-operative Society, Limited, as subsidy from the Provincial Funds for the years 1935–36, 1936–37, 1937–38 and 1938–39;

(b) what the reasons are for the decrease, if any, of the subsidy; and

(c) what amount has been received from the Government of India, for the abovesaid years, under the subvention scheme for the Handloom Industry?

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A.—(a), (b) & (c) The subsidy received from the Government of India and the amount given to the Madras Handloom Weavers' Provincial Co-operative Society, Limited, from 1935-36 to 1938-39 are given below :—

				Amount received.	Subsidy given.
				RS.	RS.
1935-36	..	..	..	59,500	21,832
1936-37	..	..	..	63,800	44,260 675 *
					44,935
1937-38	..	..	..	68,800	56,119 368 *
					56,487
1938-39	..	..	..	68,800	49,130 (up to December 1938).

NOTE.—(1) * Includes a small subsidy from Provincial Funds.

(2) The Provincial Society has also been given an advance of Rs. 30,000 towards its working capital.

Office-bearers of the Pochampalli Village Co-operative Sale Society.

220 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that a co-operative sale society has been started in Pochampalli village; if so, when; and

(b) who the office-bearers are and whether they reside in Pochampalli village itself?

A.—(a) A sale society called the Krishnagiri Co-operative Sale Society with headquarters at Pochampalli was started on 28th March 1938.

(b) The office-bearers of the society are:—

Sri N. Doraiswami Goundar.

„ D. Krishnamurthi Goundar.

„ K. C. Muthukrishna Chettiyar.

„ Basalinga Chettiyar.

„ C. Basava Ragappa Chettiyar.

„ J. V. Ramaswami Chettiyar.

Only one of the directors lives in Pochampalli village.

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Restoration of the ruined tanks in Harur and Dharmapuri taluks.

221 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) what the tanks in the ruined condition are and whether they are actually useless for irrigation purposes in Harur and Dharmapuri taluks;

(b) whether the Government have any scheme for the restoration of the said ruined tanks in the abovesaid taluks;

(c) if not, whether the Government will be pleased to consider the restoration of the ruined tanks and to provide necessary funds for the same in the ensuing budget; and

(d) what amount of remission was granted on an average year after year due to the ruined state of the tanks?

A.—(a) & (d) The Government have called for a report.

(b) & (c) The question does not arise in view of the answers to clauses (a) and (d).

Disproportion of the number of Government elementary schools in the Salem district to its population.

222 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Education be pleased to state—

(a) whether the number of Government elementary schools in Salem district is in proportion to the population of the district; and

(b) how the Government propose to rectify the disproportion, if any?

A.—(a) & (b) There are no Government elementary schools in the Salem district.

Measures to prevent deforestation and soil denudation.

223 Q.—SRI H. SITARAMA REDDI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the attention of the Madras Government has been drawn to the conclusion reached by the Central Board of Irrigation which met at Delhi for its ninth annual meeting on the problem of deforestation menace or soil denudation; and

(b) what action the Government propose to take or have already taken to combat this menace?

A.—(a) Yes. The attention of the Government has been drawn to a report on the subject in the *Hindu*, dated 23rd November 1938.

(b) The matter is under consideration.

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Administration of forests by the forest panchayats.

224 Q.—SRI H. SITARAMA REDDI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the Government have noticed any defects in the administration of forests by the forest panchayats in this Presidency; and

(b) if so, what steps the Government propose to take to rectify them?

A.—(a) & (b) The Board of Revenue had occasion to remark that the panchayatdars were not taking sufficient interest in the management of the forests. For proper supervision of their work Panchayat Deputy Tahsildars have been sanctioned in six of the districts and the Board has also been asked to submit proposals for improving their work.

Opening of Electrical and Automobile Engineering Courses in the Government Industrial School, Bellary.

225 Q.—SRI H. SITARAMA REDDI: Will the Hon. the Minister for Industries and Labour be pleased to state whether the Government propose to start courses of instruction in Electricity and Automobile Engineering in the Bellary Government Industrial School?

A.—There is no proposal at present to start these courses.

Stoppage of the destruction of standing crops in lands falling under unauthorized encroachment in Adoni taluk, Bellary district.

226 Q.—SRI H. SITARAMA REDDI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether orders have been passed in 1938 stopping the destruction of standing crops in lands where there is an unauthorized encroachment in the taluk of Adoni, Bellary district, by the Revenue department; and

(b) what action has been taken on a similar request in Alur taluk in the same district?

A.—(a) & (b) Representations were received from the President of the Andhra Bellary District Congress Committee, requesting stay of eviction proceedings in regard to encroachments on poramboke lands in the Bellary district. The Government have called for a report and pending final orders, they have stayed eviction proceedings.

[20th February 1939]

Proposal to grant partial remission of land revenue and to stock fodder for supply to the ryots in the Bellary district.

227 Q.—SRI H. SITARAMA REDDI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that the north-east monsoon has failed in the Bellary district; and

(b) if so, whether the Government will consider the desirability of taking steps to grant partial remission of land revenue and also to arrange for stocking fodder for supply to the ryots?

A.—(a) & (b) It is reported that the seasonal conditions in the Bellary district are satisfactory. The Government have therefore no reason to think that relief measures are necessary under present conditions.

Proposal to amalgamate all Engineering departments under Government into one department.

228 Q.—SRI B. T. SESHADRIACHARIAR: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Government propose to amalgamate the Public Works, Minor Irrigation and other Engineering departments into one; and

(b) if so, when?

A.—(a) The answer is in the negative.

(b) The question does not arise.

Publication of the Reports of the District Magistrates, Madura and Trichinopoly and the Senior Inspector of Railways on the Ayyalur railway disaster.

229 Q.—SRI R. MARUTHAI: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government have received the Brown-Bett report relating to the Ayyalur railway disaster;

(b) if the Government have perused the same, what the conclusions of the report are;

(c) whether the Government have also received the report of the Senior Inspector of Railways from the Government of India Railway Board and if so, what his conclusions are; and

(d) whether the Government will be good enough to publish the reports with their recommendations?

A.—(a) to (d) The reports referred to have been received and are under consideration of the Government. The question of publishing the report of the magisterial enquiry will, of course, be considered.

230 Q.—[Omitted.]

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Extent of, and the revenue derived from, tank irrigated wet cultivation in the Presidency, districtwar.

231 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the area under wet cultivation, irrigated by tanks, in each of the last five years, districtwar; and

(b) the revenue derived from the same during the period?

A.—(a) The attention of the Honourable Member is invited to the figure in column 4 of Appendix III to the Season and Crop Report.

(b) The statistics asked for are not collected.

Tanks abandoned in Peddapur taluk.

232 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state with reference to unstarred question No. 114 (c)—

(a) the reason for abandoning so many as 13 tanks in Peddapur taluk; and

(b) where these tanks are situated?

A.—(a) & (b) The Government have called for a report.

Sinking of wells by the Labour department in the East Godavari district.

233 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state with reference to unstarred question No. 267 regarding sinking of wells in the East Godavari district by the Labour department, answered on 30th March 1938—

(a) whether the report called for has been received; and

(b) if so, what the answer to the question referred to is?

A.—(a) Yes.

(b) A copy of the report ^a of the Collector of East Godavari furnishing the information required is placed on the table of the House.

Statistics regarding zamindaris, big and small, in this Province.

234 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the number of zamindaris in this Province, big and small;

(b) the area of each;

(c) the area under cultivation;

(d) the area used as pasture;

(e) the extent of poramboke lands in each;

(f) the peshkash paid by each; and

(g) the rents and fees collected by each?

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A.—(a), (f) & (g) The attention of the hon. Member is invited to the publication 'Names of Zamindars, etc., in the Madras Presidency' which is available for sale to the public.

(b) to (e) The Government have no information and they do not consider it necessary to collect the information.

Continuance of the open body type buses in the mufassal.

235 Q.—SRI V. BHUVARAHAN: Will the Hon. the Minister for Law be pleased to state—

(a) whether the bus owners from the mufassal, especially from the Tanjore and Trichinopoly districts, represented to the Government that the type of semi-saloon body buses does not wear long in the condition of the mufassal roads;

(b) whether the Government accordingly issued orders to the Road Traffic Boards to issue permits to buses of open body type as usual;

(c) whether it is a fact that the Government intend to enforce clause 4 of rule 78 of the Madras Motor Vehicles Rules of 1938 from the year 1939; and

(d) if so, whether the Government will be pleased to reconsider their decision?

A.—(a) The answer is in the affirmative.

(b) The Road Traffic Boards have been directed not to refuse permits, until further orders, in respect of buses solely for failure to comply with the provisions of Rule 78 (4) of the Madras Motor Vehicles Rules.

(c) & (d) The matter is under consideration.

Abrogation of the rule prescribing minimum age for appearing for the S.S.L.C. examination.

236 Q.—SRI V. BHUVARAHAN: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government intend to abrogate the rule prescribing the minimum age-limit for appearing for the S.S.L.C. Examination; and

(b) if so, whether the Government will issue the necessary orders before the ensuing S.S.L.C. Examination?

A.—(a) & (b) The minimum age prescribed is 15. Till recently the rule provided for the exemption of pupils who were not less than 13 years of age. Orders have just been issued permitting the exemption of deserving pupils even though they are less than 13 years old.

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Working hours in the factories in the Province.

237 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) how many factories in the province are working more than 48 hours per week; and how many are working less than 48 hours, and what those factories are; and

(b) whether the Government have legislative proposals in view to reduce the maximum hours of work to 48 a week for all factories?

A.—(a) The attention of the hon. Member is invited to statements V (a) and V (b) appended to the 'Report on the working of the Factories Act in the Madras Presidency for 1937.' The names of these factories are not readily available.

(b) The Government consider that legislation, if any, should apply to the whole of India and should therefore be undertaken by the Central Government.

Comparative statement of the retail prices of foodstuffs, etc., for the last 12 months.

238 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Industries and Labour be pleased to furnish this House with a comparative statement of the retail prices of foodstuffs and other necessities of life for the last 12 months?

A.—The hon. Member is referred to the statement of "Retail Prices of Commodities in the last week" of every month published in the Supplement to Part II of the *Fort St. George Gazette*.

Conversion of panchayat boards with an annual income of Rs. 10,000 and more, into municipalities.

239 Q.—SRI V. S. R. M. VALLIAPPA CHETTIYAR: Will the Hon. the Minister for Local Administration be pleased to lay on the table—

(a) a list of panchayat boards whose total annual income is Rs. 10,000 and more; and

(b) to state whether there is any proposal under the consideration of the Government to convert them into municipalities?

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A.—(a) A list^a as far as information is available is placed on the table.

(b) There is no general proposal under consideration. A few individual cases are under examination by Government.

Statistics of 'B. Memos.' in Dharmapuri and Harur taluks for fasli 1347.

240 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) the number of B. Memos. in Dharmapuri and Harur taluks for fasli 1347;

(b) how many of them were assessed to taram rates and how many times such taram rates were repeatedly levied in each case;

(c) how many of them were assessed to penal rates and how many times such penal rates were repeated in each case;

(d) why the Revenue officials did not take note of the ryots' encroachment at the very outset; and

(e) whether the Government will be pleased to place on the table of the House a villagewar statement in respect of the answers to clauses (a), (b) and (c)?

A.—The collection of the figures required to answer this question would involve an expenditure of time and labour incommensurate with the importance of the subject.

Measures to increase jail manufactures.

241 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state—

(a) whether the Government accept the principle of making the jails self-supporting as far as possible;

(b) whether the Government have taken any steps to increase the production of manufactures in jails; and

(c) if so, what the nature of the steps taken is?

A.—(a) to (c) The attention of the hon. Member is invited to rules 401 and 402 in Part II of the Jail Manual regarding the principles underlying jail manufactures. The Government have under consideration the general question of devising ways and means to develop jail industries and to make them yield more income, so as to make them so far self-supporting as is consistent with observance of the principles in the rules mentioned.

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

V.—BUDGET FOR THE YEAR 1939–40.

* THE HON. SRI C. RAJAGOPALACHARIAR :—“ Mr. Speaker, 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 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 for a right decision.

“ 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.

The political situation.

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 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 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

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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, Sir, 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.

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 not 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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"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 only 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. 3½ 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. 2 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 is 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.	LAKHS.	LAKHS.
	RS.	RS.	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 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 our 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

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. 10 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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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 balance required in our Treasuries and Sub-Treasuries. In addition to the cash balance we hold securities in the Famino 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 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 final 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 Viragapatam and Bezvada 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 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 loans 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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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 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 not 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.

“Appendices VI and VII in the Explanatory Memorandum set out the new schemes 4 p.m.

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.

Prohibition.

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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

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 embroiling 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, 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 Exchequer is bound to be lower than in the year 1940-1941 revenue from Provincial 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.

"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 recruits 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'ble 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

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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 Thruppur 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 as good as was hoped for. The erection of the thermal plant at Vizagapatnam was completed early last year and Government supply is now given to the Vizagapatnam 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 Vizagapatnam 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.

"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 sealed down by Courts to Rs. 40-16 lakhs, apart from such sealing 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 sealed 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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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 segregation 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. SPEAKER:—"The general discussion of the Budget will be taken up on the 22nd instant. The House will now take up the Madras Electricity Duty Bill."

VI.—GOVERNMENT BILLS.

(1) THE MADRAS ELECTRICITY DUTY BILL, 1939.

THE HON. SRI C. RAJAGOPALACHARIAR:—"Mr. Speaker, with your permission, I beg to introduce a Bill^a for the levy of a duty on certain sales of electrical energy effected by licensees in the Province of Madras and move—

'That the Bill be referred to a Select Committee, consisting of the following members:—

- (1) Kumararaja Muthiah Chettiyar of Chettinad,
- (2) Mr. H. S. Town,
- (3) Sri T. T. Krishnamachariar,
- (4) Mahboob Ali Baig Sahib Bahadur,
- (5) Sri D. L. Narasimha Raju,
- (6) Sri P. Natesa Mudaliyar,
- (7) Sri P. S. Srinivasa Ayyar,
- (8) Sri N. S. Varadachari,
- (9) Sri V. S. R. M. Valliappa Chettiyar,
- (10) The Hon. Mr. Yakub Hasan, and
- (11) The Hon. Sri C. Rajagopalachariar (The Hon. the Mover)

with the instruction that a report may be made before the 23rd February 1939.'

Sir, the Bill has been before the public for some time and the objects and reasons for the Bill have been stated. The only feature to which I wish to draw the attention of the House is this, namely, in the new section that has been proposed in the revised Bill and has been published, power has been taken to authorize licensees in justifiable cases to transfer the burden to the consumers. The position is this. The sale of electricity is not like the licensee or the vendor enjoys a practical monopoly in that sale and as against this the Government have the power to fix the prices at which a licensee should sell electricity. In fixing such prices the Government will have to take into account the obligations of the licensee and the expenditure incurred by him. We are now adding a new expenditure in the form of a duty and it is therefore right that the Government should take this into account in fixing the prices at which the licensee should sell electrical energy to the consumers. It is in view of this that a new clause has been added in the revised Bill. I do not think,

^a Published in the Fort St. George Gazette, dated 7th February 1939.

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Sir, that in commending this Bill to the House, I need add anything more than what I have said while presenting the Budget."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Mr. Speaker, I was hoping that the Hon. the Premier in introducing this Bill would have given us an elaborate statement as to the present state of the electrical companies, how far this tax would affect them and some such details. I would now request through you, Sir, either the Hon. the Prime Minister or the Hon. the Minister for Public Works to give us at an early stage in the debate details with regard to the present condition of the companies and how this tax will affect them, which of the companies can now bear the tax themselves and which will find it necessary to transfer the tax to the consumers. That will help the House to know whether this Bill is an equitable one or not."

MR. SPEAKER:—"Mr. Town."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"May I say, Sir, that I did not want to make a speech on the Bill just at present? I only wanted to know whether the Government would be able to give certain important information."

MR. SPEAKER:—"The Hon. the Prime Minister did not rise in his seat in response to the request of the hon. the Leader of the Opposition."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Probably he has not had sufficient time and as in the meanwhile another hon. Member's name has been called, he did not rise. May I ask the Government to say whether it is possible to give this information?"

MR. SPEAKER:—"If the Hon. Minister rises I will call him; if he does not rise how can I compel him?"

THE HON. MR. YAKUB HASAN:—"Mr. Speaker, the hon. the Leader of the Opposition himself said that I might give this information in the course of the debate . . ."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I said 'at an early stage in the debate.'"

* THE HON. MR. YAKUB HASAN:—"I thought that after two or three speeches have been made I might rise and speak. I understand that the hon. the Leader of the Opposition wants to have some details with regard to the number of companies which will be able to bear this tax, the number of companies which will be exempt from the duty under the clause which prescribes that companies in which the sales are less than 200,000 units will be exempt from payment under certain circumstances, and so on. Of course when the Select Committee sits all this

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information will be given in order that this question may be fully considered. The object of the Bill is to raise revenue for the purpose of administration; and the principle of the Bill, it is apparent, is to impose a duty on sales and not on consumption. That is why the licensees have been asked to bear the tax themselves. Sir, unlike Bengal and Bombay where only private bodies are handling these electric projects, the Madras Government have got very big schemes and projects, and they are generating and distributing electricity. In some cases, the Government themselves are distributing electricity direct to consumers; in other cases, there are several municipalities which have been given licences to use electricity for their own street-lighting and also for distributing electricity to private consumers. There are also private companies which have been given licences. I may inform the House that there are 35 local bodies which have got the licence, out of which 15 local bodies are distributing electricity of more than 200,000 units; and they will be taxed. Twenty local bodies are consuming or distributing electricity of less than 200,000 units. There are private companies in 40 places selling electricity. Out of this 40, 19 are distributing electricity of more than 200,000 units, and they will be brought under the scope of this Bill; and there are 21 such companies whose distribution is less than 200,000 units. It is expected that a sum of between Rs. 5 and Rs. 6 lakhs will be realized from this source.

"It may be noticed that under this Bill electricity sold at less than As. 2 per unit will be exempted from taxation. Most of the agricultural and industrial load will thus not come under the Bill; people who are supplying electricity for agricultural and industrial purposes at low prices will not have to pay anything on that load. In the case of street-lighting, as far as hydro-electric supplies are concerned, the rates are As. 2 and below As. 2, and therefore there will be no duty on street-lighting in that case. But in the case of street-lighting from supplies from thermal stations, the rates are higher than As. 2. It is for the Select Committee to consider whether even cases where the price is As. 2, should be free from taxation. That is a matter of detail which the Select Committee can consider. At the same time, in regard to street-lighting too, whether street-lighting in regard to which licensees are recovering more than As. 2 should be taxed or exempted—that is also a detail which the Select Committee will have to consider.

"I do not think, Sir, there is anything else that I can add. I would draw the attention of the House to the principle of the Bill; that the tax is not to be on consumption but on sale. There may be certain difficulties, no doubt; there are some companies which may not be able to pay this tax; they may not be in a financial position to bear this tax. As the House is aware, there

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is a maximum rate fixed in the licence beyond which a licensee cannot charge for electricity. In case it is found that certain companies are making good profit and their rates are high, and that there is room for reduction, the Government always call upon them to reduce their rates. Similarly, if a company is found unable to pay its way, there is no reason why that company's rate should not be increased. As you know, electricity being a Central subject, the power of rule-making is with the Government of India, and we are only guided by the Indian Electricity Act. There are certain formalities that have to be gone through in the matter of reducing or increasing the maximum. So, it was thought that in certain cases the licensee may be allowed to pass the duty wholly or in part to the consumer. But it was represented to us that there would be difficulties in collecting this duty from the consumers and also that it might not look nice if in certain cases consumers are to be asked to pay the duty in addition to the usual rates, and that it might vitiate the principle of the Bill. So, it is intended that in the Select Committee some way may be found to see that instead of passing on this duty to the consumer, we may allow the licensee in certain cases to raise the rates. That also, as I already said, is a matter for the Select Committee to consider. In this Bill, all that we require is that some money should be raised. We want the licensees to consider themselves that they are co-operators with the Government in distributing electricity. They are public bodies; they must keep their profits down to a certain level, and if beyond that level there is any profit, they must always be prepared to share it with the consumers; and also they should give a share to the Government, for, the Government have given them this monopoly, and therefore, they should share a part of their profit with the Government in the shape of this duty."

* Mr. H. S. TOWN:—"Sir, we have just listened to the Budget speech which has made it quite clear to us that this Bill is the result of the necessity of finding revenue, because in the pursuit of an ideal, the Government have thrown away revenue which they could have retained. Whether they are right or wrong in pursuing that ideal is outside the question of the present Bill; but they have thrown away the income from the taxation of a luxury, and they are now commencing to tax the necessities of life. Sir, it is quite clear to us from what we heard to-day that this Bill is one of a series of Bills that are coming up before us gradually, to tax us in all directions, and to make all our necessities more expensive."

"Electricity plays a not unimportant part in raising the standard of life. Those who will consider for one moment the bazaar, the little shop in a bazaar of but a few years ago where the smoke from a smoky oil lamp fell on to the food that was to

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go into the stomachs of the people and will also consider the condition of this same shop to-day with its bright electric light, selling things which are clean and healthy, must realize the important part that electricity plays in maintaining the health of the nation; and they should see that such small users of electricity should be free from this tax. We quite realize that the Government must have revenue, and it is perhaps this realization on our part that weakens our opposition to this Bill; we know that the Government must have revenue, and we are not willing to stand in the way of their getting that revenue. But is this the right subject of taxation? The Government have started and pushed forward their own schemes for electric supply. They have pushed forward those schemes on the plea of cheapness. They have sent men round the districts to tell to the people how cheap electricity is and how profitable it is to use cheap electric power and electric lights. Certain of their schemes are already sold to their maximum capacity; and now the Government are going to push up that rate by means of a tax.

"I see no reason for the differentiation between the large company and the small company. Neither in Bombay nor in Bengal—which have been quoted to us in the Statement of Objects and Reasons of this Bill as the provinces which we should follow in this taxation of electricity—has this differentiation been made. They have gone on the lines of exempting the small user, the poor man. Let us remember that; let us also exempt the poor man, the small user."

"And why this figure of 200,000 units a year? Just think of the position of the small companies whose sales are between 199,000 and 200,000 units in a year. Are they going to extend their business and pay a tax on 200,000 units? Take the case of a company which on the last day of the year has, as disclosed by the metre, sold a little under the figure of 200,000 units. I think 5 p.m. that if the Engineer is worth anything, he would bring about a breakdown for a few hours so that the metre may not go above the specified level. Further according to this Bill, it is quite possible for a company to be taxed one month and not in the next. The consumer in such cases will not know what rate he will have to pay in any month. That, I submit, is not good. A taxation measure should be precise and definite; we should be told in a taxing measure who is to be taxed and to what extent, how much he has to pay and the exact method by which the tax shall be collected. Unfortunately, we have clause 7 in this Bill which does exactly the opposite. It is, I submit, a clause which should not find a place in any taxation measure. The Government have been empowered to authorize the recovery of the tax from the consumers if the energy is sold at not less than 2 annas. This makes it possible for the Government to say to one consumer, 'You shall pay;'

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and to another, 'You need not pay.' This is the very power that was bitterly attacked in the Central Assembly by the members of the Congress party when they objected to clause 60 of the Income Tax Bill and I agree with them entirely. I trust I may be permitted a few moments to quote some of them. Mr. Bhulabai Desai observed as follows:—

'You might as well surrender yourself entirely into the hands of the Central Government. I think this House would require to be very properly and definitely told as to the limit not merely on what we have now been told about the notifications which are issued but if the section can be tackled by way of amendment in the Bill itself, then it will certainly be my duty to limit its scope as much as one can do so reasonably. For indeed all that section comes to is this, "Yes, there is the taxing Act but the Government may release anybody from taxes it likes". That is what it means.'

Yes, this is a taxing Act; but the Government under clause 7 may tax one consumer and not another.

"Further let us take, what the representatives of Madras said. I am quoting from Mr. Anantasayanam Ayyangar:—

'What is the good of this Bill if the Central Government can, by a notification in the *Gazette of India*, make an exemption or reduction in rate or other modifications in respect of income-tax, in favour of any class of income, or in regard to the whole or any part of the income and in regard to any class of persons?'

and this was followed by Mr. Santanam who said:—

'I would only say that we would rather take the chance of sabotaging the whole Bill rather than allow this section to stand as it is.'

I submit that the Government should not take such powers; on the contrary, they should come out into the open and tell us who it is who is going to be taxed. But we just heard a few moments ago that it might not look nice. I am constrained to ask, 'Is this the way in which the Government calculate and collect their revenues?' We shall, therefore, have to press for the deletion of this power and in the words of the Madras Member of the Central Assembly, Mr. Santanam, 'I would rather take the chance of sabotaging the whole Bill than allow this section to stand as it is.' I trust that it is not specially designed to throw dust in the eyes of the consumer and make him believe that the power to refuse to allow the tax to be passed on is there so that the consumer may not be taxed. Even if it is not passed on to the consumer now, eventually, in a year or two, he will have to pay. He will eventually have to pay this tax and let us all understand that quite clearly.

"The Indian Electricity Act gives power to the Government to revise the rates at which energy can be supplied. The history of the industry has shown that it has not waited for the statutory period. When the financial position of the concerns has warranted it, they have come forward with a voluntary reduction of rates. It is just possible that when the time comes for this voluntary

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reduction, if a supplier is not allowed to pass it on, the concerns will undoubtedly take this into account and say, 'Let us not think of reduction now; let us wait until the next revision falls due.' The companies may suffer and in the mean time it is possible that small companies may be crippled. There is no reason why if this tax is to be passed on in one case, it should not be passed on in another; and if it is to be borne by one company, why it should not be borne by all the companies.

"I wish to say quite plainly to the House that our opposition is not on the taxation part of the measure but on the power that the Government want to take, which will have the ultimate effect of differentiating between the various suppliers of energy. We must insist that all be treated alike. Having made our position clear with regard to that question, I am prepared to support the motion that the Bill be referred to a Select Committee."

* SRI G. KRISHNA RAO:—"Mr. Speaker, I make a few observations regarding this measure, even though I am not a technical man with regard to the subject of electricity. I thought that the Congress Government had the idea of nationalizing the manufacture of electric energy. I remember that the Hon. the Minister for Industries told us some time ago that the Government were thinking of nationalizing the electrical industry; I thought that that was a very satisfactory way of dealing with the subject. The Government have large schemes on hand, for instance, the Papanasam Scheme, unlike the Governments of Bengal and Bombay whose Bill the Government have taken as a model in respect of this measure. This Government are manufacturing a large volume of electrical energy and one would have thought that it would have been rational on the part of the Government to have thought of increasing their revenues by popularizing the use of electricity. By such a means they would be getting more revenue on account of larger sales. I confess, Sir, that this kind of indirect taxation was never dreamt of by people, much less was it expected of a popular Government. I think that the Government would have done well to popularize the use of electrical energy. I feel that this kind of taxation is likely to hit hard the consumer. The Bill as it stands does not safeguard the position of the consumer; on the other hand the arbitrary order of the Government is there, whereby the licensee can reimburse himself at the expense of the consumer. The consumer may be made to pay this tax at the sweet will and pleasure of the Government. This, I submit, is a very serious defect. Electricity, I have to point out, is not a luxury. It has become a necessity for all people. If this power is there in the Bill, it would be giving the power, or rather latitude to the Government to ask particular licensees to recover the tax from the consumer. That I submit is not a well-conceived idea, especially when there is a cry in the country for the reduction of electric rates and when large electric concerns are making

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huge profits and have also reduced the general rates in order to meet the popular demands. With the Bill as it stands, there will be no incentive for any of these companies to reduce the rates. The result of this will be that no company would come forward for taking up the distribution of electricity, because they are uncertain as to what the demand will be and their position is very uncertain. Limited commercial concerns will have no attraction for this business under such circumstances and they will not undertake this distribution. I wish to suggest that these defects in the Bill be gone into by the members of the Select Committee. I hope that the defects will be set right in the Committee. With these words, I support the motion."

* SRI T. T. KRISHNAMACHARIAR:—"Mr. Speaker, I regret I am not in a position to offer the support of the community which I have the honour to represent, with regard to this measure. My opposition is not on the general basis of opposition to all taxation. Members of my community realize quite well as members of the Treasury Bench do that to implement the Government's pledges to the people, more and more money is needed. We also realize that the present sources of revenue at the disposal of the Government are very inelastic, and therefore, fresh avenues of taxation have to be explored. Our sympathies are entirely with the Government in this attempt. None the less, a full consideration of the benefits that the Government derive by means of a fiscal measure like this, the ill-effects of this measure in regard to the progress of industry, and the development of electricity in this Province, leads us to the inevitable decision that the Bill in its present form should be dropped.

"It may be said, Sir,—in fact it has been said by the Hon. Minister for Public Works—that this type of tax is nothing new; a similar tax on electrical energy obtains in Bombay and Bengal. I am not objecting to the measure on the ground of the usual excuse that this Province is very poor and that therefore it has to be treated on a different basis from Bengal or Bombay. Undoubtedly the fact of the poverty of the Province is there; but there is no point in stressing it. I do not admit that the circumstances that obtain in Bombay and Bengal in regard to the supply of electricity obtain here, for the reason that the Government here are the biggest producers of electricity. The Hon. Minister for Public Works stated that they have spent till now more than three crores on electrical projects; that they are going to spend two more crores in the next year or two; and perhaps after two or three years more it will be found that they have in all spent five crores on the production of electrical energy. It is also true that so far the Government have been eminently successful in regard to the commercial aspect of these undertakings. The returns from the several undertakings are far in excess of what was anticipated at the time of their inception. But in view of

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the fact that further sums of money are going to be invested and in view of the fact that the scope for expansion becomes less wide under those circumstances, it is open to question whether the same percentage of gain will be got hereafter. Therefore, Sir, the party that is primarily interested in the electrical industry in this Province is the Government itself, and that makes the question different from Bengal and Bombay. It has been said that the estimated revenue from a measure like this is 3¼ lakhs. Have the Government really contemplated how an increase in the cost of electrical energy to the consumer will affect the development of the electrical industry and the return to Government therefrom? After all if it is a case of the Government gaining in one way what they lose in another way, no point is served by bringing forward a proposal like this. But I do not know, how far they have inquired as to how it will affect the expansion of the industry.

"Sir, then comes the question, whether the licensee is to transfer the burden to the consumer, on which point, members representing the European community had something to say. It is not really material to discuss that particular question at this stage; and most probably, that detail will be gone into in the Select Committee. It does not really matter whether or not as a result of this measure the licensee transfers it to the consumer; because in the case of concerns which have been reducing their rates, naturally if the burden is on the licensees, they will not reduce the rates any further; but if it is found that the licensee has reduced his rates as low as it is possible, provision has been made for permitting such licensees to raise the rates. So in any event the consumer will be affected ultimately. I do understand, Sir, that one of the licensees had a proposal to reduce their rates in one urban area. But as a result of this Bill they have withdrawn that proposal; presumably they thought of a reduction of one anna in their rates and hereafter it will only be half an anna if they propose to stick to the idea of a reduction in the rates.

"Some feel that the Government are out to inconvenience the licensee. But the fact is the other way; it is the consumer who will ultimately lose. The hon. Member for the European community laid stress on the question of discrimination. I admit there is discrimination. There is discrimination between one type of user and another; there is discrimination between one licensee and another. It is very difficult in matters of fiscal legislation to steer clear of all discrimination; it is bound to happen. The only possible thing that can be done is to minimise discrimination as far as possible; and I do not think the Government have achieved this in this particular Bill.

"There is yet another aspect of the question. That is the case of licensees who are companies either in the infant stage or with small resources on whom the European member is rather hard,

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because he did not wish to give them the same concession which is usually given to those in charge of developed areas. Whenever an application is received by the Government for licence, what happens is, the Government try to find out whether it is a profitable area for the Government themselves taking it up. If it is found to be profitable, they themselves take it up; if not, they give the licence to private companies. In fact they are taking all the good eggs from the basket and leave the rotten eggs to the private company. The licensee, if he is a private managing concern, and wishes to make a profit out of the concern, has naturally to expand the business, and when the rates are raised by half an anna, it is certainly not going to tempt the people to use more electricity. Perhaps it may operate in the case of the richer class, who, when once accustomed to the use of electric lights cannot use other lights. But in the case of the poorer people, an increase of half anna in the rate will not tempt them to instal electric lights. There is no equity in the Government taking all the plums in the shape of profitable areas and preventing opportunities of developing further the private companies who have been saddled with less remunerative areas.

“This leads me on to another question regarding capital. Private limited liability companies have to get their capital cheap, no matter whence it comes. I understand, so far as the Indian companies are concerned, nearly sixty or seventy per cent of their capital comes from outside; it does not come from Europe; but it comes from Bombay and elsewhere, because people there have more advanced views than us in this Province. Already, I think, in the share market there is a great deal of scare and the value of shares of the private limited liability companies is dropping; and probably, when this Bill becomes law there will be a greater fall. I do not think people will advance money to such companies if the Government are definitely setting a limit to the possibilities of further expansion of these undertakings.

“There is another question which perhaps is not very pleasant hearing. It may be that the Government are not willing to allow private enterprise into this industry. I have shown how the Government have taken up themselves ventures that were good, leaving the bad things to the private limited liability companies. Perhaps if they take the whole lot over themselves and nationalize the whole industry it will solve the problem; there will be then no discrimination. The Government may charge 6 annas in one place and 4 annas in another according as it suits them. It will not retard the development of electricity.

“Finally, Sir, I would like to emphasize that the opposition of my community is not based on the ground of general opposition to all taxation, but we think the Bill in its present form will do more harm than good. I therefore oppose the motion.”

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KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—
“Mr. Speaker, speaking on this motion, particularly after the Budget speech, one is tempted to speak about the policy of the Government regarding taxation. But I propose to speak more about the taxation policy when the general discussion on the Budget is taken up. For the present I shall confine my remarks only to the one taxation measure which is contemplated in this Bill. Hon. Members should realize that the use of electricity is not a luxury to-day as the use of petrol. That being the case, one has to consider who is going to pay the tax under this Bill: whether it is the company shareholder, the consumer, or as sometimes happen, the consumer shareholder. Sir, I was anxious to know from the Hon. Minister in charge of Public Works how many companies can afford to pay this duty and whether they have powers reserved to transfer the duty to the consumer. I do not think in his speech he has enlightened the House on this vital point. Anyhow we are thankful to him for giving us some details with regard to the companies; but he has not touched on the most vital point, as to how many of the companies can bear this taxation.

“Sir, as pointed out by one or two previous members, the amended clause of the original Bill, or rather the substituted Bill, is most important from the point of view of the consumer. The Government in their original Bill and presumably in the substituted Bill have specified in their Objects and Reasons the main fact that it is not intended to be a tax on the consumer, but mainly a tax on the company with the object of augmenting the resources of this Province. I want to bring to the notice of this Government that both the Bills, as they stand, do certainly affect the consumer. In cases where the Government are forced to realize that the tax has necessarily to be transferred to the consumer, it is definitely a clear case of taxation on the consumer first.

(At this stage the Hon. Sri C. Rajagopalachariar spoke a few words in a subdued tone to the hon. the Leader of the Opposition across the bench.)

“My hon. Friend asks me, ‘Why do you oppose?’ Sir, I stand here not only for the capitalist shareholder company but also for the ordinary consumer, when I find the consumer is going to suffer.

“It is a well-known fact that we are only in the early stages in the field of development. I may inform this House that till the year 1924 there was only one electrical company in the Presidency, i.e., the Madras Electric Supply Corporation and the second company—I am only giving this as an instance—was the company in my village, Sir, the Kanadukathan Electric Supply Corporation, which was started in 1924. This is only to illustrate, Sir,

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how backward this Province has been so far as electrical development is concerned. But, thanks to the forward policy that was pursued by the Electrical department for the past 15 years, we have made considerable progress and we compare very favourably with other Provinces in this country in the matter of hydro-electric schemes and thermal schemes.

"I only wish to say that during the short period that has preceded, the companies that were formed in various places had necessarily to charge high rates to the consumer. In certain places, 10 annas, 8 annas, 7 annas and 6 annas have been charged; but the hope has always been held out to the consumer that as and when the company's resources and finances improved, the first step would be to reduce the rate to the consumer. By reduction of rates the consumer is benefited and the company also increases its total sale of energy. There the good circle starts.

"Now, I want to bring to the notice of the House, Sir, that the chances of the company reducing the tax, even if it is in a position to do so, are remote now that there is an extra duty. They will say, 'We are now paying this additional tax and therefore we shall not reduce.' My only contention is that before the Government come forward with this Bill and with the compassionate clause enabling them to empower some companies to transfer the burden of the duty to the consumer, it would have been much better if they had made an enquiry and seen whether all the companies can bear the tax taking into consideration the present financial condition of all the companies including the municipal distributing systems and whether the rate now applicable in those areas to the consumers is fair or high. Wherever the rates are already high the Government ought not to levy this duty. Wherever they consider that the present rate applicable to the consumer is fair and that in such cases, it is possible for the company to tax, then and only then the duty which the Government will be bringing into existence by this Act will be an equitable one. In all other cases I do not contend that it will be an inequitable tax. But the person who bears the tax will be the consumer. This is my main objection to the Bill. If only the Government had come forward with a proposal to take more money by this method, I would not object at all.

"I only hope that in the Select Committee, the Government will see their way to amend the Bill suitably to see that this duty is not turned on the consumer directly or indirectly.

"Now, one more word before I sit down. It is just the time to make a start of the growth of this electric industry in this country. I may also state that by this Bill the Government will make people shy to invest in an electrical concern. I am afraid that this will also affect the investment by the public in any general public utility concern also. I feel that the time has

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come when people are beginning to feel that to-day this kind of utility company, and to-morrow another kind of utility company, will be taxed. Therefore, Sir, in the larger interests of the hydro-electric schemes and many other industrial schemes which have to flourish by cheap electrical energy, I hope the Government will take into consideration all the facts I have stated above, before imposing such a duty."

MR. SPEAKER (on seeing Sri N. S. Varadachari rising to speak):—"We have now reached a stage when the reply to the debate may be made by the Hon. the Mover."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, a fairly vigorous attack has been made from various sections of the House who vie with one another in proclaiming that they stand and speak on behalf of the consumers and not on behalf of the people nearer to their interests, at least from external observations as it may seem to be. It has been started on the other side by an hon. Member who has had experience, though his speech in this House may be called a maiden speech technically. He said that we are throwing dust in the eyes of the consumers through this clause. Sir, the history of this clause is something which is interesting in this connexion. It was inserted at the instance of the Licensees' Association; the Government received a deputation on their behalf and they pressed for a provision of this kind. I am sorry I did not quite realize the use to which the provision would be put in the course of the debate when they asked for this provision or something like it. I now understand the entire process of this incidence. I do not object however to the debate on that line, because it gives me an opportunity to explain exactly how things stand. Everyone on the other side has been saying, 'This will affect the consumers.' I do not hide the matter at all, Sir. Nobody is pretending that we are doing anything which will not affect the consumers of electricity. It will save to some extent other tax-payers, but it will affect the consumers of electricity. I start with that admission. We are intending to tax some people who relatively can bear the weight of tax a little better than some other people. That I admit is the principle behind our policy. But, it is not a fact that this is throwing dust in the eyes of the consumers. I am afraid I must say the same thing or something like it with reference to the point put forward by those who oppose this Bill. It is they, if I understand things aright, that are trying to put dust in the eyes of the consumers. Hon. Members tried to make out that we are trying to deceive the consumers and that they are putting—I won't call it eye-wash—putting something to wash the dust out. I submit, Sir, it is not so easy as that to do it. Let us examine the position. I maintain, as far as I understand the science and process of tax burdens,

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that any tax on an article or commodity has a tendency to be shifted to the consumer, because, after all the man who wants to consume an article has to pay for it at the end; and the distributor or the producer tries to make a bargain in the interval to exploit the need of the consumer on the one hand and of the Government on the other and makes a profit in the interval. Where there is competition among these middlemen there is a chance for the consumer to get the lowest price. If there is competition among the distributors, if there were free and easy competition among distributors of electricity as there are among distributors of rice or salt, the consumer would have a chance of getting the biggest quantity for the lowest price. But, unfortunately in the distribution of electricity, on account of the system of licence and the circumstances of the case, there is practically a monopoly in favour of the distributor and in addition to the monopoly he gets on account of the nature of the thing a fairly long-term contract, so to say, between the Government and the consumer. He gets a contract for a fairly long term for a fixed rate of price which he is allowed by the law to charge the consumer and we have to depend upon his grace, upon his charity, upon his philanthropy if we want to lower that rate from time to time, unless we have the right of terminating the contract then and there. Now, therefore, the distributors naturally get up and oppose any taxation which they cannot transfer automatically to the consumer. Because of the monopoly system, the Government have taken the right of fixing the price at which he can sell the commodity. Since there is no competition and free trade in the business, the Government have taken power to fix the price. But it is fixed for a very long term. The distributor, therefore, has the advantage of it and he says, 'If I have had the alternative to reduce, I cannot reduce; let us see.' When the term is nearing completion and when there are fair chances of either nationalization on the one hand or of under-cutting on the other, of course, philanthropy is at a premium, and they would like to lower the rates.

"Now, when this Bill was published, it was said by some that these good philanthropic distributors who are about to become so good and virtuous have been prevented from their progress in virtue and philanthropy and that they are withdrawing their philanthropy. There is nothing unnatural in it; there is nothing surprising in it. There is nothing but commercialism in it.

"Two strings are in the bow of the Opposition now. They say, 'Consumers beware! The Government is coming down upon you. Therefore, oppose this Bill.' The other string is: 'We are withdrawing our philanthropy. consumers beware!' I submit that both these strings are fictitious and should not mislead either

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the House or the consumers. We shall get philanthropy where philanthropy pays and we shall get revenue where we can get it fairly. Here it has been argued, 'Ultimately it goes to the consumer.' I ask then, 'Why so much vigorous opposition by the distributor?' I say, ultimately it will go to the consumer if it deserves to go to the consumer and it will not go to the consumer if it does not deserve to go to the consumer. That is why in the case of a monopoly distribution system, special provision has been introduced by which the Government fix the rate for a term. Under clause 7 of this Bill the Government take the right to examine the cost of distribution, the expenditure, the overhead charges, and the dividend payments and to say whether the whole of the duty may be transferred to the consumer, or whether a part only may be transferred or whether no part of it should be transferred. Therefore, we get through this clause the right on behalf of the consumer to examine the fairness of the distribution system, either to raise the burden on the consumer or to reduce the burden on the consumer. Therefore there is nothing unscientific in this. Of course it is not quite so precise as the distributor would want it. It is not quite so definite as the distributor would want it. But it is quite precise and definite enough to do justice to the consumer. That is the plea that I make on behalf of clause 7.

"It was said that this is not direct, this is not precise, this is not definite; how can we allow this which evades all the principles of taxation to pass? Sir, the only precise, definite and good tax would be the income-tax. Analysing and examining all these standards we can tax nothing except incomes after an honest and full enquiry. We are not allowed to put such a tax. A Province has to depend upon taxes which, alas, are sometimes not so precise, not so definite, which sometimes fall on one and sometimes on another, and which sometimes have to be transferred where it is fair and can be transferred and have to be borne when it would not be fair to be transferred. That is the duty of a sales tax. If the distributor is fair and if there is sufficient competition, it cannot be carried over to the consumer; but if there is not enough competition and the distributor is unfair, he will make the consumer pay. This is, I submit, my defence for the very vigorous attacks that were made on the principles of the Bill.

"Discrimination, again, is another slogan. Those who can afford to pay and who ought to bear the burden can afford to raise the cry of discrimination when any distinction is made between the rich and the poor. One kind of discrimination which is necessary comes where the rates are low. In those cases we may assume

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that the distributor has acted fairly. But what about discrimination between company and company? What is the justification for that? Again, where there is a monopoly with reference to particular areas, how can we help discrimination? Where one company with a monopoly in area X has lowered the rate to the best possible rate, we must discriminate in its favour and where the monopolist in another area has not so lowered it, we must discriminate against it. So that, here, discrimination is just and discrimination is right and therefore the mere slogan of discrimination need not frighten anyone.

“I hope, Sir, that the great interest which the Leader of the Opposition and others took in the interests of the consumer will remain intact and will continue when we enter into the bargains under clause 7 when it becomes law, when we sit down and enquire into the business of each particular licensee and whether he is rightly to be taxed or not. I do hope that these consumers' interests will remain fresh in the memory of gentlemen who have opposed the Bill. I have nothing to add except this that I do think that further rectification of the defects in the Bill may well be done in the Select Committee.”

Mr. SPEAKER :—“The question is that the Madras Electricity Duty Bill, 1939, be referred to a Select Committee consisting of the following members:—

- (1) Kumararaja Muthiah Chettiyar of Chettinad,
- (2) Mr. H. S. Town,
- (3) Sri T. T. Krishnamachariar,
- (4) Mahboob Ali Baig Sahib Bahadur,
- (5) Sri D. L. Narasimha Raju,
- (6) Sri P. Natesa Mudaliyar,
- (7) Sri P. S. Srinivasa Ayyar,
- (8) Sri N. S. Varadachari,
- (9) Sri V. S. R. M. Valliappa Chettiar,
- (10) The Hon. Mr. Yakub Hasan, and
- (11) The Hon. Sri C. Rajagopalachariar (The Hon. the Mover),

with the instruction that a report may be made before the 23rd February 1939.”

The motion was put and carried.

Mr. SPEAKER :—“I appoint the Hon. the Prime Minister to be the Chairman of the Select Committee.”

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(2) THE MADRAS SALES OF MOTOR SPIRIT TAXATION BILL, 1939.

THE HON. SRI C. RAJAGOPALACHARIAR :—“Sir, I introduce a Bill * to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras and move—

‘That the Bill be referred to a Select Committee, consisting of the following members:—

- (1) Mr. G. E. Walker,
- (2) Sri Diwan Bahadur A. Appadurai Pillai,
- (3) Abdul Hameed Khan Sahib Bahadur,
- (4) Basheer Ahmed Sayeed Sahib Bahadur,
- (5) Sri V. M. Ramaswami Mudaliyar,
- (6) „ Kala Venkata Rao,
- (7) „ Gopacaram Venkata Reddi,
- (8) „ V. S. R. M. Valliappa Chettiyar, and
- (9) The Hon. Sri C. Rajagopalachariar (The Hon. the Mover)

with instructions to report before the 23rd February 1939.’

“This Bill also, Sir, has been before the public; but I may go further and say that this Bill has really been before the public for a much longer time than the previous Bill. Throughout the Provinces, after the new change in the Constitution, attempts have been made to tax sales, and particularly petrol, and a question was raised whether the Provinces were in order in seeking to make this legislation and raising this tax. The matter was referred by the Government of India to the Federal Court and certain defects and doubts were cleared. So that, the public have for a long time been thinking about measures of this kind and particularly the measure in respect of taxing petrol. We have not lost time in moving for this tax and I do hope that every one will agree that the very small tax that we propose to levy on petrol will not hurt the trade in petrol or the use of this engine of modern civilization for further progress and for speedier transaction of business. I do not think that the business will suffer. We have seen the variation in the price of petrol covering a much wider range than the one anna and six pies that we propose to raise by this measure on each gallon. We have not seen that the variation in prices which we have seen have affected in any manner the progress of the use of petrol or the use of the motor car for either public or private purposes. We may therefore rest assured that this will not hurt the business or the progress of the use of the fast vehicular traffic.

“But there is strong opposition to it. The opposition, I think, is mainly from the business community. I do not think that the

* Published in the Fort St. George Gazette, dated 7th February 1939.

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opposition is pronounced from the other sections of the population. The business community appears to act by a kind of instinct against every movement of the burden of taxation from where it has been hitherto to where the present Government wants to shift it. It is not on the individual merits of each tax or measure of taxation that member after member rises on the other side and opposes our measures. It is by an instinct that they oppose the dynamics, so to say, the very tendency of the proposals of taxation on this side. Acting loyally to that instinct, I am sure member after member will rise again almost in the same order as they rose with reference to the Electricity Duty Bill. (Abdul Hameed Khan Sahib Bahadur: 'You will be disappointed.') A slight modification will not very much alter the effect of the battle.

"I propose, Sir, not to take much time over it because the principles, the motives and the details behind this proposal are perfectly clear and known. The vendors of this article will suffer the least by way of inquisitorial examination of accounts and the like. Whatever objections may be taken to the taxation of sales in respect of other commodities cannot apply to the taxation of sale of this inflammable material where every drop is properly accounted for and ought to be properly accounted for. So that, from the point of view of inconvenience to persons engaged in the business this tax is a very good tax. Only the question of the burden remains to be considered. Of course it is quite possible to say here also: 'Mind you, just as we said, it is the consumer that is going to be taxed, not we. So we rise to object here also.' It may be said, 'Oh, the public transport will be affected; the poor passenger in the bus will be affected and not ourselves and it is only for their sake that we are opposing this measure.' Here also I say,—I shall not use the phraseology of either throwing dust in the eye or using the eye-wash to remove the dust—that it will affect all people who use petrol. It will affect even the public transport passenger to some extent. I do not deny that. Let us calculate that. I have made a fairly careful calculation of this and have come to the arithmetical conclusion that, possibly, if scientifically distributed, a passenger may have to pay one pie more where he now pays an anna or two annas. But it is difficult to transfer a pie effectively and let me here confess my fear also that while we propose this tax for revenue, on the other hand other people will again say, the poor man will be hard hit when he comes in a bus. Yes, the result may perhaps be that the clever transporting business man may raise the fare by more than a pie and make two pies for himself while transferring one pie to the Government. But I do hope that the Government will be shrewd enough and vigilant enough to prevent any such happening. In the case of transport as well as in the case of other matters, it is either the freedom of trade and competition that will prevent this exploitation of the final con-

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sumer or the vigilance of the Government which will prevent such exploitation by law. Therefore the Government will either be vigilant or will allow competition or will take over the transport business themselves. Therefore, before the story is begun on the other side that the poor bus traveller is going to be affected, I have sought to make this answer in anticipation. I do not think, Sir, that this is a tax by any means on petrol or on the road user as such.

"An attempt has been made to anticipate this debate in the columns of the newspapers and to put forward the claim that the proceeds of this tax should be used on making roads smoother and making one gallon of petrol run five or six miles more than it now does. I do not think that that is a proper way of looking at taxes at all. This is a tax, I admit at once, not on petrol but on the petrol user. It is a tax on the petrol user because he can afford to pay it and contribute towards the expenditure of the Government. It is not a tax on the petrol user on account of the petrol that he uses. Therefore there is no kind of connexion between the road and this tax. There is no connexion between the tar business and this tax. There is no connexion therefore between this tax and the purpose for which it should be used. I claim that this is a general tax even as the salt tax is a tax on salt; but it has not been claimed that the tax on salt should be used only on the improvement of the colour and taste of salt. It has not been claimed that the tax on liquor should be used merely to improve the flavour of the various liquors. It is not claimed that any tax that we raise should be used on that purpose except in the case of a few cesses of a particular kind. Here also I wish to claim that there is no point in the argument that the revenues raised by these taxes should be used for particular purposes, viz., for improving the roads, etc., and for nothing else.

"Therefore I submit that this Bill, without further arguments, should be accepted. It is but right that having taken the credit of putting forward in the Budget these proposals for additional taxation, we must stand or fall by the success or otherwise of the proposal for the imposition of these two taxes immediately. That is my apology for moving these two Bills on the day of presentation of the Budget itself."

* MR. W. K. M. LANGLEY:—"Before making my remarks on the motion before us, I feel I ought to clear up one little point and that is what I thought rather a jibe—almost an unworthy jibe, if the Hon. the Premier were capable of it, which I do not think he is—at what he called the 'business community' and his anticipation as to the line it took, not only in connexion with this taxation, but with every other form of taxation. I cannot help feeling that he had his eye on these particular benches when he made that remark. Well, Mr. Speaker, I should imagine, if we

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are talking of the European business community, there are only three of us—I am not one of them—who represent the European business community and I imagine that European business interests in this Presidency probably do not exceed one-tenth of 1 per cent of the whole of the Presidency. If there is any reason why business people, as such, should object to this Bill, it is just as in the last Bill when objection was voiced by my hon. Friend, the Member for the South Indian Chamber of Commerce, just as much as by the Member who spoke on behalf of the European General Constituency. If, as I said, business people take objection to a particular form of taxation, I think it ought to be borne in mind that after all, all taxation must be recovered eventually either from trade or agriculture. Those are the two main contributors to the revenues of the Province or of the country, and it is but natural that business people who want to see that the balance is always on the right side want to be satisfied that no proposal for any new taxation shall have any serious ill-effect upon the sources from which, after all, all revenues eventually come. I merely state that because I think there is too much assumption that business people are too narrow in their views and look upon things purely selfishly. I think their business experience gives them training in economics which knowledge they are justified in placing at the disposal of this House.

“ Before making my remarks in connexion with this Bill, I noticed that the Hon. the Premier in the notable Budget speech, which he delivered in the House to-day, paid a tribute to the Federal Court for having enabled him to introduce this, from his point of view, very useful measure of taxation. Well, the Federal Court is a child of Federation and I am glad to find the Hon. the Premier, who occupies such a distinguished position in his party, giving a certificate of legitimacy to the child and I hope, in the circumstances, having made the child legitimate, he will be good enough to remove the stigma from the mother.

“ Having made these prefatory remarks, I must take very strong exception to the terms of the Bill as it now stands. I have two main objections to this particular Bill and my first objection is that it perpetuates, in my opinion, a thoroughly bad principle of taxation. It is a tax upon the whole automotive industry and in consequence upon one particular type of road user. It perpetuates the present position, viz., that the upkeep of the roads is to be paid for solely by one particular class of users, and that is, by the automotive industry, and not by the country cart. I suppose actually the country carts or the bullock carts on roads must approximate to at least 90 per cent of the whole traffic on the roads; whereas the motor industry contributes at the most not more than 10 per cent of the wheeled traffic on the roads; and yet this 10 per cent is expected to meet all taxation which is put on traffic.

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In other words, you are putting your whole demand on this 10 per cent motor traffic, which should be split up in a reasonable way and spread over the 100 per cent of all classes of traffic which are using the roads. So you perpetuate a condition which was described by Mr. Asquith on a famous occasion in the House of Commons as the absolute negation of the root principle of democracy, which is, that one class of the community should receive amelioration at the sole and exclusive expense of another class of the community. On that I base my first strong objection to the principle of the present Bill. I will spare the Hon. the Premier any suggestion that this taxation has anything whatsoever to do with the revenue loss which has arisen on account of his efforts to introduce sobriety into this Province. I do not think that has anything to do with this at all. We can confine ourselves solely to this question and we find that one of the pre-Reform Governments, very foolishly and apparently without knowing anything about its consequences, removed entirely the toll on bullock carts and thereby robbed this Province by one single stroke of the pen of 30 lakhs of its revenue. It is this 30 lakhs which I consider that this Bill is seeking to assist to put back and I think it is a deplorable thing that a Government, which is prepared to tell the masses that they should be taxed in proportion to their capacity to pay, should definitely and entirely exclude one particular form of road user; and what is that particular form of road user? The bullock cart as I said.

“ Now, there is a general assumption that the bullock cart is the property of the farmer and carrying his produce to the market. I maintain that that is not the case. I say that at least 80 per cent, or probably a higher percentage, of the bullock carts that are carrying goods on the road are the property of haulage contractors who contract for the carrying of goods on a considerable scale by bullock carts and who can, therefore, very well afford to pay a certain amount towards the essential use of the roads. In fact, these particular contractors for bullock cart transport are very much better off than the great majority of the lorry owners and bus owners in the automotive industry. It seems intolerable that the single bus owners or lorry owners, very small men having one bus or one lorry, should have to pay an absolutely penal taxation, just because they possess a motor car which is regarded as a luxury; while these owners of fleets of bullock carts who are making a comfortable income out of the use of their bullock carts on the roads should not have to pay a single penny towards the use of the roads. That is the principle on which we have been fighting from these benches. In this Assembly and in the old Legislative Council, to my knowledge all those who are interested in the motor industry have been fighting this point for the last eight years and we shall continue to fight until we hope we may be able to convert, if not this Government, at any rate some other subsequent Government.

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“ My next point which I hope the Hon. Premier will take note of, is this. I am not attempting to speak on behalf of the private motorists. Nor am I attempting to speak on behalf of the person who sits in a bus and travels from place to place. I quite agree with the Hon. the Premier that these people can very well afford to pay some additional taxation to the general revenue on account of the fact that they are able to enjoy a little luxury, provided it is very low additional taxation. And in this connexion I may say that, as far as I have understood the figures worked out by the Hon. the Premier, I think he is considerably at fault. He suggested that if this taxation is transferred to a person who sits in a bus, it would mean that he would have to pay another pie more for his ticket than what he is paying now. In actual point of fact, it is not so. My group has worked out the figures and it comes to this; viz., that a passenger in the bus will have to pay only one-twentieth pie more than what he is paying now. But I am not opposing this Bill on the two grounds mentioned above. So, the Hon. the Prime Minister can dismiss from his mind any idea that I am going to oppose this Bill on either of those grounds.

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“ My second objection to this Bill is that it is most definitely a tax on industry, that is, the automotive industry. My hon. Friend, Mr. Town, in a very eloquent speech in connexion with the previous Bill indicated how the Government no sooner have they got a new industry started like the electrical industry, than they proceed to half-strangle it at birth. Here again they have an industry which is of great importance to the public generally and which could be made to be of much greater importance to the public generally but which is in process of being taxed out of existence. Sir, we have had very good reading during the week-end owing to the Hon. the Prime Minister not having taken rest as he should have done for a few days before the Budget but having gone to speak in various places on Saturday last. I noticed that first of all he addressed the Young Men's Christian Association on the subject of this particular tax. Well, young Christians are notoriously gullible and they seem to have swallowed very readily everything he said about this tax. It might almost have been Mr. Lloyd George speaking: ‘ Only one and a half annas and here are these rich people going about in motor cars and raising objections? It is the smallest amount which they would gladly give as a tip to someone for some small service.’ ”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“ The hon. Member has not read the report which has appeared in the Press correctly and he is drawing from his own imagination. I did not say those things.”

MR. W. K. M. LANGLEY:—“ I read the reports both in the *Hindu* and the *Madras Mail*. I amalgamated the two so that I might possibly arrive at somewhere near the truth. Anyhow I think the Hon. the Premier will admit that he defended this tax—

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very naturally—before the Young Men's Christian Association and maintained that it was a very small tax and wondered why people should make such fuss about something that was so very small and would indeed be practically a trifle when it is divided up. That is all very well. I am not such a master of metaphors as the Hon. the Premier, but I would remind him of the Arab in the story who placed another creature of the automotive industry—the camel—in a convenient position from which it could not see what was put on its back. He gradually loaded the animal with more and more and finally he came to that one little straw, like this 1½ annas on the petrol—it was only a straw—but it was that straw that broke the camel's back. Now, Mr. Speaker, I think I am justified in making use of that metaphor because it is not this 1½ annas that we object to, but to the cumulative penal taxation of a young and important industry—the automotive industry in this country. I have some figures here and I will spare you the details because I believe they have already been the subject of letters and comments in newspapers. But the fact remains and I have it on absolutely indisputable authority that the owner of a 21 seater bus in this Province has to pay annually in the shape either of imperial taxation or provincial taxation and taxation of various kinds on the articles he uses like oil, petrol and so on a sum of no less than Rs. 3,199. You will notice, Sir, that it is just Re. 1 under Rs. 3,200. I suggest that is an appalling tax, it is penal taxation. Now out of that tax of Rs. 3,199 no less than Rs. 1,438 represents provincial taxation. That is for the Madras Presidency.

“ Now let us see how that compares with provincial taxation in other Provinces. In Bombay, it is Rs. 550, in Assam it is Rs. 150 and in Bengal it is Rs. 115 against Madras—Rs. 1,438. Well, that is the existing taxation and the Hon. the Premier in his address to the Young Christians on Saturday did not inform them that the industry is already bearing a tax of that nature and that the taxation that is now proposed is to be added to that tax. That is why I regard this as a heavy taxation upon an important industry and an industry, I may add, on which agriculture itself very considerably depends. Now I have mentioned agriculture, perhaps you will bear with me a little more and if the Hon. the Premier would permit me, I should like just to refer briefly to one other subject on which he spoke on Saturday at another meeting and that was a meeting in connexion with the milk industry. He pointed out that if only the Government can collect taxes of this kind they will then probably find some means of distributing milk to the children in big urban districts like Madras. I can quite understand that, but it does not go very far. Let me point out how the automotive industry could be of immense importance not only to agriculture but to the movement of perishables such as milk. Supposing this penal tax was removed tomorrow, you would find that you could get unlimited suppliers of lorries ready to convey milk

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from the country districts—if it does exist in the country districts—into urban districts and create an adequate supply of milk. I have shown that it is in this way that heavy taxation of the automotive industry—in fact heavy taxation of any industry—reacts on all sorts of other industries and affects all sorts and conditions of people and does not remain with the people who are making profits out of that industry.

“Sir, I am afraid I am rather long but this is rather an important Bill. It seems to me that there will be administrative difficulties. In the first place, this Bill is applicable to the Madras Presidency only and the Madras Presidency is surrounded by Indian States and with the exception of Hyderabad none of these Indian States put any tax of this kind on petrol. The result is there will be a tendency for buses and other motor vehicles to find their way, as they do already, over the boundary into Mysore, Cochin and Travancore and load themselves as much as possible with petrol which will not be subject to this particular tax. And this will be greatly detrimental, never mind, to the Government revenues, but to the honest small retail trader in petrol in the Madras Presidency.

“Now, Sir, I just wanted to refer to a few details in connexion with this Bill. I have stated my main objections to the Bill in general. The Hon. the Premier recently said that the Europeans were apt to use words against him, but usually when it came to action they did not translate their words into action. I may assure him, Sir, that we are fully sensible of the majority that he has behind him in this House and we are also fully sensible of the importance of finding new sources of taxation. We are therefore not attempting to oppose this Bill; in fact our only desire is to make the provisions of this Bill as reasonable as we possibly can, which I hope we will be permitted to assist in doing in the Committee, and thus make the Bill one which will bring the largest possible amount of revenue at the lowest possible cost and at the same time with the least possible disturbance and annoyance to the ordinary small private trader in petrol who is usually a small man.

“I will run through one or two points briefly in connexion with this Bill. It seems to me a great pity that the Bill does not follow more closely the parent Bill of the Central Provinces, because that Bill definitely provides that there shall be no fee paid on registration by the retail dealer, that there shall be no deposit and that in the payment of the tax there is provision for 30 days' grace. I hope these provisions of the Central Provinces Bill or rather the Act would be taken into consideration when the Bill is considered in the Committee. In fact the Bill seems to require root and branch alteration, if I may say so, if it is to be made really workable and not press too hardly upon individuals. At present it seems to me that the Government must have started with the idea that as this is a Bill dealing with spirit, it must be modelled on the Abkari Act. It seems that a number of provisions here are

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more suited to the Abkari Act and that type of spirit than to dangerous petroleum. Now that leads me straightaway to the definition clause. The definition of ‘motor spirit’ in the Bill seems to require alterations to bring it more into line with the Petroleum Act. Then I come the principal objection which I have to this Bill and that is that clause 3 (1) which is a most dangerous clause as it provides that the taxation shall be at the rate of one and a half annas, or such sum as the Provincial Government may decide. Well that is practically putting it into the power of the Government to tax petrol up to any figure they like by executive action without consulting this Assembly. That is generally agreed by most people to be a thoroughly bad principle, which I sincerely hope the Assembly as a whole might reject if it were not that I feel certain that there has been some misunderstanding about this clause which I hope will be cleared up in the Committee. It is a provision which is to my mind absolutely intolerable in any Act and should not appear in an Act like this.

“Now, the two main clauses after that clause, to which I have to take very, very strong exception are clauses 5 and 8 in the Bill. These clauses will bear most hardly on the small pump-owner who, as I said, is usually a small trader. They are much more suited to the abkari trade than to the trade in petroleum; and it seems to me they must inevitably be perfectly unworkable for technical reasons which we shall submit to the Committee when the matter is considered in the Committee. I won't go into those details just at present. But for technical reasons, it seems, to me those clauses are quite impossible of working, and I believe it is the case that the oil companies will be quite ready to co-operate with the Government in order to give them all the necessary checks that they may require in order to see that there is no evasion of this particular tax. Those are very important clauses, and it is very important, to my mind, that those clauses should either be removed or should be very radically altered. Then, in clause 6. . . .”

MR. SPEAKER:—“I suppose we are not going into the details of the clauses at this stage. At this stage, clause after clause need not be considered.”

* MR. W. K. M. LANGLEY:—“I have unfortunately, Mr. Speaker, mentioned the clauses; I will omit any mention of the clauses hereafter. But there are certain broad points which perhaps I might be permitted to refer to.”

MR. SPEAKER:—“Certainly, broad points.”

* MR. W. K. M. LANGLEY:—“I anticipated your objection, Sir; I was only wondering when it was coming.

“The main point with which I should like to close is that there are a number of clauses in this Bill which will unduly press

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extremely hardly on the small trader. Now, the owner of a petrol bunk, as everybody in this House knows, is a small man who has invested practically the whole of his capital in the interests of serving the pump. And all this capital is probably out in connexion with credit which he has given in connexion with the business. The estimate, I believe, of what will be required in the way of deposit from such people in the whole Presidency if two months' deposit is going to be insisted upon, would be a matter of nearly Rs. 3 lakhs or, say, Rs. 2,80,000, which would have to be collected by way of deposit from mostly small men, and the deposit would, I imagine, average somewhere round about Rs. 1,000 and may go even up to Rs. 2,000. Well, I can assure this House and you, Sir, that in the case of many of these men, it would probably break them if they had to suddenly find a considerable deposit like this, if deposits are insisted on. They are all selected men when they receive the pumps. The Bill itself provides the most drastic provisions for dealing with the people who do not pay the tax regularly or who evade the tax in any way, and probably the oil companies will co-operate. So it seems to me there is really no case for this idea of a deposit by these men, most of whom are small men. I hope that this deposit as also the fee on registration will not be insisted upon.

"As I said, in the Central Provinces, there is a thirty days, grace given for payment of the tax. I hope that that may be provided for also in this particular Bill. Then, there are various clauses dealing with the examination by, I hope, responsible officers, of stocks, sales and deliveries. Here again, they are not suited really to this Bill, because many of the provisions for confiscation seem to be more suited to the Abkari Act. Receptacles, for instance, are not the property of the petrol bunk people—the retail dealer—at all. In the case of the examination of their books, I feel that it should be limited to examination of stock, sales and deliveries and not of their private books. I also feel that when an examination is conducted, provision should be made for an officer of suitable rank to carry out the examination. Many of the clauses as they now stand cut right across the provisions of the Dangerous Petroleum Act and could not be carried out at present. Therefore, I think that also should be borne in mind.

"Finally,—I could go into further details but I fear your displeasure, Sir—I would only want to refer to the question of the rules under the Act. This always seems to crop up in connexion with every Bill; the rule-making powers seem to be extremely wide; but it is not so much the rule-making power I am concerned with, as the necessity for providing for proper notice of those rules. In the case of the Public Health Bill, there was a welcome change, and proper notice was provided for for any alteration of rules in connexion with that Act. I hope the same provision will be made in connexion with this particular Bill.

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"Mr. Speaker, I have voiced my feelings, I hope, not too strongly, and I have endeavoured to cut down my remarks considerably . . ."

MR. SPEAKER:—"Cut down! The hon. Member has exceeded half an hour already by five minutes."

*MR. W. K. M. LANGLEY:—" . . . to suggest in what way the Bill requires drastic amendment if it is to be made a really satisfactory Bill. I can only say once again that we, by virtue of the constituencies which we represent here, are perhaps in a position to give more assistance over this Bill than is commonly the case with other Bills. All I can say is that such assistance as we can give is entirely at the disposal of the Hon. the Premier and this Hon. House. And I trust that our representations will receive due and reasonable attention in the Select Committee."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I do realize that the Government, placed as they are in a very difficult position so far as the finances of the Province are concerned, have to roam in the dark to find various sources of revenue; and I am really sorry that they have not done it dexterously and with a little more care. If they did so, I am sure they would have found other sources of revenue than this.

[At this stage the Deputy Speaker occupied the Chair.]

"I mean, Madam, that this particular commodity of petrol is already heavily taxed. It is wrong, and I may be permitted to say, it is immoral for any Government to tax a commodity over and over again. We realize that petrol, without the Government of India Act, would have been very much cheaper than what it is, and now this additional tax of As. 1½ on a gallon of petrol would mean that the tax is at least three or four times more than the actual cost of the commodity per gallon. I wish the Government had examined the moral aspect of this question. Although they may be justified when they are pressed hard for money in taxing any commodity, whether it is taxed already or not, I wish to press upon the Government that, in this case, they are wrong in selecting this commodity. It is true that they will get revenue from this source of about Rs. 10 lakhs per annum, and it will go a long way to reduce the deficit in the Budget. They are of course very anxious to balance the Budget as much as possible, and they have found these two sources from which they could secure revenue, I mean electricity and petrol taxes. So far as petrol is concerned—I do not wish to repeat it—the Government are taxing a commodity which is already being overtaxed.

"Then again, I find that the Government have selected in this case, as in the case of the electricity tax, two very necessary commodities, commodities which might be taken as being responsible for the progress of the country, not only industrially but

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also commercially. I find that in selecting these two commodities, the Government have given, rightly or wrongly, an opportunity for people to believe that the Government are not desirous of encouraging such a progress by making electricity more and more popular and making the use of petrol and the use of motor vehicles, aeroplanes and such other vehicles as are propelled by means of spirit or petrol, more and more readily available to the people of this Province. Any tax, however small it might be, on any commodity, is bound to affect the trade in that commodity, is bound to affect the use of that commodity more and more. And though the Government may think that after all it is only As. 1½ that is to be levied on petrol, and although they may say that we are accustomed to increase in petrol price by the companies themselves to the extent of one, two, three and four annas every time per gallon, in the past, we all know that the competition that exists in the country to-day, as more and more companies are bringing petrol into the country, is being eliminated. No company can raise the rate now at random or at will. Therefore, we know there is not much possibility of the companies themselves raising the price; but now the Government have come forward with a proposal to levy a tax on this commodity. I say by this means the Government are indirectly asking the people to go back to the carts, without making use of the motor vehicle. For, this is one of the ways in which the use of the motor car and the use of even the buses will be discouraged.

“Madam, when Members of the Opposition come forward to oppose a measure of this character, it may be presumed that very often it is in order to protect the interests of the merchants or the traders who deal in this commodity, that they do so. Let me assure the Hon. the Premier that it is the consumer who will ultimately be affected. It does not end there; it affects not only the consumer of petrol but also the small trader. The big concerns like the Burma Shell will not be affected in the least. They will not have to pay the tax whereas the small traders—and their number is sufficiently large—the numerous agents of these big companies who are spread throughout the Province, will be the people who will be affected. They would have either to pay from their own pockets or levy this additional tax on the consumer. Naturally these traders will not pay from their own pockets and they will try to transfer it to the consumer. He will sell the petrol at a higher rate on account of the taxation and ultimately, therefore, it will be the consumer that will be forced to pay the tax.

“To say that it is after all a very small tax and that any consumer must be able to pay it, as the Hon. the Premier did in the course of the Budget speech, is not in keeping with the principle that this popular Government has adopted, namely, of taxing the rich to benefit the poorer sections of the people. I do not think that in this particular measure the Government are taxing the

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rich in order to benefit the poor. The merchants who would have to pay this tax are poor and they are a class by themselves; they are not very rich. The amount of money that they have to invest is large viewed from the amount they get as their return. Furthermore, they have to carry on the business on a basis of credit and have necessarily to take risks. They take to this because they have not got many avenues open to them for eking out their livelihood. When they take up this business, the companies do not hold themselves responsible for the risk that they undertake; they are only concerned with the cash that is due to them and no rebate is allowed to them to cover risks. It very often happens that the merchant is the loser; and if at all he makes any profit, he makes a very small profit. He is the person who will be affected; if he is not going to be affected and he is not going to pay this tax, he will pass it on to the consumer. Then the question arises, ‘Are we going by various means to increase the burden of taxation on the poor consumer?’

“One will see that the numerous taxes that this Government have proposed directly fall on the same set of individuals. The electricity tax and this tax will have to be paid by the same individual. People who have some small amount of money and who can afford to use electricity are also the very same people who can afford to have motor-cars. I do not think that it is advisable on the part of the Government to increase the burden of taxation on the same person. It should be remembered that it is the very same Congress party that made a promise to the tax-payer that they would not add to their burden and that they would reduce the burden. I would only like to ask whether and how they have reduced the burden on any of the tax-payers in this Province up to now. I do not think that they can make out any case to show that they have reduced a single pie of tax. On the other hand they are going on adding to the burden of the tax-payer by means of the various measures that they have been bringing in. I believe that through Prohibition they have a lost a good portion of the revenue—it might be 75 lakhs to-day, one crore the next year and three crores and a half the year after—and to off-set it, so the Premier has been saying, there is the betterment in the economic condition of the erstwhile drinkers; but in spite of it, I have to say that I do not find it anywhere stated or assured that the Government have reduced the burden of the tax-payer to any extent up till now. On the contrary they have been going on adding to the burden through one Bill after another. I do not think, Madam, it will be proper for the Government to select the same man for imposing this additional tax.

“Another thing, Madam, as was pointed out by my hon. Friend, Mr. Langley, is that the Government are not satisfied with the levy of an anna and a half per gallon but want yet more powers, a sort of blank cheque so to say, by which they can increase the rate of tax

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whenever they feel like doing it, and by executive act they wish to increase this tax without reference to the Legislature. I do think it is very wrong for the Government to want to take such powers. So long as the Legislature exists, they ought to come to the Legislature for any increase in taxation, and take the powers from the Legislature, and it is wrong for them to try to take this power of enhancing this tax on a future occasion.

"I find from the provisions of the Bill—it is not peculiar to this measure alone and I find it in every fiscal measure introduced by this Government—that criminal penalties have been imposed in case a tax-payer does not pay or refused to pay the tax. I think it is neither proper nor just for the Government to introduce a penal measure in a fiscal Bill like this. I think that when this Bill is considered by the Select Committee, they will give their best attention to this aspect of the question. I am afraid that it is not a proper thing for the Government to make a criminal of a tax-payer whereas you are only to ask him to pay additional taxes."

* SRI T. T. KRISHNAMACHARIAR:—"Madam, I wished not to interfere in this debate at least to belie the expectations of the Hon. the Leader of the House. But there seems to be a peculiar conspiracy between him and my constituency which has given me a mandate in respect of this matter before us and hence I am here to put forward the views of the community which I have the honour to represent."

"I wish to assure the Hon. the Premier through you that I shall not trot out the question of the consumer with regard to this measure before the House. It certainly will not be logical for any person who has known of the prices of petrol all these years, who knew that there was a time when petrol was selling at Re. 1-6-0 per gallon and the prices of petrol dropped down to the present rate, as the hon. the Muslim Member for the City of Madras represented, chiefly owing to the competition among the several distributors, to say that the consumer cannot bear the increase in price resulting from the proposed tax. What I am really concerned is not so much about the distributors of petrol or about the consumers but about the intermediaries who come within the scope of this particular Bill. They are in some cases fairly well-to-do; but in many cases as the previous speaker has mentioned, they are just the people who try to make a living by selling petrol. They are not very rich people and they enter into this business with the hope of making a hundred rupees or so per month. What really happens in this trade is that out of the two annas given by the petrol distributor to the retailer, one anna is given away to the consumer because of the competition that exists in the trade and the consumer gets the best of the bargain. With this one anna that is left to him, he has to cover himself against loss on credit sales, evaporation, and, in future, the cost of satisfying the official who will play the part of inquisitor according to the provisions of this Bill."

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"There is certainly one consoling feature in the otherwise bleak atmosphere. It is very unfortunate that we are bound by the provisions of Schedule VII of the Government of India Act. I wish this Government had the power to levy an excise duty in which case the Government would have been free to levy it from whom it likes and then it would be a matter between Mr. Langley's community and the Government, and people like me would have no place in the matter like the Bill before us. Unfortunately the Government of India Act had been framed by some persons who had vicious and devilish intentions behind their actions and here this Government have got to steer clear through the provisions of Schedule VII. We have not got a commerce clause just as in the American Constitution which would enable us to tide over the difficulties in respect of this small business. There is, as I said, one consoling feature. The hon. Member representing the planters said that the people whom the European group represented would be quite willing to co-operate with the Government. Their co-operation means something in that there is a possibility of their saying, 'We will compound, we will pay the tax on behalf of the retailer.' It will relieve the retail dealer of his duty of accounting and of inspection and the rest. The primary question is the question of credit and the risk that he takes upon himself. He has to pay this tax willy nilly and if he does not get the money back from the consumer, he is left high and dry for he would have paid the tax, the commission and the price of petrol."

"The other factor is that, I think, unconsciously, a popular Government which is pledged to help the Indian trader has been doing the reverse of it. By reason of the taxes imposed through the Motor Vehicles Taxation Act, the bus industry has gone out of individual hands and has got concentrated in the hands of a few big companies. I do not know if hon. Members are aware of the fact that as a result of the Motor Vehicles Taxation Act, in the place of the small individual owners of buses in the City, who have been driven out of their trade, two big companies have stepped in and I suspect that at the head of this company there are two big motor dealers. The Traffic Board honestly trying to do its best for the public has thought it fit to concentrate this business in the hands of a few companies. And what have they done? They have lowered the salaries of bus-drivers and they have driven the small man out of the business altogether; and a few days back in the Central Assembly, I heard the announcement made by the Commerce Member, Sir Thomas Stewart, that the Madras and Southern Mahratta Railway are acquiring an interest in a local bus concern. This Government's contribution to this state of things was not done with full knowledge of the facts and I am not accusing the Government of wilfully doing it; but that the small man has been driven out of the business altogether, as I said, nevertheless remains a fact."

"What will happen under this Bill if it is to stand as it is, unless the hon. Member representing the European planting community is

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7 p.m. going to implement the promise that he made and avoid all hardship to the small man by compounding the whole tax due to the Government by paying it direct to them, is that the small vendor of petrol will go. It will be concentrated in the hands of the bigger people and a monopoly system will spring up. Perhaps it will be even possible by reason of the taxation, that the distributing companies will take to retail trade; in that case, Government's task will be rendered easy.

"There is another matter mentioned by speakers before me and that is the question of the tax of 'one anna six pies' and the possibility of increasing that rate. As the Bill stands at present the Government can vary the rates at will. Finance Ministers are not always honest (laughter) and even well-meaning persons sometimes when they are in a desperate situation, seek desperate remedies, and it is quite possible that some future Finance Minister may decide to raise the tax to three annas per gallon. So I want a maximum to be fixed even if it is, say, two annas. You must tie the hands of your successor to prevent his raising the rate at will. These are the views that my constituency has asked to me to put before the Treasury Bench, and having done it, I have done my duty."

[At this stage the Speaker resumed the Chair.]

KUMARARAJA MUTHIAH CHETTIAR OF CHETTINAD:—"Mr. Speaker, the Hon. Mover of the Bill having had the advantage of a debate earlier in the evening over a taxation measure, in which how far the consumer is affected was discussed, was able to make a double-edged speech at the start. But I can assure him that the class of persons affected will be always the same class of people, the consumers. The whole thing turns upon the question whether any particular class of persons whom the Bill will directly affect, can stand the tax; if they can, by all means the Government will have a good chance; and the Opposition cannot, and as a matter of fact, nobody can, question it. Here, the Bill has not dealt with the question of this tax being borne by the producer or the main supplier of petrol. In the absence of that, we have to think that at present, as the prices stand, the Government do not consider the petrol industry fit to bear this taxation, or the motor car industry. Automatically it comes to this; whether the tax is one anna six pies or any other amount which may be levied, it will have to be borne by the public. It has been contended that the user of the bus will not be affected. But who are the owners of the bus? In spite of the fact that one or two bus companies have amalgamated or formed a joint-stock company, I feel I am right in saying that most of the buses in the Presidency are private and individual-owned; and many of them are persons belonging to the ordinary middle class, and there are many bus-drivers, inspectors and conductors, who depend on the financial stability of such private concerns. Already owing to the recent high taxation on motor

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vehicles these small private concerns have suffered from high taxation, and any new taxation like this will only affect the average private bus concerns. I am sure Government will come forward and say that the motor car is a luxury; the Congress party with its high ideals will not be a party to spend on motor cars unless they are convinced of its absolute necessity. That is an indication of the way in which they view things. Small concerns and businessmen have necessarily to carry on their affairs with the aid of motor cars, and as pointed out by the Automobile Association, a person who consumes 60 gallons of petrol a month will have to pay Rs. 75 extra an year, besides the other tax of Rs. 100 on motor car, which was levied in lieu of the toll-tax.

"The other thing that I want to say is the rate of tax mentioned in this Bill. It is mentioned that one and a half annas will be levied; but there is no guarantee that that will be the maximum. I should say the present Government have no intention of increasing the rate more. But what about the future Government? They have not tied the hands of the future Government. Therefore I suggest a maximum should be fixed and it should not be left merely to the rule-making powers.

"I also think there may be a graded system of tax on retailers. I saw in one part of the budget speech that the Government intend bringing forward a bill at a future date to levy a duty on general sales on a turnover basis. Evidently, the Hon. Premier has in mind a graded tax. If that is so, it is really a retail tax. Similarly, why not have one here also? I am glad this Bill has been drafted to appear to be a tax on retail trade only to conform to the decision of the Federal Court. I know there are to be two meters, one at the ports and the other at retail trade stations and the quantity imported and consumed will be calculated after making due allowances for evaporation, etc., on gallonage basis. I do not quarrel with that, because that is the only sensible way of doing it. But the Bill comes to be a tax on retail sales, though it is said that the tax will be collected at the port. If that is the intention of Government they ought to consider the capacity of the man concerned to pay. It is therefore, I say, that this tax should be a graded tax and also it should be collected on the wholesale business basis and not in the name of retail tax."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, I am very grateful for the observations made in the course of the debate on more than one point. I am very grateful, first of all, for the frank confirmation of my own belief that the passenger of the public bus and the public transport conveyance will not be affected by this tax. I am glad that no clouds have been raised in that connexion to confuse the public understanding. The Leader of the Opposition puts me a question which the Advocate-General of the Federation might put. He asks me to explain at once whether this really is not going to be a tax on the wholesale importer, manufacturer coming within the mischief of the Schedule of the Government of India

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Act, and whether this retail sale tax is not a mere camouflage. I have only one answer to him, and that is, that this question has been put by the Federal Advocate-General to the Federal Court Judges and they have replied, and it is wholly superfluous for me to repeat the answer which the learned judges have given already. If we depend on technical devices for the distribution of revenues, there is no question of equity involved and this technical distribution should be strictly interpreted, followed and enjoyed by one Government or other; there is no question of camouflage or subterfuge or anything of the kind; because it is not moral law that this tax should be taken by the Government of India and not by the provinces, nor the other way about. The Federal Judges have looked into the matter.

"That leads me to an observation of some interest, though not of much importance, made by Mr. Langley, that I should be grateful to the idea of Federation, because at least in this one particular, something good has been done by Federation's child, or one of Federation's children. (Laughter.)

"I am very grateful, but it is very elusive . . ."

7-15
p.m.

(At this stage all the electric lights and the microphone failed. The whole House was plunged in darkness amidst laughter.)

AN HON. MEMBER:—"Obviously this is no good omen for Federation."

MR. SPEAKER:—"All hon. Members and visitors will please remain in their seats."

(Some hon. Members waved lighted match sticks. Headlights of motor vehicles parked in the compound outside the House were switched on and directed towards the House. Two bicycle lamps were brought in.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"May I go on, Sir?"

MR. SPEAKER:—"Yes."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it was of a very vivid and doubtful character. It is something like a man treading on your foot and saying, 'I am very sorry, I beg your pardon,' and the man being grateful for that apology. We do not want this Federation, we do not want this restriction and having put up this restriction it was not positive kindness that was extended by the Federal Court in explaining away this restriction. That is only in answer to Mr. Langley's appeal to me to be grateful to the Federation.

"It was mentioned by the Leader of the Opposition that this tax will bear hard upon the retail dealers in petrol. I submit, Sir, that that claim is altogether wrong. This is a tax where the retail dealer will not suffer anything. It is certainly bound to be one anna . . ."

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KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"On a point of explanation, Sir. I did not say that it is affecting the retail traders. I said . . ."

[At this stage the lights were again on.] (Laughter.)

"Lights come in when I am speaking. (Laughter.) I did not say that the retail trader will be affected. I said, the small middle-class businessmen, the individual owners of buses will be affected and the middle class men will be affected."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, the Leader of the Opposition pleaded for the middle class as a whole. I think, Sir, that this is as misleading as it is unnecessary to talk of class in this connexion. We are not intending to tax the middle class as a whole, nor are we hopeful that we will relieve the poor people as a whole. We are only dealing with a few consumers and a few retailers. It is very, very insignificant in number and it is wholly ridiculous to talk of class in this connexion. If I use strong expressions it is because they are intended for the argument, because I want to make it clear. It is thus confusing our own understanding of a problem to imagine that we are doing anything to the whole class when we are doing something to A, B or C. It creates feelings which are not desirable. Therefore it is, I want to put it to this House in such strong expressions, even were such not warranted. This has nothing to do with any particular evil proposed to be inflicted on any particular class as a whole, the middle, or upper or under. These people who are dealing in the retail trade of petrol may come from the middle class, but the middle class is much larger than that number. These people who are dealing in the running of public motor conveyances may come from the middle class, but the middle class is far larger than those few people, those who are doing this business. There is no question of a class being affected and let us not confuse our minds with such problems.

"Let us take the case as it is. The consumer in all these cases will be affected and not the businessman. The retail dealer will not be affected in the least as Mr. T. T. Krishnamachariar tried to make out; oh, it was the Leader of the Opposition—I sometimes make mistakes between them for they so often go together in argument. The retail dealer will not be affected; if he is to be, it will be transferred to the consumer if he wishes. If, however, they compete with one another, retail dealers fight with one another among themselves and undercut one another in an unhealthy manner, we cannot help. We do not look to it, because, the wholesale dealers will not create retail dealers in that unhealthy quantity.

"As regards the bus transport people, the Leader of the Opposition's argument is that they should be given more support as this may affect them. Even there, Sir, it is undercutting that is at the bottom of the trouble. It is not possible that too many people can take up a particular business and thrive. There must be some stop

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somewhere and if, therefore, these people who turn their capital to the business of public transport will only consider how much it can bear and see the overhead charges and take into account this duty on petrol also, there would be no disaster to the small company which invests in public transport. Therefore, the plea really is not very strong in that respect.

“The real question is whether it is the last straw, as the hon. Mr. Langley very dexterously tried to make out. It is true that a straw may be the last straw, but it is not true that every straw is the last straw. That is my only answer to Mr. Langley’s argument. (Laughter.) The last straw case is so striking and so well-documented so to say, by an old series of fables and the like that it is attractive. But, I warn people against the fallacy of imagining that every time I put a straw on something it should be only the last straw and people should get frightened about that, their hair should stand on end and they should walk out into the ‘No’ lobby and desert the ‘Aye’ lobby. This is not the last straw, because I have proof. We shall say, ‘The prices have risen. Before these people got into a combine, there was fair competition. And before that, prices were higher and after that the prices were lower,’ and so on. Therefore we have seen the work of this last straw. We have it on the balance, the last straw, and we are not putting it on the back of this poor old camel. Therefore, it is I say that this 1½ annas cannot be the last straw on this camel.

“Then, Sir, it was said that bullock-carts use the road more. Why! We may say that the pedestrians use the road more and therefore they should be taxed and not the petrol importer or the petrol dealer or the petrol user, whoever he may be! I am so thoroughly against this self-sufficiency doctrine that I do not propose to deal with it more than by merely saying that I do not accept the proposition that this tax is a road tax. Therefore, it is not for me to divide it equitably among the various users of the road. If I may say so, all taxes are the same unless it is a particular cess or a particular subsidy. This tax on petrol is simply one of an indirect incidence. It is not, therefore, a question of who is using the road more. Of course, if we raise a supplementary demand, if we want a supplemental grant of some kind of cess in order that roads may be repaired, then it is for Mr. Langley to fight the bullock-cart man and the bullock-cart man to fight Mr. Langley and then we should decide fairly and justly in regard to the matter.

“Mr. Langley referred to the tolls. He said that tolls were abolished wrongly and instead of re-imposing tolls on the bullock-cart we are imposing some tax on petrol. It may be so. But, we are not yet convinced, Sir, that the toll should be replaced and that the bullock-cart man should really be taxed. Mr. Langley drew the picture with a thick brush that the bullock-cartman capitalist,—the man who holds a number of bullock-carts running

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on particular tracts—is a great criminal, who has escaped our revenue attention and that it is he that should be taxed and not the petrol consumer. Sir, if it was such a good business, I want to know why these people did not take up the bullock-cart business. (Laughter.) I do not grudge . . . (interruption by Mr. Kala Venkata Rao). I do not think the bullock-cart is really a profitable concern nor the men who employ a number of bullock-cartmen and bullocks and keep bullock-carts on such wholesale contract business are so large in number as to be a very good milch cow. No doubt if this Government want to seize them, as a matter of fact if it is possible to get something out of that imaginary or real individual, it does not matter; but there are so many who say that it does not really pay to direct our attention in that direction. If it does, if Mr. Langley proves it, either he will take over that business or we will take over that revenue. (Laughter.) Then, Sir, it was said by the Leader of the Opposition, ‘If it is really a retail tax, prove it by putting a graded tax on it.’ I have given a reason already. It won’t fall on the retail dealer. It has to go to the consumer and therefore there is no object in grading the tax. One dealer may sell 1,000 gallons and another dealer may sell 50 gallons, but it is the man who purchases who will pay. It would not be right to put a heavier tax on a 1,000-gallon dealer and a smaller tax on a 50-gallon dealer. This is perfectly simple and is comprehended in my previous answer.

“It was said by Mr. Abdul Hameed Khan, to whom it is ⁷⁻³⁰ given more than to anybody else to find fault with us, that he ^{p.m.} would appeal to the general electorate. He has pointed out, I cannot use strong language because he is not here (Voices: ‘He is here.’) (Loud laughter.) (At that time Mr. Hameed Khan was seen coming back to his seat from the Treasury benches) I wish he continued on this side (Renewed laughter) so that he may not put forward such arguments. Sir, he said: ‘This Government have not reduced the burden of taxation. It is wrong for them to claim that they have reduced the burden of taxation. They are simply doing the opposite, viz., they are increasing the taxes on some plea or other.’ And what are they doing with all this money? Pocketing it and going home? Certainly not. Therefore what are we doing with this increased taxation? Are we spending more? The same hon. Member will point out in the succeeding days of this debate that we have not done anything more for the people. Therefore what is the arithmetic of it? We have put more taxes and we have not spent more. Surely the hon. Member will not be so unreasonable as to think that we are stealing the money. Therefore some taxes must have been reduced. That is my inference in arithmetic. If we have increased the tax and if we have not spent it on the people, and if we have not stolen it, what has happened? We have not increased the salaries. The Non-Gazetted Officers’ Association,

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the Gazetted Officers' Association and the Indian Civil Service Association will prove it to the hilt that we have not increased their salaries. We have, if anything, reduced the salaries. Therefore what has been done with the money? It follows by the logic and the mathematics of it that we must have reduced taxation. But Mr. Abdul Hameed Khan continues to deny that fact by gestures if not by interruption (Laughter). He says that we have not reduced taxation. I say, we have. As he himself has pointed out, 'You have only introduced Prohibition: you have only prevented people from drinking,' we have done that. I say by preventing people from drinking, we have reduced taxation on these people. (Mr. Hameed Khan was seen shaking his head.) You cannot shake your head on that argument. That argument cannot be shaken by any amount of shaking of the head (Laughter). The extent that the man has not paid on a bottle of toddy or a dram of arrack, to that extent he has not paid into the coffers of the Government the tax that is due on that bottle of toddy or on that dram of arrack by way of direct taxation, by way of retail duty, by way of paying off a portion of the monopoly sale of the right to vend? That tax has certainly not been paid by him; it has gone to his wife; it has gone to his children. Therefore, we have not only reduced taxation, we have also seen to it that that money is used properly by him.

"Another hon. Member shakes his head saying apparently by gesture that our enforcement of Prohibition is not good enough and that that money is probably going to waste in some other way. With his co-operation we shall do our best to see that that money is not wasted, but comes home. But one thing is clear and that is that the argument adduced in this debate that taxation has not been reduced is not correct. It has been reduced by the abolition of the tax on drink. But, Sir, that is not the only thing. Have I not sung the song of the reduction of land revenue? Is that not taxation lowered? Is that not taxation reduced? Is it really by refusing to see the plain fact that hon. Members are going to argue that we have not reduced taxation; that we have increased taxation; that they are going to be taxed further and that having robbed the people of money, we have done nothing for the people? Sir, the whole mathematics of it is simply indefensible and I am sorry that the leader of a solid group produces such mathematics in an important debate. (Laughter.)

"Then, Sir, it was said that it is wrong to take the power to alter the tax in this manner. It is a detail, but yet, I may say the justification for it is plain enough even at this stage of the debate. Hon. Members are aware that this is a new tax and some of them have already drawn attention to the fact that the neighbouring Indian States may upset the balance with regard

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to this question so that we have to consider our neighbouring territories. Some provinces have introduced the tax at 2 annas and some are proposing to levy it at 1 anna and so on. This is not a thing that has yet settled down. Therefore it is that we have to keep a certain amount of margin in order to correct the thing, in order that there may be no disturbance of the equilibrium in this where uniformity is desirable. But it may be argued: 'Put a limit and then go along.' What is the limit for? The limit surely is automatically there. As has been very clearly pointed out, the limit can only be a limit for stupidity; it cannot be a limit for taxation. The Government cannot afford to put a tax which will reduce the business or the consumption itself."

Mr. W. K. M. Langley rose.

Mr. SPEAKER:—"Is it an argument or an explanation?"

Mr. W. K. M. LANGLEY:—"An enquiry, Sir. Do I understand the Hon. the Premier to give this House the assurance that the provision whereby the Government could make the taxation 1 anna and 6 pies or such other thing as they think fit is purely for the purpose of introducing equilibrium and stability into the taxation and for no other purpose?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I am not in a position to state that that is the only thing to be considered; but it is one of the important things to be taken into account.

"I wish to mention one or two more things. If Mr. Langley had waited for a minute it would not have been necessary for him to demand and to be denied this concession.

"There is another circumstance that might arise. Hon. Members are aware that, in totalling up the amount of straw on this camel, the European group have included the excise duty which the Central Government are levying on petrol at 10 annas on the gallon. Supposing we are able to put more consideration for the provinces into the mind of the Central Government and they reduce this 10 annas to 8 annas so that we may get more without disturbing the schedules of the Government of India Act, we would be entitled in the interests of good Government to take over that tax from the Central Government and put it on petrol sale here. It would therefore be necessary to meet such a contingency also; whereas, if a limit had been put according to the existing circumstances and without imagination, we would have to bring in a new Bill later on and we would not be able to drive a good bargain with the Finance Member of the Government of India. We should therefore have provisions which would meet every contingency. The real limit is what I am going to point out. The real limit is the amount of tax that the consumer can bear and the Government may well be presumed to be aware of the margin in

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that matter, because they would immediately lose : the very next month after they put a wrong tax, the consumption would go down and it would not be possible to get anything.

" I know, however, there is another argument: the consumption may not go down and yet it may not be right to allow the Government to tax up to a certain point. I say that that is not a thing that I can grant. If consumption cannot go down and will not go down up to a particular rate, it is open to the Government to go up to that rate and it is not right for the House to deny the Government the right to levy the tax up to that point.

" Then there is the question of fixing the upper limit. We may come to the House again and again, but I submit that the House should trust the Government in these matters. The rate of 1 anna 6 pies is not going to be varied to any large degree and the House should not ask that the Government should come over and over again before it and hold up the procedure of collection of revenue until a Bill is each time passed and all points are considered in connexion with it. As a matter of fact, in every revenue measure, it is necessary to allow this flexibility and elasticity to the Government. If, however, in the Select Committee we are convinced that an upper limit is absolutely necessary because they cannot trust the wisdom of this particular Government and that it might commit the mistake of putting a 12-anna rate upon a gallon if an upper limit is not fixed, I will have no objection to putting a limit, but it will be such a far limit that nothing would be gained by the House in that connexion. (Laughter.) Therefore, I submit it is not a very important point that was sought to be raised at this stage of the business.

" Sir, I do not think that I need take up any further time. I submit I have said enough to answer the major points raised in the debate and I do hope that the House will allow the Bill to go before the Select Committee."

Mr. SPEAKER:—" The question is that the Madras Sales of Motor Spirit Taxation Bill, 1939, be referred to a Select Committee consisting of—

- (1) Mr. G. E. Walker,
 - (2) Sri Diwan Bahadur A. Appadurai Pillai,
 - (3) Abdul Hameed Khan Sahib Bahadur,
 - (4) Basheer Ahmed Sayeed Sahib Bahadur,
 - (5) Sri V. M. Ramaswami Mudaliyar,
 - (6) Sri Kala Venkata Rao,
 - (7) Sri Gopavaram Venkata Reddi,
 - (8) Sri V. S. R. M. Valliappa Chettiyar, and
 - (9) The Hon. Sri C. Rajagopalachariar, the Hon. the Mover,
- with instructions to report before the 23rd February 1939."

The motion was put and carried.

Mr. SPEAKER:—" The Hon. the Prime Minister will be the Chairman of the Select Committee."

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(3) THE CANALS AND PUBLIC FERRIES (AMENDMENT) BILL, 1939.

* THE HON. MR. YAKUB HASAN:—" Sir, I beg to introduce a Bill^a further to amend the Canals and Public Ferries Act, 1890, for certain purposes and move—

' that the Bill be taken into consideration at once.'

" Sir, according to section 11 of Madras Act II of 1890, the management of any public ferry could be assigned to local boards and municipal councils. It is laid down therein that upon such assignment the revenue accruing from such ferry should be credited to the funds of such managing authority. But in the Government of India (Adaptation of Indian Laws) Order, 1937, that was issued early in 1937 by which all the laws were adapted, somehow or other this provision was omitted, viz., that ' in every such case the revenue accruing therefrom shall be credited to the funds of such managing authority '. The result of the omission of this provision was that the amount of tolls collected by the local boards or municipal councils becomes an item of provincial revenues and it cannot be made over to the local bodies without a vote of the Legislative Assembly. That is the position. In paragraph 4 (a) of the India and Burma (Transitory Provisions) Order in Council, it was laid down that the revenue that was assigned to a local body may continue to be assigned to that local body for two years from 1st April 1937.

" Under that provision we have been so long allowing the local bodies to use this revenue for their purposes, but that period will end on the 1st April 1939. That has given rise to the necessity of bringing in this amending Bill. I ask this House to take this Bill into consideration at once."

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

There being no amendments, the whole Bill was put and carried.

* THE HON. MR. YAKUB HASAN:—" Mr. Speaker, I beg to move—

' that the Bill be passed into law.'

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

^a Published in the Fort St. George Gazette, dated 31st January 1939.

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(4) THE MADRAS DISTRICT MUNICIPALITIES AND LOCAL BOARDS
(AMENDMENT) BILL, 1939.

THE HON. SRI B. GOPALA REDDI:—"I beg to introduce the Bill^a further to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920, for certain purposes and move—

'that the Bill be taken into consideration at once.'

"In moving so, Sir, I say that there is a *lacuna* in the District Municipalities and Local Boards Act, whereby a removed chairman or vice-chairman seeks re-election after removal. Under section 43 of the Local Boards Act, the Government can remove a president or a vice-president 'who wilfully omits or disobeys any rules or by-laws or regulations or abuses the powers vested in him.' For all those reasons we have power to remove the president or the vice-president and we can give him a reasonable time to offer explanation for the charges that are framed against him. If he gives no answers to those charges, then after careful consideration of the case by the Inspector's office and also by the Government, we decide to remove him. But there is nothing in the Local Boards Act or the District Municipalities Act to show that the removed man is not eligible to stand for re-election. So I call this a *lacuna*, and several instances have come to the notice of the Government where we have to take this procedure of removing him. Cases of this sort are pending before the Government for three or four months and finally if the Government in certain cases decide to remove the man from his presidentship or vice-presidentship, a fortnight from the date of his removal, the man becomes the president or the vice-president of the panchayat board or the district board, or the chairman or the vice-chairman of the municipality. I know of a case where a chairman was removed and he was re-elected and the Government had to take up the case under section 45 of the Local Boards Act whereby they superseded the whole council and put supersession into force for a period of two years. It is not a satisfactory state of affairs that the whole board should be penalized for the act of a single person who may have a majority to support him and who may decide to stand for re-election as long as the majority do not refuse to elect him. The effect of the existing section was that we had to pounce, in the particular case under reference, upon the whole board and had to supersede the board for a period of two years. So the action of the Government was made nugatory by the re-election of the president. So we want to remove this *lacuna* and for that purpose wish to amend the Act saying that the removed president or the vice-president shall not contest for re-election till the next general elections. We do not penalize him for all time

^a Published in the Fort St. George Gazette, dated 31st January 1939.

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to come. So it is a very legitimate and a very logical thing that the removed man should not be seeking re-election. That is the main point in the amendment.

"The second point is—it is also given in the Statement of Objects and Reasons—that some properties which belong to the Irrigation department are now being taxed. Under the City Municipal Act, there is a general exemption that such properties should not be taxed. We want to bring the District Municipalities and the Local Boards Act in line with the City Municipal Act, so that irrigation works vesting in the Crown including water-courses and lands and buildings adjacent to them may be exempt from municipal taxation. Hence this Bill with two clauses which appertain both to local boards and the district municipalities."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I am sorry I have to oppose this Bill particularly in so far as it refers to the re-election of the chairman or the vice-chairman. I am afraid the Hon. the Minister for Local Administration and the party to which he belongs have forgotten the very elementary principle of local self-government. They have forgotten what they have been saying all these years, and agitating for before they took up office. They now want to take away this elementary right of the majority to elect a new chairman or vice-chairman if they want to do so. Now the Government either on the recommendation of the Inspector of Local Boards or any other officer removes a particular chairman or a vice-chairman. I submit that procedure itself may not be altogether proper in all cases. Now they do not want to stop with this. They want to take away the right of the person so removed being re-elected by a majority. If the majority thinks that a particular man is the proper man, I do not know why the Government should prevent him from being re-elected. It is altogether wrong for the Government to bring forward a Bill of this sort taking away this elementary right of local self-governing institutions."

(The Hon. the Leader of the House and the hon. the Leader of the Opposition were conversing something across the table.)

MR. SPEAKER:—"I think no private conversation across the table could be allowed. The Speaker is not able to hear what the gentleman who is now speaking is saying."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I was saying that if a local board is so bad according to the Government as to elect a person whom the Government have by their own executive order removed from his place, what is the use of penalizing one person? The majority may elect another man in his place who may repeat the same thing. Therefore the only remedy is to supersede that body if the Government think that it is so bad. I

[Abdul Hameed Khan Sahib Bahadur] [20th February 1939]

know it is a wrong thing to do. But that is the only remedy that is open to the Government to adopt. My Hon. Friend the Minister for Local Administration said easily that there was only a *lacuna* and that he wanted to fill it up, and thought that such an explanation for introducing a measure of this sort could be easily swallowed by the Members of this House. He said it was a very simple thing. I submit it is not such a simple thing as my Hon. Friend imagines it to be. Now you are going to take away this very elementary right of the local self-governing institutions of electing their own chairman or vice-chairman by their majority. It is fundamentally a wrong principle not to allow a certain amount of independence to these institutions. I therefore hope the Hon. Minister for Local Administration will see the evil effects of this part of the Bill which he just now seeks to introduce and try to remove it even if he is able to get through with the other part of the Bill."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—

"Mr. Speaker, very rarely I had occasions of hearing what the Hon. the Minister for Local Administration had to say on matters concerning Local Self-Government, but I think that this Bill which he now seeks to introduce has taken me by surprise. I have always felt that though it is a difficult problem to control and administer the local boards' affairs, the Government need not get frightened at the vagaries of the local boards since they have the paramount power to rectify any wrongs that may be committed by them. However, I think they should not cripple the rights of the local boards. Already local self-government in this Province has receded very much and is going back to the position it occupied some twenty years ago, and now I think it is very rightly called the 'Local Administration' department. But I would submit that I am not blaming the Government for this. Circumstances have changed and the Government, the Inspector of Local Boards and panchayats and the district boards who have been largely responsible for the good and efficient administration of the affairs of the local boards, have been going back upon their policy of local self-government. Now this is also an attempt to go back upon their policy of local self-government. The Hon. Minister may have very sound reasons to bring forward this Bill and convince the Members of this House with regard to the necessity for a measure of this kind. But I would like to tell the Government that they need not be frightened at the fact of a particular board abusing its powers. It is not a thing which they cannot remedy. Let us assume that a particular person is removed from the office of chairman of a municipal council or the presidentship of a district board and that the district board or the municipal council is foolish enough to get that man re-elected because he has a solid majority behind it; if the allegations against that particular gentleman are so strong, then the Government can certainly

20th February 1939] [Kumararaja Muthiah Chettiyar]

remove him. But they should not presume that the particular man would have done so and remove him. I concede in certain cases that a Government Order removing a particular chairman is perfectly justified, and I am perfectly certain that whichever Government may be in office, with the help and assistance of the various civilian officers under them, who will make enquiries in advance, they will come to a right decision. If on enquiry it is proved that a particular person should no longer be the chairman of a municipal council and that he should be removed—it is a very serious decision—such a decision may be communicated to the municipal council concerned; and not a gentle reminder, but a strong reminder may be issued to the members of the municipal council not to elect that particular person immediately at least till he comes to his senses. If the municipal council is composed of people who are his docile supporters and therefore they are forced to elect him again, then the Government are not bereft of their power. If they think that the removal of such a gentleman will not do any good, then they can supersede such a council for a particular period, but until they decide to do so, they must ask the members of the council to elect another man. Though I am not opposing this Bill *in toto*, I only suggest these things to the Hon. Minister. I do not want to move any amendment because the chances of either my amendment being passed or the whole Bill being withdrawn on account of my opposition here are slender. Therefore I am not moving any amendment. I throw out a suggestion that there may be a time-limit fixed to prevent a man, who has been removed from his office of chairmanship or presidentship, from getting re-elected until a particular time elapses."

The House then adjourned to meet again at 3 p.m. on Wednesday, the 22nd February 1939.

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

^a Notification appended to G.O. No. 3135, Development, dated the 19th December 1938, confirming an amendment to the Madras Commercial Crops Markets (Election) Rules, 1935.

^a Notification appended to G.O. No. 27, Development, dated the 5th January 1939, confirming an amendment to rule XXII of the rules issued under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932).

[20th February 1939]

APPENDIX I.

[Vide answer to unstarred question No. 213 asked by Sri Grandhi Venkata Reddi at the meeting of the Legislative Assembly held on the 20th February 1939; page 15 supra.]

Statement showing the sentences awarded to persons convicted in connexion with the Anti-Hindustani agitation.

Number of persons.	Nature of sentence awarded.
5	Two weeks rigorous imprisonment.
1	Six weeks rigorous imprisonment.
7	Three months rigorous imprisonment.
3	Four months simple imprisonment.
149	Four months rigorous imprisonment.
32	Five months rigorous imprisonment.
2	Six months simple imprisonment.
131	Six months rigorous imprisonment.
1	Nine months rigorous imprisonment.
1	One year rigorous imprisonment.
2	Eighteen months rigorous imprisonment [convicted for offences under sections 153-A and 505 (c), Indian Penal Code].
1	Three years rigorous imprisonment [convicted for offences under sections 153-A and 505 (c), Indian Penal Code].
26	Fine Rs. 50, in default six weeks rigorous imprisonment.
13	Do. six weeks simple imprisonment.
26	Do. one month rigorous imprisonment.
1	Fine Rs. 250, in default six weeks rigorous imprisonment.
2	Fine Rs. 50, in default six weeks rigorous imprisonment and fine Rs. 50 in default one month rigorous imprisonment.
2	Fine Rs. 100, in default two months rigorous imprisonment.
1	One month simple imprisonment and fine Rs. 300, in default three months simple imprisonment.
4	Fine Rs. 50, in default fifteen days simple imprisonment.
4	Six months rigorous imprisonment and fine Rs. 15 in default six weeks rigorous imprisonment.
4	Six months rigorous imprisonment and fine Rs. 500 or six weeks rigorous imprisonment.
57	Six months rigorous imprisonment and fine Rs. 50 or six weeks rigorous imprisonment.
4	Six months rigorous imprisonment and fine Rs. 10 or six weeks rigorous imprisonment.
6	Six months rigorous imprisonment and fine Rs. 20 or six weeks rigorous imprisonment.
3	Six months rigorous imprisonment and fine Rs. 50 or six weeks simple imprisonment.
6	Six months simple imprisonment and fine Rs. 50 or six weeks simple imprisonment.
1	One year rigorous imprisonment and fine Rs. 2,000 or one year rigorous imprisonment.
2	Fine Rs. 10 or one week rigorous imprisonment and to furnish security by entering into a bond for Rs. 25 with one surety for Rs. 25 or six months simple imprisonment.
7	One month rigorous imprisonment; to furnish security by entering into a bond for Rs. 25 with one surety for Rs. 25 or six months simple imprisonment and fine Re. 1, in default one day rigorous imprisonment.
3	One month rigorous imprisonment; to furnish security by entering into a bond for Rs. 25 with one surety for Rs. 25 or six months simple imprisonment.

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APPENDIX II.

[Vide answer to unstarred question No. 233 asked by Sri K. V. R. Swami at the meeting of the Legislative Assembly held on the 20th February 1939, page 24 supra.]

Report of the Collector of East Godavari.

I enclose a statement showing the names of villages and the number of wells sunk in each village in this district since the Labour Department was started and the expenditure incurred on those works up to the end of 1936-37 and the amounts sanctioned on the works under execution in 1937-38. The total number of wells sunk for the entire period including 1937-38 is 310 and the total expenditure on them is Rs. 97,536-10-1.

2. All the well works found to be necessary in Amalapur, Razole, Ramachendrapur and Cocanada taluks which are completed areas have been carried out. Investigation into the requirements of the Depressed Classes cherries has been completed in the taluks of Rajahmundry and Peddapur (proper) in 21 out of 77 villages in Prathipadu Sub-taluk of Peddapur taluk, in 28 villages out of 42 villages in Peddapur taluk and in one village out of 53 villages of Tuni taluk. Sixty-one wells have to be provided in the villages of the above taluks where investigation has been completed. The information called for cannot be furnished in respect of the remaining 122 villages where investigation has still to be finished.

Statement showing the names of villages in the East Godavari district and the number of wells sunk by the Labour department in each since the inception of the department.

Name of the village.	Number of wells.	Amount spent.	Name of the village.	Number of wells.	Amount spent.
<i>Amalapuram taluk.</i>					
		RS. A. P.			RS. A. P.
Ainavilli Pedalanka-			Challapalli Uramala-		
Malapalli ..	1	282 0 0	palli ..	1	34 0 8
Kesanakurru ..	5	1,096 0 0	Mattalacheruvu ..	1	41 0 0
Muramalla ..	1	550 0 0	Malapalli ..	1	36 8 0
Uppalaguptam ..	1	498 0 0	Chintalacheruvu ..	1	40 7 0
Nallamilli ..	2	71 2 0	Malapalli ..	1	170 0 0
Bandarulanka ..	1	36 8 0	Jaggara Malapalli ..	1	96 0 0
Dontikurru Seetan-	1	117 14 0	Annampalli ..	1	38 0 0
nacheruvu ..	3	152 7 0	Uppudi ..	1	38 0 0
Ceddananapalli Battu-			Valaparru ..	1	59 0 0
cheruvu ..	1	41 7 0	Sakurru ..	1	746 0 0
Mamillacheruvu ..	1	36 6 0	Chirrayanam ..	2	420 0 0
Kundaleswaram ..	1	53 0 0	Velavalapalli ..	5	278 0 0
Nadavapalli ..	1	39 0 0	Ainapuram ..	3	141 0 0
Tottaramudi ..	1	39 10 0	Pullimkurru ..	1	34 0 0
Bhimanapalli ..	1	36 0 0	Surasaniyanam ..	1	49 0 0
Patalladibba ..	1	31 8 0	Allavaram ..	1	444 0 0
			Potharaju tota ..		
			Allavaram ..		

[20th February 1939]

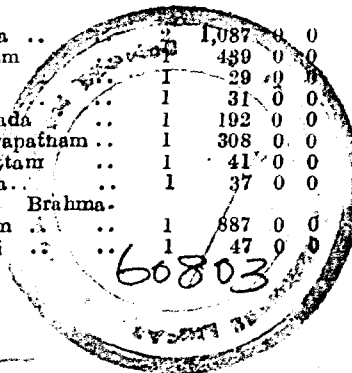
Name of the village.	Number of wells.	Amount spent.	Name of the village.	Number of wells.	Amount spent.
<i>Amalapuram taluk—cont.</i>					
		RS. A. P.			RS. A. P.
Peruru	1	48 0 0	Kamini-Yelakallan-		
Magam	1	40 0 0	ka Peda Mala-		
Uppalaguptam			palli	1	530 0 0
Yerakaducheruvu.	1	39 0 0	Kordukuduru		
Tottaramudi ..	1	36 0 0	Gundammara-		
Magam	1	43 0 0	kamalapalli ..	1	608 0 0
Gedda apalle ..	1	103 0 0	Kothalanka ..	1	35 0 0
Dontikurru ..	1	102 0 0	Komanapalli Molli-		
Katrenikona ..	2	10 0 0	varipalem ..	1	40 0 0
Vetlapalem ..	1	55 0 0	Kesanakurru ..	3	135 0 0
Ana havaram ..	1	47 0 0	Amal pur ..	2	80 0 0
Katrenikona ..	2	100 0 0	Perur Tadigunta		
Settipalli ..	1	48 0 0	Meraka ..	1	40 0 0
Tandavapalli ..	1	46 8 0	Ambajipeta ..	1	45 0 0
Uppucheruvu-			Anathavaram		
Malapalli ..			School com-		
Uramalipalli ..	1	46 8 0	pound	2	90 0 0
Burug cheruvu			Abajipeta ..	1	40 0 0
Malapalli ..	1	46 8 0	Tot aramudi ..	1	542 0 0
Vilasavilli ..	1	48 0 0	Amal pur ..	6	147 0 0
Vilasavilli ..	1	45 0 0	Anathavaram ..	1	45 0 0
Bod sakurru Deva-			Ku chevallamala-		
lanka Malapalli.	1	53 0 0	palli	1	50 0 0
Vilasavilli ..	1	57 0 0	Pettavallamala-		
Amalapur hindada			palli		
extension ..	3	137 0 0	Anathavaram		
Cheyvoru ..	1	42 0 0	Madigas ..	1	50 0 0
Kamini	2	1,168 0 0	Devaguptam		
Bod sakurru ..	1	324 0 0	Ravulapalem		
Chintamalanka ..	1	466 0 0	Malapalli ..	1	50 0 0
Tillakuppa ..	1	339 0 0	Allavaram ..	1	50 0 0
Gadilanka ..	1	289 0 0	Pallamkurru Vara-		
Nadava alli ..	1	158 0 0	gala	1	50 0 0
Ainaruram Lingam-			Tottaramudi Ganti-		
thattu cheruvu.	1	54 0 0	vanipeta ..	1	472 0 0
Kun varam ..	4	146 0 0	Bhimanapalli ..	1	50 0 0
Amalapur S No. 129.	1	40 0 0	Amalapur ..	1	50 0 0
Amalapur Kothapeta			Irusumanda Sunda-		
Mal palli ..	1	40 0 0	pea Malapalli ..	1	50 0 0
Amalapur Kothapeta-			Vakkalanka ..	1	48 0 0
Malapalli ..	1	40 0 0	Anathavaram Peyya-		
Veervallipalem ..	1	500 0 0	lavallamalapalli.	1	40 0 0
Devagun am ..	3	149 0 0	Yedurlanka ..	1	50 0 0
Veervallipalem ..	1	400 0 0	Mokkal. tippa ..	1	40 0 0
Katrenikona ..	2	96 0 0	Tanelanka ..		
Yerragaruvu ..	4	157 0 0	Mukkamala ..	1	540 0 0
Veluvalapalli ..	1	380 0 0	Gudala ..	1	40 0 0
Ainapuram ..	4	220 0 0	Tandavapalli ..	1	40 0 0
Allavaram ..	1	49 0 0	Janupalli ..	2	87 0 0
Tottaramudi, Pun-			Cheyveru ..	2	78 0 0
malapalli ..	1	495 0 0	Tanelanka ..		
Tot. ramudi ..	1	513 0 0	Pedamalapalli ..	1	560 0 0
Pallipalem (H) of			Tanelanka ..	1	50 0 0
Mummidivaram.	2	1,041 0 0	Sanapallilanka ..	1	40 0 0
Bandaru anka ..	2	65 0 0	Pallamkurru ..	1	38 0 0
Kondukud. ru ..	2	68 0 0	Gollagaruvu (H) ..		
Amal pur ..	1	29 0 0	Katrenikona Chila-		
Pallipalem (H) of			kayacheruvu ..	1	37 0 0
Mummidivaram.	1	29 0 0	Pallamkurru Chin-		
			talacheruvu		
			Malapalli ..	1	538 0 0

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Name of the village.	Number of wells.	Amount spent.	Name of the village.	Number of wells.	Amount spent.
<i>Amalapuram taluk—cont.</i>					
		RS. A. P.			RS. A. P.
Anathavaram ..	1	50 0 0	Pallamkurru		
Kothalanka ..			Varagala ..	1	40 0 0
Karrivani Cheru-	1	325 0 0	Ainavilli ..	1	656 0 0
vu			Ainapuram ..	1	565 0 0
Pallamkurru			Veluvalapalli ..	1	50 0 0
(Veedhivalla-	1	315 0 0	Tanelanka Chica-		
malapalli).			malapalli ..	1	514 0 0
Komara.iri ..	1	411 0 0	Vakkalanka ..	1	564 0 0
Amalapur Kaman-			Vakkalanka Gani-		
nagaruvu ..	1	100 0 0	settivaripeta ..	1	549 0 0
<i>Razole taluk.</i>					
Gannavaram ..	1	494 0 0	Kothapeta Gogu-		
Narendrapuram ..	6	396 0 0	vallamalapalli ..	1	483 0 0
Makanapalem ..	1	210 0 0	Avidi	1	360 0 0
Idarada ..	1	35 0 0	Goganamattam ..	1	538 0 0
Kothapeta ..	1	50 0 0	Kothapeta Reddep-		
Vygreswaram ..	1	348 0 0	pagari Mala-		
Tondavaram ..	1	115 0 0	palli	1	50 0 0
Ponnam. nda ..	1	500 0 0	Pulletikurru ..	1	586 0 0
Pallipalem (H) of			Chintalapalli ..	1	409 0 0
Gudapalli ..	1	50 0 0	Kothapeta Reddep-		
Pulletikurru ..	1	350 0 0	pagari Mala-		
Delta Gannavanam.	1	430 0 0	palli	1	60 0 0
Kothapeta Kaminj-			Itakota	1	429 0 0
reddipalem ..	1	552 0 0			
<i>Ramachandrapuram taluk.</i>					
Medapadu ..	2	408 0 0	Dwarapudi ..	1	394 0 0
Ramachendrapur.	1	87 0 0	Addampalli ..	3	278 0 0
Vegayanapeta ..	1	239 0 0	Jagannaikula-		
Kapavaram ..	1	199 1 8	palem	1	310 0 0
Draksharama			Dwarapudi ..	1	370 0 0
Mandamalapalli.	1	503 0 0	Venkatayapalem ..	1	41 0 0
Mosulapalli Seri-			Yenamodala ..	2	74 0 0
lanka Malapalli.	1	490 0 0	Alamuru ..		
Korumilli ..			Penikeru ..	1	306 0 0
Addankivarilanka.	1	650 0 0	Picavole ..	1	587 0 0
Pedaparti ..	1	425 0 0	Kulla	1	543 0 0
Yedida ..	1	580 0 0	K. pileswarapuram.	1	400 0 0
Dwarapudi ..	1	600 0 0	Venkatayapalem ..	1	60 0 0
Korumilli ..	1	739 0 0	Kunduru ..	1	550 0 0
Amzuru ..	2	1,088 0 0	Draksharama-		
Kunduru ..	1	50 0 0	Tot. peta Mala-		
Bollanka ..	1	703 0 0	palli	1	542 0 0
Kutukuluru ..	1	500 0 0	Pekeru	1	214 0 0
Vunduru ..	1	506 0 0			
<i>Cocanada taluk.</i>					
Medapadu ..	1	251 0 0	Solapaka ..		
Kapulapalem ..	1	236 0 0	Siripuram ..		
Coringa Sitaram-	1	240 0 0	Coringa ..		
puram ..			Karapa ..		
Matlapalem ..	1	23 0 0	Cheduvada ..	1	192 0 0
Suryaraopeta ..	1	409 0 0	Madhavapatham ..	1	308 0 0
Gudarigunta ..	2	984 0 0	Aryavattam ..	1	41 0 0
			Kolanka ..	1	37 0 0
	1	426 0 0	Peda Brahma-		
	1	30 0 0	devam ..	1	887 0 0
	1	30 0 0	Turangi ..	1	47 0 0

Y20, 31/2/39

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[20th February 1939]

Name of the village.	Number of wells.	Amount spent.	Name of the village.	Number of wells.	Amount spent.
<i>Cocanada taluk—cont.</i>					
		RS. A. P.			RS. A. P.
Venkatakrishna- puram ..	1	234 0 0	Pillanka ..	1	525 0 0
Suryaopeta ..	1	326 0 0	Matukumilli ..	1	50 0 0
Vadapeta ..	1	326 0 0	Timmapuram ..	1	297 0 0
Aryavattam ..	1	510 0 0	Coringa ..	1	80 0 0

<i>Rajahmundry taluk.</i>					
Bommuru ..	1	1,151 0 0	Vemagiri ..	2	1,100 0 0
Morampudi ..	1	1,140 0 0	Namavaram ..	1	1,286 0 0
Gadala ..	1	1,110 0 0	G. Yerrampalem ..	1	959 0 0
G. Yerrampalem ..	1	935 0 0	Hundeswarapuram ..	1	420 0 0
Mukkinadapakalu ..	1	2,332 0 0	Tungapadu ..	1	2,393 0 0
Katavaram ..	1	530 0 0	East Gonagudem ..	1	565 0 0
Mukkinada ..	1	1,252 0 0	Radheyapalem (H) of Tungapadu ..	1	2,500 0 0
Duppalapudi ..	1	1,191 0 0	Burugupudi ..	1	1,038 0 0
Mallampudi ..	1	2,371 0 0	Irlankapalli ..	1	665 2 0
Singavaram ..	1	330 0 0	Tantikonda ..	1	518 9 0
Punyakshetram ..	1	299 3 6			
		150 0 0			

<i>Peddapuram taluk.</i>					
Mallepalli ..	1	307 0 0	Rangapuram ..	1	657 0 0
A. Annavaram ..	1	379 0 0	China Brahma- devam ..	1	1,081 0 0
Kapavaram Gan- gulavaripakalu ..	1	488 0 0	China Brahma- devam ..	1	961 0 0
A. Annavaram ..	1	385 0 0	Veerampalem ..	1	2,143 0 0
Doddigunta ..	1	1,418 0 0	Pedarayavaram ..	1	1,347 0 0
Anur ..	1	1,417 0 0	Pata Nayakam- palli ..	1	980 0 0
Tirupati ..	1	303 12 0	Kothuru near Jag- gampeta ..	1	589 0 0
Kotapadu ..	1	1,165 0 0	N. Tirupati Raja- puram ..	1	1,027 15 3
Singarampalem ..	1	592 8 0	Nallamilli ..	1	240 0 0
Punyakshetram ..	1	941 10 0	Routulapudi ..	1	658 0 0
Kotha Nayakam- palli ..	1	180 0 0			
Singampalli ..	1	489 0 0			
Ragampeta ..	1	185 0 0			
		649 0 0			

Under construction for 1937-38.

				RS. A. P.
1 Pentapalli ..	1	300 0 0		
2 Manyamvaripalem ..	1	100 0 0		
3 Machavallapakalu ..	1	60 0 0		
4 Govindapuram ..	1	100 0 0		
5 Vommangi ..	1	395 0 0		
6 Gadarada ..	1	980 0 0		
7 Mariveedu (Boring) ..	1	400 0 0		
8 Mallavaram (Boring) ..	1	520 0 0		

Total .. 2,855 0 0

<i>Talukwar totals.</i>				
Amalapuram taluk ..	170	24,522 14 8		
Razole taluk ..	25	6,415 0 0		
Ramachendrapuram taluk ..	35	13,115 1 8		
Cocanda taluk ..	28	7,749 0 0		
Rajahmundry taluk ..	21	24,265 12 6		
Peddapuram taluk ..	23	18,583 13 3		
(1937-38) ..	8	2,855 0 0		

Grand total .. 310 97,536 10 1

20th February 1939]

APPENDIX III.

[Vide answer to unstarred question No. 239 asked by Sri V. S. R. M. Valliappa Chettiyar at the meeting of the Legislative Assembly held on the 20th February 1939, page 27 supra.]

List of panchayat boards, the annual income of which is Rs. 10,000 and more.

Kistna district—	Ramnad district—cont.
Nuzvid.	Manamadura.
West Godavari district—	Nattarasankottai.
Bhimavaram.	Tirupattur.
Narsapur.	Kanadukathan.
Penugonda.	Pallathur.
Tanuku.	Sattur.
Anantapur district—	Rajapalayam.
Gooty.	Tinnavelly district—
Guntakal.	Tenkasi.
Chittoor district—	Koipatti.
Kalahasti.	Ambasamudram.
Tiruttani.	South Kanara district—
Madanapalle.	Nil.
Kurnool district—	South Arcot district—
Nil.	Tindivanam.
Bellary district—	Tirukkottai.
Nil.	Coimbatore district—
Cuddapah district—	Avanashi.
Jammalamadugu.	Mettupalayam.
Vizagapatam district—	Kollegal.
Salur.	Gobichettipalayam.
Bobbili.	Salem district—
Parvatipur.	Dharmapuri.
Ichchapur.	Krishnagiri.
East Godavari district—	Namakkal.
Mandapeta.	Rasipuram.
Samalkot.	Yercaud.
Pithapuram.	Tiruchengode.
Tuni.	Malabar district—
Amalapuram.	Badagara.
Guntur district—	Chingleput district—
Chebrolu.	Alandur.
Nellore district—	Sembiam.
Kavali.	Tiruvottiyur.
Tanjore district—	Poonamallee.
Shiyali.	Tiruvellore.
Madura district—	Nilgiris district—
Chinnamanoor.	Nil.
Cumbam.	North Arcot district—
Ramnad district—	Arkonam.
Aruppukottai.	Arni.
Kamuthi.	Ambur.
Ramnad.	Arcot.
Rameswaram.	Ranipet.
Paramagudi.	Trichinopoly district—
Ilayangudi.	Kulittalai.
Sivaganga.	Manapalai.

THE MADRAS LEGISLATIVE ASSEMBLY.

Wednesday, 22nd February 1939.

The House met in the Assembly Building, Chempauk, at three of the clock, Mr. Speaker (THE HON. SRI B. SAMBAMURTI) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Representation of Muslims and other minority communities in Government service.

* 707 Q.—K. ABDUR RAHMAN KHAN SAHIB BAHADUR: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government have considered the representations made by several hon. Members of this House during their speeches on the Budget this year in regard to the representation of Muslims and other minorities in Government service; and

(b) whether the Government contemplate adopting any effective measures for removing the disparity in the representation of various communities in Government service?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) & (b) Appointments to the public services are made according to the communal rule from members of the different communities of the Province, so far as suitable and qualified candidates are available for such appointments. Existing incumbents are not made to vacate. Government have already taken all reasonable steps in the direction stated.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I ask whether the Government have issued a communiqué recently on the question of the representation of Muslims in the services?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Yes, Sir.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I ask, Sir, whether that communiqué does not show that the rise in the percentage of Muslims in gazetted service is 2 per cent and odd and that it will take ten years or more to fill up the deficiency?”

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THE HON. SRI C. RAJAGOPALACHARIAR:—"The hon. Member is right in drawing attention to the particular percentage, but he must remember that it is the percentage of population and not of educated, qualified and suitable candidates available. Also he should remember that the existing incumbents cannot be made to vacate however desirable the ultimate object may be."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"With reference to the communiqué mentioned by me just now, may I know from the Hon. the Prime Minister whether the Government have got any statistics to show that higher education among the Muslims is not adequate enough to enable them to be appointed to the various services under the Government?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"As I understand it, Sir, it is a standing demand on the part of the Muslim community that further facilities should be given to them for the purpose of higher education and from that it can be inferred that they are not up to the mark."

Reduction in the allotment for special rewards to the staff of the Criminal Investigation Department.

* 708 Q.—SRI V. VENKATASUBBAYYA: Will the Hon. the Prime Minister be pleased to state—

(a) what the amount allotted to the Criminal Investigation Department for special rewards during each of the years 1934 to 1938 was;

(b) whether the whole amount of allotment was spent each year or whether there were any balances in any year;

(c) if there were any balances unspent, what the amounts were and in what years;

(d) whether there is any proposal to reduce the allotment under this head in future; and

(e) to whom the special rewards are given and for what purpose?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) to (e) It is not in the public interest to give the details asked for in connexion with the Criminal Intelligence Department. I may assure the hon. Member that no officers of the Criminal Intelligence Department have been granted rewards for work in any political case since 15th July 1937."

SRI E. KANNAN:—"May I ask, Sir, whether any such reward was given before that date?"

MR. SPEAKER:—"That does not arise."

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Basis for the calculation of the amount of remission to be granted to the agriculturists.

* 709 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that during the resettlement crop experiments were conducted for assessing revenue on lands and for ascertaining the data for such assessment;

(b) why the said data are not followed for the valuation of the crops in the field in order to determine the amount of remission; and

(c) whether the Government will be pleased to apply this data for the purpose of valuation of the crops as a special case at least this year for the purpose of giving adequate relief and remission to the agriculturists?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" (a) Crop experiments were not conducted at the time of resettlements but at the time of the initial settlements.

" (b) & (c) The Government do not consider that the suggestion is practicable."

Restoration of the ruined minor irrigation tanks in Dharmapuri and Harur taluks.

* 710 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) how many ruined minor irrigation tanks are in existence in Dharmapuri and Harur taluks; and

(b) whether the Government contemplate restoring the ruined tanks and allotting necessary funds for the same in the next year's budget?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" (a) The Government have called for a report.

" (b) The question does not arise."

Reasons, if any, for dropping the proposal to restore the ruined tank in Annamalaihalli village, Dharmapuri taluk.

* 711 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that there is a ruined tank in Annamalaihalli village in Dharmapuri taluk;

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(b) whether it is a fact that the said tank was at one time contemplated to be restored; and

(c) if the answer to clause (b) is in the affirmative, what the reasons for dropping the restoration of the said ruined tank are?

THE HON. MR. YAKUB HASAN:—“(a) to (c) The Government have no information but have called for a report.”

Construction of an embankment near Balaga in Chicacole Municipality to prevent erosion by the river Nagavalli.

* 712 Q.—SRI C. NARASIMHAM: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that when the Minister for Public Works visited Chicacole, mahazars were presented to him requesting the Government to take immediate steps for constructing a strong masonry wall in the river Nagavalli, near Balaga in Chicacole Municipality, to prevent erosion and avert the danger of that portion of the town being washed away; and

(b) if so, whether the Government have arrived at any decision in the matter?

THE HON. MR. YAKUB HASAN:—“(a) The answer is in the affirmative,

“(b) The Government have called for and are awaiting a report from the Chief Engineer for Irrigation on the representation made by the Chicacole Municipality.”

Fees for the Public Prosecutors in the Presidency.

* 713 Q.—SRI K. VENKATAPPAYYA: Will the Hon. the Minister for Law be pleased to state—

(a) the amount of the daily fees fixed for Public Prosecutors in the Presidency; and

(b) whether the Government propose to reduce the same?

AHMAD THAMBI MUHAMMAD MOHIDEEN MARACAIR SAHIB BAHADUR (Parliamentary Secretary) on behalf of the Hon. Dr. P. Subbarayan:—“(a) The maximum fee payable to a mufassal Public Prosecutor is Rs. 35 for each case which does not last for more than a day, if it is conducted in the headquarters. When a case lasts for more than one day, the maximum fee permissible is Rs. 35 for each day or part of the day during which the Public Prosecutor has been engaged in court upon the case. The fee is to be graduated with due regard to the merits of each case,

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the length of time taken in its disposal, the number of witnesses examined and its result. For conducting criminal cases in outlying stations Public Prosecutors are allowed a fee of Rs. 50 for each day spent in court or occupied in travelling. The Public Prosecutor, Madras, is paid a daily fee of Rs. 175 for the period of his necessary absence from Madras when he is directed to appear on behalf of the Government in mufassal courts.

“(b) The question is under consideration.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“Among the many items taken into consideration in fixing the fees, I believe the hon. the Parliamentary Secretary included the result of the case as well. May I ask, Sir, whether the Government consider it advisable that the result of a case also should be made the basis in fixing the fee payable to a Public Prosecutor?”

AHMAD THAMBI MUHAMMAD MOHIDEEN MARACAIR SAHIB BAHADUR:—“The fee is not fixed on the basis of the result of a case.”

Number and names of the civil courts proposed to be abolished.

* 714 Q.—SRI K. VENKATAPPAYYA: Will the Hon. the Minister for Law be pleased to state the number of civil courts proposed to be abolished and the names of the same?

AHMAD THAMBI MUHAMMAD MOHIDEEN MARACAIR SAHIB BAHADUR (Parliamentary Secretary) on behalf of the Hon. Dr. P. Subbarayan:—“The following are the permanent and temporary courts, for the abolition of which orders have been passed:—

Permanent Courts—

- (1) The Additional Sub-Court, Tirunelveli.
- (2) The Sub-Court, Tiruvarur.
- (3) The Sub-Court, Tellicherry.
- (4) The Small Causes Court, Trichinopoly.
- (5) The Additional District Munsif's Court, Masulipatam.
- (6) The Sub-Court, Chingleput.

Temporary Courts—

- (1) The Additional Sub-Court, Ellore.
- (2) The Additional Sub-Court, Devakottah.
- (3) The Additional District Munsif's Court, Ongole.

In addition to these, Government are considering the general possibility of the reduction of the number of courts in other districts.”

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SRI P. R. K. SARMA:—" May I know whether there is any proposal to abolish the District Court of East Tanjore situated at Negapatam? "

AHMAD THAMBI MUHAMMAD MOHIDEEN MARACAIR SAHIB BAHADUR:—" There is no such proposal at present."

Scales of pay for Sanitary Inspectors under local boards.

* 715 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Public Health be pleased to state the scales of pay sanctioned by the present Government for Sanitary Inspectors under the local bodies?

THE HON. DR. T. S. S. RAJAN:—" The scale of pay for the Sanitary Inspector employed by district boards and municipal councils is Rs. 55—5/2—85—4/2—105.

" No scale of pay has been fixed for the Sanitary Inspectors employed by the Panchayat Boards."

SRI S. NAGAPPA:—" May I know whether the Government have fixed any scale for sweepers and scavengers who have more responsible duties to do in regard to the sanitation of the locality than Sanitary Inspectors? "

THE HON. DR. T. S. S. RAJAN:—" They do not come within the ambit of this question, Sir."

Mortality from vaccination in the Province, City of Madras, and the Nellore Municipality in the last three years.

* 716 Q.—SRI V. VENKATASUBBAYYA: Will the Hon. the Minister for Public Health be pleased to state the number of deaths from vaccination during the years 1936, 1937 and 1938, respectively—

(i) in the Province;

(ii) in the City of Madras; and

(iii) in the Nellore Municipality?

THE HON. DR. T. S. S. RAJAN:—" (i) No statistics are available.

" (ii) & (iii) There was no death from vaccination either in Madras City or in Nellore Municipality during the years 1936, 1937 and 1938."

SRI V. VENKATASUBBAYYA:—" May I ask, Sir, whether any records are kept at all showing the deaths from vaccination? "

THE HON. DR. T. S. S. RAJAN:—" There is no separate record of deaths from vaccination; but if deaths occur they are recorded."

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SRI V. VENKATASUBBAYYA:—" May I ask whether there is any provision to record cases of death from vaccination as there is provision for recording cases of death from malaria, dysentery and so on? "

THE HON. DR. T. S. S. RAJAN:—" Yes, if deaths occur on account of vaccination they would be recorded as such."

SRI V. VENKATASUBBAYYA:—" May I ask whether there are any specific columns in the Death Registers and other statistics registers to show deaths from vaccination? "

THE HON. DR. T. S. S. RAJAN:—" Considering the absence of any deaths from that cause so far, I do not think that any such column is necessary!"

SRI V. VENKATASUBBAYYA:—" May I ask whether the Government believe that in India there have been no deaths at all from vaccination? "

THE HON. DR. T. S. S. RAJAN:—" I am concerned with the figures for the last three years according to my answers."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I know from what statistics the Hon. Minister was able to get that information? "

THE HON. DR. T. S. S. RAJAN:—" From the statistics available to the Government."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" Will he be pleased to specify them? "

THE HON. DR. T. S. S. RAJAN:—" There are registers of births and deaths kept in all municipalities, and deaths are recorded in those registers. From such statistics as are available the Government compile their report."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I ask whether there is anything in the statistics from which we can see whether any deaths have occurred on account of vaccination? "

THE HON. DR. T. S. S. RAJAN:—" I have already answered that question, Sir."

Proposals for the disforestation of the hills adjacent to the villages of Nidumukkala, Mothadaka, etc., in the Guntur district.

* 717 Q.—SRI K. VENKATAPPAYYA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether it is a fact that the bald and barren hills adjacent to the villages of Nidumukkala, Mothadaka, etc., in the Guntur district are included in the forest area, that the forest area abuts the house compounds in those villages, that the cattle stray into the said area, that the people constantly suffer

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from prosecutions by the Forest authorities, and that there are no other vacant grounds for the use of cattle in the neighbourhood; and

(b) whether the Government have considered the desirability of disforesting the area?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The two hills adjacent to the villages of Nidumukkala and Mothadaka are being managed by the Nidumukkala Forest Panchayat in the Guntur district. The forest area abuts some of the house compounds in both the villages and the cattle in these houses are likely to stray into the forest owing to its proximity. It is, however, not correct to say that the people suffer from prosecutions by the forest authorities, as the Forest Panchayat manages them and as the President has not been generally impounding or taking action against such cattle. There are no other vacant grounds in the villages of Nidumukkala and Mothadaka for cattle grazing purposes.

“(b) The question of disreservation of the area has not been considered till now. The Government have now under consideration the question of shifting the forest boundary where it now abuts the houses and where the Guntur-Amaravathi road runs along side of it.”

Reduction of grazing fees in forest panchayats.

* 718 Q.—SRI V. M. RAMASWAMI MUDALIYAR: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) how many forests in the North Arcot district there are under the control of panchayats;

(b) in how many panchayats grazing fees were reduced in consonance with the reduction effected by Government in the Government areas;

(c) how many agreements between panchayats and 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, in how many forests the old fee is still levied; and

(e) what the policy of the Government is in regard to panchayats which have not reduced grazing fees?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) There are 89 panchayat forests in the North Arcot district.

“(b) 7.

“(c) 32.

“(d) & (e) The attention of the hon. Member is invited to the answer given to starred question No. 597 on 17th January 1939.”

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* 719 Q.—H. S. HUSSAIN SAHIB BAHADUR:—“Mr. Speaker, I have written permission to put this question on behalf of the hon. Member who is not here.”

MR. SPEAKER:—“The question may be put.”

Selection of a site for the construction of a bridge across the Bharathapuzha.

* 719 Q.—H. S. HUSSAIN SAHIB BAHADUR on behalf of Khan Bahadur P. M. Attakoya Thangal Sahib Bahadur: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether any definite decision had been arrived at as to the particular spot where the proposed bridge over the Bharathapuzha was to be constructed;

(b) whether Chamravattam was not in view as the most convenient and suited site for the bridge, as being very close to Ponnani and Tirur in the interests of trade and people;

(c) whether the Government had any proposal to change this site;

(d) if so, whether the Government will be pleased to consult the opinion of the District Collector and other prominent officials;

(e) what the estimated cost for the construction of the bridge is; and

(f) what the amount of grant, if any, for the purpose from the Imperial Government is?

THE HON. SRI B. GOPALA REDDI:—“(a) to (d) Mr. Vipan, the Special Engineer for Road Development, recommended the construction of a bridge across the Bharathapuzha on the Tirur-Ponnani road. Representations have recently been received from the District Board, Malabar, certain associations and private individuals suggesting alternative sites. The Government, will consult, if necessary, the District Collector and other concerned officials before passing final orders in the matter.

“(e) Rs. 7.77 lakhs.

“(f) Rs. 5.77 lakhs.”

SRI R. M. PALAT:—“Are the Government aware that in connexion with the construction of this bridge, there is a proposal under Mr. Vipan's scheme to have a road constructed towards the south of the Ponnani taluk?”

THE HON. SRI B. GOPALA REDDI:—“I think so, Sir.”

SRI R. M. PALAT:—“I presume that this fact would weigh with the Government in deciding the site of the bridge.”

THE HON. SRI B. GOPALA REDDI:—“I think it is not a question.”

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SRI R. M. PALAT:—" May I presume that this point also will be taken into consideration in choosing the site of the bridge? "

THE HON. SRI B. GOPALA REDDI:—" Yes, it will be taken into consideration."

Participation of district board school teachers in the Muslim League.

* 720 Q.—H. S. HUSSAIN SAHIB BAHADUR on behalf of Khan Bahadur P. M. Attakoya Thangal Sahib Bahadur: Will the Hon. the Minister for Education be pleased to state whether the Government have penalized the participation of teachers in district board schools in the Muslim League?

THE HON. SRI C. J. VARKEY:—" No rules or orders specially applicable to membership on the Muslim League have been issued by the Government. Teachers, in common with the other employees of district boards, should not enrol themselves as members of any political party."

SRI E. KANNAN:—" May I know whether the Government are aware that the President of the Malabar District Board has not restrained the teachers who are generally doing propaganda work for the Muslim League? "

THE HON. SRI C. J. VARKEY:—" The Government have no information on that point."

KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—" May I know whether the Muslim League is regarded as a political party? "

THE HON. SRI C. J. VARKEY:—" It is too late in the day to ask that question."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I ask whether the Hon. Minister is aware that many servants of local boards are members of the Congress now, and whether they have been allowed to do so simply because there are a large number of Congressmen in the Assembly? "

THE HON. SRI C. J. VARKEY:—" This presumption is without any foundation."

Number of Board schools, Secondary and Elementary, in June 1938.

* 721 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state—

(a) the number of Board Secondary Schools in June 1938; and

(b) the number of Board Elementary Schools in June 1938?

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THE HON. SRI C. J. VARKEY:—" (a) & (b) On the 31st March 1938 there were 207 Board Secondary Schools and 16,293 Board Elementary Schools. Figures for the 1st June 1938 are not available."

Temporary release of Mr. E. V. Ramaswami Periyar for reasons of health.

* 721-A Q.—SRI B. BHAKTHAVATHSALU NAYUDU: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that Mr. E. V. Ramaswami Periyar undergoing imprisonment in the Penitentiary was temporarily released on his own personal bond in the sum of Rs. 200 for reasons of health;

(b) whether it is a fact that he is undergoing treatment in the General Hospital, Madras;

(c) if the answer to clause (a) is in the affirmative, under what terms and conditions he was released;

(d) whether it is a fact that some time after the said temporary release, two policemen were posted to watch him; and

(e) if so, why?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a), (c), (d) & (e) Sri Ramaswami Naicker was not 'temporarily released' but was sent to the General Hospital for examination and treatment under the new provisions of section 39 (a) of the Prisons Act. Such a period counts as part of the term of imprisonment, and the Government took such steps as seemed necessary to see that, as regards visitors, he was in the same position as he would have been in jail.

"(b) He was thoroughly examined by the best medical officers of the Government available and they were of the opinion that there was no case for any treatment or operation and that he should be fitted at Government expense with an abdominal belt and a truss that fitted better than the one he had been wearing. This has been done and he has been sent to a better climate."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" May I know whether it is a fact that a bond was taken from him? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" That is necessary, Sir, under the provision I referred to."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" May I know what ailment he was suffering from? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" He was suffering from a pain which has been a longstanding complaint with him for about 4 years. He was wearing a truss on account of the dragging of the weight of the abdomen on

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the mesentery; that is why he was wearing a truss before; it was an old one and that is why it has been substituted now by a better-fitting one."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" May I know where he is at present? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" He has been transferred to Bellary."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" May I know the reason why he was transferred to Bellary? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" As I have already stated, it has been done as Bellary would be a better climate for the ensuing few months."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" Is Bellary cooler than any place in the Tamil districts? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I am not in a position to argue the matter, but I think so myself from personal experience."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" If Mr. Ramaswami Naicker was not suffering from any illness, where was the necessity to transfer him to a place which is considered to have a better climate? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The assumption is not correct. I have already stated that he was suffering from a certain discomfort due to a certain old and longstanding defect in his composition inside, so to say; it is not as if the climate is suitable for that illness; but due to his age and his general condition, it is desirable that he should be sent to a good climate and I have some consideration for his health."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" He, being a native of Coimbatore district, may I suggest to the Government the desirability of his being sent to the salubrious climate of Coimbatore? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" It is possible, Sir, if his attitude towards law and order changes."

SRI V. VENKATASUBBAYYA:—" May I know if he has put in an application for being transferred to Coimbatore? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" No such application was made by him. Knowing him, as I do, intimately, he would consider it as an insult if anybody should make an application on his behalf."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" I am not putting in any application on his behalf; I am simply making a suggestion. May I know the reason why he was suddenly

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transferred from Madras to Bellary by such a train as necessitated breaking his journey at Arkonam? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I am not aware of those details personally; but he cannot be treated except according to the prison regulations."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" Even in the matter of sending him to Bellary as being suitable to his health, may I know whether any undertaking was taken from him? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" No undertaking was taken from him for sending him to Bellary."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" I put that supplementary question because the Hon. the Premier said that my suggestion to transfer him to Coimbatore, will be considered, if Mr. Ramaswami Naicker gave an undertaking to observe law and order."

THE HON. SRI C. RAJAGOPALACHARIAR:—" I did not say that; I said nothing about any undertaking to send him to Coimbatore; I said that he can go back to his home if his attitude towards law and order changed."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" I did not suggest his being sent home in the Coimbatore district; I suggested his being sent to the Coimbatore jail."

THE HON. SRI C. RAJAGOPALACHARIAR:—" I am not aware, Sir, if the hon. Member claims to be a doctor to give his opinion that for the health of a particular person, a particular place is better suited than Bellary."

SRI KALA VENKATA RAO:—" Does the hon. Member putting the questions have experience of the Bellary and Coimbatore jails? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I have experience of both."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I know if the doctors have advised that this particular gentleman should be sent to the Bellary jail for reasons of health? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" The Government have acted after the fullest consultation with all the officers concerned."

SRI A. SUBRAMANIAM:—" இந்த அரசாங்கத்தின் எந்த விதமான நியாயமும்கிடையாது. ஆகவே கோர்ட்டு நடவடிக்கைகளில் பங்கெடுத்துக்கொள்ளவோ, சொந்தப் பொறுப்பில் ஜாமீன் கொடுக்கவேறு நான் தயாராக இல்லை. என்று ஸ்ரீ இராஜசாமி நாயக்கர் கோர்ட்டில் டிரெய்ட்மனாக வாக்கு முலம் கொடுத்ததை அரசாங்கத்தார் அறிவார்களா? "

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ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I know what the question is? "

MR. SPEAKER:—" Hon. Members are expected to know all the recognized languages."

THE HON. SRI C. RAJAGOPALACHARIAR:—" கோர்ட்டில் கொடுத்த வாக்கு மூலத்தை நான் அவ்வளவு விவரமாகப் படிக்கவில்லை. ஆனால் தாங்கள் சொல்லியதை ஒப்புக்கொள்கிறேன்."

SRI A. SUBRAMANIAM:—" உடம்புக்கு அசௌக்யம் ஏற்பட்டவுடன் இந்த அரசாங்கத்தில் சொந்தப் பொறுப்பில் ஜாமீன் கொடுக்க எப்படி இசைந்தார்? அல்லது முன்பு கோர்ட்டில் கூறினது நவறு என்று உணர்ந்துவிட்டாரா? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" It is a question, Sir, which the prisoner will have to answer."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" How many Tamil-speaking prisoners are there in the Bellary jail? "

MR. SPEAKER:—" This supplementary question does not arise."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" It arises Sir, in this way: Is there any person with whom he can converse or is he in solitary confinement? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" Prisoners are not distributed according to their languages."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" Is it not the duty of the Government to see that prisoners are not subjected to more than necessary persecution? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" As hon. Members should know, prisoners are not subjected to any persecution."

SRI P. S. KUMARASWAMI RAJA:—" May I know if it is a fact that Mr. Ramaswami Naicker knows Kanarese? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I know personally that Sri Ramaswami Naicker speaks Kanarese at home."

SRI P. S. KUMARASWAMI RAJA:—" Bellary being a Kanarese place, was he sent there? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" It was not the Kanarese language but the very fine climate of Bellary that induced the Government to send him to Bellary."

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

II.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40.

MR. SPEAKER:—" The general discussion of the Budget will now begin."

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" (After waiting for a few minutes) If no hon. Member rises to speak, the House will be adjourned."

* KHAN BAHADUR HAHMUD SCHAMNAD SAHIB 3-30 P.M.
BAHADUR:—" Mr. Speaker, I have to congratulate the Hon. the Premier on the clear statement that he has made on the financial position of the Province, expressed in plain and unambiguous language in the Budget presented to us for 1939-40. One important feature of this Budget is the number of new taxes proposed—as many as six in number. Last year we could go back home with the satisfaction that we were not treated to any new taxes and that the Budget had a surplus of Rs. 12,000; but the demon of Prohibition has not only eaten up the Rs. 12,000 but has also caused a further deficit of Rs. 40 lakhs in the current year. No doubt, Sir, this deficit is chiefly and ultimately due to the Prohibition policy. I am in no way against Prohibition. I am bound to support Prohibition. But I am afraid there is something wrong somewhere in the method of introducing or working Prohibition. I hope the resourceful brain of the Hon. the Premier will be able to devise a method by which it will not be felt so keenly."

" Now, Sir, coming to details, I have nothing to say against the tax that is proposed to be put on entertainments; but I am afraid the tax on the sale of tobacco will hit hard the producer, the poor cultivator. Just as in the Andhra country, in our part of the country also many people cultivate tobacco, and I am afraid this proposed tax will hit hard such people. Now, there are also other taxes proposed: taxes on petrol sales and on electricity. These will ultimately fall on the poor people, because the margin of profits that the industrialists who use electricity and petrol make, is very narrow. They must ultimately react on the poor labourers. Their wages will be cut or their number will be reduced, or some other restrictions will be placed upon their income. But the most harmful and the most dangerous of the taxes proposed is the tax on general sales assessed on the turnover. This will really be a hard, unjust and perhaps illegal tax. Although it is not a tax on income, it will amount to that. Its incidence will be double, treble and sometimes even more on the same people. Taxes will have to be paid on the same article by the stockists, the other merchants purchasing from them and also by the retail dealers."

" In the current year, Sir, we tided over the difficulty of a deficit budget with the help of Rs. 42.55 lakhs transferred from the Minor Ports Fund. In the coming year, we propose to cover the deficit of nearly Rs. 42.39 lakhs by new taxes. What are we going to do in the future years? As we go on extending Prohibition year after year, in spite of reduced scales of pay, cut in salary and all that, a deficit of at least Rs. 50 lakhs must recur every year, unless we manage to cover it by new taxes of equal amount every year. It is unthinkable. Can our people

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bear further burdens of taxation? Unless the Government are able to lay their hands upon some accumulation as they did in the case of the Minor Ports Fund, I am afraid there will be a catastrophe. The only other accumulations I can think of and that may be ready at hand, are the Madras Famine Relief Fund and the Reserve Fund of the electricity systems. Will it be their turn next time?

“The Government know full well the dangers of creating and spreading discontent among the people. The Hon. the Premier himself has admitted in his speech that whatever may be the form of taxation proposed, he knew it would be opposed and that fairly good arguments could be advanced against any type of taxation. Even then, I think it my duty, Sir, to warn the Government in time against such a danger, not because it is the business of the Opposition to oppose everything, but because I am unable to think of the future condition in which the cultivators, the people at large, will be landed. I understand, Sir, there is a proposal before the Government of India to impose a death duty. It will be a dangerous game, I think. It will be against the principles of Islam. In England and in other European countries, properties are generally disposed of by wills, and persons getting them are supposed to get them without any right therefor; so there the death duty may be justified as such wealth there is supposed to have been earned without labour. But here in India, the Hindu and the Mussalman religions ordain the right of the children to the properties of their parents. I am only saying, Sir, that this will be a dangerous experiment. On the other hand, I may have no objection if the Government propose to levy a tax on marriage, if, for instance, the priest officiating at every marriage is asked to collect a fee of, say, a rupee and pay it to the Government. I think that won't be such an objectionable thing. I am not, however, proposing a new tax myself, but I am only saying that this will be less dangerous than the imposition of a death duty.

“Having said so much about taxation, I wish to say a word about the new loan that is to be raised. We were told that there is a proposal to raise a loan of Rs. 1½ crores this year also. I do not want to quarrel with the Government if they spend the loan amount only on remunerative capital expenditure. I am always opposed to financing capital expenditure from current revenues.

“I wish also to say a word about the Debt Relief Act. I am afraid the debtors have not been enabled to reap the benefit of the Agriculturists Relief Act by making credit available to them easily. As it is, many of the creditors are bringing to sale the properties of the debtors earlier than otherwise would have been the case. Last year Rs. 50 lakhs were set apart for relieving the debtors, but nearly four-fifths of that amount had to lapse,

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because the Government were not able to utilize that amount fully. I hope, Sir, earnest attempts will be made hereafter at least to give relief to the agriculturists.

“Much has been said about the failure of the rains, the prevalence of famine, etc. It appears there is famine in Chingleput and some other districts; in South Kanara also the second crop has been a complete failure for want of rain. Nothing is being done to relieve the ryots of South Kanara or of Chingleput or of any other district; nor has the Hon. the Premier given any indication of what he is going to do to relieve them.

“It has several times been pointed out by some of us coming from South Kanara that at this time of the year the collection of revenue is very difficult. A few years ago, a February kist was added. Formerly there were only three kists; people were paying one-half of the assessment in March, one-fourth in April and the other one-fourth in May; but now the Government have divided the payment into four instalments, and one instalment is to be paid in February. This is the time when people get no income at all. The season crop is not yet harvested, and they are finding it difficult to get money as this is not the time for selling their produce. So, we are making representations that this new kist in February must be abolished and that as before the assessment should be collected in three months, March, April and May.

“Sir, large sums of money are spent every year on irrigation, electricity, roads and bridges; but all parts of the Province do not derive equal benefit because they are not treated equally. There is ample scope, for instance, for minor irrigation works and generation of electricity in South Kanara. But, in spite of our reminding the Government several times they have not done anything so far in that direction. I hope the Government will at least now pay some attention towards giving these facilities to South Kanara also.”

* SRI G. KRISHNA RAO:—“May I know, Sir, whether discussion is going to be alternatively, one member on this side and another on the other side?”

MR. SPEAKER:—“It all depends on the members that rise to speak. Now Mr. Krishna Rao alone has risen and therefore he may speak.”

* SRI G. KRISHNA RAO:—“Mr. Speaker, the Financial statement made by the Hon. the Premier and the Finance Minister is a lucid and very able statement. It is characterised, I should say, by the usual charm of naivete and simplicity which are the characteristics of the utterances of the Hon. the Premier. It reminds me of a speech which he recently delivered

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at the Y.M.C.A. In that speech he playfully likened the Congress Government to a buffalo which gives milk and has exhorted the audience there not to think of its peculiarities, but to think of the milk that it gives. I do not think, Sir, that anybody here would be inclined to think that the Congress Government should be likened to a buffalo. I think the Congress Government is a more nimble, wideawake and strategically alert creature than the slate-coloured, sleepy-eyed quadruped. I do not think the Government can be likened to a buffalo. But, of course the Congress Government resembles it in one respect and that is with regard to the quality of self-opinionatedness. (Laughter.) We who have had controversies with that quadruped know how self-opinionated it is when it takes its stand in the garden. It won't move easily. I am sorry, Sir, this mike is not working properly . . .

MR. SPEAKER:—"I am able to hear very distinctly."

* SRI G. KRISHNA RAO:—"I am afraid the Hon. the Premier is not able to hear me."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I have been hearing, Sir. I was nodding to the opinions expressed."

* SRI G. KRISHNA RAO:—"Whatever it is, we have got to express our opinions here and I think we are at liberty to express our opinions because we do so with some conviction and not merely for the sake of opposition."

"Well, Sir, we know, however docile and patient the animal may be, it has got its own peculiarities and I believe the Congress Government shares the peculiarity in this respect, that it is very self-opinionated and it is very difficult to move it from the position it takes. We, on this side, hope to do the impossible task, but nevertheless we do so not because we rise in a particular order and say what we have got to say by instinct, as the Premier said, but we do it with a certain amount of conviction. I am sure the Government will understand the spirit in which these criticisms are offered. We do it in a spirit of co-operation and not in an antagonistic spirit."

"Now, Sir, with regard to the statement made by the Hon. the Premier, two very important points emerge out of the statement. The first is, progressive loss of revenue by the extension of Prohibition and the other is series of further taxation which will be imposed upon the people of this Province, for it has become inevitable and has to be borne by the Province to make up the loss. In the words of the Hon. the Premier, the Government of the Province should have a crusader's spirit in carrying out this programme coupled 'with a wisdom of sound management of large responsibilities.' This is what he said,

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and these are very large responsibilities, Sir. Especially on the threshold of Provincial Autonomy when the Government has to face a lot of programmes of a very complicated nature, it is right on the part of the Hon. the Premier to say that we have got very large responsibilities. But how those large responsibilities are to be met is the question. We have to look at these very large responsibilities from the administrative point of view. I think the fundamental mistake made by this Ministry is that they have imported some kind of ethical standard in all these administrative matters and mixed these two issues together. That, I should say, is rather a very unsatisfactory way of looking at the thing. If you are going to say that a particular revenue is sinful and the other is virtuous, then it will be very difficult for any Government to manage the finances of the Province. If you evaluate them strictly from the ethical point of view, I am afraid the whole administration may be argued to be a sin in one way or other.

"I would like to draw the attention of the House to the manner in which the various revenues of the Government are derived. Do we not get revenue from the Judicial department? Do we not make justice very expensive and prohibitive to the poor man? Is it not a sin that we make so much of revenue out of it? We make justice costly and ruinously prohibitive to the poor man when he is in distress and thus make a lot of revenue. Is it not a sin? Do you not by your judicial system encourage litigation? That is another kind of sin. We try to get money from income-tax. There, money is raised from various objectionable and sinful sources. We sometimes make rules and regulations which invade upon the private liberty of the people. Is it not a sin? There have been so many other acts that the administration does which are sinful. It has been so from the earliest times. So, Sir, to evaluate them by the ethical standard will be a very difficult matter especially in the matter of revenue. But that is what the Government does. I am not holding a brief for drunkenness. Of course, the people who keep these toddy shops make a lot of money. But on the threshold of Provincial Autonomy when you want all the money, it is difficult for the Government to make such a distinction in their own interests and try to wipe out a source of revenue which has been in existence for a long time. They now find out ways and means by hasty legislation in the matter of imposing taxation upon people which will be very difficult for them to bear. As a matter of fact we know that the administration is full of sins and it has been so from the earliest of times. We have the saying in Sanskrit 'Rajyane Narakam Dhruvam.' At the end of administration, a man will have to go to that country which is very hot indeed! Still rulers have ruled. The administration has

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to go on. Whatever may be the ethical implication of prohibition, I hold, Sir, it is wrong on the part of the Ministry to have started this thing at the very inception of Provincial Autonomy and to have elected to face this 'financial readjustment' of 'no mean order' at the very beginning of its career. The other Provinces did not do it so hurriedly as this Province has done; perhaps they wanted to see how we got into a mess and blundered; or perhaps they wanted to have a lesson from Madras. I would say that instead of being an administrative act it has been a very hasty and propagandist act on the part of the Government. In fact, as far as I can see, there are other methods of controlling the sale of this spirituous liquor, other ways of restriction of toddy shops and sale of liquor, so that it may ultimately be brought under control. As a matter of fact, they might have imposed heavy taxation on liquors and drugs and made them so costly that it may not be possible for the addict to indulge in them. That would have been the proper start that they should have given to this problem of Prohibition. As a transitional stage, such methods ought to have been tried. I am afraid the Ministry did not even give it a fair trial that way.

"As matters stand, what do we see now? The Premier gave a descriptive account of the unsettled condition of our times. With the world unrest all round, and the slump-stricken years that we have experienced and we are still passing through, the seasonal vicissitudes, droughts, and other natural calamities dogging the footsteps of the people of this Province, a harassed people are wanted to develop a crusader's spirit to bear the burden of fresh taxation and set their teeth to the task. I would like to ask the Government, Sir, if it is possible for them to bear this burden with equanimity. Their paying capacity has been strained to the utmost. You ask the people to pay more taxes, not one tax, not two, but a number of taxes, to cover the deficit brought about by the abolition of the drink revenue. It must be a tremendous effort on the part of the people, however willing they may be, to bear this burden. I am afraid the future extension of Prohibition and the persistent endeavour on the part of the Government to impose fresh taxation, will create an unprecedented stress on the people which they may not bear with cheerfulness and confidence. That is my impression, Sir.

"Now, Sir, with regard to the two Bills, namely, the Electricity and Petrol Tax Bills that came up before this House, the other day, on the day of the presentation of the Budget, I think, it is unusual to have Bills on the day on which the Budget is presented. Of course, I am not experienced in Parliamentary affairs, because I have not been in the Legislature for a long time. But I would ask the Hon. the Finance Minister to tell us if there is any precedent anywhere, even in the Madras Council in the old regime . . ."

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MR. SPEAKER:—"It is perfectly permissible."

* SRI G. KRISHNA RAO:—"I am only asking for information, Sir."

MR. SPEAKER:—"The Chair gives the information that there have been many precedents for that."

* SRI G. KRISHNA RAO:—"I am thankful, Sir. I am enriched by the knowledge. At any rate that is the feeling that many hon. gentlemen have. The feeling is that these Bills have again been rushed through and that it is an old sin that the Government has been committing. We feel that such measures should be given more time for consideration and the public should also be given more time to consider them. On the other hand, the whole thing has been passed in such indecent hurry. I had a kind of premonition that when these two materials, very combustible, come together an explosion will be caused. There was no explosion, but, as hon. Members are aware, the light failed that night and darkness fell on the Assembly. I only hope, Sir, that the prospect of further taxation will not spread darkness in the land. 4 p.m.

"There is a mistaken idea or process of thought that the well-to-do and the middle class should be taxed for the welfare of the poor. But it must be known that there are only a few well-to-do and middle class people who are not hit one way or the other by the adversities of the times through which all of us are passing. And it is a chimerical idea that the earner and spender in society, if taxed, will be able to earn and spend more and be able to keep himself up. If you go on fleecing the spender like that, he will not be able to spend any more, and to that extent those who are benefited by him will be crippled. To stifle him more and more by taxes will hardly be the right way to increase the revenue of the country. The tax should be levied upon all according to the capacity of each one to pay. To increase taxation upon a particular class of people and to relieve the others of even a bearable burden cannot be a matter for economic justification on any grounds.

"I go to the subject of debt relief. We find that a sum of seventy-five lakhs. has been allotted for that purpose for the coming year. The real crux of the agrarian problem and the basic problem is how to make agriculture pay. That problem has not yet been rightly tackled by the Ministry. Mere conciliation howevermuch it may be laudable and howevermuch it may be tried is not the proper remedy for the ills of agriculture. The cure for the ills that the agriculturist is suffering from should be sought in another direction. They must make the agriculturist solvent. Increase his purchasing power and improve his credit. I think that the Government should go into the whole question of the

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internal economy of agriculture and carry out the much-needed improvement by regulating crops and markets and if need be the prices, so that the cultivating ryot under improved methods can get a satisfactory return and a decent profit from his holdings. That is the real remedy that is required to make agriculture pay and to make the agriculturist stand on his legs. The mere provision in the Budget for discharging the scaled-down debts will not touch the fringe of the problem; it is merely in the nature of a palliative and cannot bring about a cure. For a cure from the economic ills that the agriculturists are suffering steps in the direction I have mentioned are absolutely necessary.

I would like to address a few observations to the Hon. the Minister for Revenue with regard to the land revenue question. The Hon. Minister has visited the Punjab getting first hand lessons in regard to the system obtaining there. He has seen everything for himself but still that question has been kept rather too long in abeyance. Time and again this matter has been brought to the notice of the Government but with no desired results. The Hon. the Minister has been very solicitous in the case of the zamindari ryots but I do not know what the poor Government ryot has done and why his case has not been yet given consideration. I do not understand how the zamindari ryot has precedence over him and why the poor Government ryot is made to stand where he does. That question ought to be taken up and it could not be delayed any further. It has been already represented more than once that the incidence of taxation is very high and that the land revenue system of this Province ought to be placed on a statutory basis; but that has not yet been done. That is an important question but the Government have not yet tackled it. The Marjoribanks Committee Report has been sleeping and the Government are sleeping over it. I would like to know even in spite of the promises made by the Hon. the Revenue Minister that he is thinking over the matter, planning and going up the matter, what he has done for the Government ryot and whether he would not give the same sort of treatment to the Government ryot as he has given to the zamindari ryot whom he has so much at heart. It is to be remembered that these are the ryots of the Government which is now an autonomous Government run by the Congress party. That matter ought to be taken in hand without any further delay if they really want to act up to the pledges that they have given to the voters who have placed so much confidence in them.

"When we hear from the Budget speech that certain economies have been effected through the abolition of the commutation of pensions of Government servants and cuts that are in the offing, I naturally feel that something should be put forward on

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their behalf though I am not a Government servant, because sitting as we do on side of the Government we are expected to see things from all points of view. We feel that some justice should be done in the matter. The Government are dealing blow after blow to the services and the cruelest blow of all is the abolition of commutation of pensions. The further point is that it is only restricted to those officers that are under the rule-making powers of the Provincial Government. The cuts in salaries and the applicability of the new revised scales of pay to promotees have already been causing considerable disquiet and dissatisfaction in the Provincial services. I suppose that the Hon. the Premier has received memorials and complaints from the Non-Gazetted Officers' Association setting forth their grievances and difficulties and requesting him to consider their case favourably. It is hardly fair to be callous to their representations and to disregard them. I am afraid that this attitude of the Government will lead to discontent and impair the efficiency of the administration. To wipe out the system of commutation of pensions at one stroke without at the same time proposing any alternative schemes like the contributory provident fund scheme for which they have been asking from a very long time, especially when they are primarily depending upon the Government for such things, is a cruel thing indeed. You are bringing disappointment to the heart of many a faithful servant and have dashed the hopes that he has been living upon that in the event of his retirement, happiness and cheer would be vouchsafed to him through this amount. People who have given the best years of their life to the service of the Government had this small consolation of getting a lump sum in their retirement and had been looking forward to a happy and care-free old age unharassed by any troubles. The satisfaction has been denied to them by the bald statement of the Hon. the Premier that commutation of pensions have been abolished, and that without any alternative schemes which would put into their pockets a little money at the time of their retirement. Perhaps these people have been looking forward to make a home for themselves and settle in a place permanently, to marry off their growing daughters, or perhaps to complete the education of their children whose education might have been interrupted by their having to go from place to place and district to district during their period of active service. All these hopes have been dashed to the ground. After all, what is the saving that the Government hope to get by this means? It may be ten or eight lakhs. I ask, 'Is it worth while to break the heart of so many servants who have served the Government late and long and look forward to a quiet and peaceful retirement? The Indian Medical Service and Indian Civil Service officers are getting their pay and perquisites as usual and they are out of reach of the Provincial Government. It is the

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poor Provincial Service men that are given the 'cuts' in more senses than one. Will it not be an unjust discrimination against these men because they are not protected by the Secretary of State and the Government of India Act and are dealt with in this heartless manner? I am afraid that the Hon. the Premier is practising a graceless economy in this matter and is acting like a person who nags and teases the horse on which he is riding.

"With regard to the settlement of industrial disputes, the Hon. the Premier claims with some gusto 'We have done remarkably well in the matter of settling disputes.' It may be so with regard to the disputes outside, but coming nearer home, where they are themselves the employers, there is no reason for them to congratulate themselves. They cannot say the same thing so far as they are concerned with the big organization, I mean the Government Press. It is the biggest industrial organization under their control. There have been innumerable complaints from the workers of bad treatment, of claims overlooked, of injustices done. Strikes and a perpetual condition of strife and unsettlement in the office is a feature of that organization. It is a strange irony of fact that the Government who are taking credit for restoring harmony and settlement in other industries, are not able to effect it in its own household. There is a suffering patient and there is a competent doctor. I mean the Government Press and the Hon. Mr. Giri. Why should not the Government bring them together? I do not know what it is that prevents them from doing it. I do not know why the Minister for Industries and Labour should not be made to handle this department and see what wrong there is so that he may set it right. What is it that prevents the Government handing over this department to him? I am not saying it in any spirit of disparagement as regards those who are controlling it. I feel that, being the Labour Minister and knowing the question well, he will be able to handle the situation in a businesslike way. I only want to know why the department has not been handed over to him so that he may go into the matter and bring peace and settlement where it has been wanting for the last so many months. Unless such an arrangement is made, this festering sore of disharmony and bitterness will not heal. I commend this suggestion to the Hon. the Premier and hope that he will entrust this question to the Hon. Mr. Giri so that he may set right things as early as possible.

"Lastly, Sir, we feel, and every man who runs may see, that there is a considerable strain borne by the Premier in the discharge of administrative work. I feel that he is overworking himself and I suggest that he should see that the work is more evenly distributed among his colleagues. It is highly necessary that the head of the administration must have moments of relaxation and repose. We see him perpetually immersed in files. Even on his

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seat here we see him disposing them not even hearing our speeches. Such a rush of work he should not have. Quiet and rest are necessary to him to give thought and formulate sound policies which are more important than ceaseless activity of a humdrum nature. It is not my own opinion which can be treated lightly; but it is also the opinion of an important visitor who had come here from England recently and who is no less a person than Col. Muirhead, the Under Secretary of State for India. In the interests of the physical well-being of the Premier, which is an asset as much to this Province as to any revenue, I hope, Sir, my observation will receive the consideration which it deserves.

"He has made a rather significant looking statement in his speech. He says 'I know I may be relieved at any moment.' If as rumour says he is called upon to take the lead in a more militant activity outside our Province, we will sadly miss him. I hope such a thing will not happen. If he leaves us, I shall think that a highly refined and subtle power has gone out of our provincial politics. I wish that this does not come true. With these words, I resume my seat."

* MR. W. K. M. LANGLEY:—"Mr. Speaker, Dr. Johnson on an occasion which has been frequently quoted remarked that it was not for him to bandy compliments with his sovereign. Similarly, I feel it is not for me to bandy compliments with our Prime Minister. I will therefore avoid on this occasion all the rather fullsome compliments which one usually pays to the framer and the deliverer of the Budget in this House, and would content myself with observing that it has been drawn up in a very clear and succinct way, and that he has not done any violence to his intelligence or to ours and has put the whole sad story quite plainly and clearly before us without glossing over or excusing anything whatever. What I do very greatly appreciate in his speech, and what this group which I represent very greatly appreciates, is the generous reference to the Finance Secretary, Mr. Jones, who is so shortly to leave us. A layman and even a private Member of this House is perhaps not very conscious of the work which goes on in the Finance Department, or where the Secretary's work begins and ends. All that we are aware of is that the public accounts of the Province are placed before us in an extremely clear and readable and an intelligible and understandable manner. And also it is the good fortune of the Madras tax-payer that within my time we always seem to have had before us a surplus budget. But to what extent the Finance Secretary has to do with that, I can't say. What I can say is that the judgment of one's contemporaries is the best judgment that I can think of. I happen to know many other officials, and they are not altogether silent in my company, and I know the extremely high opinion they hold of Mr. Jones as the Secretary to Government, and that is the highest

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possible praise a man can have. What is our loss, however, is Mr. Jones' gain, and I feel sure that he will adorn the high office he will fill in the Government of India as he has adorned so long the office he is now relinquishing in Madras.

"What depresses me, indeed distresses me much more deeply, is the Hon. Premier's reference to the possibility of an impending constitutional crisis coupled with the broad hint that, presumably in response to dictates from some quarter not connected with this Presidency, he may be relieved of his high office. If that should come about I cannot conceive anything more deplorable. I do not wish to enter into this controversy. But may I be allowed to cast the memory of this House back to less than two years ago? At that time, most of those of the same political complexion as the Hon. Prime Minister thought that in agreeing to work Provincial Autonomy they were accepting the shadow rather than the substance of self-government. Yet in the brief interval that has since elapsed we have seen this Government assume and discharge almost despotic powers. I do not blame them for that, so long as they retain such an overwhelming majority in this House and, as the Hon. Premier claims, the confidence of those outside it. But from this fact, it is obvious to me—it must surely be obvious to most men, not blinded by prejudice and suspicion—that a Federal Government even under the existing Act, would be in a far better position than any other conceivable body to treat with the British Parliament with a view to securing those modifications of the present proposals, which one of the leading members of the Congress has declared can be achieved within the ambit of the existing Government of India Act. I wish to say no more at this juncture and my sole reason for this incursion is my passionate longing to see this great country a self-governing unit of the British Commonwealth of Nations.

"Turning to the Budget, Mr. Speaker, this Budget, now placed before us, is of considerably greater interest than it was when I first entered the old Legislative Council, in that, we are practically if not entirely, arranging our own finances and that no longer do we depend on the Government of India, except to share in that which should come from that quarter. And inevitably, in considering a Budget framed under these new conditions one of the most interesting features to observe is the loan policy of the Government. The present Government is in the fortunate position of being an heir to a very large fairly well-to-do and unencumbered estate, as I remarked some years ago would be the position under Provincial Autonomy. Therefore, they are in a position to borrow very largely on the handsome security at its disposal. And it is quite reasonable that Government have decided

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to do so. In this respect I echo, or rather re-echo, what Sir William Wright said in his speech on last year's budget, which was that we as a group have always condemned the policy of charging capital expenditure upon revenue instead of raising a loan and leaving such expenditure to earn its living in due course. I refer more particularly to the large works in this Province in connexion with irrigation and electrical development. It is quite right that all such expenditure, while it is obviously productive should be met by means of loans, and the present tax-payer should not be saddled with what belongs to posterity. Consequently, so long as Government's loan policy is framed on a careful observation of what is likely to come in by way of return in connexion with loans, then such policy has our most hearty support and that of the constituencies that we represent in this House. I went further in my speech on the Budget last year and said that in connexion with public health, water-supply, rural sanitation and so forth—in the case of such work—loans could also be justified. But I think there is a danger in the case of such works, in pushing the matter too far.

"However, the main point for the Government is to watch their statement of assets and liabilities, and so long as the Government have adequate liquid assets within which to borrow, there is no great harm in borrowing, provided the money is usefully utilized and not frittered away. But it seems to me that this margin will require careful watching from time to time not only in the distant future, but possibly in the near future as well. According to the very clear statement placed before us I see remunerative assets, which are shown in the Budget Estimate, total altogether 27 crores and 15 lakhs; these are the assets which are described as remunerative. But those remunerative assets include some assets of a doubtful character. For example, cinchona assets are shown as approximately 25 lakhs. I think there are some other minor items mixed up with the main items represented by cinchona. My own experience of the cinchona plantations in the Anamalais hills which has cost Government so much leads me to state, that that particular asset, to say the least of it, is an extremely doubtful one. There may be other such assets possibly, so that the whole of this 27 crores may not be such remunerative assets as they are shown in our Provincial balance-sheet to be. Now in connexion also with these remunerative assets, there is an item of loans advanced amounting to no less than 650 lakhs presumably to local boards and municipalities; presumably they are provided for, so long as the local bodies remain insolvent. But I hope when the Hon. Premier comes to reply he would be good enough to speak about it, and indicate whether in his opinion they represent what can really be described as remunerative asset. But now against these remunerative assets

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of 27 crores and 15 lakhs, we already have a liability, mostly money borrowed, to the extent of 20 crores and 89 lakhs to-day, so that the margin between remunerative assets and liabilities is none too large; and that is why I suggested before that this particular figure wants particularly close watching.

"Now, to continue the question of loan policy, I notice there is a large item shown as consolidated loan from the Government of India amounting approximately to Rs. 750 lakhs. I have no quarrel with that consolidated loan; it is satisfactory that it has been lumped together consolidated. But what is not proper from the point of view of the tax-payer in this Province is that it should be consolidated on the basis of interest payment at no less than $4\frac{1}{2}$ per cent. That to my mind is not in accordance with the credit of Madras Presidency. I think the Leader of the Opposition who knows much more about these things than myself would bear me out. We recently have been floating our loans on an average at 3 per cent, which represents the market rate at the present time. That being so, why we should pay to the Government of India, unless there is some particular reason, no less than $4\frac{1}{2}$ per cent, I cannot see. If that rate of $4\frac{1}{2}$ per cent is reduced to the market rate of 3 per cent, it would save this Province a matter of ten lakhs per annum, just about the net proceeds of one of the new taxes which the Hon. Premier has recently put on our back.

"Another interesting item which appears at the present time in our balance sheet is the item in connexion with ways and means, which will figure very largely and properly in our liabilities in future under the heading of Treasury Bills. I notice in this connexion a particular remark from the Prime Minister's speech on which I would like to have some elucidation. The amount of Treasury Bills at present, subject to correction, stands at 5 crores. I am not quite certain. On page 10 of the Prime Minister's speech he says: 'On the basis of the assumption underlying the Budget Estimates the total issue of treasury bills during the year will amount to five crores, the whole of which will be discharged during the year.' The fact of discharge is correct, because it is raised at a certain usance, six months or three months as the case may be, and naturally it is discharged on the due date. But surely and inevitably it follows that other treasury bills will take their place afresh and there must be a regular issue of treasury bills. This is perfectly sound finance. And I calculate that a Province of this size, and with a revenue and expenditure of the figure at which it stands, must inevitably have constant recourse to floating treasury bills in connexion with ways and means of anything from 3 to 5 crores. Now, the Hon. the Premier in outlining his loan policy very rightly laid stress on the good credit that the Madras Government enjoys and the probability that they would continue to be able to operate on the

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loan market and also continue to be discounting treasury bills at about the figure at which they discounted during the last six months or so. That largely depends on the state of the money market and the present state of affairs is likely to be going on for some time. I agree with that particular statement, but I feel I have to sound a note of warning, and that is, that bankers and others who are concerned with such finance will watch the accounts of Government very carefully indeed. The principal concern is that the Government should balance its budget; and so long as it balances its budget, of course with the usual straight taxation, without having recourse unduly to loans and without taking into account windfalls—the Hon. the Premier may have objection to the words 'windfalls,' but there was a windfall this year also—provided the budget is balanced as I say by straight taxation, then I agree that the resources and the credit of this Province will enable us to face the future with equanimity and we will be able to finance fresh schemes which I know many Ministers of the Government have already set their minds on and which no doubt will be before us in due course.

"Now having dealt with that particular part of the budget I come to the unfortunate tax-payer. Here, I can only re-echo what has been said by previous speakers and will no doubt be said by many other speakers after me. It seems to me that we are in danger of getting into the mistake that England committed in connection with taxation round about one hundred years ago, when Sydney Smith, the great wit, wrote his famous remarks on the state of taxation in the British Isles, particularly in England. If I may be allowed to read this brief extract—I can assure the Hon. the Revenue Minister that there is nothing offensive in it—he said:

"Taxes upon every article which enters the mouth or covers the back or is placed under the foot—taxes upon everything which it is pleasant to see, hear, smell or taste. Taxes upon warmth, light, locomotion, taxes on everything on earth, and in the waters under the earth, on everything that comes from abroad or is grown at home—taxes on the raw material, taxes on every fresh."

THE HON. SRI C. RAJAGOPALACHARIAR:—"May I know the date of the speech, Sir?"

* MR. W. K. M. LANGLEY:—"I could not say offhand. Perhaps it was 1823 or thereabouts."

THE HON. SRI C. RAJAGOPALACHARIAR:—"That is, 110 years ago!"

* MR. W. K. M. LANGLEY:—"Madras is now in the same state as England was 110 years ago. I know that many hon. Members who sit on the benches opposite will agree with me.

"Sir, Mr. Sydney Smith said:—

"Taxes on the raw material, taxes on every fresh value that is added to it by industry of man—taxes on the sauce which pampers a man's appetite and the drug that restores him to health, on the ermine which decorates the

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judge and the rope which hangs the criminal, on the poor man's salt and the richman's spice, on the brass nails of the coffin and the ribands of the bride. At bed or board, couchant or levant, we must pay. The schoolboy whips his taxed top, the beardless youth manages his taxed horse with a taxed bridle on a taxed road, and the dying Englishman pouring his medicine which has paid 7 per cent into the spoon that has paid 15 per cent, flings himself back upon his chintz bed which has paid 22 per cent, makes his will on an £8 stamp and expires in the arms of an apothecary who has paid a licence of £100 for the privilege of putting him to death.' (Applause.)

"I do not suggest, Mr. Speaker, that we have reached that deplorable state that England was in 1823, but I hope that the Hon. the Premier will bear that in mind when framing these engines of oppression, some of which he has already indicated, that he has in store for us. We have already discussed *ad nauseam* the day before yesterday, the Electricity Tax Bill and the Petrol Tax Bill and we shall probably do so again at the end of the week. So I will say nothing more about them.

"I now come to the Tobacco Tax. Here I speak with some hesitation as I have not consulted my group. So some Members in it may hold an opposite view. But I remember my own view of this tobacco taxation when it was introduced in the old Legislative Council, that it was the fairest and simplest revenue Bill which I ever read in my life. It seemed to me an extremely fair system of taxation and if the Prime Minister's purpose is to follow the Bill of two or three years ago, I feel certain that nobody can have any complaint whatever. But I remember that many hon. Members who were then sitting on this side, and who are now sitting on the other side, opposed that and cries against that Bill were particularly loud to such an extent that the then Member for Revenue had to withdraw the Bill rather than face the storm. I hope that the gentleman who attacked the Bill on that occasion will give this Bill, when it comes, a better reception than on that particular occasion. Obviously taxation on tobacco, provided it is not pushed to an extreme as the Customs Tariff does in this country, is a reasonable measure of taxation when we are in a position that all things have got to be taxed sooner or later.

"Now I come to the question of the Sales Tax. I am very doubtful about it. I admit that the general principle of a Sales Tax has much to commend it and, as the Prime Minister remarked in his speech, it is a common tax on the continent of Europe. I may go still further and say that it is a common tax in the United States of America, where it has assumed in the case of retail sales very large proportions indeed. The methods of raising this tax in other countries are no doubt at the disposal of the Finance Department and I hope that it will be prepared with the greatest possible caution in order not to throw a very heavy tax on one great industry, i.e., Agriculture. I do not know how far this tax is to go and what method will be adopted, but to my mind it suggests serious possibilities. For instance, take the case

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of groundnut. Groundnut is grown by the cultivator and he sells his commodity presumably to the money-lender; when he sells it there is a tax of half a per cent; then the money-lender sells it to the dealer and there is another half a per cent; then the groundnut is taken to the shandy in some village or elsewhere and there the sale takes place to a wholesale dealer with a tax again of half a per cent; then the wholesale dealer sells it to one of the large exporters again with half a per cent. Thus there are a number of sales. Now, if this is the intention of the Sales Tax, then I say that this tax is a heavy burden on agriculture, because in each successive operation which I have enumerated the buyer naturally calculates his half a per cent as one of the charges concerned and gradually a tax of 2 or more per cent aggregating on the various transactions mounts up and eventually comes home to the man at the bottom and comes off what he might have expected to receive for his groundnuts. If this is going to be the basis of the Sales Tax, then we are getting into a position in which China has been for many years, where no article can go from its place of origin down to a market without numerous taxes being imposed, in some cases several hundreds. I believe that there some 116 taxes have to be paid on an egg from the time it is laid to the time it is taken on board the steamer in order to provide sustenance for the people of Europe.

"In connexion with this tax I must make a reference to the remark made by the Hon. the Premier in his speech in which he says, 'At present all the big businesses almost completely escape taxation so far as the Province goes.' While I admit that they do not pay land-tax, except my own constituents, and they do not pay very much by way of excise duty, I think he is overlooking the fact that we pay almost as heavy an income-tax in this country as they do in the United Kingdom. Though this income-tax is a Central revenue, some at least comes back to this Province by way of grants under the Neimeyer Award. That these grants are inadequate is no fault of the people who pay a tax, and the fact remains that big business is heavily taxed; and then again all these various new taxes which are being introduced will eventually affect industry in one way or another and might well crush industry. Then there are many of the proposals which call upon the industries to spend money made by the Hon. the Minister for Public Health. If the proposals in the new Public Health Bill are to be carried out to the full, they will add very greatly to the expenses of any business, especially businesses which are concerned with the running of factories and so forth.

"Take just one particular instance, a fairly recent item of 4-4½ a few years growth, the Maternity Act. It is a very excellent ^{P.M.} Act. It is one that I have frequently advocated. That Act costs a factory that I know of in South Kanara on an average no less than three thousand rupees for one single factory, just that one

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bill for the benefit of mothers in connexion with the maternity benefit. Well, all such taxation must have been overlooked entirely by the Hon. the Premier when he suggested that big businesses are not taxed. There is hardly any legislation by which we are not called upon for some additional expense for amelioration work. Sometimes they ask us to increase wages and we have to face it because we know the power and strength behind the Government. Then again the Premier must have overlooked the municipal and district board taxes. I venture to suggest that the property tax, the professional tax and so forth are falling mainly on what the Premier has been pleased to call big business. What business we had is dwindling in these days. It is dwindling because the tax gatherer is getting after big business and sooner or later will squeeze it dry.

"There are a number of other items in this Budget on which I could have talked. But I do not propose to do so to-day as we are putting down various cut motions to discuss policies. So several important matters will be discussed when the grants come up.

"The only other item of particular importance to which I wanted to refer to-day is the question of industries. I notice that this year the question of Government's policy in connexion with industries does not figure so largely in the Finance Minister's Budget speech. But once again I see the Hon. Minister present who has these matters in hand. If there is one person I fear in connexion with industries it is the Hon. Minister for Industries. He had the last word last year and we had not the opportunity of replying to him. He talked largely of big-scale industries and there again I wish to sound a note of warning. I noticed recently with his indomitable energy he had been to Bombay, where I have not the slightest doubt he was a leading member in connexion with the planning committee which met the other day in Bombay in order to discuss the planning of industries in this country. Now I wish to warn him—perhaps it is impertinence on my part, but I do know something about industries and so I wish to warn him—particularly of that part of the country and against being led, if I may use the expression, up the garden path by the Bombay people. They have very, very large ideas and very, very large ideas usually cost a lot of money and it is usually somebody else's money. There is a neighbouring State which for a long time has been the leading State in India in connexion with the State promotion of industry, and in fact the budget speech of the Diwan of that State reads much more like the speech of a company promoter. I am afraid not a very successful company promoter, than that of a Diwan or a Finance Minister. If we are going to have large-scale industries which are going to cost the tax-payer of this Presidency as much as it costs the tax-payer of that neighbouring State, then all I can say is the future of this

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Province from the financial point of view is a very black one. Particularly I noticed in the speech last year the Hon. Minister for Industries referred to the great economist and a great engineer. I know that great economist and engineer and he has perhaps lost more of other people's money on large schemes than anybody else in India. And if this Province is going to put itself in the hands of visionaries like him, then I am afraid the future of this Province is rather going to be a sad one.

"I confess that in connexion with industry. I prefer the attitude of the Hon. the Education Minister. It seems to me there is considerable divergence of opinion on this, as on most other matters between the Ministers. They all seem to speak with different voices. But I must confess, in this particular matter I like best the voice of the Education Minister, who delivered what, to my mind, was a very sound and very important pronouncement on the subject of the extent to which Government might foster industries, when he spoke at the Gokhale Hall on January 12th in connexion with a plan of rural reconstruction. He distinctly laid down that the advocates of cottage industries did not stand in the way of large scale industrialization, but whatever the ambitions of the people and whatever the possibilities of making India a great industrial country like Germany or America, it was better to ensure prosperity to the individual than to the group. The policy to be followed was to resuscitate agriculture and improve the cottage industries. That is the first thing, and I confess, when people talk of cottage industries, I can think of few cottage industries which work so well as handloom weaving. But I do not think there are very many cottage industries which are likely to be really profitable to those concerned until we find a very richer buying market than those that exist unfortunately in this country. He said "Of course, the possibilities of large scale industrialization should not be ignored. Even when the Congress talked of large scale industrial planning, it should be remembered, the plan was for the country as a whole. It was not contemplated that large industries should be started in every one of the Provinces." Well, I think, if we adopt or if the Government adopt the Hon. the Education Minister's policy rather than the large schemes which the Hon. the Minister for Industries has in mind, then the result to the tax-payer will be a more satisfactory one. I am not against cottage industries at all. I quite agree that industry in this country must be the handmaid of agriculture which is our main great industry, and without some industries to back up agriculture, we will never get out of the rut in which it is at present now.

"These are the only comments that I wish to make at this stage. Any other remarks that I have, I will make later on in connexion with the cuts on the various demands."

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* SRI KALA VENKATA RAO:—“ Mr. Speaker, Mr. Langley beginning his speech referred to the constitutional crisis that is impending in this country. More than he, we are more concerned with the politics of the Congress organization which we hope will make itself responsible for the good Government of this country in future. To-day, as a matter of fact, those of us who are members of the Congress are not over-joyous, so to say, on account of the resignation of 13 members of the High Command who are responsible for our good and for the freedom movement of this country. But our programme of work here or outside is in the hands of the Congress Committees and whatever Mr. Langley might wish, whether he wishes a constitutional ministerial crisis or wishes its avoidance, it does not matter for us. Because, whether crisis or no crisis, we have to follow the Congress programme and according to its directions, be here or not be here. Therefore, Sir, to-day we think more of the matter now before us than of the events that do not concern us for the present. Budgets are not merely affairs of arithmetic, but in a thousand ways they go to indicate the prosperity of the individuals, the relation of classes and the strength of Governments. The Budget is, in effect, a political programme. It is the ultimate means by which the political parties realize their policy. Congress is in office with a definite programme and our budgets are indicators of our frame of mind and purpose. Sir, during these one and a half years the Congress Party has been in office, the Hon. the Premier presented to this House, three budgets, two of which were surplus Budgets and this year, we have a deficit Budget. But as a matter of fact the Hon. the Premier could have easily made this a surplus budget. If he had introduced the remaining taxation measures which he envisaged in his speech and had taken credit of the income from the Bills to be introduced in this Assembly, he would have had a decent surplus instead of a deficit Budget. As the estimated revenue of the last year increased considerably, I do hope that by the end of the coming year, again our financial position will be far better than anticipated. As a matter of fact, unfortunately, the season is against us; but none the less, we have to congratulate the Hon. the Premier and the Hon. the Revenue Minister for having rushed to the rescue of the people who were suffering in the districts either on account of cyclone or on account of famine. As a matter of fact, last year, 75 lakhs of rupees were given as regular remission and a sum of about 35 lakhs was given as seasonal remission. And in this year's Budget speech the Hon. the Premier mentioned that apart from annual allotment of 75 lakhs, he expects that the Government will have to give a remission of nearly 50 lakhs for the relief of seasonal calamities. The total of these two sums represents a figure that is unprecedented in the history of the Madras Government. It speaks well of the

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way in which our Government go to the rescue of the people when any calamity overtakes the people, and that quickly and in time.

“ I must also congratulate the Hon. the Premier for his new taxation measures especially in view of the fact that these are conceived in a manner that does not injure the interests of the poor cultivators of this country. The two Taxation Bills already before the House, the Electricity Duty Bill and the Sales of Motor Spirit Taxation Bill are quite welcome. As a matter of fact, the burden that they impose will never rest upon the agriculturists as Mr. Langley fears. It will be a tax either on big business or it will be a tax on those who can afford to pay it. In addition to these Bills, we expect the early introduction of the Sales Taxation Bill and the other Bills which the Hon. the Premier wanted to introduce. I am also an advocate of agricultural income-tax and I would submit to the consideration of the Hon. the Premier that he should also bring in early legislation for graded agricultural income-tax with an exempted minimum limit. I know that at that time we will receive more opposition from Mr. Langley and the Planting community. Sir, I am also an advocate of the imposition of Death Duties especially in the case of Impartible Estates. On this question, I said on the last occasion that the Impartible Estates Act should be repealed immediately. If that cannot be done now, I think that the imposition of Deaths Duties and an Inheritance tax will bring in additional funds from rich landlords to the coffers of the State.

“ Then, Sir, Mr. Krishna Rao was very enthusiastic in his pleadings for the salaries of the Government servants. Sir, the most important item in our provincial Budget is unfortunately the expenditure on salaries. We get an annual income of 15 crores of rupees and we are spending 8 crores on the salaries of officials. Mr. Krishna Rao who is himself the manager or owner of an estate will not spend as much as 50 per cent of the income on the salaries of his clerks or managers. No private concern and no zamindar will prosper when a good percentage of the income is spent on salaries.”

SRI G. KRISHNA RAO:—“ A word of personal explanation, Sir. I did not say anything in this connexion which can be interpreted to mean that the same salaries should be paid to the officials. I was only remarking in the course of my speech that the commutation of pension has been abolished by the Hon. the Premier without providing anything like provident fund or other alternative schemes in its place. That is all that I said.”

* SRI KALA VENKATA RAO:—“ We have to run our State motor car at a low fuel cost in spite of the tax on petrol. Then Sir, I will now deal with the main features of the Budget. One of them is the extension of Prohibition to the North Arcot district. There are some members who have criticised Prohibition. I wish they take the trouble of going to Salem or Chittoor or

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Cuddapah and see for themselves how successfully the Prohibition experiment has been working in our province. I very much wish, even at the sacrifice of income, that the speed should be accelerated as far as Prohibition is concerned.

"Then there is provision for protected water-supply this year also and the Budget shows us how the scheme has been worked last year and how it will work in the coming year. I can say with confidence that, as envisaged last year, in some 10 or 15 years this Government will be able to attend satisfactorily to the protected water-supply needs in the rural areas.

"I also wish to congratulate the Government upon their decision to recruit prosecuting officers from the members of the Bar. There is provision in the Budget this year to recruit prosecuting officers from the Bar. We know the difficulties of police prosecutors and we know also how they mishandle things and how they are subject to influences. If people who are learned in law are put in charge of this business, I think it will be to the good of the public.

"Then, Sir, as regards Jails, there is a provision for a revised dietary for the prisoners which would entail a fresh expenditure of over Rs. 14,000. As one who has experience of the C class diet, I very much welcome the increase from seven pice per day per prisoner to about 12 pice per day per prisoner. There is also provision for the supply of soap to prisoners at a cost of Rs. 2,220. As a non-official visitor to a Central Jail I have been advocating the introduction of a bi-monthly oil bath to all the prisoners. I think with a little addition to this expenditure that also can be granted and it will go a long way to save the hospital bills.

"Then, Sir, more than anything else, I am glad for the additional provision for Hindi. This year also the compulsory introduction of Hindi in 100 more schools is proposed. Sir, this brings to my mind the Anti-Hindi movement. The other day I was going by the Mambalam bus from Triplicane and on my way I thought of the Barber's Bridge and an analogy struck me. That bridge was originally named after one Mr. Hamilton. Those who could not pronounce that name properly began to call it Ambattan bridge and then, coolly, a clerk in the Corporation Office translated it into 'Barber's Bridge' and all the tram cars, etc., are to-day placarding that name. It is in this way that the pro-Tamil movement converted itself into the Anti-Hindi movement and the Anti-Hindi movement into Anti-Aryan movement. It is now more a movement for creating class hatred than one for the encouragement of Tamil or of opposition to compulsory Hindi. I hoped that with the experience they have gained of their subversive movement, my hon. Friends in the Opposition will now join hands with the Hon. the Premier and see that the compulsory Hindi propaganda becomes a success in our province.

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"This year's Budget contains an additional provision of Rs. 55,900 as a recurring charge for the amelioration of the depressed classes and a non-recurring grant of Rs. 1,34,000 over and above what is being spent every year.

"Now, Sir, I come to the question of the land revenue concession. The Budget, last year, made a provision of Rs. 75 lakhs for land revenue concessions, but the actual remission given was Rs. 71,40,000. Three principles were adopted in the distribution of that remission according to the Government Order passed: (1) the cancellation of percentage enhancement imposed by recent re-settlements on dry, wet and garden tracts in certain districts in recent years; (2) grant of remission of 2 annas in the rupee in the remaining areas of the province; and (3) the temporary reduction of water-cess from Rs. 6-4-0 to Rs. 5-12-0 in the Godavari and Kistna deltas. I wish to submit both to the Hon. the Premier and the Hon. the Revenue Minister that there was a percentage enhancement of the water-tax in the deltas of the Godavari and the Kistna when the last settlement was made, and that enhancement was as high as 25 per cent. The tax was raised from Rs. 5 to Rs. 6-4-0 in 1931 per acre. But the Government contemplate giving a remission of only 8 annas though there has been an enhancement of Re. 1-4-0. While in other cases they cancelled all percentage enhancement made at the time of the recent re-settlements, the percentage enhancement made in the case of the abovementioned water-tax was not completely cancelled. I submit, Sir, that this could have been completely cancelled with the few lakhs that remained out of the 75 lakhs allotted for land revenue concession. If this had been done, the facility could have been extended to the areas I have mentioned, especially in view of the fact that both the Godavari anicut system and the Kistna anicut system give the Government annually 20 per cent and 18 per cent net return respectively. I plead for the ryots of those districts and request that this year the Government may be pleased to utilize this balance for this just and proper cause of the cancellation of the percentage enhancement. In this connexion I would also plead for immediate legislation for ryotwari tracts. To depend upon the Board's Standing Orders in land revenue matters for the government of this Province is a dangerous thing to do. These orders are changed almost every morning; and if you just touch the four bulky volumes which comprise these orders, you will find that there are more slips pasted than there are pages. Therefore the whole thing should be put in the form of an Act. I am confident that this will be attempted by the Government ere long. The necessity for land legislation was envisaged by the Joint Parliamentary Committee as early as 1919. Our predecessors in office practically did not find themselves fit to bring in any such legislation on the statute book; in view of the Congress Party taking up office now I would plead for an early legislation.

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"I would also like to submit that it is estimated that under the coming Census of 1941, the population of India will increase to 400 millions, i.e., 80 millions over and above what it was 20 years ago, i.e., in 1921. Not even China, with all its multitudes, has ever shown such an immense increase in so short a time. The pressure on the soil owing to an increase in population can only make the present distress, poverty and unemployment still greater. Therefore, we must find a way to deal with this problem of pressure of population on land, and the only way is to have a planned-out scheme of improvement of this Presidency; and as usual, Sir, with my born enthusiasm, I plead for extended irrigation. I plead, Sir, that unless there are good schemes of irrigation, we cannot meet the demand of the increasing population in our Presidency. I am glad, Sir, that the Hon. the Premier has announced that an agreement has been reached with His Exalted Highness the Nizam's Government as regards the Tungabhadra Project. I wish that no time should be wasted in implementing the compromise that has been reached, and I do hope that before we meet for the next Budget something tangible will be done to improve the lot of the famine-stricken ryots of the Rayalaseema.

"Apart from these bigger projects, I think much good could be done to rural areas by having planned scheme of undertaking small projects. These small projects, as I have already pleaded, can be grouped and capitalized, and we can borrow in the market at 3 per cent and invest such money on such productive undertakings, if people like Mr. Langley would only be pleased to invest monies in Government securities. When we have good credit and good foundation for the finances of our Province, we ought to be able to borrow and invest such monies in a manner by which we may be able to solve the problem of the increasing population in our Province and also raise their standard of life. I am glad that the Andhra Provincial Congress Committee has recently undertaken to prepare a list of all these schemes in the Andhra country and submit it for the consideration of the Government. I would appeal to other Provincial Congress Committees in this Province to adopt the same formula and adumbrate a plan and press it on the attention of the Government so that they may introduce these schemes at a very early date. As far as my locality is concerned, I must plead energetically for some schemes. Sabari is a tributary of the river Godavari; it has got a catchment area of 1,500 square miles around it and its water is running into waste. If at a cost of about Rs. 75,00,000 a reservoir can be constructed on the river Sabari, the result will be an increase of acreage under irrigation by the use of the waters which will be available from that reservoir. If a reservoir is constructed the outturn of water available for irrigation can be enhanced every year, and it will also ensure the growing of a full second crop and also commercial crops year after year. If this is done, I am

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pretty sure that the scheme will be a paying one within two years. I cannot but feel sorry that it has not been possible for the Government to fulfil the promise that was made about the Torrigedda project which was made during the Budget speech last year. The Hon. the Minister for Revenue and the Hon. the Minister for Public Works personally saw the place, and yet nothing has been done. The Hon. the Premier in his Budget speech said that with the passing of the new taxation measures it would be possible to pass a supplemental Part II Scheme Budget, and I do hope that the Torrigedda, the Pennar Kumudavati scheme and the Peravaram project will be included in this. And more than this, I would plead for the immediate appointment of an Irrigation Development Chief Engineer. Unless an officer of that sort is put in charge of these schemes immediately, there is no prospect of these schemes being examined during the lifetime of this Assembly and put into operation, at least some of them. Therefore, I would earnestly appeal to the Hon. the Premier to immediately appoint a Chief Engineer for formulating and examining all these schemes and decide as to how far they are productive and feasible and whether all or any of them can be put into operation.

"Then, Sir, in order to bring on the Statute Book all these Legislative measures, I do feel that the Legal Department must be enlarged. I think that the pace for putting this legislation on the Statute Book should be accelerated, and within the short space of time that is before us we should envisage our difficulties and formulate a plan for putting all these legislations in the Statute Book.

"I would also submit to the Government that there is need for the improvement of the medical hospital at Vizagapatam. I am glad, Sir, that there is a prospect of recognizing the degrees of the Andhra Medical College within four days to come. The Hon. the Minister for Public Health tells me one month. Well, one month will not matter much if it is going to be an accomplished fact within that time. Well, apart from the recognition of the medical degrees, I am particular about that hospital being improved. I was an in-patient in that hospital and I was submitted to a major operation there, and I therefore know the needs of the hospital personally. I would appeal to the Hon. Minister for Public Health to find more funds for the improvement of the Vizagapatam hospital and the Medical College.

"More than these things, I would also plead for the early introduction of a Panchayat Bill. In the ancient village community of India, there was the fullest development of the community as a whole. Members were not individual workers. They were village functionaries. They did not receive wages. They had a claim upon communal wealth in a communistic way. The glory of the village will have to be restored and all the problems

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facing the village must receive a comprehensive attention immediately. The local organization must be in a position to carry out an all-sided campaign against existing conditions. The Village Panchayats can by their constitution be qualified to attend to the needs of the villages which require a common action. The villagers must be made to shoulder the responsibility of passing common measures for the supervision of their various institutions and for the improvement of their amenities in each village.

"Before I close, I would like to plead on behalf of the ryots that were affected by the cyclone in my area. On account of the recent cyclone much damage was done not only to this year's crops but also to the coconut trees for some years to come. The coconut gardens were severely affected, as also the plantains and it will take some 8 or 10 years for them to be revived. All the plantain gardens were levelled to the ground and these ryots require special sympathy at the hands of the Hon. the Revenue Minister. More than this, the Lanka lands were particularly routed. The Hon. Dr. Rajan must have seen the floods on his way to Vizagapatam. That flood washed away the main crops in the Lankas, and soon after that, the cyclone came and destroyed what little was left. The ryots are hoping for very high concessions and I plead for a particularly soft corner in the large heart of the Hon. the Revenue Minister towards giving relief to the ryots of the Lanka lands. Sometime back the Hon. the Premier remarked that it was impossible to give 'A' class administration with a 'C' class tax-payer. Therefore we expect that along with the introduction of these new taxation measures, these 'C' class tax-payers would be made to become 'A' class tax-payers by raising their standard of living through beneficial measures of the Government.

"Sir, all human progress consists in a man getting or trying to get the most out of the resources offered to him by nature and by social surroundings. When an attempt was made by the Hon. Minister for Industries to work out a plan for the industrial regeneration of this country, my hon. Friend Mr. Langley was put out of his wit's end. This fear was expressed even earlier. Since a scheme for the industrial regeneration of this country has been put forward, they (the Europeans) thought that the industrial advancement of England would suffer. I say 'let it suffer.' As far as India is concerned it does not matter who suffers, when India itself is concerned. I say, Sir, that we are bound to regenerate our industries and we will do it. Whatever my hon. Friend Mr. Langley may say, we cannot keep back the pace of industrial regeneration of our country. There is an urgent need for regenerating both the large scale and the cottage industries. When my hon. Friend Mr. Langley was making his criticisms, he humorously read an extract of a speech which was delivered about 100 years ago in England about the imposition of taxes on a number of commodities. If our industries are not improved at a very early

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date with a protective wall, then we would be faced with a situation when we will have only British goods imported into our country for all our needs. We will have only British electrical goods, we will have only British soaps, we will have only British cotton goods, and we will have only British ribbons for adorning our brides . . . "

MR. W. K. M. LANGLEY:—"May I ask, Sir, whether he would prefer German goods?"

* SRI KALA VENKATA RAO:—"I would prefer our brides wearing articles made by hand in India and by Indians.

"Before concluding, I would only wish to invite the attention of the Government to the agitation for the creation of a separate Andhra Province. I am glad that the Government are doing all that is in their power for constituting a separate Andhra Province. When we deal with the British Government, we will have to be brandishing our sword every day and I do hope that the Hon. the Premier and this Government will continue to bang upon the door of the Secretary of State and see that the creation of the Andhra Province becomes an accomplished fact ere long.

"With these few words, I congratulate the Hon. the Premier for presenting a Budget which is mass-minded, mass-centred and which is intended for the mass regeneration of this Province."

* SRI R. M. PALAT:—"Mr. Speaker, last year when the 5-30 Budget for the year 1938-39 was presented to the House, it was p.m. found that a sum of roughly Rs. 2½ lakhs under the head of commutation of pensions was debited to the capital account instead of to the revenue account and that the budget was balanced. Similarly, this year also we see a similar manipulation of figures. I should like to refer to page 39 of the Budget Memorandum in which figures regarding remissions of land revenue are given. We see from it that, as regards nine of the districts, instead of giving the remissions in April next, i.e., April 1941 and debiting the amounts in the Budget for 1939-40 as has been the practice up to now, the Government have proposed to give the remissions in April as usual but to debit the amounts in the Budget for the year 1940-41. Now let us take it that the total remissions will be Rs. 75 lakhs and spread it over 25 districts; each district will have roughly on an average a remission of about Rs. 3 lakhs. I do not say that the remission for each district will be exactly three lakhs, but I am taking three lakhs to be a rough estimate in the absence of any separate figures of remission for each district given by the Government. On that basis we will find that for the nine districts in which remission is granted in April 1941 a sum of Rs. 27 lakhs should have been debited to the accounts of 1939-40, and if this is done, instead of the deficit being 17 lakhs it will be seventeen plus twenty-seven lakhs or whatever it is.

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"Then, Sir, we have been hoping ever since the Government of India Act, 1935 came in that there will be large reductions in the land revenue assessment. But nothing of the sort has occurred. We see that the estimated land revenue for 1939-40 is actually higher than the revenue collected some time back. All these remissions have been given from the 18 $\frac{3}{4}$ per cent increase in the land assessment and not from the old substantial assessment which was prevailing in the country before the resettlements. I say this because the resettlements that were made after the War took into account the high prices which prevailed during the War years. That was why, I think, the Marjoribanks Committee recommended that the Government should have the 1914 assessment as the basis and then have increased taxation if necessary for meeting the current expenditure. I hope the Hon. the Finance Minister will be able to explain all these figures.

"Sir, a couple of days ago I think it was the *Madras Mail* which pointed out the discrepancy between two statements in the Budget speech of the Hon. the Finance Minister. In one place he has said that it is quite possible to have Prohibition in this Presidency and the paper has pointed out that at a later stage in the Budget speech, on page 7, he has admitted that it is difficult in view of the danger of illicit distillation. Again in the Budget Memorandum, page 21, we have seen Mr. Jones saying that since 1921-22 the consumption of spirits has fallen, that it has declined substantially and that illicit distillation has spread on account of the economic depression. Therefore, Sir, there seems to be no real remedy to stop this illicit distillation. If illicit distillation is going to increase with the poverty of the people—and evidently the people are getting poorer as is seen from this memorandum—there seems to be very little sense in following this Prohibition policy, because the Government merely loses its revenue and demoralises the people by encouraging them to break the law by starting illicit distillation. Sir, the Hon. the Finance Minister has adopted a very virtuous tone when he has said on page 6 with reference to Prohibition that the excise tax is a heavy indirect tax on the poorest classes. Yet he has not hesitated to further tax the country spirits, and later on, in the next page, he has said that country liquor should be taxed further. I do not say that there should be exemption for country liquor. I wish to point out that he has not further taxed foreign liquor although a tax on foreign liquor will fall presumably on people who can bear the tax. The tax on country spirits will fall on the poor country people who drink; either they will have to go in for illicit distillation or they will have to pay far more than they can afford to.

"Sir, we have heard a great deal from the previous speaker about certain irrigation projects in Andhra districts. I may tell the Hon. the Finance Minister that so far as the West Coast is concerned—South Kanara and Malabar—there are no irrigation

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projects whatsoever. There have been one or two schemes like the Malampuzha scheme for which the estimates have been actually prepared—the Hon. Minister will find them in the Secretariat—and it has been found that it will be profitable to the Government to undertake this project. But nothing has been done so far. This year especially, in those parts of the country which could have been benefited by the Malampuzha project we have had the worst possible famine and I am extremely sorry that the Government have done nothing so far.

"Sir, in every ryotwari district in the Presidency usually the second crop is assessed to tax only if the crop has been raised with the help of some Government irrigation work and so on. But that is not so on the West Coast. The Government have not thought fit to give any remission on account of those considerations, nor have they given us any irrigation works.

"Sir, I want to point out here that the Headquarters Hospital at Calicut is still to come. A certain plot of land has been acquired more than ten years ago, but nothing whatever seems to have been done further in that connexion. Building hospitals and giving drinking water to the people are certainly very necessary and they should be done even if we have to borrow more. I would not for a moment object to any money being borrowed in order to further such schemes.

"Then, Sir, we have still not had electricity on the West Coast. I think the Hon. the Finance Minister said that electricity was for the rich. I most strongly differ from him; I say it is for the poor. Oil is more costly than electricity and therefore taxation of electricity is taxation of the poor, not the rich.

"I want to say a word about the publicity department of the Government. Sir, we have been hearing about the various achievements of the Government, but let us have a full report of everything that the Government do. Let us have weekly reports of people jailed for various offences especially anti-Hindi agitation and how their health is; let us have a list of people who have exceeded the age of 55 years and are still in service, to which caste, communities and religions they belong, how many people have applied for extension and their castes, communities and so on. Let us have a full account of the doings of the Government and not merely what they think will be of advertising value to themselves. We expect from the Government an impartial declaration of what they do and not purely one-sided propaganda to boost the present Government. Sir, we hear a great deal about the agitation in the Annamalai University, but we have heard nothing about it from the Government. That is of more immediate importance to us than the question of Federation. The Hon. the Finance Minister has devoted the first part of his Budget speech to the question of Federation and hinted that he might be relieved

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at any moment. But though the Annamalai University is of far more immediate importance to us we have not heard a word about it. With these remarks, Sir, I resume my seat."

* SRI C. R. PARTHASARATHI AYYANGAR:—"Mr. Speaker, this is the first thought provoking Budget presented by the Hon. the Premier. The Budget is more a question put to the members of the public at large so that they may give well-thought-out suggestions which may be accepted or modified by the Government as circumstances permit. We are asked to think, to judge of the conditions in which the people are living; we are also asked to better the state of society in which we are living and to make the conditions of the people entrusted to our care more edifying and life-giving.

"Sir, up to this time it had been thought that the Budget was a mere piling up of figures this side or that side so that they could see whether the expenditure was one which they could meet, and whether it touched the pockets of substantial people who could afford to pay and who escaped taxation up to this time. I might submit, Sir, that the entire aspect of the case is now entirely reversed. The question is how we can make the condition of the people who are governed better and therefore more worthy of living. There are many people in our Presidency to whom life is a great burden, and it is the duty of every well-ordered Government to see that things are so arranged that the Government exist for the welfare of the governed. That is the fundamental maxim so far as Indian ideals are concerned. Take any literature, any drama or epic or any great book; the fundamental theme dealt with throughout is the welfare of the people; it is the duty of the rulers(?) to provide for the welfare of such people. I would therefore suggest to our people that we have to tackle the questions in an entirely different way. We cannot say hereafterwards that we do not care whether the people in the village are rich or poor and whether they aggrandise one another, or whether the municipality is well administered or not. Now therefore it becomes our duty to re-organize society completely. It appears to me that, reading through the speech of the Hon. the Premier, there is an anxiety, there is an under-current running throughout the whole speech, and that is, how can we better the state of affairs now? This is a thing which cannot be done by one individual; it must be done with the co-operation of all concerned. The Hon. the Premier has been laying stress over and over again that the Congress Government exists not for the Congress party but for the whole society at large. Congress is concerned with every form of activity and therefore every one is bound to contribute his mite, his intelligence, his wealth, his understanding, his capacity and everything in his power for making society better; the state of affairs should be made better not only by the individual concerned but also by the village community, by the municipality; every individual should use all his powers, his spiritual powers, his

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intellectual powers, his physical powers, so that people at large will have good blessing. That should be our aim; that should be our object.

"Take society; it has been in existence from time immemorial in India; in India there has always been the ideal of the family unit. That is the ideal and the virtue that is to be cultivated; from it everything else would flow. If we want to have our society re-organized, we must do everything in our power to remove obstacles in the way. The Agriculturists Debt Relief Bill was intended to promote harmony between people and people, between the borrower and the borrowed who have been all these years at daggers' end. Courts of law only emphasised or accentuated the differences between people and people; the result was, all the villagers took refuge in the towns. Hence arose our problem in the towns, of having a Public Health Bill. This Bill had to be passed, because of the fact that our towns are congested, places where people live have become unhealthy. There are many problems to be solved. I say that all the enactments that have been passed till now, our Prohibition Bill, etc., are intended to create better surroundings and to have a better state of society; for that purpose many Bills had to be introduced in the Assembly here; without them we cannot have a better state of society and we cannot re-organize our society.

"Now take the history of the country prior to the advent of the British and after the advent of the British people. Before the British came to India, they found this country and the people not poor but rich, not illiterate but literate. These two things go together, literacy and riches; these are fundamental factors. There are fundamentals of education, fundamentals of politics, fundamentals of social life; there are fundamentals in our spiritual life. Unless the foundations are well and truly laid, the structure of society will topple down. The object of having self-government and complete autonomy, is to lay the foundations strongly. Therefore, I would suggest that the next Bill that will be and should be introduced is the Village Panchayats Bill not only for the ryotwari areas, not only for the zamindari areas, but for the whole Province from one end to the other. Society must be re-organized, not piecemeal but wholesale. If you want to make India rich, if you want to make the villages rich, if you want to make the people rich, if you want to make the people literate, you must begin by entrusting responsibility to the people who will carry it out through the principle of the family unit. Only in that way you can solve the problem. India itself will have to solve her problems; no outsider can do it. We have the family unit and the enlarged family unit is the village. The village community must be entrusted with responsible duties, with executive duties, with judicial and administrative duties, to begin with. How else can the experiment be carried on in the country?

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Are there not good managers in our own homes? You must extend that principle to your own village; you will certainly be able to manage your village. Are there not good managers in the village? They must come from our villages and not from the clouds. You have got to be trained in the administration of the village; you are trained in your family. Therefore I would suggest that the immediate step to be taken is to make the village a unit. True foundations of a good village unit can never be laid, unless the village is made the fulcrum on which the whole society will rest. You have a set of teachers now; they must be completely replaced. A teacher must be a doctor also; he must be trained in the Ayurvedic System of Medicine. Not only should he be a trained man, he must have a good character; he must be a person whom people will trust and confide; he must be considered to be a friend to whom people will go in times of distress, in times of difficulty; he must be a man who is respected by all castes and creeds. You can pay the teacher well. You can begin with some villages; there will be no difficulty at all in the matter.

"Therefore, Sir, I plead most eloquently, if I can, for the purpose of seeing that society is re-organized in the true Indian style. The true Indian family unit that has been handed down to us is best suited for India. In all matters responsibility should be given to the villagers; every function in the village should be managed by the village community itself; in the village there must be doctor, there must be barber, there must be washerman, there must be judge; there must be every complement of society which would relate to every activity in life. The Indian village can never be as it is. You cannot rely on agriculture alone; you must give the village the necessary resources and income; you must give them arts and crafts. There was a rumour that a separate and a new Minister is going to be appointed for the purpose of improving arts and crafts; people should be enabled to live together in amity; if that is so, I think it is a welcome sign. The agriculturist pays a large amount of tax; there is a variety of people and they must be made to pay taxes. Every method should be devised which would enable the agriculturist to live an honest, noble and decent life co-operating with every other fragment of society; every organ of life should reflect in the best light. I would lay stress on the fact that organized society in the village will be a good foundation for national life; that is the only solution for our difficulties; that is the only answer that can be given. India has given that answer: the society in the village must be well-organized; that is the answer that should be given to those who say that India is a backward country; that is the only remedy that will save the country from its condition to-day.

"There is illiteracy and poverty in the village. We must re-organize society in order to remove these evils. The only way

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of getting out of this difficulty, out of this quagmire is this: everybody else except the agriculturist must pay taxes—by all means find out ways and means. There are some people with plenty of money in their bags. If we wish to have complete provincial autonomy, people should come forward and say 'I am willing to pay the tax that may be imposed upon me'. I am anxiously waiting that some rich community should come forward and say 'I am so much in sympathy with the agriculturist that I am willing to pay more taxes'. Is the zamindar willing to pay more taxes? Is there any other community rich enough who will pay more taxes, who will say 'we will share the burden'? That is real patriotism; we want such patriotism; it is ancient virtue; we in India should have that characteristic virtue; we will be able to build up a better India and we will be benefited by it. People should contribute for the benefit of the nation as a whole. People have come here and they have been exploiting India; it is old justice, it is old law, to return good for good. They must give back to India what they have taken for such a long time. India gave in plenty. Will any one come forward and say, I would contribute more to the State? Will any person think 'I am a representative of India and I should contribute my mite to the country'? If any community wants any privileges, it must take up some responsibility also, it should share the social burden and it should contribute to the State. . . ." (The microphone did not work.)

Mr. SPEAKER:—"There is a master control here; if, in the middle of the speech of an hon. Member, the mike stops, he must understand that it is stopped for a particular purpose. Neither the Deputy Speaker nor any Member of the Panel of Chairmen is present here and the rules require that the House should elect formally a Chairman during my absence. Therefore I move from the Chair itself that Mr. Langley may occupy the Chair in my absence and I suppose the House carries the motion. I request Mr. Langley to take the Chair."

(Mr. Langley took the Chair.)

* SRI C. R. PARTHASARATHI AYYANGAR:—"Sir, I will continue my speech. This is the time when every one who feels that he is a portion of the body politic should come forward and say 'on behalf of my community, here is my contribution to the building of the Indian nation; here is my contribution in the shape of money, in the shape of virtue, in the shape of tax, in the shape of anything that I can possibly give for the improvement of the condition of the people.' That is the sort of contribution that I will advocate. 6 p.m.

"The next question that I would submit strongly for the consideration of the Hon. the Minister for Public Health is this: I would request him to bestow some consideration on the constitution of the Indian's body and Indian medicines and the constitution of the European's body and European medicines. The European

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medicines are intended for people who eat flesh, who live on alcohol, who live by smoking and such other things, whereas the Indian's body is constitutionally unfit for such things. The Indian's body is nice, is tender and is the most beautiful body that has been maintained in this way for generations together. If therefore we drug such a body with all kinds of medicines, with taccines and other foreign things which are unnatural to us, we will find them troublesome. I know myself, by personal experience, that my body cannot tolerate one drop of alcohol or even foreign medicine, except indigenous herbs and indigenous medicines or drugs. No doubt, people who have not accustomed themselves to indigenous drugs may find it difficult, but one who is determined to have the body pure, clean and neat, will accept that it is much easier to keep them in that condition with our own indigenous medicines. There is a second and financial point also involved in this, which I would stress. Our medicines are plants and medicinal herbs which, if well utilized and advertised, will bring in a lot of money in the future. There is no country in the world where cheap medicines can be produced or manufactured which will be so efficient as to get the admiration and the wonder of the whole world. People from other countries, for instance, the Germans, have been taking away a lot of our medicine books and ayurvedic sastras and have been trying to derive something out of them. But I am sure they will never find out the real truth behind many of the statements made in those sastras; it is the Indian method, the Indian genius and the Indian way of looking at things that will throw out the secrets of the Indian medical art. Therefore, I would earnestly request the Hon. the Minister in the name of posterity, in the name of ourselves and in the name of our children, that the Indian's body should be kept tender, nice, neat and clean, and that therefore our system of medicine, whether it is unani or ayurvedic or anything else, which is free from alcohol, which is fit for our vegetarian system, should be preserved. The other peoples of the world preserve their bodies according to their own conceptions of medicine. Our medicines are the best for us. Our asavas, for instance, are very cheap and can be easily manufactured by us. One thing however is worth noting. The western people won't mind acknowledging that they are in the wrong, while the Indians will never acknowledge that they are in the wrong. I have read many commentaries on medicine where people have stated that the Eastern system of medicine is the best, and in fact many people have been giving up alcohol, flesh and smoking and have acknowledged that the Indian method of living is better, that vegetarian meals are more suited, etc. Therefore, I earnestly request our Public Health Minister to kindly see that every teacher that is sent out into our villages, in view of the fact that our society in the village has to depend on him hereafter, is properly trained in medicine so that people may know 'here is a person who will administer to our wants, physical, intellectual and spiritual.' A teacher who is capable of that will naturally enjoy

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the respect of the people. For, next to the parent,—the father and the mother—it is the teacher that puts our children on the right path. And if such a thing is done, that old high standard of relationship between the teacher and the pupil can be revived in our country and will continue from generation to generation. Then alone will patriotism have its rightful place, and then alone can we think of our medicinal system as a regular mine which, when opened, will yield plenty of money and can be depended on as a regular source of income to our provincial coffers. That can be done by opening additional medical colleges and additional research institutes; and if they are opened and if proper training is given to the students going out of them, I am quite sure that throughout the length and breadth of our Province the Public Health Bill will be a great success, and we can have a state of society where anything will be working in its proper place, an agreed body, an agreed mind, an agreed society, in fact agreed everything.

"I shall now refer to a third item of work which this Congress Government should take up. Our Congress Government should take up the question of tackling education at once. There is no time to be lost. Every educated man in the country is an asset; it is the educated man who will pay the tax more willingly than the others; people who are not really educated object to paying taxes. The truly educated man is more sympathetic; the truly educated man, who really sees that his brother is in want, will certainly not say that he will not pay enough money for the purpose of relieving the wants of his poor neighbours. We find many institutions in the West being run largely with donations, donated by rich persons such as Rockefeller and other great Americans. And where are our Indian Rajas and princes and zamindars who will come forward and say "I will endow a charitable institution; I will endow a medical institution or a college or a school"? This is due to the fact that real patriotism is not being taught in our schools. In the two years which have elapsed since the Congress Government took up office, is there one school in the whole Presidency where patriotism has made a rich man spend for it or to improve the condition of the school? Is there a Chair endowed at least for religion if religion is respected in this land? It is common knowledge that at least in the cause of religion; institutions are founded by the noblest patriot for the use of mankind, where reverence is taught and pupils are made to have mutual respect for all castes and creeds, so that every one who goes out of these institutions will treat every other casteman as his friend and brother. Well, Sir, that should be the real test of education in the future. Otherwise, we shall be lacking in our responsibility to the country. Education, therefore, is a necessary training for the formation of proper ideas which are the best panacea for all intellectual and other ills. Therefore, I say, that all these things should be taken together and steps should be taken for the purpose of giving education on right lines. In that light, the true teacher, as of old, will be found to be an asset to us in this Presidency.

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“Lastly, Sir, I would suggest that the conditions under which we live are so drastically changing from day to day. The teachers that we are turning out now are found to be not to our expectations, due to the fact that the right kind of training is not imparted to them. The statement that our Prime Minister has made in the last paragraph of his summary that now people are trying to realize their responsibility is due to the fact that political education is being given on right lines, with a view to enable the people to discriminate whether a thing is right or wrong. Such an education, I say, should be immediately imparted; otherwise, the steps that we are now taking will all be laid on sandy foundations and not on rocky foundations.

“With these words, Sir, I hope that a thorough overhauling change will come over our Presidency and that in this as in many other respects, our province will lead the others.”

* SRI K. V. R. SWAMI:—“Mr. Chairman, with your permission, I want to say a few words regarding the present Budget.

“It is true that since the Congress Government took charge of this province, many good things have been done. The foremost of such things done by the Congress Government is the introduction of Prohibition. Next comes the Debt Relief Act and then the reduction of the land tax. The release of political prisoners comes next and the stopping of the exodus to Ootacamund takes the next place. Many other similar things have been done which were never cared for before this Government took charge. The last thing which we were discussing here on the last occasion was the Report of the Madras Estates Land Act Enquiry Committee. Next to Prohibition, this is the best thing attempted by this Government, and I am sure this reform will be effected in a very short time and the ryots in the zamindari villages will be happier and more contented, and that their lot will be bettered by the Congress Government.

“In this connexion, I want to place before the Hon. the Revenue Minister one important fact. That is the lot of the superior and the inferior proprietors of the Bhadrachalam taluk which lies in my constituency of East Godavari. Sir, the Bhadrachalam taluk itself was transferred to this province in exchange for some other taluk, from the Hyderabad Dominion. When this taluk was in the Hyderabad Dominion, the peshkash to be paid by these proprietors was permanently settled; but after it was transferred to the British Government, the peshkash to be paid was enhanced from time to time, with the result that it has been enhanced three times, once in the year 1889 to Rs. 23,000, and once before, somewhere about the year 1876 or so. What was originally fixed at Rs. 8,000 by the Nizam State has now been enhanced to nearly Rs. 40,000 in 1922. It has become very difficult for these proprietors to pay the peshkash, so much so that, out of the 30 estates, 23 were directed by the Government to be sold in auction, as they could not pay the

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high peshkash fixed. On account of the high peshkash demanded, proprietors had in their turn to enhance the rates to be paid by the ryots, and the ryots have consequently lost all their properties and are now in a very pitiable condition. Sir, this matter, along with the zamindari ryot's question has to be settled before long so that the ryots in these areas may also feel happy.

“Now, Sir, with regard to the Budget, our resources are very few. We get our principal revenue from Land Revenue which is about Rs. 4,74,17,000, after deducting the expenses required for collecting this amount. Next comes Excise revenue which is Rs. 3,14,56,000; and the third head under which we get a large part of our revenue is Stamps which is only Rs. 1.62 crores. Then comes Forests. From the Forest department we get a gross income of Rs. 44,66,000, but our net income is Rs. 4,92,800. It is very regrettable that so much money is being wasted on the Forest department. The Government should see that expenditure on this department is curtailed and more profits are made. Now, whatever is earned from this department is wasted on this department itself. It may of course be said in extenuation of this, we want rains and that rains will stop if there are no forests. I do not think that the army of officers in the Forest department bring about the rain or make the river flow. The only thing is, the system was built up by the former Government which is being continued by the present Government also. It is very very regrettable. I request the present Government to look into this matter and see that most of the unnecessary posts are abolished and something made out of this department.

“It was hoped that the Registration department would yield much and the Hon. the Premier also expected that we might get about four or five lakhs, but on the other hand we got only two lakhs sixty thousand.

“Again, Sir, Irrigation on which we have spent so much brought us only Rs. 55 lakhs net; though the total collection was more than Rs. 2 crores, the net income is as small as Rs. 55 lakhs. So that, Sir, you will see that the only principal heads of revenue are Land Revenue, Excise and Stamps and, we get very little from the other sources.

“Now, Sir, as regards Land Revenue it is admitted that land tax in this province is very heavy and we have to see that it is lightened. Of course, this year the Government have provided Rs. 75 lakhs for reduction of the tax and also another Rs. 50 lakhs for remission. That means a crore and 25 lakhs. This House has also resolved not to have any revenue from Excise at all and that Prohibition should be extended as rapidly as possible.

“In these circumstances, the only other alternative is to devise new methods of taxation. The Government have very wisely suggested new taxation. Hon. Members opposite object to every one of these suggestions and to every one of the Bills introduced by

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the Government. But they failed to notice the main object of these Money Bills. They are intended to relieve the ryot of the heavy burden which he now bears. As soon as the Sales Tax was thought of, the commercial people say 'Oh, you are taxing the ryot and it is not proper that the ryots should be taxed.' When the Government suggests the introduction of the Petrol Tax, again they say, what a pity for the ryot. As regards the Electricity Tax also, they say it will hit the ryot. My submission to you, Sir, is that it is not at all the correct view to take. The only tax that hits the ryot directly is the land tax; the other taxes will not hit him so much as the land tax. If he is relieved of the burden of land tax to the extent possible, and if the burden is shifted on to broader shoulders, it will really be a good thing for the ryot. When we are speaking in the name of the ryot, we are speaking only of ourselves. The people that escape any taxation appreciably are the commercial people. If a man cultivates a few acres of paddy field and gets from it Rs. 10 or Rs. 20, he has to pay a tax of Rs. 7 or Rs. 15. But, if a man makes a large income from commerce, he need not pay any tax at all except perhaps the municipal tax, and until he reaches a figure of Rs. 2,000 he need not pay anything more for, then only he pays income-tax. What is that tax after all? It is a few pises in the rupee. See what tax the ryot is paying? It is nearly three-fourths of his income. What is the tax that a lawyer or trader or other men in service pay? They pay only a very low rate of taxation. So, hon. Members of this Assembly should not grudge supporting these Bills.

"The only thing that is missing in this Budget, so far as I see, is any increase of provision for the development of industries. Though we may take pride that this Government may do something in future for the industries, I am afraid this Government have not done anything for the last so many months. Even the former Government have not done anything. This Government also have not made any attempt to do anything for the industries of the province. It is indeed very regrettable. The only thing that is required for this country is the development of industries, because they are at present very poor. All people from all quarters of the world bring in their goods, sell them here and take away our gold. What is to become of this poor country? Mr. Langley and other hon. Members belonging to his group ought to advise the Government to develop the industries. They have not done it. Have they not seen before their very eyes that only within a space of 50 years Japan has advanced to such an extent industrially? She is not only dumping her goods on this country, but is successfully competing with British goods. If there had not been any development of industries in this country, they may say 'we never objected to the development of industries by private individuals'. We have seen all these days, we have waited all this time, but private individuals have not done anything to develop the industries in this country. See what they have done in Germany? They were paying 70 per cent

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for beet-root sugar because they wanted to develop that industry. It is not possible in this country to do such things unless the Government undertake to pay for the development of these industries. It is very unfortunate that the Hon. the Minister for Industries though he is accused of extravagance, has not been able to do anything and the hon. Member, Mr. Langley ought to have congratulated the Minister for Industries for not doing anything instead of accusing him for not doing something.

(At this stage the Speaker resumed the Chair.)

"Of course, the Government are thinking of planning in the matter of industries. That will never come, I am quite sure. This planning has been going on for the last 20 years. They do not want to make even a pin or a screw or a nail. They talk of very big things like automobiles, aeroplanes and things of that sort in the press and on the platform. When it comes to a question of action, they fail to do anything. So, you will see that this is the only thing that the Government have failed to do. Now, you will be surprised to know that the amount spent on industries is Rs. 2,62,200. Is it a thing to be proud of? We hope that there will be some speedy development of industries in this Province. We know how much money is going out of this country. Now, the Hon. the Minister for Industries is a cultured man, he has travelled widely and he has studied the economic development of other countries; but it is very unfortunate he has not lifted his little finger in this respect. If he cannot look to Japan which may be far away, let him look to Mysore and see what the small State has been doing and what industries they have set up there.

"As regards Fisheries, this department spends something like Rs. 5 lakhs only. This department does not want to develop the fish industry; it does not even want pearls. The Hon. the Minister said, the Government do not want to come into competition with private efforts. Where are the private efforts? The Japanese are fishing in the Bay of Bengal and are taking away all the fish. If you look to England, large quantities of fish are being exported to other countries. You will be surprised to know that this Government are very complacent and they do not want any of these troubles. They want to go on merrily as usual in their old fashion.

"Now, I want to say one word with regard to the Andhra Province question. Many hon. Members here may not realize the feelings of the Andhras in this respect. We all expected anxiously that the Prime Minister in his speech would say one word about this, for this is a matter which has been very much the concern of the Andhras. But he has not said anything about that at all. It is a question which has been agitating the minds of Andhras for so many years and it cannot be postponed any longer. If we talk anything here, we will not be doing the proper thing. So, we all waited

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and left it to his discretion to respect our feelings. If he does not choose to say anything, thank God we suffer for that and suffer at the hands of people who every day put so many questions to us saying 'what are you going to do?' Of course, a resolution was passed and sent. It is in the archives of the Government in England and probably they are now very busy with their own affairs. We have not even reminded them of this. Things are going on like that. My friend reminds me that Mr. Raghavendra Rao is going to the India Council and that he will do something in regard to this matter because he is an Andhra."

MR. SPEAKER:—"Why should the credit go to him?"

* SRI K. V. R. SWAMI:—"If nothing is available here, we may at least try something better. That is in regard to the question of the Andhra Province.

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"Now I come to the question that is prevailing everywhere in the services. That is corruption. Most people think that, more than any other Department, one Department is noted for it, I mean the Police department. We are spending more than a crore and a half on the Police department and it is very unfortunate to know that the department is not in any way improving so far as the question of corruption is concerned. People feel that far from improving, things have been going from bad to worse and they are now more irresponsible than ever before. They think that the Hon. the Prime Minister who is in charge of the department is very kind to them and that they can go on as before without taking their responsibility seriously. I know the state of affairs as they obtain in the Rajahmundry town. That place was never in such a bad state as it now is. Cases of theft, house-breaking and other grave crimes are reported to the Police, but they do not even make an entry of that in the general diary. Formerly they used to have night patrols but now they have withdrawn them. They think they can go on merrily and leisurely and that they need not be afraid of the public because the State itself is protecting them.

"On the floor of the House a question was put regarding the Criminal Investigation Department, and information was not given because it would not be in the public interest to give it. I would ask the Hon. Prime Minister whether it would not be possible to employ them at least temporarily to deal with the curse of corruption both in the Police and other departments.

"On the whole, Sir, the Budget cannot be criticized. It is a very good Budget. The Government are trying to do what they could to the people, namely, the man that is rally in need of help, that is, the ryot and the man who is addicted to drink. The Congress Government want to see these two men and no right-thinking person will have any objection to it. For this purpose the Government want the help of the well-to-do people and those

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engaged in commerce and those who are fortunate in getting educated and who are drawing high salaries. These people need not grudge the help that is required of them and they should give the encouragement that they ought to give to the poor people of this country."

Sri A. Kondappa and Sri B. T. Seshadriachariar rose from their seats. No member from the Opposition benches rose.

MR. SPEAKER:—"If hon. Members on the Opposition benches do not rise and if members of the Congress party do not accommodate, the discussion will finish and the Prime Minister will be called upon to reply. That is a contingency against which the Opposition must always be on its guard."

* SRI B. T. SESHADRIACHARIAR:—"Mr. Reid is desirous of speaking."

MR. SPEAKER:—"The hon. Member is accommodating the Opposition by rising to speak. Otherwise the discussion will be closed by the Premier's reply. Mr. Reid will speak."

* MR. D. M. REID:—"I ask the indulgence of the House in speaking here to-night at your call especially as this is my maiden speech in this House and that I have been called upon to speak at a short notice. I had the good fortune of serving in the old Council and have lately 'descended' from 'another place' and come to this hon. House. I do not know if 'descend' is the correct word by which to express my coming to this House from the Legislative Council.

"It is customary in speaking on the Budget for hon. Members to survey the many subjects which touch the whole life and the interests of the people of the country. Sometimes speakers are prone to be diffuse in their remarks, and it is natural that members should be given an opportunity to say what they feel, for this is the one time in the year when they can criticize the general administration of the Government and the factors that touch the general life of the people, and when they can speak on the improvements and re-actions taking place daily without particular reference to a Bill which may have come in. At other times we have the right to ask questions; but then Sir, we are repeatedly pulled down by you if we attempt to make statements instead of really asking for actual information. Therefore, this is the time that people raise questions connected with the things nearest to their hearts. On an occasion like this, I should like to place before the House a subject which is very dear to my heart, and that is the failure of the Government to do something in the interests of the great majority of the people who are employed in the overwhelmingly great industry of agriculture. In the other place I had the privilege of pressing upon the Hon. the Premier to undertake urgent steps in order to put on the land what I might call the brains of the people. It has never been realized in this country that education is not an object to be achieved for the sake of getting a seat in

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an office. Education may be for two purposes: the one is for the sheer joy of intellect and advancing the mind and reaching the higher stages of real happiness, and the second is for advancing the people, for advancing the happiness of the people by improving their daily avocations. I regret, Sir, that in the direction of the second objective the Government have not done anything. They have not done anything to put into force any new scheme for advancing the agricultural industry of this Province. I think that can be done by organizing, by expenditure so far as is necessary, by setting up Agricultural Committees of the people themselves so that they may work out proper marketing schemes and prepare schemes for the development of agriculture in this Province. I suggested in another place—I have repeatedly made it; and it is a suggestion which originated with a senior Indian Member of the Indian Civil Service, who was some years ago the Director of Industries—that every graduate before being permitted to take his degree should engage in agricultural manual labour for six months and I put forward that suggestion to the Government for it would over-ride in point of importance all that the Department of Industries is trying to do. The Department of Industries has been only tinkering with the subject and has not got anywhere near the core of the problem. The result is that the great industry, the industry of agriculture upon which depend the lives of the great mass that are engaged in it, is in a very pitiable condition. What are the Government really trying to do in the matter of rationalizing agriculture and advancing it by adopting the most modern scientific methods and using good manure and fertilizers? They have been trying to do one thing and that is piecemeal irrigation, and it has been done with a good deal of expenditure, not without ample return to the Government therefrom, and though it has been an improvement upon the old system, conditions are far from what should obtain in a flourishing country. Ultimately much depends on the fluctuations of the seasons and the forces of nature. Much more has got to be done to advance it and advance it to the degree of efficiency attained by that industry in the advanced countries of Europe and America. That can only be done by putting the brains of the country on the land and by adopting a constructive and bold agricultural policy which alone can make agriculture an example to the rest of the world. At present agriculture in South India is carried on exactly as was done by their forefathers in the distant past with the same tools as in the days of the Vizianagar Kingdom, and with the same results. The present condition of agriculture calls for a bold active and vigorous policy on the part of the Government.

“ I do not want to criticize particular items in the Budget for that will come later when notices of cut motions are given. There is one important subject which comes next after agriculture. Agriculture must essentially come first and after that, comes forests. In that connexion, I would like to draw particular attention to the

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need for a vigorous policy. It is a thing which needs wider vision. We require roads, light railways and improved means of communication on a larger scale than at present. It may be, Sir, that I am not following my leader but then, Sir, I am not necessarily speaking for the party. Perhaps I might be accused of being rather visionary in putting forth suggestions of this kind. You will allow me some latitude in this matter for I have been called upon to speak at a short notice in what is my maiden speech in this House. A far more vigorous policy is needed in order to develop the great possibilities of the forests in this country. At present, I regret that the Government are carrying on things in a head-patting and back-patting sort of way. ‘ Be good to everybody; I am trying my best to help you; it will be alright to-morrow. ’ But to-morrow, it will be to-morrow once again and the next week, next week. (Laughter.) We must get on to the solemn realities of the position and realize that the world to-day is growing so rapidly that we shall be left behind; if we do not take the time by the forelock, disaster will be upon us as it has come to China and as it is coming to the other parts of the world. I must ask the indulgence of the House for having brought in extraneous issues, but I am necessarily drawn to it for we have got to see a long way before us and see where we stand. We ought to realize what is behind the movements of the day and we ought to take measures to see that we are not left behind. The Government some time have got to bring forward a really active and vigorous policy to make this country so efficient that it will be able to bear the taxation which a country of this size ought to bear. As it is, at present, this province is not in a state to bear any hard taxation. Government are looking and seeking for little things that they can catch hold of, like the tobacco tax and sales tax and similar taxes on small things. This country of 50 million people ought to be wealthy and vigorous, capable for instance of bearing its share of defence, or five divisions of soldiers instead of one regiment of Sappers and Miners. But Government are doing nothing of the kind. I trust that the Government will understand that this form of attack is in no way vicious or personal. It is just an attack which comes from a member in the Opposition intended to be constructive. The Government are doing nothing beyond general patting on the back and saying that gradually they would get everything. That is not what we want; we want an active and vigorous policy that would put the people of South India on their legs. (Laughter.) Perhaps it is not customary for a member of the Opposition to agree with the members on the Government side in what they say. I find a great deal in the remarks of Mr. K. V. R. Swami with which I agree. (Laughter and cheers.) He, in fact, was saying a good deal of what I am saying now. (Laughter.) We come down to practical politics. For making an industrial country in South India the problem is not very easy. One trouble is that we have no coal; our young men are not travelling abroad. The Japanese people have travelled

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and travelled, they have thought and thought, and planned and planned; and there are industrialists to back them up with money. There, South India fails; people with money do not come forward with a bold attitude to make this country wealthier to bear the burden of greater taxation.

"Now, Sir, as I said, I have not dealt with particular items of the Budget. I have rather tried to indicate the kind of attitude which, I think, Government should have in preparing future Budgets; that it should be the mentality of progress, of advance, instead of the mentality of peaceful smoothening down everybody and head-patting, and finally giving a pittance here and there so that we may all sit and sleep as we have all sat and slept till now."

*SRI B. T. SESHADRIACHARIAR:—"Mr. Speaker, Sir, it is my duty to offer my heartfelt thanks to the Hon. the Premier for his having selected North Arcot for the introduction of Prohibition from October next. (Applause.) I represent a rural constituency where most of the people subsist by agriculture, and I live in a village in my constituency. I can therefore say with some authority that Prohibition will surely improve the economic condition of the poorer classes who had been addicted to drink and will put an end to petty thefts and drunken brawls.

"With regard to the Budget, it is admitted by one and all that the Hon. the Premier has achieved a signal triumph as a financier. He has proposed to make the deficit good by taxing such sections of the community who will be better able to bear it. My congratulations to him in this connexion will be superfluous.

"I will be failing in my duty as a representative of a constituency consisting mostly of ryotwari pattadars, if I do not bring to the notice of the Government and of this House at this juncture the urgent necessity for reducing the land-tax in the ryotwari area. I wish to submit to this House that the half net principle applied by the Settlement Officers in fixing the rates of assessment and the enhancement of the same during successive resettlements by the manipulation of the table of statistics on which the outturn, the expenses of cultivation and the commutation rates are calculated, and by raising the classes of the irrigation sources and the soil, have impoverished many a ryotwari pattadar, big and small. The present land-tax in the ryotwari area, it is needless for me to point out, is felt to be an unbearable burden. I therefore request the Hon. the Premier and the Hon. the Revenue Minister to see the reduction of this burden to the bearable limit as early as possible. Then, Sir, my poor brain is not able to comprehend how our friend Mr. Kala Venkata Rao advocates the levy of agricultural income-tax. I know in my district that ryotwari pattadars who pay a shist of more than Rs. 500 are comparatively much worse off than those who pay less. Income-tax assesses do not pay local fund cess or education cess as the ryotwari pattadars do. If one has money, he invests the same in lands or houses or

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in some business, or lends the same out. The ryots pay land tax; the business people and money-lenders pay income-tax, and so, why people who have invested money in lands in a somewhat larger scale should alone be made to pay a double tax, I cannot understand.

"With these few words, thanking you for having given an opportunity for me to speak, I resume my seat."

* MAHBOOB ALI BAIG SAHIB BAHADUR:—"I must confess, Sir, to a feeling of pleasant surprise on the recognition by the Hon. the Premier in the Budget speech delivered by him the other day of two of the most important and fundamental principles that ought to guide the finances of a State; namely, first, that the raising of revenue by the State should depend entirely on the expenditure calculated to be necessary for discharging its functions; secondly, that taxation should be equitably distributed, that, in other words, the people should be taxed in proportion to their ability to pay. I might be pardoned, Sir, if I am a little presumptuous in saying that these have been my burden of song when every year I spoke on taxation or Budget all these 18 years I have been connected with this legislature. (Laughter.) (A voice: 18 years?) I am sorry, eight years (laughter). Therefore, Sir, it is personal satisfaction to me that at least now, the Hon. the Premier has given expression to these principles in his Budget speech. I submit, Sir, unlike the private Budget, in which the effort to earn and save is a legitimate one, it is not permissible for a State to raise revenue without reference to the necessities of the State. Taxation may vary; it may be enhanced or reduced according to the needs. Taxation, therefore, can never be permanent or unalterable. It is a pity that although the Hon. the Premier recognized that the liability of a ryot is in the nature of taxation, and the zamindar was the agent or the officer of the Government to collect that revenue, it was not possible, or rather I should say, the Hon. Prime Minister was not prepared, to admit that the liability of the zamindari ryot was not permanent and unalterable. If we consider that the ryot's liability is liable to be varied, reduced or enhanced according to the necessities of the State, what is it that prevents the Hon. the Premier, who admits that the ryot's liability must be varied according to the necessities of the State, and that the burden of taxation on him should be in proportion to his ability to pay, what is it, I ask, that prevents him from reducing the liability of the ryot? In the Budget we find, Sir, that the same liability, the same burden, is cast upon the ryot. He is asked to pay, what he is paying, half an anna (laughter) in the rupee; I mean, half a rupee in each rupee he earns. The owner of an uneconomic holding as well as the owner of large tracts of land is taxed at a flat rate, whereas persons who earn their income by professions other than agriculture are paying a graded scale of taxation not exceeding two annas in the rupee at the most; I mean, the income-tax

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assessee. We are promised land revenue legislation. I hope the Hon. Revenue Minister will bear in his mind all these facts when he frames his Bill. The ryot is still suffering under the same burden. It is he that is paying at least 10 crores that are being collected by this Government. No apparent change has taken place in the villages. They are still in the same condition, the dumb-millions as they are called.

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"The principle that this burden on the poor people would be transferred to persons who are able to bear it is for the first time enunciated by the Hon. the Premier in his speech; it remains for us to see how far that burden is really going to be transferred to other people. But, Sir, an argument is advanced in some quarters that any taxation ultimately affects the masses, the ryots, the producers or the consumers. There seems to be some force in that argument. What is the remedy? The poor seem to be surrounded by a vicious circle. If we want to tax persons who are not agriculturists or poor people, there comes the argument that ultimately it is he that is going to pay. Unless you devise some other means of taxation you are not able to reduce the taxation on persons who are not in a position to pay. That is the vicious circle and it is a very hard nut to crack. Is there any remedy? One is really lost in this problem. In some quarters, Sir, it is said that the appropriate remedy is not taxation of some other classes of persons, but that it consists in raising the standard of living of the masses. Yes, but how are we to raise the standard of living of the masses? It is suggested that these poor people, that these agriculturists must be educated to do intense cultivation and to increase the extent of cultivation where there is none; and, as one hon. Member of the European group has said, we must create facilities by which these people will be able to produce more; we must devise means of marketing the produce at the highest price possible. May I suggest that besides these, the development of trade and industry, remunerative schemes such as the electricity schemes may go a long way, Sir, to relieve the burden of taxation on these poor people? That is the only way out. It seems to me, Sir, that this burden of taxation on these poor masses, these dumb-millions for whom we have got so much sympathy, can be relieved only in this way; or else I find, Sir, that these poor masses may be enveloped by this vicious circle. We must cut that vicious circle somewhere. Their standard of living must be raised by providing facilities for them to have intensive cultivation and production and for marketing produce. It would certainly bring more money into the treasury. The Government must also institute remunerative schemes such as Electricity schemes. I find, Sir, a ray of hope in this cloud of pessimism that is the income from electricity schemes. The income from current production has gone up to 53 lakhs. Cannot this Government think of any such scheme by which they can increase the income from these remunerative schemes? We must give all

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facilities to the agriculturists to do intensive cultivation and provide them also facilities for marketing. I think, Sir, if you can do all these things, they will go a long way to relieve the poor agriculturists of their burden.

"Now, Sir, I find further that the Prime Minister has made a very correct hint. It should be noted by all persons concerned, especially those Members on the other side who have encouraged these strikes—not the Members here but in the country—who brought to a stand still many factories and many industries. He has given a broad hint in a modest tone and it should be noted by all concerned. It is not yet time, for a proletariat revolution; it is not yet time for a blocking of the progress of industries. Even Carl Marx would not have prescribed a proletarian Government for a country like India. I know, Sir, Carl Marx advocates a change in the Government; a change he says is as natural as a physical phenomenon. But, he says, it is always an evolution and not a revolution in the sense that we skip over the middle steps. He says that for a country which is highly industrial proletarian Government is the change, but not for a country which is not at all industrial to that high pitch. Ours is an agricultural land and not an industrial country. Therefore, I say that even Carl Marx or Lenin or Stalin would not have prescribed a proletarian Government for India. So it is necessary for us to take note of this and while we must sympathize with the workers and try our best to raise their wages, it is bad policy to encourage strikes, sit-down strikes and lying-down strikes. As the Hon. the Premier very aptly pointed out, these are not non-violent methods but violent methods. I am sorry to remark, Sir, that in all these cases it is some of the Congress Members and some of the office bearers of the Congress in this country that are using their influence in the Congress and are responsible for these strikes. I am glad this warning from the Prime Minister has come in time.

"One of the things I would like to submit is this. I should consider, Sir, that the only merit of democracy is that it is possible for the people of a country to agitate for a thing and to oppose the Government of that country, to educate public opinion and bring public opinion on their side, and in that way it is possible to convert the majority into a minority and to overthrow the Government. That is the peculiar right in democratic countries. I am sorry to say, Sir, that this Government which claims to be democratic, is putting down such an agitation by methods which are admittedly not warranted nor approved by any party in the country.

"Lastly I am bound to support my hon. Friend, Mr. Kala Venkata Rao in his demand for the Andhra Province. I know, Sir, that when a member of the Government side, when a Member of the party in power has advanced this cause of the Andhras, it is unnecessary for me to reiterate it. But, I am speaking to

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you the mind of the Andhras. The Andhras feel—and I am sure of both sides—that what ought to be done or what could be done by this Government is not being done. I am not referring to any of the remarks made or acts done by the Andhras here and there. I am opposed to those tactics or remarks; I condemn the acrimonious observations and doings of some of the Andhras. But I am bound to disclose to you, Sir, how every honest man, every good man, every patriotic man feels that all the Government could do has not been done. The resolution of the Working Committee of the Congress has thrown cold waters on these people. In fact the resolution of the Congress Working Committee has blocked all the efforts on the part of the Congress. It is good for the country, it is good for the Government and it is good for all concerned that steps should be taken—not that steps have not already been taken but more effective steps might be taken by this Government—to ease the situation in the Andhra Desa."

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* SRI KONDA VENKATAPPAYYA:—"Mr. Speaker, the Budget presented by the Hon. the Premier is a sound financial statement, and having regard to the responsibilities of the Government to relieve the distress caused to the people this year by cyclone, drought and famine in several districts of the presidency, it is difficult to prepare a Budget better than the one placed before us. But in spite of this the policy of taxation adopted by the Government has been criticized by some of the hon. Members opposite. The hon. Member, Mr. Langley, went so far as to quote from an old author of a harrowing tale of taxes on almost all articles used in the daily life of people of his country in those days and compared it to the taxes now proposed by this Government. I wish to point out that the policy of taxation adopted by the present Government is absolutely sound, and has become necessary on account of the introduction of Prohibition in the country. The Prohibition legislation is intended to undo the evil of drink which has made the poor in the country poorer and more wretched. As the introduction of Prohibition is causing loss of revenue, these new taxes, viz., tax upon motor spirit, tax upon electric power, tax upon tobacco, tax upon sales and the provincial tax upon entertainments are proposed to be levied. Besides these, a cut on the salaries of the public services is also proposed to be introduced. What exactly is the cut, it is not yet known and certain negotiations are going on between this Government and the Secretary of State as to this measure. But I wish to submit that anything like a small or mild cut would not meet the necessities of the case. I may draw the attention of the House to the fact that in 1919 the salaries of the public services were fixed abnormally high and they have continued till now except for a short temporary cut for a period of about one or one and a half years in the middle. The increase

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in the salaries was proportionate to the rise in prices prevailing in those days. But as there has been a considerable fall in the price levels at the present time, it is but reasonable that the salaries also should receive a proportionate cut. There can be no rational objection to this course. The Government in introducing this cut will, I hope, realize that a small cut will not serve any real purpose. In this country the administration is proverbially top-heavy and therefore a substantial cut in the salaries is neither unreasonable nor unjust. Another step deserving consideration is to abolish some of the appointments which have been created by the previous Government as several of them are more or less sinecure appointments created for the purpose of distributing patronage. Again, certain departments appear to be over-manned, for example, the police, and particularly the criminal investigation department. This department was overstaffed during the days of non-co-operation and satyagraha, in order to suppress those movements and there is no present necessity for continuing in the service the extra hands then engaged.

"Another matter which I would like to refer to is irrigation. Certain small irrigation works started here and there in the Ceded Districts, for example, the irrigation of certain villages in the Siddhout taluk and some lands in the Jammalamadugu taluk and the sinking of tube-wells in Cuddapah district indicate in a way the interest, which the Government have to improve the poor lot of the people there. But these little things would not satisfy the needs of the Ceded Districts which are always famine-stricken. The one important measure, namely, the Tungabhadra project should be undertaken. It is no doubt gratifying to hear that an agreement regarding the project has been reached between this Government and the Hyderabad Government, but nothing is said as to what future steps will be taken to implement this agreement. The people are in high expectation that Government will soon take up this measure and bring about its accomplishment. A bold step has to be taken to commence the work at once without any further delay. We expect that the Premier would state in his reply future plans, if any, already considered by the Government. The project of Kumudavati for which there was some agitation in the Anantapur district is a very small project which it is hoped the Government will take up to satisfy the needs of the Anantapur people though it be in a small measure. The Gundlakamma project has been under consideration for a long time and recently the Hon. Minister for Revenue also inspected the spot. This project was supposed to have been completely investigated and made ready for execution. The original idea was that the lands in the Ongole taluk should be irrigated under this project and after the investigation it was said that the supply of water would be just adequate for the purpose. But it is curious to learn that at this stage they have discovered

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that the construction of the same dam at the same place would give a surplus supply of water over and above what is required for the lands in Ongole taluk and that some other area must be found for using that water. Therefore to find the area fresh investigation is now being thought of. It is somewhat understandable why the authorities were not able to discover this surplus in the first investigation. Again according to the present arrangements only the lands in the lower reaches of the river are to be irrigated but the lands adjacent to it in the upper reaches are to be left out. That area is not favoured with adequate rainfall and the people there are very poor and large extents of land are left fallow. If the Gudlakamma project can be utilized for the purpose of irrigating those lands also large tracts of Agrapharam lands lying nearby would become fertile and would really relieve the distress of the poor villagers in that area. Therefore the authorities are requested to find some way of utilizing the waters of the Gundalakamma for lands adjacent to the upper reaches of the river. Again, I may also remind the Government of the great Kistna Reservoir project which was investigated and which received also the sanction of the Secretary of State as early as in 1914. It is regrettable that nobody at the present time thinks of it. It is unthinkable why it has been neglected all these years, and none can say if there is any chance of the present Government taking up the scheme at any time. But if this scheme is undertaken, not only the upland taluks of the Guntur district but also the upland taluks of the Nellore district would all be irrigated.

"Another question which also deserves consideration is the drainage of the Kolleru lanka lands in the West Godavari district. Sir, a large extent of land near lake Kolleru is liable to submersion every year in the rainy season and people who raise crops there are often ruined by the floods. There has been great deal of indifference on the part of the Government to do something to prevent this state of affairs in spite of repeated representations and petitions submitted to them urging the need for construction of a drain for those lanka lands. I hope the Government will bestow special attention to this area and relieve the distress of the people by supplying an effective means to drain the flood water from the Kolleru lake.

"Another subject to which I wish to refer, is the Indian system of medicine. The scant attention which the Government are paying to the Indian medicine is causing great discontent amongst the people of the country. In spite of the vigorous attempts made by the Government to administer medicine to the sick through Government hospitals according to the allopathic system, 90 per cent of the population depends upon Indian doctors practising the Indian system of medicine. Therefore, Sir, I submit that that system cannot be neglected. It

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deserves every consideration at the hands of the Government. It has been declared to be scientific and sound and efficacious, and people have got absolute faith in it. From ancient times they have been accustomed to it and therefore no foreign system of medicine can replace it. The efforts of the Government to give medical help under the allopathic system to the far-off villages has not succeeded and therefore they may well pay some more attention to the Indian system of medicine. Sir, it is gratifying to note that the Indian School of Medicine in Madras and the hospital attached to it are popular. In a place like Madras, where there are so many allopathic hospitals and dispensaries, it is very difficult for the Indian School of Medicine and its hospital to attract people, and yet, its popularity is apparent from the fact that the strength of the school is 497 and that the daily attendance of out-door patients at the hospital is 915 on the average and, though there are only eighty beds in the hospital the daily average of in-patients is 94. Eighty beds are quite insufficient for the average number of in-patients and further the smallness in the number of beds affords no adequate opportunity for the training of the students.

"In this connexion, I wish also to suggest that the standard of education in the medical school should be raised. Sir, the Government have now abolished the medical schools teaching the allopathic system of medicine and have decided to maintain one single standard of medical education, that is, collegiate education. Thus we have now two standards of medical instruction in the country, one in the school imparting knowledge in the Indian system of medicine and the other in the Medical colleges training students according to the allopathic system; and in the competition between these two, those trained according to the Indian medical school standard are bound to suffer. Therefore, if our faith in the Indian system of medicine is real, it is necessary that the Government should raise the status of the Indian School of Medicine to that of a college and to make arrangements to educate the students up to that standard. This alone would give them an equal standard and status equal to those qualified in the allopathic system. At the present moment, for want of proper standard and for want of proper status, the institution is not as popular as it ought to be. If the status of the school is raised to that of a college, brilliant boys and girls will undoubtedly flock to it.

"The Principal of the Indian Medical School, in his report this year, referring to the necessity of raising the school to the college standard says 'I submit that the next logical step to be implemented is to provide for the collegiate standard at the Indian Medical School and make for a single minimum standard of medical education. At present the products of purely allopathic colleges are accorded a higher status and have practically the

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monopoly of all high-paid as well as honorary appointments under the State, while the produce of the Indian Medical School are accorded a lower status, practically debarred from well-paid and honorary appointments under the State.' So the grievance is that the school has not been raised to the status of a college and that in consequence the students receiving education there have neither the standard nor the status which the products of the allopathic colleges have. The Principal further complains that all the well-paid and honorary appointments are monopolised by the products of the allopathic colleges. These grievances call for redress as early as possible.

"Sir, the Government have instituted a post-graduate course of study of Indian medicine for two years open to fully qualified practitioners of Indian medicine. Therefore, as there is thus an opportunity given for special study, the Principal suggests that every headquarter hospital and every hospital at important stations might be provided with at least one practitioner who has undergone this post-graduate course.

"Then, Sir, I wish to say a few words about the agricultural research stations in the presidency. In some of these research stations experiments are made with regard to the growth of the crops, in the matter of manuring and in breeding good cattle and such other things. But the difficulty is that the results of these researches are not made known to the agriculturists for whom they are intended. The ryots do not know anything about these experiments conducted for their benefit. I suggest that for this purpose there must be conferences held once in six months at which the results of the experiments conducted in the research stations might be explained to the ryots and they may benefit thereby.

"I find that in the Lam Research station in the Guntur district there is a veterinary department attached to it where bulls and cows are bred. The cost comes to about Rs. 7,000 per annum; but as Rs. 4,000 are realized by the sale of milk, the loss consequent on the working of this farm is about Rs. 3,000. I do not know why cows are not sold there. Sir, we find that milch cows are purchased from Nellore and other places and brought to Madras. In a short time most of the calves die on account of under-feeding. The hides of these calves are then stuffed with grass and carried in front of the cow in order to decoy it to give all the milk. This cruel practice is luckily confined to Madras and must be put an end to before it spreads to other places.

"Another cruel practice which also obtains here in Madras is that when a cow gets dry and does not yield milk, it is sold to butchers for a low price. Hundreds of cows are sold to butchers in this manner. I suggest, Sir, that a depot might be opened by the Government in Madras for purchasing the cows

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that are offered for sale in this manner and that later they may be distributed among the various research stations in the Presidency where they may be fed and looked after till they attain the period of milking and then sold for a decent price. This would not only put an end to this cruel practice of breed. These cows, although they are of very good quality, are being killed by butchers and thus the fine breed of cows is disappearing. We do not find at the present day such good breed of cows as we used to do in former years. So in the interests of maintaining a good breed, a depot must be opened in Madras and all the cows purchased by that depot should be distributed to the various agricultural farms in this Presidency.

"Another thing I would like to refer to is the forest policy of the Government. One of my hon. Friends referred to the abnormal cost that is incurred by the Government in following their present policy. But the matter which I would like to bring to the notice of the Government is that there are treeless plains and barren hills forming parts of the forest areas. Several sandy and arid waste lands also are included in the forests. When we ask the forest department to disafforest these lands so that they might be given to people who are landless, they refuse to do so. We do not know what is the underlying idea of the department in making such refusal. It is said, of course, that forests are a great necessity for the rainfall in a country. It may be so. But I do not know how treeless wastes and barren hills are a source of help for the rainfall. Therefore, I would suggest that the Government might endeavour to bring about a change in the present policy and give away these waste lands to poorer classes of people.

"The next point which I would like to refer to is the formation of an Andhra Province on which some of my hon. Friends have already spoken at some length. We expected from the Hon. the Premier some statement as to what has been done in regard to this question after the adoption of the resolution for the creation of an Andhra Province in this House some time ago. We wish to know what efforts have been made to give effect to that resolution. The country has been agitating over this question for a long time. I am not concerned with what certain people have said or done with reference to it. Some might have behaved in an unreasonable manner. I am anxious to point out that, when once this House has solemnly adopted a resolution on this question of the formation of an Andhra Province, the Government are bound to take all the necessary steps to bring about the realization of the object of that resolution.

"There is yet another point which I would like to mention in connexion with this question. Supposing it takes some time for the realization of our object, it is worth while considering the desirability of effecting such adjustments in the Budget

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as would allow the revenue derived from the Telugu districts to be utilized, as far as possible, for the benefit of the people of those districts. From a statement which was laid on the table in this House in reply to a question of mine some time back, we find that after meeting the expenditure for the Telugu districts from the revenues derived therefrom, there is an excess of about one crore of rupees. Therefore it follows that that amount is utilized for the rest of the Province. I submit that the people of the Andhra country are entitled to ask that the Budget might be so framed as to give the benefit of that surplus exclusively to themselves. With these words, I resume my seat."

The House then adjourned to meet again at 3 p.m. the next day.

THE MADRAS LEGISLATIVE ASSEMBLY.

Thursday, 23rd February 1939.

The House met in the Assembly Building, Chepauk, at three of the clock, Mr. Speaker (THE HON. SRI B. SAMBAMURTI) in the Chair.

I.—SWEARING IN OF A NEW MEMBER.

SRI E. M. SANKARAN NAMBUDRIPAD was sworn in.

II.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Picketing of cloves merchants' shops in Madras.

* 722-Q.—SRI RAO BAHADUR M. C. RAJAH: Will the Hon. the Prime Minister be pleased to state with reference to the picketing of cloves merchants' shops in Madras—

(a) how many persons had been arrested, charged, and sentenced; and

(b) whether it is a fact that some of the Hon. Ministers of Government supported the picketing?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) No arrests were made and no prosecutions were launched for picketing of cloves merchants' shops in Madras.

“(b) I am not aware of any such participation. I presume the question is not about matters of opinion.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“May I ask, Sir, whether the picketing of the shops of cloves merchants is not an offence under the Criminal Law Amendment Act?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“It depends on the circumstances of the particular picketing.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“May I know whether the Criminal Law Amendment Act as such makes provision for different circumstances?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“There is a long section in the Criminal Law Amendment Act the terms of which have to be satisfied.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“May I know if the satisfaction is merely the satisfaction of the Ministers?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“No answer, Sir.”

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ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I know what exactly the Hon. Minister means by the different circumstances of the picketing in the one case as distinguished from the picketing in the other? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I did not use the latter part of the sentence which the hon. Member has just now given out. Circumstances differ and the section has to be applied accordingly. It is not as if clove picketing differs from other forms of picketing. The question is only as to the method of picketing."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" The Hon. the Premier spoke of 'different circumstances.' May I ask, different from what? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" From one another, Sir." (Laughter.)

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I know what the other is? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" Some kinds of picketing would fall within the section and some other kinds of picketing would not fall within the section."

ABDUL HAMEED KHAN SAHIB BAHADUR:—" May I ask which are the kinds of picketing which fall within the section? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I would like the hon. Member to come and sit down with me with the section and I will try to be a law class lecturer."

SRI G. RANGIAH NAYUDU:—" May I ask, Sir, what was the object of that picketing? "

MR. SPEAKER:—" Which picketing? Clove picketing? "

SRI G. RANGIAH NAYUDU:—" Yes, clove picketing."

THE HON. SRI C. RAJAGOPALACHARIAR:—" The object of that picketing was to protect certain Indian interests in Zanzibar."

SRI G. RANGIAH NAYUDU:—" May I ask whether the object of that picketing was contrary to the policy of this Government or aimed at this Government itself? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" Not contrary to the policy of this Government or aimed at this Government."

SRI G. RANGIAH NAYUDU:—" Did any of the merchants whose shops were picketed desire the arrest of the picketers? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" As far as this Government was aware, no, Sir."

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SRI G. RANGIAH NAYUDU:—" How long did the picketing last, Sir? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I think it did not last more than a fortnight."

SRI G. RANGIAH NAYUDU:—" May I ask whether the merchants whose shops were picketed responded? "

MR. SPEAKER:—" I think the hon. Member is putting too many questions by way of re-examination."

THE HON. SRI C. RAJAGOPALACHARIAR:—" As far as I am aware, Sir, the merchants finally co-operated with the picketers."

At this stage Sir Pannir Selvam rose.

MR. SPEAKER:—" Sir Pannir Selvam will put the last question."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—" May we take it that this picketing had the approval of the Madras Government? "

THE HON. SRI C. RAJAGOPALACHARIAR:—" I have already answered, Sir, that no such reference was made to the Madras Government. One part of the question was whether the Ministers of the Government supported the picketing. I have already stated that we did not, as far as I am aware, participate in such picketing. But if it is a question of opinion, it is not legitimately a subject-matter for a question."

* 723 Q.—K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—" I do not put the question, Sir."

Legislation regarding contribution by zamindars and inamdars towards the cost of repairs and improvements to irrigation works.

* 724 Q.—SRI K. P. YAGNESWARA SARMA:— Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Government have received any representations on the necessity for legislation on the question of contribution for irrigation repairs and improvements due to the Government by zamindars and inamdars; and

(b) whether any and if so, what decision has been arrived at by the Government on the same?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" (a) & (b) The answer is in the negative."

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Repairs to the minor irrigation tanks damaged by the last July rains in Dharmapuri and Harur taluks.

* 725 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) how many minor irrigation tanks were breached during the last July rains in Dharmapuri and Harur taluks;

(b) what arrangements have been made to effect the necessary repairs;

(c) what the amount of expenditure would be on that behalf; and

(d) what the amount of loss of revenue per fasli is by way of remissions due to the said breaches in the said taluks?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) to (d) The Government have called for a report.”

Encouragement of boat traffic on the several irrigable rivers in the Tanjore district.

* 726 Q.—SRI A. VEDARATNAM PILLAI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether boat traffic is allowed on the rivers and canals which are used for irrigation purposes in this Presidency;

(b) if so, what are the rivers that are used for this purpose and where;

(c) what is the income to the Government from a single boat and what is the total income from this source; and

(d) whether the Government will allow the public to export and import goods by boats along the several irrigable rivers in the Tanjore district?

THE HON. MR. YAKUB HASAN:—“(a) & (b) The answer is in the affirmative. The hon. Member's attention is invited to the notification issued by Government under section 4 of the Canals and Public Ferries Act, printed on page 5 of the Navigation Rules for the East Coast Canals, copies of which are available in the Secretariat Library.

“(c) The hon. Member's attention is invited to pages 6–12 of the Navigation Rules referred to above and to the D.I. statements printed in Appendix I to the Administration Reports, Public Works Department—Part II—Irrigation, copies of which are available in the Secretariat Library.

“(d) Navigation has long been permitted in the Vedaranniyan canal. On a representation received from the ryots of the Tiruturaipundi taluk, certain reaches of the Adappar and

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other rivers mentioned in the notification referred to above were thrown open for navigation in 1935. This was done to enable the ryots to use them for the conveyance of paddy and other goods in boats on the understanding that they should pay the necessary licence fees and enter into agreements making themselves responsible for any damage done to the banks. If there is a demand for a similar concession in respect of other rivers, the feasibility of granting it will be considered.”

Inclusion of the scheme to provide the Pennar anicut at Nellore with falling shutters, in the next year's budget.

* 727 Q.—SRI V. VENKATASUBAYYA: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether a scheme to provide falling shutters to the Pennar anicut at Nellore is under the consideration of the Government;

(b) whether several memorials have been preferred to the Government in this behalf from time to time; and

(c) whether the scheme will be included in the next year's budget?

THE HON. MR. YAKUB HASAN:—“(a), (b) & (c) The answer is in the affirmative.”

* 728 Q.—SRI V. VENKATASUBBAYYA: “I do not put the question, Sir.”

Statistics regarding carpets manufactured in jails.

* 729 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state—

(a) whether any carpets are manufactured in any of the jails;

(b) if so, in which of them; and

(c) what the quantity and value of carpets manufactured last year are?

THE HON. DR. P. SUBBARAYAN:—“(a) The answer is in the affirmative.

“(b) During 1938 carpets were manufactured in the following jails:—

The Central Jails at Rajahmundry, Vellore, Coimbatore, Salem, Bellary and the District Jail, Madura.

“(c) A statement ^a is placed on the table of the House.”

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Places for the treatment of mental defectives in Andhra Desa.

* 730 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the Government have any information with regard to places where mental defectives are treated in Andhra Desa; and

(b) if not, whether such information will be called for?

THE HON. DR. T. S. S. RAJAN:—“(a) & (b) In addition to the Government Mental Hospital, Waltair, it is understood that mental patients are treated in the Andhra Desa in an institution called ‘Suprasiddha Unmada Vaidyalayam’ by Angara Papacharyulu & Bros. at Penikeru in the East Godavari district.”

SRI K. V. R. SWAMI:—“May I know, Sir, whether the results produced are very encouraging?”

THE HON. DR. T. S. S. RAJAN:—“The Government are not in possession of the facts, Sir.”

SRI K. V. R. SWAMI:—“May I request the Hon. Minister to call for the information on this subject, Sir?”

THE HON. DR. T. S. S. RAJAN:—“I do not think it is very necessary, Sir.”

Treatment of mental defectives by indigenous methods.

* 731 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the Government will consider the question of treating mental defectives in their charge by other systems of medicine such as Ayurveda available in the country; and

(b) if not, why not?

THE HON. DR. T. S. S. RAJAN:—“(a) & (b) The attention of the hon. Member is invited to the answer to clause (c) of question No. 595 answered in this House on 17th January 1939. But the Government have no objection to those interested in the mental defectives enabling them to obtain treatment at the hands of Ayurvedic doctors who have established a reputation in that direction.”

Use of Maddi trees for rearing silk-worms.

* 732 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state with reference to question No. 619, dated 30th March 1938—

(a) whether it is a fact that the Forest Department prohibited the use of Maddi trees for rearing silk-worms on the ground of possible danger to these trees;

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(b) whether this is the ruin of silk manufacture at Marikala village, Nugoor taluk, East Godavari; and

(c) whether Government will now pass orders permitting free use of Maddi trees for rearing silk-worms?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The answer is in the negative. The areas where sericulture used to be practised have not been made reserved forest. They are still in the unreserves and in zamindari lands.

“(b) & (c) Do not arise.”

Prevention of deforestation and soil erosion on the hills forming the sources of rivers.

* 733 Q.—SRI K. P. YAGNESWARA SARMA: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether any representations have been made by the Tinnevely District Landholders' Association that the State should assume control over the forests that command the sources of rivers in the hills in the Province in order to prevent deforestation and soil erosion; and

(b) whether the Government have come to any and if so, what decision on the subject?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) Representations were received from the Tinnevely District Association in 1929, 1930 and 1933 that steps should be taken by Government to prevent the denudation of forests in the Singampatti zamindari.

“(b) The association was informed that an enquiry had been made on the subject but that the Government did not consider it necessary to issue a notification under section 29 of the Madras Forest Act. Since then however the estate including the forests has been brought under the management of the Court of Wards and there need be no fear of denudation or unregulated fellings for so long as the present arrangement lasts.”

Measures to prevent the drain of gold.

* 734 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) what the quantity and value of gold exported from this province to other places are in each of the last ten years;

(b) whether the Government have taken or propose to take any steps to prevent this drain of gold; and

(c) if so, what those steps are?

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SRI B. S. MURTI (Parliamentary Secretary) on behalf of the Hon. Sri V. V. Giri:—“(a) A statement^a furnishing the information regarding gold (private) is laid on the table of the House.

“(b) The question of the prevention of the export of gold is a matter for the consideration of the Government of India.

“(c) Does not arise.”

SRI V. M. RAMASWAMI MUDALIYAR:—“May I ask whether the figures which have been given include the gold exported from Bombay to foreign countries or whether they represent merely the gold that was sent out of this Province?”

SRI B. S. MURTI:—“Notice, Sir.”

Functions of the honorary visitors to labour schools in the Presidency.

* 735 Q.—SRI E. KANNAN: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that “honorary visitors” are appointed to some labour schools in the Presidency and if so, what is the purpose for which they are appointed; and

(b) whether it is a fact that these visitors are allowed to write their remarks in the visitors’ book kept in every school?

SRI B. S. MURTI (Parliamentary Secretary) on behalf of the Hon. Sri V. V. Giri:—“(a) & (b) Yes; Honorary visitors are expected to pay surprise visits to the schools and to bring to the notice of the District Labour Officer and the Collector such defects as they may happen to notice during their visits. They record their remarks in the visitors’ book kept at the school.”

SRI E. KANNAN:—“May I know whether visitors’ books are kept in the labour schools as required under the Education Rules according to which the management has to produce such books to the visitors so that they may record their remarks therein?”

SRI B. S. MURTI:—“Yes, Sir.”

SRI E. KANNAN:—“May I know whether it is a fact that the Collector of Malabar has recently issued an order prohibiting some of the members of the District Harijan Advisory Committee from recording their remarks in the visitors’ books kept in the labour schools?”

SRI B. S. MURTI:—“I have no information, Sir.”

SRI E. KANNAN:—“Will the Government be pleased to call for the information?”

SRI B. S. MURTI:—“Yes, Sir.”

^a Printed as Appendix II on page 256 infra.

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SRI G. RANGIAH NAYUDU:—“May I know for how long has this system of honorary visitors been continuing, Sir?”

SRI B. S. MURTI:—“Since long, Sir.”

Instructions to departments to prefer khaddar when indenting for their requirements.

* 736 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Administration Reports and Public Information be pleased to state—

(a) whether the Government have considered the question of issuing instructions to the several departments of the Government that preference should be given to khaddar in the matter of purchase of cloth necessary for them; and

(b) if so, what the decision is?

THE HON. SRI S. RAMANATHAN:—“(a) & (b) The Government have not considered the question of issuing general orders as assumed by the hon. Member. Orders have, however, issued directing that 50 per cent of the stock of woollen blankets in each Government medical institution should be gradually replaced by khaddar duppaties keeping the remaining 50 per cent of the stock as woollen blankets and that the additional stock of 10 per cent required to meet unforeseen circumstances may also be of khaddar duppaties.”

SRI V. M. RAMASWAMI MUDALIYAR:—“May I ask why the Government will not consider the desirability of issuing instructions to all departments where clothing is supplied at public cost that the clothing must be khaddar, especially in departments like the Police department?”

THE HON. SRI S. RAMANATHAN:—“Khadi should be spread by voluntary propaganda and should not be imposed by Government instructions.”

Conversion of the District Board Mappilla Lower Elementary School at Tirur into a higher elementary school.

* 737 Q.—H. S. HUSSAIN SAHIB BAHADUR on behalf of Khan Bahadur P. M. Attakoya Thangal Sahib Bahadur: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government are aware that the Malabar District Board had repeatedly rejected the representation of the Mappilla residents of Tirur to raise the local District Board Mappilla lower elementary school into a higher elementary school;

(b) what the opinion of the District Educational Officer in the matter was; and

(c) whether the President of the District Board ascribed the rejection to the existence at Tirur of a higher elementary

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school under the management of the Devadhar Malabar Reconstruction Trust and a High school, two miles away from the place and to want of funds?

THE HON. SRI C. J. VARKEY:—“(a) Government are not aware that the Malabar District Board has repeatedly rejected the proposal to raise the Board Mappilla Lower Elementary School, Tirur, into a higher elementary school. When the district board first proposed to raise the school into a higher elementary school, the Education department objected.

“(b) The District Education Officer was not in favour of the proposal in view of the fact that there was already an aided higher elementary school in which Mappilla pupils were reading.

“(c) The headmaster of the District Board High School objected to the recognition of any higher elementary school near the high school but this was not the main consideration in deciding the question. The Government are not aware that the president of the district board objected to the proposal on the ground of want of funds.”

MUHAMMAD ABDUR RAHMAN SAHIB BAHADUR:—“May I know how far the Board Mappilla Lower Elementary School at Tirur is from the Higher Elementary School at Pudiyanagadi?”

THE HON. SRI C. J. VARKEY:—“If the hon. Member will put down another question, it will be answered.”

MUHAMMAD ABDUR RAHMAN SAHIB BAHADUR:—“My question is quite relevant and arises this way, Sir”

MR. SPEAKER:—“No argument; the Hon. the Minister does not want to answer the question at present, and he is entitled to do so.”

Number of memoranda, memorials, etc., received by the past and present Governments in respect of G.O. No. 4619, L. & M., dated 20th October 1934.

* 738 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state—

(a) the number of memoranda, memorials, protests, deputations and appeals received by Government from 20th October 1934, regarding G.O. No. 4619, L. & M., dated 20th October 1934, till the present Ministry assumed office; and

(b) the number of such memoranda, etc., received by Government after the assumption of office by the present Ministry till 7th December 1938?

THE HON. SRI C. J. VARKEY:—“(a) & (b) Representations have been received from time to time; it is not possible to trace the registers of the past four years to find out their exact number without an expenditure of time and labour which will not be commensurate with the results.”

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Selection of persons for New Year and Birthday Honours.

* 739 Q.—K. ABDUR RAHMAN KHAN SAHIB BAHADUR: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Provincial Government have anything to do in the selection of persons in Madras Province for New Year and Birthday Honours;

(b) whether the recipients of the New Year Honours this year in our Province were selected and recommended by the present Provincial Government; and

(c) if the answer to (b) be in the affirmative, the criterion on which the selections were based?

THE HON. SRI C. RAJAGOPALACHARIAR:—“The answer to clauses (a) and (b) is in the negative.

“(c) Does not arise.”

Grouping together the districts of South Kanara and Malabar for recruiting candidates for the services.

* 740 Q.—KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that some districts are grouped together for the convenience of recruiting candidates for the services according to the communal Government Order;

(b) whether South Kanara has been grouped with any other district for this purpose; and

(c) if not, whether the Government propose to group together South Kanara and Malabar, as Malayalam is a common language in both the districts?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) to (c) Where recruitment is not made for any service on a province basis, the unit for purposes of recruitment is for Engineering Subordinate Service, the circle; for Excise Sub-Inspectors, the Excise subdivision; for Sub-Inspectors of Police, the range; for Ministerial Service and Revenue Subordinate Services, the district; for survey, the Survey Party.

“In the case of the Revenue Subordinate Service, certain districts have been grouped together, so that each communal term may be satisfied, if not possible in the same district, from another district of that group.

“Malabar and South Kanara are not grouped together for this purpose as their languages are different.”

KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—“Are the Government aware, Sir, that Malayalam is the common language for both Malabar and South Kanara?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Not only am I not aware of it, but I am aware of the opposite also.”
(Laughter.)

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Proposal to discontinue the custom of piercing the ear-lobes of young girls in the Tanjore, Trichinopoly, Madura and Ramnad districts.

* 741 Q.—SRI V. BHUVARAHAN: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government are aware of a custom existing among some sections of the caste Hindus in the Tanjore, Trichinopoly, Ramnad and Madura districts, whereby the ear-lobes of young girls are pierced with a crude instrument by the Kuravars; and

(b) whether the Government received a memorandum requesting measures for the discontinuance of this custom and what action they have taken thereon?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) Yes. The Government are aware of the practice of piercing the ear-lobes for the wearing of jewellery. They consider that such practices have to be reformed by educative propaganda and not met by Governmental action.

“(b) The answer is in the negative.”

SRI G. KRISHNA RAO:—“Have the Government any power to enter into the ear-lobes of the people?” (Laughter.)

Exemption from age-limit for the matriculates of the Andhra University to appear for the Public Service Commission examination.

* 742 Q.—SRI P. BUCHAPPA NAYUDU: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Matriculation Examination of the Andhra University has been recognized by the Government as equivalent to the Madras S.S.L.C. Examination for entry into the public service; if so, when;

(b) how many applications of the matriculates of the Andhra University were rejected by the Madras Public Service Commission before the rule was amended;

(c) whether there are any amongst such rejected candidates, who have become age-barred by now or are likely to become age-barred by the time the next competitive examination of the Madras Public Service Commission is held; if so, how many;

(d) whether the Government have received any petitions from such age-barred candidates requesting that a single chance of sitting for the Madras Public Service Examination may be allowed to them; if so, what orders the Government have passed on such petitions;

(e) whether it is a fact that in circumstances exactly similar, the candidates who hold the B. Com. Degree of the Andhra University were allowed a deduction of one year from their actual

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age to enable them to avail themselves of at least a single chance of entry into the public service; and

(f) whether with respect to the age-limit prescribed the Government intend to allow the matriculates of the Andhra University the same concession as the one accorded to holders of the B. Com. Degree of the Andhra University as per terms of G.O. No. 557, Public (Services), dated 28th March 1938?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) Yes; in October 1938.

“(b) & (c) Government have no information.

“(d) One petition was received; the Government declined to grant the petitioner's request. He passed his Matriculation Examination at the age of 23, the usual age for matriculates being 15 or 16.

“(e) & (f) The circumstances are not exactly similar. A year's grace was given to the B. Com. degree-holders who passed before 1938. The Government do not think that the case of the matriculates calls for similar treatment in regard to age, as they are young enough and have plenty of time to reach the age-bar.”

Recommendations, if any, of the Board of Revenue regarding relief to the agriculturists of the South Arcot and Chingleput districts.

* 743 Q.—BASHEER AHMED SAYEED SAHIB BAHADUR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Board of Revenue has made any, and if so, what recommendations or suggestions in general for (i) the immediate and (ii) the ultimate relief of the distressed condition of the agricultural ryots in the districts of South Arcot and Chingleput;

(b) if so, what the details of those recommendations or suggestions are; and

(c) what action the Government propose to take in the circumstances to relieve distress in the said districts?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) & (b) No recommendations for special measures for the relief of agriculturists in the Chingleput and South Arcot districts have yet been made to the Government.

“(c) The question will be considered on receipt of the recommendations of the local officers.”

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BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I ask when the Government expect to receive recommendations from the officers or the Board of Revenue? "

SRI T. VISWANATHAM:—" Very early, Sir."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I ask, Sir, the Government to expedite these reports? "

SRI T. VISWANATHAM:—" Government are as anxious as the hon. Member is to expedite."

Irrigation of land by springs in the taluk of Bapatla in Guntur district.

* 744 Q.—SRI P. BUCHAPPA NAYUDU: Will the Hon. the Minister for Revenue be pleased to state—

(a) the extent of land that is irrigated under springs in the taluk of Bapatla in Guntur district;

(b) how many of these springs are in Government poramboke land and how many in patta lands;

(c) whether the Government incur any expenditure in maintaining the springs in proper condition so as to yield the required supply of water;

(d) if the answer to the previous clause is in the negative, who it is then that maintains these springs annually;

(e) whether it is a fact that the Government collect water-rate of Rs. 6 per acre on the lands irrigated under these springs and if so, under what authority; and

(f) whether the Government received any oral and written representations from the cultivators of these lands to exempt them from the rate and what action the Government have taken or propose to take?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" (a) About 3,000 acres.

" (b) The Government have no information.

" (c) & (d) The springs are being maintained by the ryots.

" (e) The rates of water-cess levied are Rs. 4 and Rs. 3 per acre for irrigation from 'sonas' placed in the first class and the second class respectively. If the hon. Member refers to the wet-rates of assessment, Rs. 6 is the highest wet-rate collected and was fixed at the resettlement of 1904.

" (f) Representations have been received and are under the consideration of Government."

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Rate of assessment on and the average income derived from an acre of land for rubber, tea, etc., cultivation in Malabar.

* 745 Q.—MUHAMMAD ABDUR RAHMAN SAHIB BAHADUR: Will the Hon. the Minister for Revenue be pleased to state the average income from lands in Malabar used for rubber, tea, coffee, coconut and paddy cultivation as calculated for assessment purposes at the time of resettlement and the rate of revenue derived from each per acre?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" The income from lands is not calculated at resettlements. As regards the rate of revenue per acre now derived by the Government in the Malabar district the land revenue concessions granted by them in faslis 1347 and 1348 wiped out the percentage enhancements imposed at the resettlement of the district and the rates for these two faslis are as follows:—

				Old holdings.		New holdings.	
Eight plains taluks—							
Wet lands	..	..	..	From 12 annas to Rs. 6.	to	From Rs. 1-4-0 to Rs. 10.	to
Dry lands	..	..	..	From 4 annas to Rs. 2.	to	From 8 annas to Rs. 4.	to
Garden lands	..	..	..	From Rs. 1 to Rs. 7.	to	From Rs. 2 to Rs. 14.	to
Wynads—Estate developed lands.				Rs. 2		Rs. 2 (janmabhogam)."	

Revenue derived from private forests in Malabar.

* 746 Q.—MUHAMMAD ABDUR RAHMAN SAHIB BAHADUR: Will the Hon. the Minister for Revenue be pleased to state whether the Government receive any revenue from the private forests in Malabar, owned by the janmis?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" It is presumed that the Hon. Member refers to unoccupied dry lands in holdings in the eight plains taluks of Malabar. Such lands are charged with assessment only when cultivated."

SRI R. M. PALAT:—" Are the Government aware, Sir, that the janmis have to pay income-tax on the sale of forest produce, and revenue is therefore paid to the Government? "

SRI T. VISWANATHAM:—" They may have to pay, but the Government are not aware of it."

SRI E. KANNAN:—" May I ask whether Government are aware that many of these janmis are getting enormous profits from some of these forests, even though they are not cultivated? "

SRI T. VISWANATHAM:—" I have no doubt that some of the janmis might be getting enormous profits."

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Need for the post of Junior Superintendent, Public Works Workshops, Dowlaishwaram.

* 747 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) when the post of Junior Superintendent of Public Works Workshops, Dowlaishwaram, was created; and

(b) who was looking after this work previously?

THE HON. MR. YAKUB HASAN:—“(a) 1927.

“(b) The work was previously looked after by a Subdivisional Officer (Assistant Engineer) and a Foreman-Superintendent.”

SRI K. V. R. SWAMI:—“Will the Hon. the Minister be pleased to state whether this work cannot be attended to by others, instead of incurring expenditure on the appointment of another officer?”

THE HON. MR. YAKUB HASAN:—“The need for another officer was felt, and so another officer was appointed.”

SRI P. R. K. SARMA:—“May I know whether the work of the workshop has increased since?”

THE HON. MR. YAKUB HASAN:—“Yes, I think so, since 1927, though I have not got facts and figures here to verify.”

Defect in the shutters in the Dowlaishwaram anicut.

* 748 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that there is too much leakage in the shutters set up on the Dowlaishwaram anicut; and

(b) whether it is a fact that all the water flows out in a short time?

THE HON. MR. YAKUB HASAN:—“(a) There is a certain amount of leakage through the clearance at the bottom and sides of the anicut shutters and it is unavoidable.

“(b) The answer is in the negative. The leakage is too slight to affect irrigation.”

SRI KALA VENKATA RAO:—“If the water level does not fall so quickly, what is the objection to extend irrigation in the Godavari deltas?”

THE HON. MR. YAKUB HASAN:—“I do not know how that question arises from this, Sir.”

MR. SPEAKER:—“An independent question may be put.”

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Improvements to the minor ports in South Kanara.

* 749 Q.—KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR: Will the Hon. the Minister for Public Works be pleased to state—

(a) how many minor ports there are at present in South Kanara district;

(b) the income from each of these ports last year;

(c) out of the 100 and odd ports in this Province formerly, how many there were in South Kanara;

(d) the cause of the closure of some of the ports;

(e) whether the Government are aware that all the ports in South Kanara are at the mouths of rivers and the bars of these rivers which are the entrance to these ports are getting silted up year after year, thus preventing bigger vessels from entering these ports; and

(f) if so, whether the Government intend to take steps to deepen these harbours?

THE HON. MR. YAKUB HASAN:—“(a) Seven.

“(b)—

	Minor Ports Fund.			Landing and shipping Fund.		
	RS.	A.	P.	RS.	A.	P.
1 Mangalore	34,778	12	4	78,701	13	10
2 Malpe	1,782	4	1	2,293	11	7
3 Hangarkottah	543	8	6	2,509	0	0
4 Kasaragod	296	7	6			
5 Mulki	133	5	10	...		
6 Coondapoor	1,982	4	2			
7 Baindur	326	15	6			

“(c) Seventeen.

“(d) The closure was due to the fact that there was no trade at some of the ports, while the value of trade at others was insignificant.

“(e) The Government are prepared to accept the hon. Member's statement.

“(f) This question is dealt with on its merits in the case of each individual port and where the expenditure on removing silt and deepening the channel is justified, it is attended to in the usual course.”

Revival of Tank Restoration Scheme work in the Tinnevely district.

* 750 Q.—SRIMATHI V. LAKSHMI AMMAL:—“Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that since 1931 numerous memorials and representations have been sent to the Government urging

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the restoration of the Tank Restoration Scheme work in the Tinnevely district; and

(b) whether the Government have considered the question of ordering the restoration during the next financial year and, if so, what the details of the proposals are?

THE HON. MR. YAKUB HASAN:—“(a) The answer is in the affirmative.

(b) The matter was considered but could not be taken up for want of funds.”

Reduction of the process service establishment in all the civil courts.

* 751 Q.—SRI B. VENKATACHALAM PILLAI:—“Will the Hon. the Minister for Law be pleased to state—

“(a) whether it is a fact that the Nazarat in all the courts has been working at a deficit, for the last six to nine months; and

“(b) if so, whether the Government propose to take measures to reduce the process service establishments before the end of this financial year?”

THE HON. DR. P. SUBBARAYAN:—“(a) The Nazarats in the Presidency as a whole, have been working at a deficit during the last six to nine months.

“(b) With reference to the figures for July to September 1938, the District Judges have been asked to revise the strength of the process service establishments in their districts; and in some districts, a reduction of strength has already been ordered.”

Supply of dailies for the use of convicts in jails.

3-30
p.m.

* 752 Q.—SRI K. V. R. SWAMI:—“Will the Hon. the Minister for Law be pleased to state—

(a) whether the question of supplying daily papers for the use of convicts in jails has been considered by the Government; and

(b) what the result is?

THE HON. DR. P. SUBBARAYAN:—“(a) The answer is in the affirmative.

“(b) ‘A’ and ‘B’ class prisoners are allowed certain daily newspapers at their own cost. Daily newspapers are not supplied or allowed to ‘C’ class prisoners.”

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SRI K. V. R. SWAMI:—“May I know what the papers are that are supplied to them?”

THE HON. DR. P. SUBBARAYAN:—“This has already been answered on the floor of the House in connexion with another question and the nature and particulars of papers supplied I remember, have been laid on the table of the House.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I know, Sir, why the papers are not supplied to ‘C’ class prisoners?”

THE HON. DR. P. SUBBARAYAN:—“Papers are not supplied to the ‘C’ class prisoners because they are not provided for by the Jail Manual.

Prevalence of the practice of putting convicts in jails to work flour mills.

* 753 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state—

(a) whether the practice of putting convicts to work flour mills has been given up in all jails; and

(b) if not, what the reasons are?

THE HON. DR. P. SUBBARAYAN:—“(a) The answer is in the negative.

(b) The grinding of grain into flour is one of the normal tasks for male prisoners sentenced to rigorous imprisonment.”

SRI K. V. R. SWAMI:—“May I ask the Hon. Minister whether grinding flour is not too much of a hard labour?”

THE HON. DR. P. SUBBARAYAN:—“I am very grateful to the hon. Member for the information.”

SRI K. V. R. SWAMI:—“Will not the Government consider the abolition of this system of labour?”

THE HON. DR. P. SUBBARAYAN:—“No, Sir.”

SRI K. V. R. SWAMI:—“Have the Government got any particular reason to continue this system of hard labour?”

THE HON. DR. P. SUBBARAYAN:—“I do not think that it is hard labour as the hon. Member thinks it to be, because it is only a question of relativity.”

SRI K. V. R. SWAMI:—“May I know whether it is done anywhere by men outside the jails?”

THE HON. DR. P. SUBBARAYAN:—“Yes, Sir. I have done it myself.”

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Control by Government of the circulation of foreign lotteries and sweepstakes within the Province.

* 754 Q.—SRI K. V. R. SWAMI:—“ Will the Hon. the Minister for Law be pleased to state—

(a) whether the question of controlling the circulation of foreign lotteries and sweepstakes within the Province has engaged the attention of the Government; and

(b) what steps they propose to take in the matter? ”

THE HON. DR. P. SUBBARAYAN:—“ (a) & (b) The matter is engaging the attention of the Government.”

Hardships of the sweepers and scavengers.

* 755 Q.—SRI S. NAGAPPA:—“ Will the Hon. the Minister for Public Health be pleased to state—

(a) whether any representations were made to the Government with regard to the grievances of sweepers and scavengers;

(b) if so, whether there are any proposals before the Government for introducing uniform pay, provident fund, leave facilities, quarters and better living conditions; and

(c) if not, whether the Government will be pleased to take up this question immediately?

THE HON. DR. T. S. S. RAJAN:—“ (a) & (b) The answer is in the affirmative.

“ (c) The question does not arise.”]

Delay in the payment of stipends to the stipendiary students of the School of Indian Medicine.

* 756 Q.—SRI G. KRISHNA RAO:—“ Will the Hon. the Minister for Public Health be pleased to state—

(a) how many students are paid stipends in the Government School of Indian Medicine, Madras;

(b) on what date the stipends are disbursed to the students every month;

(c) whether there have been any complaints about the delay in the payment of stipends; and

(d) if so, what action has been taken or is proposed to be taken in the matter?

THE HON. DR. T. S. S. RAJAN:—“ (a) There are about 75 stipendiaries who are paid by local boards and 15 girl students who receive stipends from the Government.

“ (b) & (c) The Government stipendiaries are generally paid, not later than the 10th of every month, the stipend for the

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preceding month. No complaint has so far been received from them. The Government have no information on the points raised in these clauses about local board stipendiaries.

“ (d) The question does not arise.”

SRI G. KRISHNA RAO:—“ May I know, Sir, if during the recess of about three months the stipends are sent to the students regularly? ”

THE HON. DR. T. S. S. RAJAN:—“ I want some time to answer this question.”

Decision, if any, regarding the inclusion of L.I.Ms. in the scheme of training for public health work in rural areas.

* 757 Q.—SRI K. VENKATAPPAYYA:—“ Will the Hon. the Minister for Public Health be pleased to state with reference to the answer to clauses (c) and (d) of starred question No. 482 given at the meeting held on 9th December 1938, whether the Government have reached a final decision in the matter of including L.I.Ms. in the scheme of training for public health work in rural areas?

THE HON. DR. T. S. S. RAJAN:—“ Government have not yet reached a final decision in the matter.”

Proposed notification of the Gunupudi temples by the Hindu Religious Endowments Board.

* 758 Q.—SRI K. VENKATAPPAYYA: “ Will the Hon. the Minister for Public Health be pleased to state—

(a) whether he has received any representations from the public of Gunupudi (Bhimavaram taluk, West Godavari district) regarding the proposed notification of the Gunupudi temples by the Endowments Board; and

(b) whether the Government propose to institute an enquiry into the matter?

THE HON. DR. T. S. S. RAJAN:—“ (a) The Hindu Religious Endowments Board has received a mahazar on the subject, and they propose to address Government shortly for the notification of the temples.

“ (b) The matter will be considered by Government in the usual course.”

Estimate and collection of excise revenue up to the end of December 1938.

* 759 Q.—SRI RAO BHANUDUR M. C. RAJAH: “ Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the excise revenue collected up to 31st December 1938 in 1938-39 and the total excise revenue expected in 1938-39; and

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(b) the total excise revenue derived till 31st December 1938 and the total revenue expected during the rest of the year 1938-39 under country spirits, country fermented liquor, opium, fines, and forfeitures and miscellaneous respectively?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The total excise revenue collected up to 31st December 1938 during 1938-39 is Rs. 2,58,61,722. The total revenue expected in 1938-39 is Rs. 3,68,61,479.

“(b) The excise revenue derived up to 31st December 1938 on the items specified was as follows:—

	RS.
Country spirits	87,13,863
Country fermented liquor	1,28,17,241
Opium	19,05,075
Fines and Forfeitures and Miscellaneous	2,24,896

“The excise revenue expected during the rest of the year under the items in question is not available and cannot be readily collected.”

Contact of the Agricultural demonstrators in each taluk with the members of the Legislative Assembly and Council of the place.

* 760 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the Agricultural demonstrator working in each taluk visits each village once or twice in the year;

(b) whether he keeps a diary of his work;

(c) how many maistris are working under each demonstrator; and

(d) whether the Government will instruct these demonstrators to keep in touch with members of the Legislative Assembly and Council of the locality in which they serve?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) It is not possible for an Agricultural demonstrator to visit even once in a year every village in a taluk consisting of more than two hundred villages on the average and effect improvements. He is given 8 to 10 centres consisting of 40 to 50 villages and is expected to concentrate his attention on these villages. After doing substantial work in these centres, he will begin work in new centres. He visits other villages whenever there is a call from them.

“(b) The answer is in the affirmative.

“(c) Each demonstrator has been provided with one maistri.

“(d) The suggestion will be considered.”

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SRI G. KRISHNA RAO:—“May I know, Sir, if this system of having maistris obtains only in some nine taluks of Vizagapatam district?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“It is followed in other taluks as well.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“In view of the fact that the demonstrators are not able to do work properly in their jurisdiction, will the Government consider the desirability of increasing their number?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Yes, Sir. The Government have already a proposal to increase the number of maistris.”

SRI G. KRISHNA RAO:—“May I know, Sir, whether this increase in the number of maistris will be extended to other districts also?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“It is for all districts.”

SRI K. V. R. SWAMI:—“May I know, Sir, whether they receive any training?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Yes, Sir; they are given a short course of training in the Agricultural College.”

SRI K. V. R. SWAMI:—“For what period, Sir?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“For about six months, Sir.”

Development of fisheries as an important food industry.

* 761 Q.—SRI K. V. R. SWAMI:—“Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether it is the policy of the Government to develop fisheries as an important food industry; and

(b) if so, what the various steps they have taken or propose to take to achieve the object in view are?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The answer is in the affirmative.

“(b) Efforts have been made to increase the catches, to extend the range of fishing operations and to improve the methods of preservation and distribution of sea fish. Biological investigations on sardines and mackerel, two of the most important economic fishes on the West Coast, are carried on at the Fishery Research Station, Calicut. At Vizagapatam, the Inspector of Fisheries is carrying on the collection and identification of the common food fishes of that coast. Valuable

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knowledge of the deep sea resources and fishing grounds of the Presidency has been acquired and proposals for conducting deep-sea fishing experiments are under the consideration of Government.

"In inland waters, the department has resumed the fishery rights in tanks, rivers, etc., in twenty districts of the Presidency and these are regularly stocked with improved varieties of edible fish. Fish farms have been established to supply fish fry and to breed suitable varieties of edible fish for distribution to the adjoining provincial waters.

"Improved methods of preserving fish have been introduced in the fish-curing yards so as to ensure for the consumer a better article of diet. In order to encourage the fish-curing industry, duty-free salt is distributed to fish-curers."

SRI E. KANNAN:—"May I know, Sir, if the Government have any reason for reorganizing the department, curtailing the staff and consequently restricting the activities of the Fisheries department in Malabar?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"The reorganization of the Fisheries department has been made with a view to retrench the establishment and at the same time to improve the fisheries industry."

SRI K. V. R. SWAMI:—"May I know, Sir, whether the Government are going to undertake deep-sea fishing?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"The Director of Fisheries is already in communication with a Japanese firm to get the necessary boats and men for this purpose."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"May I ask, Sir, if the Government have not done a distinct disservice to the Kurnool district by abolishing the two fish farms at Prema and another place?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"It is a matter of opinion, Sir."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"Is it not a fact that these farms have been abolished?"

THE HON. SRI V. I. MUNISWAMI PILLAI:—"I do not think so, Sir."

Quantity and value of sea fish caught last year.

* 762 Q.—SRI K. V. R. SWAMI: "Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the quantity and probable value of the sea fish caught last year; and

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(b) if the information is not available whether the same will be called for?

THE HON. SRI V. I. MUNISWAMI PILLAI:—" (a) & (b) Figures are under compilation."

Eligibility of lady teachers employed in labour schools for maternity leave benefits.

* 763 Q.—SRI RAO BAHADUR M. C. RAJAH: Will the Hon. the Minister for Industries and Labour be pleased to state whether the lady teachers employed in labour schools are granted maternity benefit, leave with pay, before and after confinement period?

SRI B. S. MURTI (Parliamentary Secretary) on behalf of the Hon. Sri V. V. Giri:—"The answer is in the negative."

RAO BAHADUR SRI M. C. RAJAH:—"Will the Government at least now consider the advisability of granting maternity benefits to lady teachers?"

SRI B. S. MURTI:—"The entire staff of the Labour department is temporary and according to the audit instructions, Government servants holding lien only on temporary or officiating posts and not on permanent appointments, are not entitled to maternity or hospital leave; but they are only entitled to leave under Rule 103 of the Madras Leave Rules, 1933. The lady teachers employed in the labour schools are not entitled to and are not, therefore, granted maternity leave either before or after confinement as they are only holding temporary or officiating posts."

SRI V. KURMAYYA:—"May I know whether there are any proposals to include the case of the lady teachers under the Part I Schemes?"

SRI B. S. MURTI:—"There are financial implications involved in the suggestion made; but I shall consider the suggestion."

MR. W. K. M. LANGLEY:—"Is there any good reason why Government should not give their employees what they impose upon private individuals and factory-owners?"

SRI B. S. MURTI:—"The Government always practise what they preach, Sir."

MR. W. K. M. LANGLEY:—"May I ask, Sir, whether the Government consider that they are practising what they are preaching in this case?"

SRI B. S. MURTI:—"Yes, Sir, my answer indicates the same thing."

RAO BAHADUR SRI M. C. RAJAH:—"Do the Government expect the lady teachers of labour schools to work in the schools during the period of maternity?"

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SRI B. S. MURTI:—"No, Sir."

RAO BAHADUR SRI M. C. RAJAH:—"Then will they consider the question of granting the maternity leave to them?"

SRI B. S. MURTI:—"I have already submitted to the House that the rules do not permit it."

RAO BAHADUR SRI M. C. RAJAH:—"Will the Government change the rules?"

SRI B. S. MURTI:—"I have already stated that consideration will be given to this as far as financial commitments would not put the Government to any trouble."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"May I know, Sir, why the teachers in the labour schools are considered to be on a temporary basis in spite of the fact that the schools have been in existence for a long time?"

SRI B. S. MURTI:—"Because the Labour department is not a permanent department."

SRI K. V. R. SWAMI:—"May I ask, Sir, whether the Labour department is a temporary department?"

SRI B. S. MURTI:—"It is to-day a temporary department."

SRI G. KRISHNA RAO:—"May I know, Sir, whether it is the intention of Government to put the ladies to trouble?"

SRI B. S. MURTI:—"It is not the desire of the Government to put any lady teacher to trouble."

SRI K. V. R. SWAMI:—"May I know, Sir, how long the department has been temporary?"

SRI B. S. MURTI:—"This department has been considered to be temporary ever since its inception."

Scales of pay for pandits employed under local bodies.

* 764 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to lay on the table of the House—

(a) the scales recommended by the Director of Public Instruction in connexion with the issue of G.O. No. 4619, L. & M., dated 20th October 1934, for (i) L.T. assistants and (ii) pandits;

(b) the scales laid down in the Government Order referred to above;

(c) the scales recommended subsequently for pandits; and

(d) the scales actually given to the pandits by the Government?

THE HON. SRI C. J. VARKEY:—" (a), (b), (c) & (d) The scales of pay sanctioned for L.T. assistants and pandits

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employed in secondary schools under local bodies are as shown below:—

	rs.
(i) L.T. assistants	65—5/2—100
(ii) Pandits holding certificates of proficiency in Oriental Learning.	30—2/2—50
Pandits holding titles in Oriental Learning ..	45—2/2—75
Pandits who are graduates of a recognized Indian University and who have taken an Oriental language as a subject of special study.	45—2/2—75

"The Government do not consider that it is in the public interest to disclose the recommendations of the head of the department."

SRI K. V. R. SWAMI:—"May I know, Sir, whether the Government do not consider that the salaries of these pandits are very low when compared with the salaries of pandits versed in foreign languages?" 3-45 p.m.

SRI G. KRISHNA RAO:—"On a point of order, Sir. May I ask if the Parliamentary Secretary has got the authority to speak about future policies of the Government as the hon. Member did with regard to certain legislation?"

MR. SPEAKER:—"It is the Hon. Minister that is speaking now; he is no longer the Parliamentary Secretary." (Laughter.)

SRI G. KRISHNA RAO:—"I was referring to Mr. B. S. Murti."

MR. SPEAKER:—"But that question is over; we have passed on to the next question and a supplementary question has also been put." (Laughter.)

SRI C. J. VARKEY:—"Government do not think so; their salaries are sufficiently high."

Representation for the payment of wages to the Engineering College Workshop employees during vacations.

* 765 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that the employees of the workshop attached to the Government Engineering College at Guindy are not allowed wages for long vacations such as Christmas, summer and other occasions;

(b) whether all the other employees of the college are allowed wages for such periods; and

(c) what the reasons are for the differential treatment, if any?

THE HON. SRI C. J. VARKEY:—" (a) (b) & (c) The attention of the hon. Member is invited to the answers to question No. 265 at the meeting of the 27th September 1937."

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SRI P. R. K. SARMA:—May I know, Sir, whether the Hon. Minister has since received a memorial from the employees of the Engineering College workshop?"

SRI C. J. VARKEY:—"Yes, Sir."

SRI P. R. K. SARMA:—"May I know whether Government propose to take any action on the memorial?"

SRI C. J. VARKEY:—"Of course we do take some action on every one of the memorials received."

Action, if any, taken on the representations of the Muslim ladies of South Kanara in regard to their grievances.

* 766 Q.—KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that the Muslim ladies of South Kanara waited on deputation on the Hon. the Minister for Education when he visited South Kanara recently and made some representations to him;

(b) if so, whether the Hon. the Minister has taken any action to redress their grievances; and

(c) what their grievances are which the Hon. the Minister is pleased to remedy?

THE HON. SRI C. J. VARKEY:—" (a) Yes.

" (b) & (c) Most of the requests made by the deputation are primarily for consideration by the local bodies in the district. No immediate action could be taken by the Government on any of the requests in view of the financial commitments involved. Action will be taken as and when funds permit."

District board elementary and higher elementary schools for boys and girls in panchayat and non-panchayat areas.

* 767 Q.—SRIMATHI V. LAKSHMI AMMAL:—"Will the Hon. the Minister for Education be pleased to state with reference to the Tinnevely district—

(a) the number of district board schools, elementary and higher elementary for boys and girls, respectively, located in panchayat areas and in non-panchayat areas; and

(b) whether in respect of district board schools in panchayat areas, the panchayat boards concerned make any contribution towards their maintenance and, if so, on what basis; if not, why not?

THE HON. SRI C. J. VARKEY:—" (a) The Government have no information.

" (b) The answer is in the negative. Panchayat boards are under no obligation to make contributions to district boards."

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

III.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40—cont.

MR. SPEAKER:—"The general discussion of the Budget will now continue."

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"Sir, I have to congratulate the Hon. the Finance Minister for the most lucid budget that he has been able to present to this House. I do not say this as a matter of convention. Any one who reads through the financial statement made by the Hon. the Finance Minister will not fail to be struck by the candour with which he has dealt with all the aspects of the case. The frankness with which he has left the Members of the House to form their own conclusions after carefully weighing the facts placed by him before us is very commendable. There is no denying the fact, however, that the Budget is a gloomy one. The Hon. the Finance Minister makes no secret of it, because in the very opening sentence he gives us a dismal caution, that from all points of view, this is a year of trial for us. It is indeed a year of trial; there is no denying the fact. Placed as it was in the midst of calamities like famine, inadequate rainfall, cyclone and pestilence in some of the districts, this year has suffered a fall in revenue on almost all the major heads under the control of Government. We find, Sir, from the statement of the Hon. the Finance Minister that there is a fall of 34 lakhs under Land Revenue. As we are well aware, Land Revenue forms the backbone of the financial structure of this Province, and it is rather sad to reflect that this head suffers a loss to the extent of 34 lakhs on account of adverse seasonal conditions. Not only that, under Excise, apart from what has been caused by the introduction of Prohibition, we find that there is a loss of 20½ lakhs due to decrease in consumption and fall in rentals a factor, which we did not anticipate. Apparently the adverse condition of the season has been reflected in the consuming capacity of the people with reference to drink. Under Stamps again we find there is a loss of 19½ lakhs which indicates according to the Hon. the Finance Minister a great acceleration in the fall in litigation which has been in evidence for some time. Fall in litigation is a circumstance that ought to be welcomed. But if it shows that the people are not in the same prosperous condition as they were when litigation was being carried on, it will be a matter for serious consideration. Again, Sir, under Registration, an item in which we never looked for reduction, we have a loss of 5½ lakhs. Loss under Registration means lack of transaction with reference to immovable properties and a setback in the matter of transfer of property from hand to hand. That is a sure indication of the fall in prosperity. Sir, totalling up these losses we get a sum of Rs. 45½ lakhs of deficit during the current year.

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Fortunately for Government, the savings of parsimonious Port Officers have come in very handy, and a sum of Rs. 42.55 lakhs has been taken over to set off against the unanticipated deficit of 45½ lakhs under the ordinary heads of revenue. Had it not been for this valuable addition from the Minor Ports Fund, Government would have been hard put to it to make up this deficit.

“Sir, this deficit in the current year's budget has not been without its effect on the ensuing year's Budget also. We find from the figures quoted for the ensuing year 1939-40 that we are faced with a deficit of 42.39 lakhs. The deficit in 1938-39, it should be remembered, was due to bad seasonal conditions, but the same explanation does not hold good for the deficit anticipated in 1939-40, which is expected to be a promising year. That deficit is partly made up of ordinary commitments. We have to meet by way of interest towards debt charges and contribution to the Famine Relief Fund and similar other items about 20 lakhs. The remaining 22 lakhs are required for the working of some selected schemes. Sir, Government are hard put to it to find ways and means of trying to meet this large deficit. It is here that this House is considerably interested. New taxation has been thought of to fill up this gap. As we are all aware a new tax on motor spirit at the rate of 1½ annas a gallon and an electricity tax at the rate of half an anna per unit consumed are expected to give us 15½ lakhs. That does not go a long way to meet a deficit of 42.39 lakhs. It is therefore decided to increase the duty on country spirits by 25 per cent and this is expected to contribute 10 lakhs to the total revenue. That makes a total of 25.12 lakhs still leaving a deficit of 17.27 lakhs, which is unfortunately the despair of the Hon. the Finance Minister. The question is how this sum of Rs. 17.27 lakhs is to be found. Various schemes are proposed to be tackled later in the year. For instance, a tax on tobacco and a tax on sales or turnover. Sir, resort is to be had to the unfortunate remedy, very handy, no doubt, of effecting a cut in the salary of Government officials and also, Sir, imposing a tax on entertainments. These are the ways and means by which it is proposed by Government to bridge the gap of 17.27 lakhs that we are faced with in the ensuing year's Budget.

4 p.m. “With reference to this point, the Hon. the Finance Minister has offered some remarks with which it is perhaps difficult for one to entirely agree. The Hon. Minister states that the tax on petrol and on electricity would fall on those who are comparatively well off. The tax on the use of electricity may perhaps fall on those who are well off. But it is open to question, Sir, whether the same can be said of the tax on petrol. Petrol is used very largely in the running of lorries, buses, etc., for the benefit of the poor agricultural classes. To say that the tax on petrol

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also will fall on the persons who are comparatively well off seems, Sir, to be questionable. Again, Sir, it is stated that the incidence of the general sales tax and the tobacco tax will be light, and that the former will be a progressive source of revenue as trade and industries in the Province improve. The Hon. the Finance Minister has remarked in this connexion that ‘At present all the big businesses almost completely escape taxation so far as the Province goes.’ That is a statement which is difficult to accept from the point of view of businessmen. The business firms in the Province contribute a very large amount of revenue to Government in the shape of property tax and income-tax. Not only that, Sir. There are several public activities and concerns which are helped by business concerns. Large contributions are being made year after year by the several businesses to ameliorate the conditions of the labouring classes, as well as the poorer classes in general. That being the case, the big businesses having been already heavily taxed, it seems to me questionable, Sir, to say that almost all the big businesses in the Province go Scot-free from taxation.

“Again it is said in paragraph 8 of the same speech:

‘The policy of the Government in getting rid of the drink 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 the agriculturists.’

That is a point for question, though not to the same degree as the other items, but to a lesser degree, for the simple reason that when the masses are deprived of one luxury in the shape of drink they resort to another form of luxury; narcotics, for instance, have been rapidly taking the place of liquor. Not only that, the masses get into the habit of drinking coffee or tea and spending their earnings in other ways. It cannot, therefore, be said, Sir, that the people deprived of the means of spending on drink will get larger power of spending for the public benefit.

“Another disquieting aspect in the ensuing year's Budget proposals is the borrowings. As a matter of fact, within the past two years there have been considerable borrowings from the public. During the year 1937-38, the amount borrowed, Sir, was Rs. 164.03 lakhs. In 1938-39 the amount borrowed was 151.39 lakhs, while during 1939-40 it is proposed to borrow 150 lakhs. Thus, Sir, the total borrowings up to date after the present popular Government has come into power has been Rs. 465.32 lakhs or 4.6 crores. This entails, Sir, payment of a large amount of interest. There is already a heavy burden hanging round the neck of this Government in the shape of the consolidated debt; that debt amounts to Rs. 757.71 lakhs with an interest liability of 39.25 lakhs every year. One feels, Sir, rather diffident to pursue this policy of borrowing, unrestricted,

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as this may be, at the present time. Borrowing, Sir, is said to be 'a sound financial procedure.' Whatever that may be, Sir, one cannot help cautioning the Government with reference to this tendency of unrestricted borrowing. Sir, with your permission, I would like to quote just a sentence from the book entitled 'Public Finance' written by Dr. Clyde L. King, a writer of great reputation. He says, Sir:

'The expansion of the public into new functions can assuredly be met by public bonds. Through public bonds one generation will provide for the needs of the next. Public debts like private debts can lead to constructive results. It is the over-spending and the wanton waste which are to be condemned. In order that public debts may prove a blessing and not a curse, the power to create them should be restricted both in purpose and in amounts. Human nature is not always the same. The human product can be improved with each generation. Public debts carefully used and strictly held in leash can and do contribute towards that end. Wantonly used they do grave harm to the public good. Temperance and caution is as wise a policy in borrowing as in lending.'

"Judged from this point of view, it is for us to see whether this borrowing year after year can be considered justifiable, though actuated by laudable motives. Effecting social reform in the direction of introducing Prohibition and encouragement of hand-spinning have led to the sacrifice of a great deal of revenue, forcing the Government to the necessity of heavy borrowing in order to fill up the gap. The best policy, Sir, with reference to these borrowings is to face facts. The present impasse has been brought about by our own deliberate action. One is, as the hon. House is aware, the abolition of tolls. At one stroke of the pen 30 lakhs were sacrificed for satisfying just the whim and fancy of some of the officers then in power. Thirty lakhs of rupees! It has not been possible for the Government to replace it for the last five or six years since the tolls were abolished. Attempts have been made to reintroduce the tolls in order that that great gap might be filled in. I think, Sir, it behoves the Government to take courage into both their hands and reintroduce tolls, if not for anything, at least to minimize the necessity of continued borrowing.

"There is another point, the introduction of Prohibition. Before substituting other sources of revenue to replace the Excise revenue, Prohibition has been introduced. I do not mean to object to the introduction of Prohibition. I welcome it, Sir. But at the same time, with all the humility at my disposal I would suggest, Sir, that lowering of the pace in the matter of the introduction of Prohibition, seems earnestly called for, considering the financial situation of the Province. According to the Finance Minister's statement one-fifth of the total area of the Province has already been rendered dry by the introduction of Prohibition in the districts of Salem, Cuddapah, Chittoor and North Arcot. Sir, the loss that has been undergone in this area has amounted to no less than two-thirds of a crore or 66 lakhs of rupees. Considering the progress that has been made in the

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direction of working Prohibition, it is time that the Government cries a halt to the policy of Prohibition and moves slowly in that direction so that in the meanwhile other avenues of revenue might be explored to take the place of the revenue from Excise.

"Sir, looking into the Budget, I am very much surprised to find that this gives us no scope of progress. Absolutely no progress is to be made, from what things are, during 1938-39. A glance through Appendix VII of the Budget Memorandum so ably prepared by the able Finance Secretary, shows, Sir, that we have come to a standstill in the matter of administration. I find that department after department has been starved in the matter of new schemes of development. Take the nation-building departments about which the Government are so much exercised. Sir, on the whole all these new schemes are covered within 10 lakhs. Considering the fact, Sir, that we are budgeting for 16 crores of rupees under expenditure and revenue, that only 10 lakhs of rupees could be forthcoming with reference to new schemes, seems I submit, to say the least of it, very surprising.

"It is rather curious, Sir, that among the nation-building departments, Veterinary, for instance, is dismissed with a paltry sum of Rs. 12,000 for the whole year, Rs. 8,000 under recurring and Rs. 4,000 under non-recurring. Co-operation, Sir, is dismissed with a provision of Rs. 3,000; a huge department like the Co-operative department which is supposed to ameliorate the condition of the people, teach them thrift, and make them better citizens has been dismissed, Sir, with an additional sum of Rs. 3,000 for the whole of 1939-40. Industries, Sir, the department of which so much is made is dismissed with an addition of Rs. 8,000 under recurring and Rs. 16,000 under non-recurring charges aggregating to Rs. 24,000 and of that Rs. 24,000, we find that about Rs. 10,000 is intended for remodelling and purchase of equipment, library, scholarships, etc., nothing definitely pointing towards the development of industries.

"Sir, the Fisheries department about which the Hon. the Minister for Agriculture has just now given a long reply, is dismissed with a petty sum of Rs. 600, to shift as best it could. What can be done with Rs. 600 in the whole of twelve months can better be imagined than described. It comes to Rs. 50 a month. That is the fate of the nation-building department.

"Under Medical, I find the Hon. Minister in charge of Public Health and Sanitation who is supposed to be a good fighter who carries off a large amount of the Budget allotment, is given only a small provision of Rs. 10,000 all told. No doubt, Sir, under 'Works' he gets a fairly large sum of a lakh and odd. But that is under 'Works.' So far as developments are

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concerned, so far as medical relief is concerned, so far as the sanitary improvements are concerned, we are to be satisfied with a provision of about Rs. 10,000.

"Labour has fared somewhat better. I find that the Labour Minister gets a fairly large sum of about a lakh and twenty thousand rupees for the extension of the activities of the Labour department for the amelioration of the condition of the scheduled classes. That is no doubt as it should be. Barring this redeeming feature in the new schemes that have been put down for execution during 1939-40, we find a dismal record so to speak. Sir, having referred to the inadequacy of the provisions made in the Budget for 1939-40, it is my duty to appeal to the Hon. the Finance Minister and to the Government in general that we expect from them better progress and better provision year after year at any rate for the nation-building departments. They have been starved, and how long is such starvation to continue, Sir? The starvation has been effected only for the sake of giving effect to one or two new schemes of social reform. But, is it fair, Sir, for a large Province like this, yielding on an average 16 crores of rupees per year, to be dismissed so summarily with about 10 lakhs of rupees under new schemes? And, is it not a question, Sir, that requires serious consideration?

"While on this subject I would like to say just a few words with reference to the working of Prohibition. Now, the Excise department is being deprived of the privilege of working Prohibition. Somehow or other it has been considered that the Excise department is not fit to work Prohibition. Apparently, Sir, the Prohibition Act does not allow the Excise department to do so. But, Sir, the Excise department has not been given a chance of showing its merit. We find the Government—the Hon. the Finance Minister, particularly—are not slow in acknowledging the valuable services rendered by the faithful officials that are placed under him to execute the orders given by him. That being the case, Sir, is it too much for me to say that we would find the same result with reference to the Excise staff in the matter of prohibiting drink if it is given a chance to do so? The fact is that the department has not been given a chance. That department is peculiarly fitted to track the offenders, to pursue them, to inspect the places of illicit transaction and to find out the offenders. What is being done now, Sir, under the Prohibition administration is to get hold of a few coolies and labourers and book them. In Cuddapah we find that a man is booked for possessing three grains of ganja. Three grains is hardly an appreciable quantity. You cannot even handle the three grains. Three grains of ganja a coolie possesses and he is given three months rigorous imprisonment. A gallon of arrack a man possesses in Salem and he is given two months rigorous imprisonment. That

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is the sort of indiscriminate handling by the officials concerned and the sort of indiscriminate punishment awarded by the magistrates concerned. If the Excise staff is employed in giving effect to Prohibition orders I dare say that the members of the staff will give a better account of themselves. Not only are they not given the chance in the matter of excise crimes, but the whole department is neglected and now remains dissatisfied. The department has been in existence for such a long time, the officers and the staff have been working very conscientiously and loyally, carrying out the orders of the Government, whatever Government was in power for the time being. But, without being given the chance of working the department under revised conditions they are being kept out and preference is given to other departments to work Prohibition—departments not at all used to Abkari Laws and the Abkari practices. Sir, at the rate at which Prohibition proceeds it might take a dozen years or ten years at least to introduce total Prohibition, in our Presidency. During these ten years what will happen is that not a single promotion will be given to any of the staff or the officers. Not only that, acting men continue to act, Sir, in their places. They do not have the chance of getting confirmed. The clerks are no doubt transferred elsewhere, but among the clerks there is this difference. There are some who have been recruited under the old Staff Selection Board rules. These clerks, not being borne on the Public Service Commission's list, do not get a chance or re-employment. They are thrown adrift in the world. As for menial staff, they are not at all taken into the Police department on the ground that they are senior men; as the Police prefer younger men for its service they are left in the lurch after a series of years of faithful and loyal service. If a calamity like this is to be avoided, the only course open is to employ the Excise staff with a clear warning and see that the Board of Revenue watches the work of the staff. That is the plea, Sir, I would very respectfully place before the Hon. the Finance Minister for his sympathetic consideration. The department has been treated with scant courtesy for no fault of it. The departmental officers as well as the staff have lost pride in their work. Sir, is it desirable that a branch of the administration like Excise, in a popular Government, should lose all pride in its work? I would therefore once more appeal to the Hon. the Finance Minister to consider the feasibility of employing the Excise staff for working Prohibition. It is so done in other provinces. In other provinces it has not been considered necessary to resort to the Police department, the Co-operative department or any other department for working Prohibition. If they have succeeded, Sir, in other Provinces, I do not see why we should not succeed in an enlightened province like ours. The remedy seems to be, Sir, to place the Excise staff in charge of Prohibition and make them work under the control of the Police department as a special branch as in the case of the Crime Investigation department, the

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Traffic Control department and the staff employed on the inspection of motor vehicles. If this is done a source of serious hardship caused to the Excise staff could be obviated.

"Sir, my next point is with reference to the commutation of pensions. As a retired official, it is my privilege on the floor of this House to lay before the Hon. the Finance Minister an appeal on behalf of the retired or retiring officials."

An HON. MEMBER:—"Do you represent them?"

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"It is not my constituency. I do not represent Government servants in this House. I represent, Sir, the citizens of Madras and Chingleput in a separate constituency."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Including Government servants."

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"Yes: including Government servants. There is no other representative in this House to represent the calamitous position of the Government servants, particularly those that reach the stage of retirement with regard to the commutation of pensions. Sir, it is my duty, in spite of having to repeat what I stated last March to say just a few words about the pathetic position in which the retired Government servants are placed. Sir, as we all know, there is no contributory provident fund system in force in this Province. Government servants, if they live to serve for thirty years and earn a superannuation pension, stand to get a pension. In case of death the result is a total destitution of the families concerned. The Government servants, Sir, with the exception of a few who occupy the higher rungs of the ladder, are in a very mediocre position. Very often they live from hand to mouth. The salary they draw is hardly sufficient to enable them to put by any large savings. That being the case, Government servants legitimately look forward to a commuted amount later on in life so that they may begin their retired life with a clean slate. Marriage of daughters, settlements of sons and the settlement of loans and debts, are all carried out with the commuted amount that they look forward to at the time of retirement. As I have submitted, Sir, on the previous occasion very few people live to earn a pension and very few people succeed in commuting their pension."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Is the hon. Member under the impression that pensions have been stopped?"

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"I am intelligent enough to understand that pensions are not stopped."

MR. SPEAKER:—"Are not yet stopped." (Laughter.)

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* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"I was stating that there is no contributory provident fund. Sir, in the case of Travancore, Cochin and Mysore States, I understand there is a system of family pension. Even if an officer, who has rendered faithful service till the end of his term, dies all of a sudden leaving his family adrift, the Government grant a family pension to keep the family going. Sir, that system does not prevail in our Province, so that the only benefit which our Government servants can get is the commutation of pension. To do away with this commutation at one stroke seems very hard. Sir, after all what is the amount commuted? What percentage does it represent with reference to the total revenues of the State or to the total amount spent on the establishment? I worked out the total cost of the establishments with reference to four major departments, Land Revenue, General Administration, Administration of Justice and Police. I find that in 1937-38, the total amount spent on these four departments was Rs. 573.36 lakhs and the amount of pension commuted was Rs. 10 lakhs. In 1938-39 the amount spent on these establishments is Rs. 563.36 lakhs and the amount of pension commuted is Rs. 11.16 lakhs. In 1939-40 of course it is going to be stopped. But, granting that it remains in force, since the cost of the establishment is Rs. 564 lakhs, roughly the figure for 1938-39 or 11 lakhs would be required for commutation of pensions. Sir, 10 lakhs out of 573 lakhs works out to 1.7 per cent. Eleven lakhs out of 564 lakhs yields 2 per cent. Sir, 1 per cent or 2 per cent spent on behalf of the trusted, honest, hard-working and faithful subordinates who have rendered approved service for a period of thirty years is not much. I do not think any employer would grudge to give about 1 per cent of the total amount that he must spend on the maintenance of the establishment. I would therefore, with reference to these facts, very earnestly urge upon the Hon. the Finance Minister, if it is possible even at this stage, to reconsider the decision which the Government have arrived at. Sir, at least in the case of persons who have retired already before the order stopping commutations came into force, and who hoped to get a small amount by way of commutation of pension, commutation may be allowed. If this at least could be done, it would go a long way to allay the discontent that has arisen in the minds of retired Government servants."

"Thank you very much, Sir, for giving me so much time."

* SRI N. S. VARADACHARI:—"Mr. Speaker, it is not my purpose here to elaborate on the Budget; I wish only to answer a few points raised by certain hon. Members of this House and also endeavour to analyse the Budget as a whole and present it in the form in which it is to be understood by the Members of this House."

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"Sir, one member described it in almost pathetic terms and called it an unvarnished tale of woe. Apparently it seems to be this because of the continuous bad seasons which we have been witnessing from time to time and the cumulative effect of which has necessarily to be taken into account in framing the Budget. But, Sir then it was said that this Budget portends nothing but new taxation. Even if that is admitted, I say that the new sources chosen are the wisest course for us to pursue considering the policy which the present Government is putting through, and which policy as we all know has the support of the vast masses of the people of this country. I may assure the House that these measures have come in the wake of several administrative economies secured, and I may also add that the quest of administrative economies is not yet over and is still being vigorously pursued. New taxation should not be taken as if it is 'an engine of oppression' as one hon. Member described it. One hon. Member made a very helpful speech in some respects and I certainly commend to the Hon. the Premier the very nice point he made in regard to the pressure that is to be exercised on the Government of India in respect of the interest charges on the Consolidated Debt. I would only advise that hon. Member to join hands with this Government—in fact, I advise all members sitting on the other side to do so—and press for a reconsideration of the award. But, Sir, that very hon. Member next quoted from a musty old document—it has become the fashion in this House to attach sanctity to very old documents; I think the hon. Member made a quotation from Rev. Sidney Smith who was a contemporary, I think, of Jonathan Swift—and delivered an attack almost in the style of the 'Battle of the Books' or of the 'Tale of a Tub' and endeavoured to describe taxation as a veritable engine of oppression. But there is one good lesson that can still be learnt from that musty old document; it is this, that sound budgeting requires that your revenues must be raised from a few sources and that you should not choose an infinite variety of taxes and try to get a little from each head and ultimately take the risk of courting unpopularity. I think, Sir, the extract meant nothing more than this. It is a very sound financial doctrine and, indeed, very sound financial advice. It is only a question of where you cast your net and how you spread it. Throw it where you can get your revenue; throw it in quarters where the capacity of the tax-payer is not open to any doubt. This course, Sir, has many advantages: administrative convenience, sure results, correct and precise forecasts of revenue, not diminishing but increasing returns and above all, least unpopularity.

"Modern conditions have very much changed since that extract was published. I think the author was living just after the change over from the despotism of the Stuarts to the milder despotism of the Hanoverians. But, Sir, present-day finance has

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made radical changes and alterations over even the later Gladstonian methods which the hon. Member Mr. Langley commended to us. To-day, Sir, every State, including his own country of Great Britain, has shifted taxation from the old resources to new ones like consumption taxes, taxes on luxuries and the like. If we judge the new taxation that is proposed in this Budget remembering that it is not merely for the purpose of covering the deficit that occurs at present but also for the purpose of covering the extension of Prohibition in one district and for providing for various ameliorative schemes which were just now belittled by the hon. Member, Mr. Appadurai Pillai, we should welcome the proposed measures. Digressing here a little, may I point out to my hon. Friend that we are not spending only Rs. 600 on the Fisheries department as he attempted to make out but that Rs. 6 lakhs have been allotted for that department? Similarly, Sir, if every figure is properly read and if new schemes are taken into account along with the provision for current expenses, the cumulative effect will be very different from what the hon. Member stated."

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"I rise to offer an explanation, Sir. I specifically referred to Appendix VII which refers to new schemes and not to the current administrative expenses."

* SRI N. S. VARADACHARI:—"If he will refer not merely to the appendix but also to the Demands for Grants copies of which were supplied to him days ago and take the total of both he can judge for himself whether we are not spending more money on what he considers useful departments for the nation. But that apart, I say that if we take the present taxation in the Budget and remember all that I have said, it will be seen that it satisfies every reasonable test of sound finance such as the least administrative inconvenience, fair distribution of the incidence of taxation and assured income. And, taken as a whole, it is a welcome first step in the shifting of the burden to the proper shoulders. It is not only that. It gives you an indication of the Budgets to come, because, the new taxation as I pointed out, is not intended merely to cover the deficit of the year but is intended to provide a broad-based foundation for the carrying out of the Government's policy in the next year and the years to come."

"Now, let us see what is happening under this Budget to the various heads of revenue that the Government have at their disposal. On Land Revenue, little need be said. There is timely relief on account of the continuous bad seasons which have necessitated remissions in a much larger measure than ever before; Excise is rapidly disappearing being the tax on vice and on the poor man from whom the payment is sought to be taken when he is not

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in a position to judge as to the money he has to spend—and this cannot in any event be described as a tax on luxury as the hon. Member Mr. Town was pleased to call it the other day. If drink which is the nightmare of all classes of artisans and of the agriculturists is abolished, it will mean not only a substantial remission in district after district, but it will also add to the happiness of the homes in the districts.

“Mr. Langley was helpful, as I said, even here. In fact, though he felt a grouse about the electricity monopoly tax, as I call it, and also about the petrol tax, he approved of the tobacco tax and commended it to the House. Nay, more, he accepted also in principle the sales tax though with a general caution that the interests of the agriculturists should not be injured in the least in the operation of the tax.”

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* Mr. W. K. M. LANGLEY:—“I do not really wish to interrupt my hon. Friend. I take no exception at all to what my hon. Friend is saying. But I think if he eventually saw the transcript of my speech, he would find what I really said was this: that the Bill which I commended was the Tobacco Bill which was introduced in the old Council about two years ago, and about which the pre-Reformed Government got frightened and ran away; and that Bill to my mind, was a perfectly harmless Bill. I can only hope that this new Bill will prove equally harmless.”

* SRI N. S. VARADACHARI:—“We have to turn to new sources of revenue. Sir, speaking of the new resources, one hon. Member seems to think that Government was fumbling between taxes on marriages and taxes on funerals. But I would submit that it is ridiculous to say that and that we have chosen good taxes and yielders of revenue and intend to work them without hardship to any class of people. We must have the best justification whenever any big taxation measure is proposed and whenever a case is to be made out for additional taxation. Sir, it is difficult to picture a wiser course than the one that has now been adopted. Hon. Members will see that every Government in modern times is emphasising more on consumption taxes and taxes on luxury. If you go and see the British budget, for instance, you will find that during the last sixteen years—these are not the years of Gladstones, but these are years of Churchills and Snowdens, masters of finance—the motor licence duties have been becoming larger and larger, tobacco and petrol are taxed more and more, while alcohol and breakfast-table duties are becoming less and less. That is why I said—though I would add that in this unfortunate country there is not merely the breakfast-table duty, but food duty, the duty on salt over which this House has unfortunately no jurisdiction—that you can see that we are taking the right direction. Now we are going to impose a general sales tax. I wish to impress upon the members of this House that unless

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the Government take steps to improve, in an increasing measure, the internal trade of the country, this tax would not yield an increasing return. What is aimed at is not merely increase in taxes but an increase in turnover in business. When trade is freed from its petty turmoils to which it is subject to-day, it may be made to plan and spread in a proper and even measure so that the sales tax may become an increasing source of revenue to the State. I have finished with the general point. To summarize, I say that the Budget proceeds upon and lays down the proper basis, a sound tax structure in keeping with the best traditions of sound finance which will give a return in proportion to the services rendered to trade and agriculture and which will, for the first time, take the first step in equitably redistributing the incidence of taxation on the people of this Province.

“I have only one or two more things to say of my friends on this side and certain other friends. One of my friends who is usually in the habit of asking for information by means of interpellations said that the revenue from the Forest department was steadily deteriorating from what it was in 1935. If my hon. Friend had put us an interpellation as to what the net revenues of the Forest department were in 1935-36 and the succeeding years the figures would have easily been supplied to him. Now I present these figures and would ask him to judge whether the work in the department has not gone on well since 1935-36. In 1935-36 before we took up office the net revenue of the Forest department was 2.15 lakhs. In 1936-37 it was 5.8 lakhs. In 1937-38 it was 7.2 lakhs. Now in the Revised Estimate of 1938-1939 after allowing for a fall of 3 lakhs and over under the head of grazing revenue we have a net revenue of over 5 lakhs. It means that we have got somewhere about 8 lakhs. Is it steady deterioration? I ask hon. Members to study things more closely before they help us with their advice.

“Then, Sir, the hon. Member, Mr. Langley had some thing to say about the cinchona estate. I know he is quite familiar with this subject and he owns an estate. He belongs to the planting community which keeps a watchful and vigilant eye on the cinchona plantations on the Anamalais and other estates. He speaks of the 25 lakhs as a very dubious asset. I admit straight-away that the sums allotted in some previous years have not been well spent on the plantations. What is the position to-day according to the audited report for the year 1937-38 about cinchona plantations and cinchona works? In this year—according to strict commercial accounting to which cinchona accounts are subject, we allow a certain margin for depreciation and for interest on capital—after allowing for these things, the account discloses a profit of Rs. 1,85,000 for the current year as against Rs. 1,20,000 for the previous year. If assets can pay interest and

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depreciation charges and still there is a handsome net profit, is not the scheme of working the plantations and the factory situated in one of the plantations, a profitable one? We are asked to believe that these assets are of doubtful value. If Mr. Langley had assets even of a doubtful value, which could give a profit of 2 lakhs a year, Government could very well pay the price for them and take them over. That is my answer to Mr. Langley. I also want him to note that the Motor Vehicles' Taxation in England has gone to the limit of 35 million pounds, a little over 46 crores of rupees according to the currency of this country. This is three times the total revenue derived under all heads in this Presidency. Of course he can answer that the number of vehicles in England is larger, the roads are better and the road users are cleverer people and all that, but I only wanted to point out that there is an increasing tendency to-day even in modern countries to levy more and more taxes up to a limit which the people and the trade can bear but not to the breaking point. But motor vehicle owners apart, the hon. Member, Mr. Langley also complains about the heavy incidence of property and building taxes. This is a common complaint. Now, let him take his own country. Does he know what the property tax in England is to-day? It is 18.4 per cent of the total revenue of England; income-tax 31.9 per cent; property-tax 0.1 per cent for the centre of the British Government and 18.4 per cent for the local bodies. Sir, I have made a collection of these figures and I make a present of them to the hon. Member, Mr. Langley. Now property-tax in our Province is levied in all our municipalities, and after taking together this tax along with the total of taxation that is levied in the Centre, the total of property-tax works out only to 4.8 per cent. I may say, here, that I am including in this calculation not merely property-tax but profession tax as well, about which he complained. If he had looked into the accounts of the mills in India and tried to find out what proportion these rates and taxes bear to the total provincial taxes, and also to the costs of manufactured articles, then he would have found out that it is considerably less than what it is in his own country. We want to make this point quite clear, because it is represented here that we are taxing the people on all sides so heavily that we are handicapping industry, stifling agriculture and are now finally coming to rob the small middleman of his earnings by imposing the sales tax. This taxation is undertaken, because it has the support of the people. This taxation is undertaken because there is enough reason to impose these taxes and enough justification to show to the people that these taxes are needed.

"I would close by saying once again that this taxation is not merely a feature of the present Budget, but provides the foundation for the future Budgets of this Government as well."

• MR. E. H. M. BOWER :—"Sir, most important speeches contain key sentences, which express in concentrated form the central

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ideas conveyed by the speeches as a whole, and the key sentence in the Hon. the Premier's speech introducing the Budget lies in his opening paragraph. In words of one syllable, he has set forth the situation: 'From all points of view this is a year of trial for us.' It is probably mere coincidence that this gloomy statement is conveyed in a sentence of exactly thirteen words. Sir, I think every one on the Opposition benches will agree with this particular remark in the Budget speech, however vehemently they disagree with other parts of it. 'From all points of view this is a year of trial for us.' When, however, we are asked why this should be so, our reply would differ widely from that of the Hon. the Premier. Sir, I realize the Government's unfortunate position. Many years ago probably before most of the members of this Assembly were born, I read a well-known play entitled 'The Beggars' Opera' and in that play one of the characters, Captain MacHeath sitting with an attractive looking young lady on either side of him, plaintively says 'How happy could I be with either, were t'other dear charmer away!' That, Sir, is the present position. On the one side of Government we have in cloth of gold paid for by the people, the fairy form of Miss Prohibition, at the present moment prime favourite, while on the other we have Miss Elector's Will, through whose good offices the Government is now in power. But Miss Electoral Will is dressed, alas, not in cloth of gold, but in the rags of hopes that appear to be perpetually deferred. How happy would the Government be with either, were t'other dear charmer away! The Hon. the Premier must have some regard for Miss Electoral Will, for he and his party have wooed her and she has given them all she could give. But alas, he has a greater love for the other young lady. In all honour, Government is bound to redeem its election promises. With the advent of Congress rule, we were told that all would be well with the country, the taxes would be lower, hospitals would be better, education would be better, the people would be better off in every way than ever before, and the millennium would be at hand. And what do we see? The constructive departments have very little money, every possible avenue of fresh taxation is being explored, things already taxed by the Central Government such as petrol are encumbered with an additional impost, taxes now levied by local bodies such as the entertainment tax are to be taken over, and as we are told that the local bodies are to be compensated for this forcible change, we can only infer that inasmuch as Government is doing all this merely to get more money, the taxes on entertainment will be raised. The Elector's lighting in towns is to cost him more; his transport from one village to another by bus is to cost him more; his amusements are to cost him more, and all this together in the one year covered by the Budget. Imagination boggles at what is to happen in 1940-41.

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"I have, Sir, already pictured the plight of Government in its position between two attractive forces. How can I picture the position of the people themselves? To do this, one needs to go back to the days of Rehoboam, the son of Solomon, who told his complaining subjects that whereas the rule of his father was heavy, his rule would be far more crushing. 'My little finger shall be thicker than my father's loins. My father has chastized you with whips, but I will chastize you with scorpions' was his reply. The Government which has attained power by promising relief to an unfortunate electorate, labelling the Government which preceded it as hard and unsympathetic has not used the harsh words of Rehoboam. But by its whole policy it has now demonstrated to the electorate its actual position.

"I sympathize with the Speaker from the Andhra area who is a member of the Congress party, and who opened his speech with an eulogy of the Budget, but who ended with innumerable requests. Surely, Sir, every Congressman ought to realize that so long as the present policy of the Government continues, it is difficult to see where the money is to come from, to satisfy his desires.

"Sir, I find that even the Premier, with his undoubted ability to make the best of his case, has been unable to keep from us the seriousness of the position. The four chief revenue-producing departments are Land Revenue, Excise, Stamps and Forests and I may add Registration. The Budget Estimate for 1939-40 under Land Revenue is practically the same as that for 1938-39. Please note these words on page 5 of the speech: 'Land Revenue may be estimated at an increase of 16½ lakhs over the current year's results (which according to the revised estimate totals 487.30 lakhs) as we may assume that the seasons will be normal in the coming year.' This assumption is made when Madras City is faced by a water famine, when garden taps in the city have been removed by the Corporation and when the *Fort St. George Gazette* of the 14th of this month tells us that water-supply is normal 'except in parts of Guntur, Nellore, Chingleput, South Arcot, Chittoor, North Arcot, Salem, Coimbatore, Trichinopoly, Tanjore, Madura, Ramnad, Tinnevely and Malabar,' i.e., except in 14 out of 24 districts! (Laughter) Surely, Sir, the Premier's statement is a gamble in futures, with the dice heavily loaded against him. The second source of revenue, Excise, is down by 33 lakhs. The goose that laid the golden eggs is beginning to die and is carrying the Province with it. We are told in the Budget Memorandum that Stamp revenue has by the operation of the Madras Agriculturists' Relief Act and other debt relief measures fallen. We on these benches anticipated that the Government themselves were

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going to suffer by the Agriculturists' Relief Act. The actual fall is nearly 19 lakhs and indicates to what an extent rural credit has collapsed in the Province, because of Government interference with legal contracts. There is a loss of half a lakh on Forests, while the Budget Estimate for Registration for 1939-40 is over 5 lakhs less than the Budget Estimate for 1938-39. Although the Budget Memorandum does not mention it, it is obvious that the Agriculturists' Relief Act was one of the principal causes of this fall. When there is no document to be executed, obviously no document can be registered. Under every one of the above heads there has been a decrease.

"We are told by the Hon. the Premier that a deficit of 17 lakhs in 1939-40 is not a catastrophe. That would be so, if we saw relief of some kind in the offing. But when we remember that every hidden asset in the Presidency is being exploited, that provincial paper is beginning to be looked on with suspicion by investors and their brokers, that the share value of provincial industries is falling, no man knowing which industry will be taxed next, then, Sir, I say that the deficit is a catastrophe. And when we also remember that the Budget still contains an item of three crores and 55 lakhs of excise revenue, the greater part of which is to be sacrificed to that will-o'-the-wisp, Miss Prohibition, we cannot but feel that the catastrophe is much nearer to us to-day than it was twelve months ago. And yet the Provincial debt grows and grows sanctified by an interesting adjective. Whenever a loan is wanted it is stated to be needed for remunerative expenditure. There is a story of a good old lady who derived much spiritual consolation from the sound of 'that blessed word Mesopotamia.' It is an old story. The Government of Madras attaches a similar virtue to the blessed word 'remunerative' which covers all expenditure bringing in any kind of dividend. Even a dividend of 1 per cent is considered remunerative although the money borrowed might have been at 4 per cent. It would be interesting to know the average rate of interest paid by Government on the entire provincial debt, and whether we have lost or gained on these so-called remunerative investments. We have heard something from Mr. Langley on this point. He specially objects to the 4½ per cent loan of 750 lakhs borrowed from the Government of India. I did not follow the last speaker in his attack on Mr. Langley's statement with regard to cinchona plantations.

"Now the House will want to know how all these deficits are sought to be met. Last year the losses were made up by the 'appropriation'—shall I call it?—of 42½ lakhs of rupees belonging to the minor ports and by removing from nine districts certain land revenue concessions. This year they are made up to a certain

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extent under Electricity duties (4.56 lakhs) and Petrol (11.39 lakhs). These both fall under Other Taxes and Duties and it is very interesting to note that the number of this heading is XIII which bids fair to expand to gigantic proportions in the budgets of the coming years if the present Government continues in power. Government servants are to be rewarded for their faithful service by the withdrawal of the right of commutation of pensions, which after deducting the equated payments results in a credit of 13.20 lakhs of rupees to the exchequer. This, the Hon. the Premier tells us, is in the interests of the Government servants themselves, a statement which will bring a bitter smile to the lips of these unfortunates. There are other reductions in the way of retrenchments, but we are still left with a deficit of 17 lakhs to be made up by further attacks on Government servants in the shape of salary cuts and on Industries. Knowing as we do that the coming year bids fair to bring with it a famine much larger than that in the year that is just elapsing, we face the situation before us with pardonable anxiety.

"Sir, I join the Hon. the Premier in his congratulation of Mr. Jones. And I congratulate Mr. Jones not merely on his well-deserved promotion, but also on his good fortune in leaving a post which is growing more and more difficult. I also congratulate the Premier on not making a Budget worse than this one. But I urge that so long as this divided allegiance exists I do not see how this Province is going to prosper.

"I can only conclude my speech in the words of the Premier himself: 'From all points of view, this is a year of trial for us.'"

* SRI T. T. KRISHNAMACHARIAR:—"Mr. Speaker, I wish to congratulate the Hon. the Premier for his Budget this year, not in the usual conventional manner but because of the reasons stated by the speakers who have gone before me, he has managed to tide over a year of real trial. He has made mention, Sir, about the confidence which his Government possesses. I might add, Sir, that so far as the commercial community is concerned, that confidence is a real fact. We are really thankful that we have at the head of the administration and in charge of the finances of the Province a person who is well-known for his sanity and sobriety; and it is indeed a matter to be thankful for, when we look at the other Provinces and their budgets that after all, whatever might be the provocation and whatever might be the pressure put on him, here we have a Finance Minister who has his settled ideas of sanity and sobriety and who has the well-being of the Province so much at heart that he would not for a moment give undue weight for imaginary ideas and embark on policies

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which would be nothing more than running after the will-o'-the-wisp, as the hon. Member representing the Anglo-Indian community mentioned.

"Sir, the Hon. the Premier in his Budget speech has outlined the possibilities of objection from certain communities. We of the Indian commercial community are as much guided by that primeval instinct of possession as anyone else; we are not Vedantins; we are as much prone to kick as anyone else, but it all depends on the amount of pressure put on us so that we may kick the least. If this is recognized and if allowance is made for this, I am sure there would not be any serious resistance to the policy followed by the Government.

"There is one important matter on which there has been a certain amount of opposition from this side of the House. That criticism has been forecasted by the Hon. the Premier himself in his Budget speech. With regard to the loan policy of the Government a certain amount of propaganda has been carried on and that criticism has been emphasized by one or two speakers who have preceded me. I am glad to say, Sir, that I find that there is no basis for any fear with regard to the loan policy of the Government. If anything, the loan policy of the Government is conservative. The present Government's loan policy has nothing whatever to do with the amount that this Government owes to the Central Government which has been funded. I have no hesitation in affirming here before this House that any man who knows anything about finance will see that the Government are following a right policy and that they are borrowing for correct and proper purposes. They could borrow more. There is nothing wrong if they borrow more so long as they spend the amount on remunerative enterprises. Remunerative enterprises are remunerative enterprises whether they yield $1\frac{1}{2}$ per cent or $3\frac{1}{2}$ per cent in the first year. It all depends on the judgment exercised by the Government in regard to the future yield on those enterprises. I am glad that the Hon. the Premier's Budget speech shows that he proposes to proceed with this policy of borrowing for remunerative purposes, and that he is not likely to be deterred by criticism and calumny.

"I now proceed to the other point referred to by Mr. Langley regarding the interest charges on funded debt, and I think that is an important matter requiring attention. The Finance Secretary's memorandum shows that at present the rate of interest that we pay on the funded debt is somewhere about 4.50 per cent. 'Funded debt' is a curious word, and I think it is never used in the proper sense, because 'funded debt' as it is used by the Government has no relation whatever to the use of the term 'funded debt' in England. But in view of the fact that the present rates of interest are only 3 per cent, it is only right that the Government

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should take up the matter if the matter could be taken up at all and they should be backed by the support of the entire Legislature of our Province, to get the Government of India to permit them, before the stipulated period of 1945, I think, to borrow money elsewhere at 3 per cent, and pay this off, and thus save $1\frac{1}{2}$ per cent interest in this way.

“There is one welcome feature in the Budget. At page 5 of the Budget speech, the Hon. the Premier mentions that a different approach had been made with regard to the framing of the Budget this year. He says that quite different features have been introduced with regard to bringing into the accounts the grants of remission of kist made in the last month of the year which is taken over to the next year and that this uniform procedure will be followed in future years. Again, he says that the question of determining the expenditure is being taken up first and then the question of raising revenue is examined. All these are going to be the standard features of the new Budget policy. I have no complaint to make of this; it is probable they are on correct lines; but there is this danger, that when you have certain theories with regard to expenditure and those theories gain currency, unless you have side by side theories with regard to the raising of revenue, not of a controversial nature, you would not be able to achieve what you have in mind.

“There is mention made here with regard to administrative economies, salary cuts and the like. That has been a point that has evoked a certain amount of criticism in the past, but now there is no need to go back upon it, because it is an accepted fact. What is really needed is that this disparity in salaries between the Provincial Services which have been placed on a different footing from those All-India Services and others whose salaries are not to be touched by the Government, the Government must recognize, is likely to create harmful effects on the morale of the services. If there was at any time any case for reduction in the salaries of the Provincial Services, in the case of the All-India Services, such a thing exists in a greater measure at the present moment. I hope this point will not be lost sight of by the people who have got to decide this matter. At the same time, I would urge caution with regard to salary cuts, particularly in the case of people who are paid less than Rs. 500.

“There is also the other point in regard to the question of economy. It would undoubtedly be necessary for the Government, whether in the matter of salary cuts or in the matter of attempting administrative economy, to satisfy the people of their *bona fides*; and it is also necessary, so far as the community of people that are affected is concerned, that they should be assured that the Government have explored every possible means of cutting down their expenditure before they thought of imposing an additional

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taxation burden upon them. In this connexion, they have also to consider the question of efficiency. There is one point with regard to administrative efficiency that I would like to mention here, and it is this: In a settled Government, for the same amount of expenditure on services, you are supposed to get year after year more efficiency. Conversely, if you have a very efficient administrative service, you are expected to reduce your expenditure year after year, when the maximum efficiency is reached. I do not know where we are. Is our administrative service efficient, in which case, expenditure can be reduced; or is it a case that no reduction in the expenditure on the administration can be made in order to make the administration more efficient? I will come to that point a little later. I am now on the question of administrative economies. I believe an investigation was made and a report submitted. I think it was made in the year 1937 before this Government took charge of office by the present Secretary of the Finance Department with regard to certain suggestions for retrenchment and the raising of additional revenue. He seems to have exhaustively explored all possible sources of revenue; some taxation measures had been examined and left out as being unsuitable and some others had been left over for consideration by the Government of the future. There is one particular point there in regard to contingency expenses which seems to have drawn his special attention. He is reported to have said that the amount spent on contingency expenses was about Rs. 1½ crores and characterized it—it is not my language, Sir—as a figure that was appalling. I do not know what has been done in that connexion. Previous experience with regard to looking into these contingency expenses which were spread fairly over practically every demand under the Budget Demands, practically with regard to every service, had proved a failure. And one suggestion that it appears had been made was that a senior officer should be appointed to go into this question of cutting down contingency expenditure. I think that suggestion to go into the details of expenditure of a sum of Rs. 150 lakhs is worth while trying. As a matter of fact, I think there ought to be a periodical revision in respect of this matter. An officer may be appointed with the special idea of looking into these loopholes through which money is flowing, once in three or five years; and the expenses incurred in connexion with such an appointment will be quite worth while, considering the saving to be effected as a result thereof.

“There is then the question of other administrative economies in travelling allowance and the like. I was told that the Government contemplated some kind of revision with regard to travelling allowance; but I do not know what position it is now in. But there is this important point: we people in business, when we find that motor car travelling is cheaper insist on motor

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car travelling as against travel by train in first class with additional expenses for servants, luggage and all that. Our representatives are provided with motor cars and are given a fixed batta in lieu of travelling allowance. They are asked to cover a particular number of miles in a year, and be out on tour for a specified number of days. And that is a method of cutting down expenses which I commend to the Government for their consideration.

“There is again another factor which really is interesting, and that is, that the travelling allowance of an officer is fixed in relation to his salary—a most absurd thing. As a matter of fact, if a highly paid officer has to stop in a place outside his own headquarters, he can very well, if he wishes to live in comfort pay for it in part himself out of his large salary. As a matter of fact, it is the lower-paid officer who does practically the same kind or amount of work for much less salary that has to be given a decent travelling allowance. Sir, travelling allowance has got to be standardized with regard to the work to be done by the officer while on tour, and not with reference to his salary. There is a need for giving more travelling allowance to people drawing lower salaries. There is every possibility of Government cutting down their travelling allowance expenditure in this way. The income-tax people will not allow me to debit even my personal expenses when I am out on business; they say that that ought to come out of my personal income. I do not see why people who can afford the expenses should be allowed to draw handsome travelling allowance, while there is every need for being more liberal in the case of the people drawing lower salaries.

“There is also another method of spending money under this head—what they call the tour charges, covering portage, etc. These have to be looked into and standardized. And I suggest the Government may find it worth while to appoint a special officer to enquire into the contingency expenses, travelling allowances, tour charges and things of that sort.

“Then, Sir, I do not think there will be any dissentient voice with regard to the question of the contribution that we receive from the Government of India being raised. I should like to mention one point in regard to it, it is probably known already, it is no new thing; and it is that we got this year about Rs. 24 lakhs from the Government of India as our share, but if we calculate the income-tax raised from our own Government officers employed under this Government, it comes to nearly Rs. 15 or Rs. 16 lakhs. Actually, however, two-thirds of what the Government of India seem to be giving us back covers the tax raised on the salary of our own officers. Looked at from this point of view, I feel myself that what we are getting from the Central Government is negligible, and there is a good case for everybody in this House supporting the Government in asking for an increased contribution on this account.

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“Sir, I now come to the really difficult portion of the Budget—difficult for a person like myself, a person representing a constituency of the type that I do. Sir, I refer to the taxation proposals. There is no point really in going over again on the floor of the House the incidence of taxation proposed in the Electricity Bill or that regarding petrol sales. My hon. Friend on the other side, Mr. Varadachari, was quite right when he pointed out that the incidence of tax on petrol and other allied articles in England has increased considerably. It seems to be the way in which the tax policy of Britain is going at the present moment; but there is one thing that this Government contemplate which is not sanctioned by British practice. That is the question of tax on sales or turnover. As I said before, we are not yet kicking against it as we do not know exactly where it would lead. The indications afforded in the Hon. Premier's speech are that at the present moment there will be a half per cent imposed on turnover. Let me take the case of the big merchant; his turnover will look something very big. It is not going to be like income-tax, because income-tax is on ascertained income. The turnover may be very big, but I can tell you from personal experience that income based on turnover relating to an Indian businessman is likely to be far less than that in relation to a businessman in any other country; because competition is very great, sales of luxury articles are very few, overhead charges are not much, and what happens is a keen cut in price. Secondly, while it is conceded that the sales tax is a progressive measure in the sense that it would lead to a progressive revenue to the Government, it is not a logical tax, because it does happen that the sale of a particular article is taxed probably two and even three times or perhaps even more and in this country, we have no clear-cut division of the wholesaler and the retailer, so much so that, as I said, a particular article might be charged three or four times.

“One other factor is in regard to the proprietary articles; the middleman's profit is generally extremely small. The matter can be dealt with in greater detail, if there is occasion later on, but so far as profit on business is concerned, in the case of the wholesaler it often happens that it is represented by the value of the empty case and he gets mostly 6 annas or so being the value of the empty case. The sales tax is really an attractive proposal for any Government; it is probably a way of solving our problems; but it is not suited for our country for this reason that we are still fairly low in the stage of economic development. And we do not make big profits. These things will have to be considered. Probably if the sales tax is only on a few articles which will bear it, it will be a different matter; but if it is to be a general turnover tax, it might cause great hardship and hamper business. I may mention that now, even as I am here, I have got a telegram and a letter from businessmen and organizations, and I may say that there is a fairly big scare and concern created in the

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minds of these people with regard to this sales tax. Anyway it is not a matter to be gone into in detail just now. I will respectfully suggest to the Government that they should go very carefully in regard to this matter and make a full investigation of the incidence of this taxation and the views of the business community before launching on this tax.

5-30
p.m.

"There are one or two details in the Budget speech of the Hon. the Premier, for instance, the question of a gratifying transfer to the Rural Water-supply Fund from last year of an amount of Rs. 3 lakhs. This is not the proper time to raise the question, but anyway I should like to say, in view of the fact that last year also I raised this very question, that there is now a feeling among people that the channels of expenditure of this fund—perhaps only a part and not the whole of it—are not really suitable. We do not see any tangible evidence of people having got any great benefits out of this. Perhaps on a suitable occasion, I shall be able to put a definite cut motion and elicit information from the Hon. Minister concerned. Even though this small sum has been set apart for this purpose, under the present conditions it represents a fairly big slice of what we could afford and we should be sure that the money is properly distributed and that the channels of distribution are properly chosen. The amount provided for loans to agriculturists has not been utilized to the fullest extent last year and the Government say that they could not distribute the amount because of the difficulties of litigation which were hanging over us. But that apart, Sir, my own enquiry into the matter shows that the instructions given to these conciliation boards are rather too rigid. They are asked to advance—so I am told by the people who have administered this matter—only one-half or two-fifths of the land value and that too if thereby the agriculturists will be able to wipe off their whole debt through the amount lent to them. Land values, unfortunately, have dropped terribly while the debts have not been scaled down to the same extent. In consideration of all these, the Government should take a more liberal view in the matter of framing rules and fixing the proportion of land values to the amount lent to the agriculturists. There is no point in setting apart sums and setting up debt conciliation boards if you are not able to do anything to relieve suffering.

"Then, as regards the question of the irrigation policy of the Government, I must emphasize and support what was put forward by Mr. Venkata Rao from the Government benches. On an occasion like this, I feel, everybody, even those on the Government benches are entitled to make suggestions to the Government. I think that the prevailing cheap money rates should be utilized and that this is the proper and best time for borrowing more money and undertaking bold and vigorous irrigation policy. Money is cheap and if it is borrowed now and

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spent on productive schemes, it will alleviate famine conditions and solve the question of relief of unemployment. I will also mention here about what the hon. Member, the new addition to the European group, said yesterday in the course of his maiden speech regarding a bold agricultural policy. I have on a previous occasion made a speech here which could be more or less, as it were a dissertation on agricultural policy. The point really is that something must be done apart from remissions of assessment to alleviate the position of the ryot and I strongly feel that a proper readjustment of taxation will place the ryot in a sound position without any sort of diminution in the income of the State. That is the point that has got to be explored. I hope that the Government will take up this question. I feel rather too long a time has been lost in a matter like this.

"I have only a few words to say about the want of co-ordination as between the Government and its officers. I do feel that there is a feeling as it were of helplessness in the case of these officers. I think it is a wrong feeling. The Hon. the Premier wherever he has toured has welcomed the assistance of these Government officers. There is still, notwithstanding the fact that they have been grouching over the question of cuts, plenty of good feeling and plenty of faith in the Government. What I would suggest—if a member from this side of the House can make suggestions to the Government, which may be thought impertinent coming as it does from a member on this side of the House—is that one Minister may be the co-ordinating Minister. Even if he has to travel widely, it does not matter if he could only provide the link between the Government and its officers, for the officers would feel that they are somewhere in the scheme of things, they have definitely a place in the map. That is what I felt is needed in my tours up-country and I would respectfully place the result of my impression for the consideration of the Government.

"I have nothing more to say, Sir, except to repeat my congratulations to the Hon. the Premier and hope that this policy which has been for the first time initiated definitely under extreme provocative conditions of bad seasons, which has not departed from sound principles of financial rectitude and integrity, will be continued by him and by his successors in the future."

(Mrs. Rukmini Lakshmipathi, Deputy Speaker, occupied the Chair.)

* H. S. HUSSAIN SAHIB BAHADUR:—"Madam, the courage and sense of responsibility shown by the Hon. the Premier and Finance Minister in framing the Budget has, indeed, been very remarkable. The Hon. the Finance Minister has told us in the opening paragraph of the speech that this is a year of trial for us and in the concluding paragraph he says that in all

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the reduction in the amount of revenue is more than two crores of rupees. This, Madam, is a situation which nobody except a consummate financier could face with equanimity. Under such trying circumstances, the Hon. the Finance Minister has taken courage in both hands and presented to the House a Budget which raises hopes and aspirations, promises great possibilities and expresses a firm determination to go ahead, happen what may. We may possess enough self-confidence; but it is not advisable to err on the side of over-confidence. It is always good to hope and to hope for the best, because the world lives on hope and unless we hope for the best, we cannot get on in this world and our existence will become impossible. We have to take into account the realities of the situation and try to face them as far as it lies within our power with the equanimity of a consummate financier though it is beyond our strength.

"We see from the Budget that the land revenue concessions are repeated every year, while the question of permanent reduction in land revenue on an equitable basis is still engaging the attention of the Government. Through the grinding excessive weight of land revenue and on account of other causes, rural indebtedness has been on the increase and an Act for the relief of rural indebtedness has been passed. But still in spite of the relief and the scaling down of debts, the debtors do not find themselves in any better position than what they were before. From my own personal experience in court I am in a position to say that properties which were sold hitherto for the full amount of the debt, now pass off from the hands of the agriculturists for half the debts. That being so, the question of the reduction of land revenue must engage the immediate attention of the Government. I would appeal to the Government not to delay the matter any further and hope that they will come to a final decision in the matter very early. I would, in this connexion, like to say a few words on the question of Prohibition. Of course, the Government have started Prohibition and when that scheme was started we knew that the revenues of the Province would go down progressively. When we launched such a beneficent scheme as Prohibition, we did not foresee what calamities were going to befall us. But when calamities come upon us and when we are put upon our mettle, we have to take courage and go ahead as boldly as possible. To add to our difficulties, nature has been very unkind to us. Cyclone and famine are the twin children of Mother Nature sent to visit us at this critical period of our history. But I think that they have been sent to us by Mother Nature in order to try our hope, faith and courage. The continued fall in the price of land produce and the consequent reduction of land values and the general economic depression have all contributed not a little to the reduction of revenues under other heads. This is what I find from the Budget.

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"As a result of all these combined forces, the Government have been driven to the necessity of proposing fresh taxation on the people. The Government are also put to the necessity of considering immediately, what is said to be a very moderate cut in the pay of officers in the pre-revision scales of pay. There is also to be an enhanced duty on country spirits. Two taxation Bills, on electricity and motor spirit, are already on the anvil of the Legislature, and with regard to them we are told that they are only in consonance with what obtains in some other Indian Provinces. What is it that we are told about the proposal to tax some other articles, I mean, tobacco and the turnover of general sales in this Province? In the case of tobacco, we are made to understand that in all civilized countries of the West such a thing is in vogue, but I do not know whether such a thing is being done in the less advanced Eastern countries. And in the case of tax on turnover of general sales, we are told that we are to give the lead in India and follow the example of some European countries. Madam, when I am speaking about taxation, I may make it perfectly clear that I am not opposed to the principle of taxation. To my mind, it seems that the principle of charity is involved in any measure of taxation. According to the religious injunction of Islam, which I wish to place before this House on this occasion, taxation is to be looked upon as being for the benefit of the poor. Charity is described like this: 'Almsgiving is a duty unto you, alms must be taken from the rich and returned to the poor.' From the latter part of this injunction, it must be realized that it is the State alone that can take something from the rich and return it to the poor. Therefore, it is the State alone that can do this. Again, the word 'return' is significant. We have to take from the rich what they have taken from the poor and then return it to the poor. Therefore, Madam, all that I can say is that taxation should be resorted to whenever there is an appropriate occasion for it. But, on this particular occasion, I feel reluctant to give my consent freely to the proposed measures of fresh taxation at the present moment. So long as the pledge to reduce excessive burden of existing taxation is unredeemed, under conditions we are now living in, it would be very difficult for the people of this Province to bear any fresh taxation. When a house is burning, what is wanted is water and not more fire. Therefore, I doubt very much whether the people of this Province would welcome the proposal for fresh taxation.

5-45
p.m.

"The Hon. the Finance Minister in his Budget speech has expressed the firm conviction that the people of this Province appreciate 'the solid advantages of a government responsible to themselves,' and he does not want to exaggerate the belief that 'the people are not tired of the present Government but are anxious that they should continue to look after the welfare and

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guard the interests of the people.' That is a very good statement, Madam, and I am really glad that the Hon. the Finance Minister made that statement in his Budget speech. But in what manner do the people regard their welfare and interests? The people measure their welfare and interests in terms of economic betterment, opportunities and facilities to earn more, and to have all their wants and needs satisfied without inconvenience. That is what I believe the generality of people think about welfare and interests, and that is what I believe would be their welfare and best interests. Therefore, Sir, if the present Government represent the people truly and if it should prove that the people are not tired of it, but that they are really anxious that this Government should look after the welfare and guard the interests of the people, I should say that they should first see that all these desires of the people are satisfied, before they think of imposing additional burdens on them. Therefore, I would say that the people of the Province will not welcome these fresh proposals of taxation.

"Under the circumstances, I would suggest that the Government should first satisfy the people with regard to the existing grievances, take some tangible steps which would result in something that is really good for the welfare of the people. If the Government had shown something tangible—of course, I agree that the Government has done a great thing in the matter of Prohibition and in passing the Agriculturists' Relief Act—if the Government could do something that would result first in the welfare of the people, after having improved their condition and after having provided them with all facilities to satisfy their needs and wants, Government could as well, and with greater justification I might say, ask the people to pay more. By telling them plainly, that on account of the measures adopted for their own welfare, it is but right that they should pay more. But, instead of doing that, what I find is that the Government are faced with a big void, as it were, by adopting certain measures, which no doubt, will result in some tangible good to the people in the long run, but which have at present created a sort of financial embarrassment to the Government. I do not think this Government will be fully justified at the present moment in going to the people and telling them that they should pay more, because Government are faced with a financial deficit on account of certain things they have done.

"Sir, I would like to say a word on this occasion about the proposed taxation on tobacco and turnover of general sales. Tobacco is an article in our country that is in universal use. It is used in all rural parts for chewing, and I may even say that this article should be considered to be a necessity rather than a luxury. That being so, Madam, a tax on this article would be oppressive to the people whatever more prosperous Western countries

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might have done in respect of this article. Madam, if trade and business are to be recognized as the two great factors for advancing our prosperity and progress, I do not think a tax on turnover of general sales will be beneficial to the people of our Province. In many cases, perhaps, businesses will have to be closed down. Business people in addition to income-tax, profession-tax and property-tax will have to pay this tax also. That will mean contraction of business instead of expansion. The larger businesses may have to reduce their establishments and cut down the expenses of management. Madam, if such a thing happens, perhaps a few stronger firms may get the opportunity to do roaring business at the expense of our own people. Madam, I do not want to go into the details of the proposed measures of fresh taxation. But this much I may say. In any proposal for levying fresh taxation, we should as far as possible exclude from the purview of fresh taxation articles that are in universal use or that are indispensable to the people and articles that are of great benefit to the people as a whole.

6 p.m.

"Madam, I may also say a word about the contemplated cut in the pay of the Government servants, I mean the old entrants to Government service. The majority of them who are our own people are really helpless and powerless. They have given the best part of their life for the service of the country in entering Government service and I think by their loyal and faithful service they have contributed not a little to the stability and the smooth working of Government. That stability and smooth working is being enjoyed even to-day by the present Government. Madam, considering the loyal and faithful service rendered by these Government servants and the part they have played in the national life of this country by contributing their best in their own sphere, we should not take advantage of their helplessness and powerlessness. On the other hand, we should recognize the great services that they have rendered and give them greater contentment and peace. No doubt, Madam, this Government has acted wisely in applying the right and correct principle in not making the new scales of pay applicable to the old entrants in the Government service.

"Madam, in this connexion, I may state that the Government have thrown to the winds the wholesome and correct principle in the matter of the scales of pay of the secondary school teachers under the local bodies. I do not know why the Government have taken such an attitude so far as that particular class of public servants is concerned. Mere lapse of time cannot change the truth and principles. I do not see why the G.O. No. 4619, dated 20th October 1934, which prescribed the scales of pay for these teachers making them applicable to old entrants as well, should not have been modified since this Government took up office, if there is to be any meaning in adhering to truth and principles.

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If it is a matter of principle, Madam, I do not mind even having done a distinct disservice—in the opinion of some—by asking for a modification of this Government Order and if it is a matter of principle for which all of us stand, I would even like to continue that kind of disservice, as it is termed by some in future also. Madam, let me now congratulate the Hon. the Finance Minister on his bold Budget."

* K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—
"Madam, Deputy Speaker, I must heartily congratulate the Hon. the Premier and Finance Minister on his able speech presenting the estimates for 1939-40. Madam, it is for the third time that he has presented the Budget to this House. This is a significant fact in view of the circumstances and conditions under which the present Government have to function. Though in strict constitutional theory the Government are responsible to this House, in actual practice they owe their allegiance to an outside body, ever ready to carry out the orders from above irrespective of the approval or otherwise of the chosen representatives of the people . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"I strongly protest against these observations, Madam."

* K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—
"Madam, I made these observations not with any malicious idea, but with the idea to convey my own convictions regarding these matters. Madam, that is the reason exactly why any political event in any part of the country having the least significance for us in this Province may have unprecedented repercussions on the Government ruling over us here. If it was a constitutional crisis in Bihar or Orissa last year that cast a shadow over the Government of this Province, this year, it is perhaps the resignation of thirteen members on the Congress Working Committee. If the danger at one time consisted in the probability of the Governors' using their special powers, it now consists in the probability of an unwanted Federation being imposed on an unwilling nation. In spite of all these calamities it is significant to note that the Government are sitting tight over their seats of power. The clouds that cast the shadows are passing clouds. Madam, Deputy Speaker, I submit that every year we are being told by the Government that they may have to vacate office at any time. But, for my part, I wish to say that it is difficult for me to believe that things would happen in that manner."

"The object with which I have made these observations is this: Madam, the Government have by their utterances, created a certain amount of uncertainty regarding their term of office. What is to happen to the costly policies? Prohibition is not yet complete to-day. The Agriculturists' Relief Act is not a small measure. My question is, having launched upon these schemes,

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these costly schemes, and having been called upon to spend money, public money, like water, is it fair on the part of the Government to face the public and tell them over and over again every year, 'here we are prepared to vacate office at any moment'? (The Hon. the Premier: 'You take it.') Madam, Deputy Speaker, I can only say that this kind of uncertainty is really doing a great injustice to the public."

"Madam, Deputy Speaker, coming to the Budget which was presented to this House. This year's Budget differs from the Budget that has been presented to us for the last two years. The present Budget marks a change in the financial history of our Province. The new thing is this: It sanctions expenditure not according to the revenue that is expected to be realized, but it determines expenditure first and foremost and then devises the means of raising revenue sufficient to meet it. This change has been called in some quarters a landmark in the history of provincial finances. A dangerous landmark indeed. It is a terrible and most dangerous approach to financial administration of a Province. Needs there are many. What is it, after all, that we do not reasonably need in India and where will our needs then lead us to? It is for the Hon. Premier to reply. Unfortunately he is not here. (Sri T. Viswanatham: 'All the same he will reply when he comes.')

"The one thing that looms large in the financial picture of the year 1939-40 is Prohibition. I am even inclined to call this Budget a Prohibition Budget. Prohibition no doubt is the need of the day. The policy has been approved and accepted. Every one in this country hates drink and the evil must go. We have supported the Government in adopting this policy. It is but fair that we should also support them."

"Madam, Deputy Speaker, then I come to the new taxes proposed. It is not customary on the part of Members of the Opposition to rise and say that they are in favour of new taxation. But speaking as I do in an individual capacity, I must say that if it was fair on our part to approve of the scheme of Prohibition, it is but also fair that we should approve the principle of new taxation. I wish to make it plain. I do not mean to say that the taxes now proposed are the best taxes and the least objectionable taxes. That is not my idea. What I mean to convey is this. Once we have launched upon this great scheme we are bound to meet it. Perhaps the only method of meeting it is by resort to fresh taxation. Madam, we all know that the Government have lost a golden goose, but if they have to work Prohibition and carry on the administration they must have at least a few nickel or silver coins, if not the golden eggs."

"The question is, whether the new taxes now proposed are the least objectionable taxes. Personally speaking, a tax on entertainment or electricity cannot in any way be said to be

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“As regards the tax on turnover, my conviction is that it might prove very repressive and cumulative in its effect and it may lead to double or treble taxation. Though it is a very attractive source of revenue, great care has to be brought to bear upon the manner in which the Government are going to carry out the whole scheme. We have got to examine it and the question of accepting it or rejecting it depends upon the merits with which the Bill is to be presented to us. Madam, the whole scheme of taxation as disclosed in the Budget speech of the Premier is significant in one respect. The whole scheme has been cleverly conceived. The sales tax, for instance, is proposed in the shape of an income-tax. The Government have avoided a direct levy on the consumers. The tax is levied on the turnover and the incidence is not felt by the consumer directly. The other respect in which cleverness has been exhibited is the selection of commodities for taxation. A tax on petrol or electricity or entertainments is not going to affect the man in the village, at least not in any considerable manner and we have got to remember he is the person who forms the bulk of the population in our Province, he is the person who is to fill the yellow box with his ballot papers. It is rather unfair that the man in the town should be treated at the expense of the man in the village. But that is the trick of the political game.

“Now I come to the administration. Before I do that, I must congratulate the citizens of North Arcot district upon the boon that has been conferred on them and for the extension of Prohibition to that district. We, the people in the Ceded districts, envy them and are jealous of the boon granted to them. If the Government have not introduced Prohibition in Kurnool, Anantapur and Bellary, I only say that they have not realized the havoc of drink evil in these poor and dumb districts. I do not know what it is that guides the Premier in selecting a district for the extension of Prohibition. If it is the extent of drink evil coupled with the poverty of the masses, then I have no hesitation in saying that the Premier has erred in selecting the districts he has chosen so far except Cuddapah. I must be pardoned by my colleagues if I say, Madam, that in this particular respect the needs of our

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districts are greater than the needs of other districts. I strongly appeal to the Premier to promise us straightaway extension of Prohibition in these three districts at least next year.”

THE HON. SRI C. RAJAGOPALACHARIAR :—“The Nizam has to agree.”

* K. ABDUR RAHMAN KHAN SAHIB BAHADUR :—“Madam, my attention is drawn to the Nizam. May I submit that a similar trouble existed in the case of Salem? If it is Hyderabad here, it was Mysore there. I may also draw the attention of the Premier to the fact that there is the trouble from Banganapalle also. We will have to pay the Banganapalle Darbar also if we want them to close their shops also. But my argument is this: Your policy is to extend Prohibition not only to the districts of Chittoor, Cuddapah and Salem but to the whole of our Province. If that is your policy, then it is only a question of time as to when you come to Kurnool. You have got to meet it. You have got to introduce Prohibition one time or another and if you get to it, there is no reason why the question should be delayed.

“Madam, there is one other matter with regard to which the people of Royalaseema feel awfully disappointed and that is the delay in the execution of the Tungabhadra Project. This matter has been sufficiently talked out both inside and outside the Legislature, and I do not see any point in talking this matter over and over again. I am afraid the Ministers make promises of early execution. They meet with the Members of other Governments. They construct the bridges in sketches and share the waters on pieces of paper. But the Tungabhadra is there flowing uninterrupted and undisturbed. It is only left to us now to pray that the Tungabhadra may change its course of its own accord, to irrigate our fields and bring prosperity to our neglected districts. That is the only hope that we are left with.

“Placed as we are in circumstances like this, Madam, we are invited to come and join the Andhra Province which is to come, they say, in the near future—as if a new millennium is going to dawn upon us. I have not a word to say against the enthusiasts of a separate Andhra Province. Perhaps it is too late in the day to say anything against it. Every one has got to join in the cry for a separate province irrespective of any consideration either for or against it. But, so far as the Royalaseema districts are concerned, my only request is ‘Do not be over-confident about that.’ They have got their grievances. No one has been able to meet them till now and there is very little chance that those grievances would be met even if a separate Andhra Province is created. Madam, I distinctly remember that, when I spoke on the resolution for a separate Andhra Province, certain hon. Members of the House interrupted me and asked me whether I was sure that I was expressing the true sentiments of the people in my

[K. Abdur Rahman Khan Sahib Bahadur][23rd February 1939 district. Now I request them to remember the proceedings that were reported of the recent conference at Adoni, Cuddapah and Proddatur. That is an eye-opener. It is not a fact to say that the whole Royalaseema is behind the Andhra Province or that they are willing to join it.

"Madam, it is not for me to labour this point. I will therefore go to the various other aspects of the administration of our Province. Here luckily I do not feel any necessity of speaking at length because my friend, Mr. K. V. R. Swami, a member on the Government Benches has given a very good account of the things that exist and the conditions that prevail in the Province to-day. He has shown us the extent to which there is corruption and inefficiency in the various departments. It may perhaps be regarded as usual for a member who belongs to the Opposition to indulge in such a talk. Therefore, my only request to the Members of the Government is just to meet the spirit of the remarks of Mr. K. V. R. Swami and we will get an idea of everything.

"Then I go to one very unfortunate aspect of our administration. Before I do so I personally appeal to the Hon. the Premier to understand my point in a very correct manner. Gentlemen—I am sorry; I beg your pardon—Madam, I beg to say that the matter I am going to refer is a very delicate matter indeed. It is this. I strongly deplore that the Members of the Government choose to rule our Province more as Congressmen than as Indians. There is too much of party colour in some of the policies they follow. I am treading upon, as I said, very delicate ground, but I have every confidence that the Premier will understand my sincere feelings in proper light. The things that are at the back of my mind are the Congress flags, photos of Congress leaders and the singing of Congress songs. I admit there is nothing fundamentally wrong in hoisting a Congress flag, in installing a photo of a Congress leader or in the singing of a Congress song. Anything Indian I admit as preferable to anything foreign. But my only plea is this: this is not an opportune time for that. Hoisting a Congress flag leads to strikes; singing of Congress songs leads to walk-outs and the instalment of photos of Congress leaders gives room for invidious distinctions between one leader and another. Their dignity and prestige should not be made liable to any controversy. Madam, my request is 'Introduce these things; but do it when there is an atmosphere of goodwill and mutual sympathy.' You will agree with me, Madam, that the whole atmosphere in our country at present is contaminated. We have nothing at heart but party loyalties and party sympathies. That is the hard fact of present Indian life and we cannot get over it. Though we profess to be national in our outlook, still most of us are narrow-minded in our sympathies. Let me not dilate on this unfortunate aspect. It is a thing we can reasonably weep over and not discuss. In this state of distrust, hate and suspicion, do not act in a manner which is likely to bolster up feelings

23rd February 1939][K. Abdur Rahman Khan Sahib Bahadur] of hatred and enmity. I say to the Premier through you, Madam, 'You are the leaders and followers of a big organization. You are at present in the seat of power. You can make and unmake things.' But my appeal is 'Rule by love, not by force; introduce with grace if you can the Congress flag, the great Congress leader and a Congress song. If not, wait for a proper opportunity. Indian life is not coming to an end abruptly to-day or to-morrow. If you cannot do it, let your children do it. But let it be done with love and grace. Please do not add to the difficulties that we are labouring under.' I speak with a certain amount of feeling in this matter. I hope for the day when we can all join together in the worship of our motherland, its flag and its leaders, if worship we should. But for the present I appeal to the good sense of the Government to lay these things aside to a better time, to a better atmosphere and a better cordiality in the country.

"There is one word more for me to say and it is a word of praise to the Government for the good work they have been doing so far as the Harijan community of our Province is concerned. I can congratulate them on the work that they have done so far. 'You are trying to ameliorate their condition. You are trying to put them in a better place and you are leaving no stone unturned. It is a matter of congratulation no doubt.' But my appeal to the Government at the same time is to step a little further and see that their help is extended not to the Hindu Harijans as a class but to the poor people in all communities. If you find poor among Muslims, if you find poor among Christians, if you find poor among Parsees, extend the same help to them. I do not wish to be understood that I am saying anything against the Government or their work for the Harijans. But my appeal is let the Government cast aside its class mentality. Let it look upon the whole problem as one problem. I request the Hon. the Premier to look upon these matters with a broad outlook and with broad sympathy. Madam, it is not for me to take up the time of the hon. House unnecessarily and I therefore finish my speech with these observations."

BASHEER AHMED SAYEED SAHIB BAHADUR:—
"Madam, Deputy Speaker, I should even at the outset describe the Budget that has been presented as a very bold and daring one at a time about which the Hon. the Premier has said there is a great deal of uncertainty. Looking at it, with its deficit on one side and the five or six new measures of taxation proposed on the other side, I should say it is a very courageous Budget, and I think no one need be in any state of despair on account of the small deficit that has been shown. Experience has demonstrated in the past, and I do not think anyone need have any doubt about it in the future, that this small deficit of six digits will get itself converted in the course of the appropriation of the accounts that takes place during the year into a surplus. Time was when the Members

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of the Public Accounts Committee used to criticize the Budget-framers for over-budgeting expenditure and under-estimating receipts. I do not think, Sir, that this Budget will meet with a criticism of that type. Although I am of opinion that it is always a safe and sound policy so far as the finances are concerned to over-budget expenditure and under-estimate revenues, the Government of this Province has had the reputation for all these years of piloting its scheme of finance always safe and sound to the haven. Other Governments have failed, but this Government has succeeded pretty much. I would therefore not in any way speak in disparagement of the Budget; on the other hand, I would congratulate the Hon. the Premier for having taken courage in his hands and for having given an idea of what exactly he proposes to do with reference to the question of meeting not only the deficit but also with a view to enhancing the resources of the Province.

“ Criticism there will always be on the question of raising new taxation in a province where poverty is the only thing to be met with wherever one looks. No doubt the Hon. the Premier would say that the taxes are sought to be levied on persons who can pay, but the class of persons who can be described as those who can afford to pay or bear the tax is certainly a very microscopic minority. In fact it cannot be denied that 90 per cent of the population of this Province could be called poor or poorer or poorest. There is no question of rich and the less rich and the more rich, and then the poor, the poorer and the poorest. On the other hand, the position is that 90 to 95 per cent of the population are poor, are poorer and are poorest and only 5 per cent, on a very liberal scale, could be called rich. So, that, these taxes in the end will certainly be borne not by persons who can bear them, but only by persons who have to pay in order to carry on the Government of the day. Any responsible loans that have been raised have been properly spent—or mis-spent, or not spent and kept idle and that in consequence the sinking fund and interest-charges have accumulated. I am glad, Sir, and it is a matter on which the Government have to receive the approbation of the House, that they have not done anything of the kind. They have borrowed Rs. 164 lakhs and it is a matter for gratification that they have spent every pie of it on the schemes on which they had proposed to spend them. That being the case, I do not think we need be afraid of any further borrowing policy of the Government. But, Sir, the expenditure of borrowed money on items of expenditure for which they were borrowed need not necessarily prove that the borrowing policy is sound; on the other hand, the policy should be looked at from the point of the financial resources and the financial development of the Province. I dare say on this account the various ventures which the Government have embarked upon and have been handed down to them are certainly promising larger revenues, and I do not

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think anyone need despair that if more funds are invested in more and more enterprises, there will be any difficulty in the matter of improving the finances of the Province. I am of opinion that the Government should borrow for purposes which are mostly remunerative and not for purposes which are un-remunerative. It is certainly a matter for satisfaction for us that the Government have done the right thing in the matter of borrowing.

“ Madam, I should call this Budget also in one respect as a very unprecedented Budget. In my experience covering a period of seventeen years in this House I have not come across five or six items of fresh taxation; on the other hand, the previous Governments being bureaucratic Governments had no need to think of fresh taxation. This Budget has certainly brought out some of those aspects which had to be faced at one time or other. When one is free from taxation one wishes that he should not be taxed, but yet, the Government has to go on and this question has become a very difficult and insoluble one. Mahatma Gandhi laid down that taxes should be levied on the urban population. The Provincial Government have rightly taken up that cue and have begun to tax the urban population. But I do not think it is possible to tax the urban population only. The majority of the people who will be taxed do not belong wholly to the urban areas; they also belong to the rural areas.

“ The Hon. the Premier, referring to the political situation, has said and expressed the opinion that if people are tired of the present Government, they may oust him and this Government. I think he is entitled to take credit for the position in which we are. Although there might be on the surface, here and there, some dissatisfaction and some discontent and some grumbling, all the same the fact remains that the Government has to be given its full trial and then judged by its doings. I do not think the time for judging it has yet come. I do not think the time has come when we can safely say that the people have become tired of this Government. So far, I do not think the Government has done anything to forfeit the confidence of the people.

“ Referring again to the irresponsible Centre, the Hon. the Prime Minister has stated that much could not be done. I submit that this Government ought to make earnest and strenuous efforts with a view to enlarge the powers of the Provincial Government in various respects with which they are connected intimately. Certain spheres of activities of the Provincial Governments have inter-connexion with the activities of the Central Government, and even in regard to these matters, there are some in regard to which the Provincial Governments are not consulted and are given no information by the Central Government although the Provincial Government and the people concerned are called upon to pay the piper. I would suggest respectfully that the Government should

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take active steps to get more and more power, however much they may be circumscribed within the four corners of the present Government of India Act. I do hope that the Government are making efforts in the matter of enlarging their powers within the scope of the Act and will continue to do so until such time as the Act itself is amended. There are many spheres in which the Government have to exercise a great deal of control and a great deal of powers. They are not doing so now. It is time that they raised these questions with the respective authorities, the Governor, the Governor-General or the Secretary of State and got real autonomous powers for the province in spheres which are still outside their pale.

“With reference to the seasons, the Hon. the Premier has stated and has shown that his Government are fully alive to the needs of the situation that is facing the people of this Province, especially the agriculturists, by the series of calamities that have befallen them. The position has indeed become very precarious. Looking at the question from the point of view of the rural population, there are districts after districts where there has not been a single crop raised. In certain districts crops have utterly failed. All these districts therefore require urgent and immediate relief. It is gratifying no doubt that the Hon. the Premier has taken into account the various calamities that have befallen the people. But let me tell the Hon. the Premier and the Hon. the Minister for Revenue that their response has not been adequate up to this moment. The crops failed in the month of December and we are now in the end of February. Nothing has been done so far, and we were told by a Parliamentary Secretary this morning that the Government are still waiting for recommendations as to what measures they are to take with reference to the immediate relief to the people who are in distress. That is not certainly very encouraging. The Government ought to have called for reports then and there, and by this time they should have issued instructions as to how best the suffering could be relieved in the districts. In order to show that the Government are fully alive to the needs of the situation, they should have acted promptly and not wait till the people have outlived the distress. I therefore suggest that the Government ought to take much more expeditious steps with a view to bring into effect the relief which they want ultimately to give. They have proposed that there should be postponement of the collection of kist in certain districts. That alone would not really help matters. They have stated that there will be remissions. We know what these seasonal remissions mean. The Government must put more and more of the human element in the system that they are working. Formerly that was lacking, and with this change of Government we are entitled to expect and demand that there should be more of the human factor in the administration of this machinery. That should not be wanting any longer. I would therefore request that measures for the grant

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of relief should be speeded up. It is not enough that the Government should merely ask or allow the Collectors to exercise their discretion in the matter of allowing seasonal remissions. When moneys are provided, the district authorities, the tahsildars, the deputy tahsildars and so on are very reluctant to disburse the amount. In the matter of seasonal remissions the ryots have had bitter experience. In the matter of revenue remissions also the experience has been the same: the concessions that are said to be given reach the several quarters very late. In certain quarters these concessions do not reach the ryots at all. The Government ought to take steps to see that the poor ryots get the benefit of the revenue concession of 75 lakhs and that the seasonal remissions are really remissions given in time. Then only some useful purpose will be served.

“The Hon. the Premier referred to the position of the Indian population in Burma. In regard to this matter, though the Government made a claim that they have done what they could to protect the interests and the life and property of the Indians in Burma, I submit, Madam, they have not done it sufficiently well. The appointment of an Indian Agent for Madras in Burma is a paramount necessity and Government ought to have had the vision enough to send a competent man, if need be, a non-official Indian, to Burma to protect the rights of Indians there. Instead of that Government did a gross mistake, I say this in all humility, in sending an I.C.S. officer. I say that this should not have happened, and when I say so, Madam, Deputy Speaker, I do not mean any disparagement to the officer who has gone there. But I do urge on the Government to take effective and strong steps to see that the Agent who goes there to represent the Indians in Burma should belong to the Madras Presidency, and that the interests of the Indians there should be protected, not by an European I.C.S. officer, but by an officer who will get into the spirit and the social life of the Indians there. Not having done this, as all of us are aware, much havoc has been done to the Indians there. I do not think the Hon. Premier would allow any more opportunity to slip, whenever it arises, for mending these matters. I wish to urge that strong and early representations should be made to the Government of India in the matter of appointment of an Indian as an Agent.

“Madam, Deputy Speaker, referring to the accounts of 1937-1938, I may say it is certainly a good sign that Government have been able to secure a transfer of 3 lakhs of rupees to rural water-supply. But the progress of expenditure on that account, I should submit, has not been appreciable. It may be due to various causes. All the same there was a full period of twelve months and within this period, it should have been possible to spend all the 15 lakhs of rupees that were set apart for rural water-supply. They were able to appropriate only about 50 or 60 per cent of the total sum allotted and the remaining 30 or 40 per cent was not spent.

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That does not matter. But I would submit that on the whole the progress has not been satisfactory. Therefore a proper machinery should be established in order to see that the progress of expenditure keeps pace with the twelve months that are allowed for spending these allotments. In certain cases it may not be possible to spend the amount for six, eight or nine months, and therefore I suggest that a machinery should be found out which will be able to spend the amount even within the last two or three months by hurrying up the matter. I therefore suggest that a machinery should be devised to see that the expenditure keeps pace with the allotment that has been made for a certain purpose. The saving of 17.66 lakhs in the allotment for the capital expenditure is certainly appreciable.

"Coming to the revenue estimate in the revenue account, the Hon. the Premier said that half a crore has been allotted for the purpose of seasonal remissions. I submit, looking at the conditions prevailing to-day, that half a crore will not give much relief to the large population of the ryots. Half a crore will not be in proportion to the distress and the suffering that is being experienced by the ryots in the rural parts. The Hon. the Premier should have been more liberal in this regard. There is no doubt that there are tremendous difficulties in the way. The Hon. Premier has to set apart half a crore for seasonal remissions and another 70 lakhs for concessions during the current fasli, and he has also to find some amount for saving the budget from a large deficit. These difficulties are there. Notwithstanding these difficulties, I should have expected that a larger amount had been allotted for seasonal remissions. The amount that has been allotted is very infinitesimal. The method adopted for this concession to reach the ryots is not the best. I submit it has not been well conceived. No doubt there is a person to-day who has been entrusted with the business of making these concessions within a year and not to postpone them. If they are postponed and if concessions are not made within the time allotted, it should not be considered as a saving to the Government. The postponement or allowing these concessions to be given at the last kist for the fasli is not really beneficial to the ryot. The ryots are to pay for the first two, three or even four faslis, and the concession does not reach them within the fasli. But when he has not even the instalment amount to pay, and when he has pledged all his property and everything that he had, the concession is allowed to him which does not enure to his benefit. I would therefore suggest that these concessions should be spread throughout all the four kists. If we are to spread the concession in all the four instalments, it will certainly be greater relief to the ryots and it will not be a waste. So I do hope that the Hon. the Premier will consider the feasibility of spreading these revenue concessions throughout all the four instalments of kist payment.

(At this stage Mr. Speaker resumed the Chair.)

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"Then, Sir, Excise, Stamp and Registration revenues have all shown a fall according to the revised estimate. The reason for this cannot but be that the capacity of the general tax-payer has become low. In spite of the increased charge for registration which the Government have made, the income from registration has fallen. The stamp revenue has fallen; and the court-fee revenue has also fallen. These things only indicate that the capacity of the tax-payer is not as it should be. Therefore it indicates that there is every justification for reducing the court-fee under stamp duty. There has been incessant demand that court-fee and stamp duty should be reduced and yet nothing has been done. A special officer was appointed to go into this question and it is more than a year since the officer was appointed and we do not know what has been done, whether he has submitted his report or whether it is, after having been received by the Government, under consideration and whether this House will be taken into confidence before any action is taken on that report. So that, I urge on the Hon. Premier that there is every justification for reducing the court-fee and stamp duty and thus save the ryot from further suffering.

"Referring to the revised estimate, the Hon. Premier said: '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 of commutation.' Last year, Mr. Speaker, I did not get an opportunity to speak on the question of commutation of pensions."

MR. SPEAKER:—"Already the hon. Member has taken much time. He must finish soon."

BASHEER AHMED SAYEED SAHIB BAHADUR:—"I have spoken only for half an hour. I was not aware of any time-limit. If I had known there was a time-limit, I would have cut short my speech. However I will not tire you or the Hon. Premier on the question of commutation. I only wish to say that the abolition of the commutation system has unsettled the domestic life of the various officers. It has completely upset their arrangements. My hon. Friend, Mr. Appadurai Pillai, has dealt with this matter at length, and I do not want to go further than to say that the abolition of the commutation system of pensions has unsettled the family budget. There is a great discontent among the officers of Government that a great injustice has been done to them. I would like to plead at least for those who are about to retire or whose pension papers have been sent to the Government, who have applied for commutation and who have undergone medical examination. There are many cases like that which deserve the sympathy of the Hon. the Premier. I do not hold any brief for Government servants; I have no clientele among the Government servants. But I am simply pointing out this, because there is great discontent among the services. There is already great discontent among them because you are going to reduce their salaries

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and the stoppage of commutation has only added to their discontent. It is true that the Government have got direct control over their subordinates, but that does not justify that every now and then their salaries should be cut or rules regarding pensions or commutation should be changed. I am particularly protesting against the reduction of salaries of those who are concerned with the judicial administration. It is not merely that those officers in the Judicial department should not be corrupt but they should be kept above temptation and corruption. If you are going to reduce their salaries in the manner in which you have proposed, I venture to submit that the services will become greatly demoralized. I venture to submit that the standard of efficiency of the present-day men is far lower than what it was five or six years ago. There has been a great demoralization. If the Government are going to tamper with the salaries of the judicial officers, undoubtedly the morale of the judicial officers will greatly deteriorate, and that would not be in the public interests for the Government to do so. I say that at least so far as the judicial services are concerned, the Government should keep their hands off.

"I prophesied last year that loans and advances would not be spent during the year for which they are intended. I now see that the Hon. Premier has admitted that they have not been spent."

MR. SPEAKER:—"The hon. Member may content himself with a brief statement on the points and close soon."

7 p.m. BASHEER AHMED SAYEED SAHIB BAHADUR:—"I submit there should be a more efficient machinery which should be able to spend the money year after year. The over-subscription to the loan which was issued by the Government is certainly a matter for congratulation for the Government. But I want the Hon. Premier to consider the other aspect of the matter. It shows how chary and how unwilling a man who has a large amount hoarded with him is. There are people who have hoarded large sums and yet they are reluctant to come forward with their money. But when Government floats a loan they agree to invest their money and are quite satisfied even with a small percentage of interest. I assure the Government, Sir, that if they float a loan at 2 per cent they will get a still greater response, but that is not a matter with which the Government should be content. On the other hand the Government should devise some means of bringing out the money that is lying idle with the capitalists so that it might be utilized for purposes which will confer great benefits on the public and the Government."

MR. SPEAKER:—"I think the hon. Member should close now."

BASHEER AHMED SAYEED SAHIB BAHADUR:—"Just a few more points, Sir, and I will close in two minutes."

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"Sir, the public works undertakings launched by the Government are certainly worthy of the approbation of this House. I suggest, Sir, there are very many more avenues to be explored even here. In this connexion, Sir, the Hon. the Premier and the Hon. the Minister for Public Works have been able to negotiate and come to a settlement successfully at least to the extent of enabling the Government to launch upon the execution of a partial scheme of the Tungabhadra Project which has been pending for the last twenty years. It is a very big achievement, Sir, and the Government are entitled to claim every credit for it and they should be congratulated for it. There are also other protective works which the Government do not undertake because they will not yield enough interest to call them remunerative. But, Sir, they are all necessary in the interests of the safety of the inhabitants of those places. In my own part of the country the rivers often are in floods and the houses are washed away. Even the smallest flood washes away many houses and the poor people suffer a great deal. There are several schemes which could be executed at a small cost. I plead on behalf of those persons who suffer from the havoc caused by these floods—their houses and cattle are washed away. I plead particularly for the people in Chingleput district where greater attention should be devoted by the Government in order to secure the safety of the people during flood times."

"Sir, I am done. Before I resume my seat let me refer to only one thing and that is a general point. The Government of this Province has to do something in order to conciliate the discontented minorities. I do not say that the Government has done anything that positively harms and injures the interests of the discontented minorities. The fundamental problem is one of unity and that vital problem recedes into the background on account of the petty things that occur from day-to-day. I want the Government to tackle this problem on a larger scale and see that the minorities—the Muslims, the Christians and the Adi-Dravidas—are reconciled to a greater and greater extent and a sense of security is assured to them in the manner in which it is necessary in modern times and under modern conditions. I dare say the Government are publishing progress reports of what they have done but that is not sufficient. Very much more remains to be done for the minorities and the Government are not unaware of the fact that there is a certain amount of discontent and unrest in the Muslim community. That is to be removed as early as possible in the interests of the greater and greater stability of the Government of the day. I hope, Sir, the suggestion will be taken in the light in which I have made it."

MR. SPEAKER:—"I should like to draw the attention of hon. Members to the fact that in speech after speech they have been repeating the same arguments. I hope that hereafter they will avoid such needless repetition. The debate loses its value

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if every hon. Member merely paraphrases the arguments advanced by the previous speakers. I do not fix any time-limit, but I hope that in view of the fact that exhaustive arguments have been advanced on almost all points, hon. Members would voluntarily limit their speeches to fifteen minutes each."

* KHAN BAHADUR P. KHALIFULLAH SAHIB BAHADUR:—
"With due deference to your wishes, Mr. Speaker, I shall certainly take a new line altogether. The financial survey portrayed in the speech of the Hon. the Premier compels me to throw off the force of good habit and leave aside the healthy convention of the previous years of congratulating the Hon. the Finance Member or Minister on the Budget he has presented to the House. The Budget starts with an altogether exceptional series of calamities that have afflicted our Province during the current year and ends with an exceptionally long series of reprisals by way of new taxation which the Government have in store for the already sorely stricken population of our Province. Sir, in addition to the affliction that we have suffered at the hands of *Vis Major* already, there has been the affliction which the Hon. Finance Minister himself has been pleased to inflict on thousands of families by his attempt to force an alien language compulsorily down the throats of unwilling people. (An hon. Member: 'Question.') Not content with these, he seems to gloat over the various budget proposals for afflicting our Province in the coming year. Even as the Hon. the Premier has put it in his speech, the coming year is a year of trial for the Province. Nature has already refused to co-operate with the present Government (laughter) and has visited the Province with numerous calamities. The Hon. the Premier having lost all hope of Nature's co-operation has called for our utmost co-operation, sacrifice, good understanding and patriotism. The Hon. Mr. Prakasam while addressing a public meeting in Malabar said that the year 1938 had proved to be a veritable curse to the Province. Sir, the people of the Province remain the same; the services remain the same and I wonder, Sir, what is at the bottom of the curse and what is responsible for the curse that has been inflicted on the Province as a whole. The Hon. the Premier is only too well aware of the extremely straitened financial position of the people of the Province. Provincial Excise revenue, apart from Prohibition has fallen by 20½ lakhs, the revenue from Stamps has fallen by 19¼ lakhs and the revenue from Registration by 5½ lakhs. Besides there has been a short fall of Rs. 50 lakhs under Land Revenue. Indeed a more gloomy picture of our Province cannot be imagined. A very large deficit that would naturally have followed has been avoided by the raid on the Minor Ports Fund and the manipulation of the accounts of land revenue concessions and the high-handed discontinuance of the system of commutation of pensions. This last has served the best interests of the present Government, faced with so many financial perplexities; but to say that this decision of Government is in the

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best interests of the officers themselves argues the ignorance of the old adage that the wearer knows where the shoe pinches and certainly not the maker.

"Sir, this Government has freely resorted to borrowing—on short and long terms. The Hon. the Prime Minister takes pride in the credit which our Province commands in the money market, but, Sir, the soundness of our credit is due not to the present Government but to the sober policy of their predecessors in office."

SRI KALA VENKATA RAO:—"May I interrupt the hon. Member, Sir?"

(The hon. Member did not give way.)

* KHAN BAHADUR P. KHALIFULLAH SAHIB BAHADUR:—
"But the present Government on account of their wrong policy in finance and administration, have been forced to borrow in season and out of season to enable them to meet the daily demands of the provincial administration. And, Sir, to justify the extremity to which they have been driven on account of the mismanagement of the national finances they have been forced to quote the example of European Governments. May I draw the attention of the Hon. the Finance Minister to the warning of that great and experienced statesman the late Lord Birkenhead that any Government that indulges too much in the wrong policy of State borrowing is bound to prove a curse to the nation.

"Yet another new policy of the present Government is to determine the expenditure to be incurred first and then to devise ways and means for raising the revenues sufficient to meet it. Whatever might be the wisdom of adopting such a policy in purely industrial countries like Great Britain and America it is the height of unwisdom to adopt such a course in a poor country like ours which is mainly dependent on precarious agriculture and for which the old English adage of cutting the coat according to the cloth holds good not only in the case of private budgets but also in the case of provincial budgets. The financial condition of our Province under the present Congress Government is far from satisfactory. This is only too apparent and obvious from the frantic efforts of the Hon. the Premier to find means to make both the ends meet. As a true *chela* of Mr. Gandhi—I refrain from calling him Mahatma, because according to Islamic conception all *atmas* whether they be princes or peasants are one and the same, and there is no distinction between one *atma* and another—he has lost no time in putting into practice his recent advice."

SRI KALA VENKATA RAO:—"On a point of order, Mr. Speaker, can ex-Interim Ministers read their speeches in the House?"

MR. SPEAKER:—"Whether they are ex-Interim Ministers or present Ministers, it is not desirable that they should read their speeches, although some latitude has been given in the case

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of Members who cannot speak well. But the hon. Member in this case can deliver his speech *ex tempore*. He can of course consult his notes." (Laughter.)

7-15 p.m. * KHAN BAHADUR P. KHALIFULLAH SAHIB BAHADUR:—

"Thank you, Sir. The recent advice which has been given by Mr. Gandhi was that the Congress Ministries should fearlessly resort to new taxes; and we have here an instance of the free manner in which fresh taxation is resorted to in so many ways.

"Next, Sir, as regards these taxes, I have just to draw the attention of the Hon. the Premier and the hon. Members sitting on the opposite side to the question whether the Congress made any distinction between class and class and between the rich and the poor when they made the promise at the time of the elections that in case they were returned in a great majority and in case they were put in power, they would see to the abolition of the numerous taxes that were already oppressing the country, without distinction of class and class. If they did not do so then, Sir, I ask what makes them introduce this distinction now between the class that can bear the burden and another that cannot. May I submit, Sir, that population everywhere, at least the Indian population—and much more so the population of the Madras Province—is not capable of being divided into two camps or classes altogether? As my hon. Friend, Mr. Basheer Ahmed put it, it is all one class—the poor, the less poor and the least poor. And certainly, if there are rich men at all, there are only a handful of them and there is certainly not a class of rich men and another separate class of poor men altogether.

"Coming to the levy of the vend-tax on tobacco, Sir, it may be a good or a bad tax from the point of view of the Province; but I ask what made the Congress party oppose the same tax when it was mooted in the House that preceded the present one where they vociferously cried against this form of taxation; and was it not as a result of their opposition that the Bill was dropped altogether? I am bringing this to the notice of the House only to show that a little more consistency may be expected from a responsible political party like the Congress.

"Next comes, Sir, the levy of a tax on the sale of goods generally. This is bound to prove a veritable hornets' nest. Do the Government realize that India and particularly our Province is not an industrial or commercial country like Japan or the United States of America? So far as this tax is concerned, Government must realize that the depression that we are still suffering from started in the year 1929 and it has not yet stopped. If businessmen make a turnover of the goods in which they deal, they do so more for the upkeep of the business itself than for the profit that the business brings in. I know, and I know intimately, that a large number of businessmen—and very leading businessmen too—who are carrying on their business are doing so not for the sake of profit, but for the fear that they will lose the business

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itself if they close it down during this period of depression. Indeed, every one of these businessmen is already paying his quota to the Government by way of income-tax and ever so many other taxes. There may be a retort that income-tax is a tax which is paid to the Government of India; but still, this Province gets its own share from out of this tax. All I wish to point out in the case of this sales tax is this, namely, that it is a tax which is full of danger in so many directions. One of the previous speakers, Mr. Langley, has pointed out that the same goods may be subjected to this tax of half per cent in ever so many hands during its passage from the village to the city, like Madras, or to any other part of the Province. This half-a-rupee tax, though it may look quite small to pay on a Rs. 100 value of goods, if it is repeated in place after place, on the whole will work out to a rate of 3 to 5 per cent. I submit that no business in this country gets anything like 5 per cent; and if the Provincial Government want for their share anything like 3 to 5 per cent, I ask, what do they think they will leave to the actual businessman who is already facing his own problems in these most depressing days and who has been suffering a series of losses for the last ten years and more? As a matter of fact, I had a discussion with one of the most leading firms of the Province only yesterday, Sir, and it was their considered opinion that this tax would be the last straw that would break the camel's back.

"Coming next to the taxes on petrol and electricity, I see very little to commend the proposal. Petrol is already taxed fairly high, and if the Provincial Government are to add their own quota to this already heavily taxed article, I am afraid that it will work great mischief. At any rate so far as petrol is concerned, I submit it is not a tax to be collected from the rich alone. There are any amount of buses running and there are any amount of trucks carrying goods from place to place for the consumption of the poor. If petrol is to be taxed, the amount that is paid by way of this fresh tax is sure and certain to be reflected in the price ruling in the mufassal markets; and thus it will directly affect the price of the foodstuffs carried from place to place and also affect the poor people who are using the buses. And even if the lawyer, the doctor and the others belonging to the many learned professions are to be taxed in the shape of this petrol tax, it will still amount to taxing the poor people who have to engage the services of these professional men for one purpose or another. Passing on to the tax on electricity, I should say on the whole that it is a thing on which no levy ought to have been proposed. For the last fifteen years and more, the Government have been taking strenuous steps to popularize electricity in our Province. Electricity is mostly in the hands of the Government of this Province and they are already getting an income therefrom, and it is not a good policy to add an additional fee of six pies for every unit consumed.

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"As regards the tax on entertainments, I must say that it is an encroachment on the resources of the local bodies. All these taxes and the other taxes yet to come, I feel bound to say, do not certainly go to the amelioration of the condition of the population of this Province. The condition is already appalling, it is already distressing, and to add to the present distress by the levy of these taxes is certainly not the best policy. In this connexion, Sir, I feel compelled to quote a staunch Congress friend of mine, one who has been and still continues to be a Congressman, for the last two decades and more, who casually remarked to me the day before yesterday that 'the previous Governments were more merciful: they are entitled to my worship.' These are the words in which he described the fresh taxation proposals; they show how bitterly he felt the new proposals of the Hon. the Premier. I quote this only to show that I cannot think of a better commentary on these proposals.

"One word more, Sir, and I shall close. I feel that I shall be failing in my duty if I do not refer to the hard and onerous duties of the Finance Secretary and of the Finance Department. I believe they must have been hard put to in framing the present Budget in the circumstances in which they were placed, with really no material before them in order to make both ends meet, truly and well. I should think that on the whole they have done their duty extremely well and they deserve our congratulations."

* SRI J. SIVASHANMUGHAM PILLAI:—"Mr. Speaker. I desire to confine myself to that portion of the Budget which affects my community in particular. It is gratifying to note, Mr. Speaker, that the sum allotted for giving scholarships to the depressed class students has been increased for next year. Though we are grateful to the Government for this increment, yet, I wish to invite the Hon. the Premier's attention to the fact that we are not quite satisfied with this increment. The Hon. the Premier might have been aware that there is a great awakening among the members of my community; more and more children are being sent to schools than before, and we should be grateful to the Hon. the Premier if he would increase the allotment a little more.

"The Hon. the Premier has also told us that he is going to exempt the members of the depressed classes from payment of fees in Government Arts and Professional Colleges. We are thankful to the Hon. the Premier for this concession. He also told us that the depressed class graduates would be exempted from paying any fees to the Madras Services Commission. I wish to inform the Hon. the Premier that in the notification which has been recently published, it is stated that only graduates of the Madras, the Andhra and the Annamalai Universities are exempted from paying fees to the Madras Services Commission. This privilege, Sir, should be extended to the depressed class

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students of this Province who have taken their degrees from other Universities also.

"We also expected the Hon. the Premier to say something about the policy which he is going to pursue regarding the question of temple entry; I hope that in the course of his reply to this debate, we shall hear something about it.

"I wish to say one or two words with regard to jobs for the depressed classes. At present, Mr. Speaker, one out of every twelve appointments is given to the members of the depressed classes. It is not in proportion to the population of the community. I would request the Hon. the Premier to increase the proportion."

* M. AHMED BATCHA SAHIB BAHADUR:—"Mr. Speaker, I have been rather surprised that I should be called upon to speak so unexpectedly after the previous speaker. I know that the time at my disposal is very short and I shall endeavour to put what I have to say as briefly as possible. I assure you from what I have experienced from my previous speech in the Assembly in connexion with the discussion on the Estates Land Act Committee Report, that I shall not repeat what other hon. Members have stated on the floor of the House. In any case, on this question of repetition, I might say that if at all I repeat some of the arguments and observations sometimes more than once, it is not for the same purpose as I had expressed but for an entirely different purpose and for drawing different inferences from the same facts, and that sometimes, Mr. Speaker, leads me—rather misleads me—to state some facts over again. In that aspect of the matter, I submit to you that I shall not unnecessarily repeat the arguments or state anything that may not be relevant in my speech.

"In dealing with the Budget, I do not want to indulge in the usual encomiums that are poured on the Hon. the Finance Minister because I am likely to be misunderstood speaking, as I do, from the Opposition; but I am fully conscious of the great responsibility that he has undertaken and of the difficult task that he has handled with so much skill. I speak with a full appreciation of his difficulties. When I criticize the policy of the Government or its administration, I should not be misunderstood as doing it merely for the sake of criticism. On the other hand it should be liberally construed as an attitude of co-operation on the part of the Opposition in pointing out what they consider to be moot points in the matter of administration which require clarification from every aspect of it. There is this further point also. We are not likely to have a knowledge of the view points of the others or of the Government, and we do not share the confidence of the Leader of the House and therefore do not know what things transpired before a particular decision was taken so that we might not raise our voice in criticism of that policy. I use the word 'criticism' in a liberal way so as to include both well-meaning and appreciative and adverse criticisms. Further, the Hon. the Premier has been

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presenting the Budget more than once; he has presented three Budgets; but I am still a baby or a pigmy before him for I stand before the House for the first time to speak on the Budget. I have not had the experience that he has. I have got my appreciation, warmest appreciation for the astute philosopher that he is, and for the seasoned politician that he is; but shortcomings there are. I hope, he will not come down upon me with the wrath of his criticism as he sometimes does on the Leader of the Party to which I have the honour to belong. (Laughter.) Whatever criticism might be passed, it is better that it is sooner forgotten than mentioned. With all that, we usually see that the Hon. the Premier appears at his best when his spirits are roused.

"In dealing with the conditions of the year which has led up to the presentation of the Budget, the Hon. the Premier makes mention of a series of facts which he calls calamities and he says that this is 'a year of trial for us.' I would not call this Budget as one which is trying, as he says, in all aspects. It is a sorry tale; it is a story of sorrow and of general calamity that had unexpectedly fallen during the course of the administration. One such item he mentions even at the beginning, and that is the shortage of 75 lakhs of rupees left as a legacy to this Government by the previous Government. That was the revenue concession. This came as a hardship not during the year which ended with 31st March 1939 but with the previous year, and as it stood on the 31st March 1938, we had a cash balance of 136 lakhs. This should not find a place in any recital of the various hardships this Government were faced with and this should not go into the year 1938-39. For it closed with the year ended 31st March 1938. There was no reason for bringing in that amount into calculation in the budgetary accounting of the year 1938-39. Apart from this, mention has been made of the visitations of famine, cyclones, loss in drink revenue due to the introduction of Prohibition; then comes Stamps, Registration, and finally mention is made of the fall in prices.

"When one hears mention made about the fall in prices, naturally one would expect some light to be thrown on the attitude of the Government in respect of the 'Exchange Policy' of the Government of India. If at all the prices of commodities have been affected, it is because of the fact that the Central Government have been following a policy adverse to the agricultural interests of the country. When their attention is drawn to it they say that they have fixed the exchange at the present rate 'only in the interests of the agriculturists.' In that connexion, I am reminded of a story. When Hyder's forces overran Mysore and that country was conquered and its ruler captured prisoner, the mother of the ruler told him, that she looked after her son as if he were a parrot. 'ಅವನು ಗುಡುಗು ನುಡುತ್ತಿದ್ದನು' she said 'Even like that shall I look after him' said Hyder, and what did he do to implement his promise? He prepared a cage and

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put him into it and gave him two plantains daily. That is the sort of treatment that the Government of India have been giving to the agriculturists when they are professing their good intentions and interest in the agriculturists. The interests of the agriculturists require that the exchange policy should be changed and the rate should not be statutorily pegged to the constitution itself. Both the Central Government and the Local Government want to pet and pat the same child. We cry that we are interested in the fate of our agriculturists and the Government of India say that they are also interested in them. But what is the fallacy in the argument of the Government of India? They say that according to the 1-4 exchange ratio, the return for every pound will be two rupees more for the same amount of our produce. The extra which works out to 12 per cent, is counteracted they say, by the higher prices that the ryot will have to pay for his own needs by way of imports from abroad. I would request the Government to consider what it is that the ryot buys and whether he buys them to such a large extent as really to counteract the profits which would otherwise be his. His wants are very moderate and simple; he can and really does pull on without buying any foreign articles. A few pieces of cloth will satisfy him and after all, Sir, what is the food that he takes? It is very simple and of the ordinary type. To say that he would be affected by the change in ratio does not appeal to us. It might be, Sir, that persons higher up may be affected; the smoker of the foreign cigarettes might be affected; the wearer of the foreign cloth might be affected. He forms such a small proportion of the Indian population that we should not hesitate to take steps which would give relief to the agriculturists, and it cannot be said that such a thing would work adversely to the interests of India.

"Again, Sir, with regard to the question of trade balance between this country and foreign countries, it is quite clear that India is quite capable of exporting her raw materials in such enormous quantities that the balance of trade is bound to be in her favour. Although international conditions might stand against her, although there may be other disturbing factors which might go against her, although the tariff walls may stand against her, still the time will come when better and saner counsels will prevail and we will have trade relations established between ourselves and other countries of the world. Our producing power is unlimited and I am sure that weapon is a very powerful one through which we can establish and maintain our favourable trade balance. On that basis, we are sure to have a better return at 1-4 exchange rather than at the present rate. Sir, if the Government would have brought pressure upon the Central Government as any other Provincial Government would have done, I am sure an altered rate of exchange would have come into being and it would have been helpful in bringing in better return to the agriculturists. The low level of prices that is complained of by the

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Government should certainly have been made up by the higher rate prevailing because the export bill would certainly stimulate prices themselves and the price of one commodity is governed by the price of another. If this point had been raised and brought to the notice of the Central Government, the agriculturists would have received a better return for their produce.

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"The Hon. the Finance Minister has made mention only of international situations in connexion with the floatation of the loans. It is true that on the 14th September 1938, when the international situation was very tense, the loan was floated and closed within a few hours. It is no doubt a great credit to this Government. But the Hon. the Minister has not considered the other aspect of the international situation, viz., that this is the very same international uncertainty that has been the cause of the depression in trade. As he is now extending his stand of help to the other side of the population, he is now thinking of the business-class people as the source to make up for the deficit in his Budget. But he forgets that we have also famines, cyclones and disasters similar to the agriculturists of the country. What has been the situation of trade in the years after the Great War, 1914-1918? It brought uncertainty and doubt about the existence of the very nations themselves with whom trade and commerce had been carried on. The changing of armies from place to place, political agitation in all countries paralysed trade and commerce; and if things were bad in those times after the close of the Great War, they became worse later. The international situation has not improved a bit, and as a consequence trade has suffered and although it may appear to the world that traders and merchants are prospering to-day, they are really struggling to keep up their show. Therefore, the Hon. the Finance Minister need not think that these famines, cyclones and disasters are the special feature of the agriculturists alone; they are features common to all walks of life, and if he were only cognizant of this fact I am sure his sympathies would have gone forward to the commercial community also. I remember, in one of his public speeches which I had not the privilege of listening to but read in the newspapers, he used a characteristic expression, which we all know is peculiar to himself: he said he wanted 'to make the villagers smile.' When I read those words, they brought before me a graphic picture of a vast mass of villagers, men, women and children, all smiling and joyful, because they had plenty to eat and meet their other wants. I want to ask him, why not he say so with regard to trade and commerce? Why not he say, 'Let traders smile, let merchants smile, let industrialists smile!' Why should he think that the agriculturists alone deserve his sympathy and support and not we? Sir, it is because of the anomalous position in which we are placed; for, we are not paying direct to the finances of the Hon. Finance Minister. But, whose fault is it, Sir? Are we not contributing purely and wholly to a very important portion of the income of the State? As a matter of fact have we not

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to deal with what is called excise and customs duties? We have been paying duties 25 per cent on very many articles, and 30 per cent duties on articles which we use for industrial purposes. Therefore the customs revenue and the present ruling taxes take away all our income. The whole amount is realized by the Government of India and is utilized for their own purposes. A portion is paid to the Provincial Governments. Yesterday it was remarked by the hon. Member for the European group in connexion with the petrol tax that this one anna six pies that was to be imposed would be the last straw to break the camel's back. I say it, and I repeat it once more."

MR. SPEAKER:—"I think it will not bear repetition."

* M. AHMED BATCHA SAHIB BAHADUR:—"It is not repetition; it is going to prove that it is really the 'last straw' that is going to break the camel's back. The argument was drawn by the Hon. Prime Minister that the very fact that the prices of petrol that ruled and that are ruling to-day are far apart is proof positive of the fact that it is not after all 'the last straw.' I tell you, Sir, there is a mistake in this argument. The high price is no comparison to the tax you are going to levy. The very fact that the high price of Re. 1-4-0 or Re. 1-5-0 could not maintain themselves for more than a few days is proof of what has been stated that it is the 'last straw' that would break the camel's back. In the case of these high prices, they carry their own reaction and it is the very reaction working on the high prices that brings about the decline. It has absolutely no comparison to a levy that may be made as a permanent feature which will hang upon it under all circumstances, whether in prosperity or adversity of the trade. High prices therefore are no basis on any ground for arguing that the commodity is capable of bearing a higher tax. Therefore, Sir, I respectfully submit, that the argument that is advanced as regards high prices does not commend itself to us. It has got its reaction, and certainly it proves, if at all, the contrary."

"And again, Sir, in dealing with the question of taxation, I must respectfully point out that our position is anomalous—anomalous for the fact that we have been subjected to serving two masters at one and the same time. What is to be said if we are asked to pay a tax to the Central Government and a tax to the Local Government? Sir, this position makes it very difficult for us as businessmen to be answering two masters at one and the same time. And what is it that is proposed to be done? The proposal is that the tax shall be levied on the sales of goods. It is not clear what kind of goods are meant; whether merchandise which does not include agricultural goods, or all kinds of goods. But even granting that they include agricultural goods, I may say, that the section of the community that will be affected most is the skins and hides exporters of Madras. If groundnut is excluded from the items of export—I am not aware of the fact that

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groundnut is included or excluded—hides and skins happen to be the highest export going out from the port of Madras. What cotton is to Bombay, jute to Calcutta, hides and skins are to Madras. It is our staple export, and it is that export that brings enormous sums of money to this Province, which at its back has got a large industrial undertaking. What is this industry, Sir? If you really examine an industry of this nature, you will realize that it is the most indigenous of the Indian industries. Everything that is used and employed is Indian; the labour is Indian, every article that is used is Indian; no machinery is employed except for a small proportion of technicalities of trade; the medium that we use and everything else used are all Indian. It is at least 95 per cent Indian when compared with other industries of India, and it is the strongest support of the Madras Presidency. If I may give you an idea, Sir, we are exporting in skins—tanned skins alone—between 2,500 to 3,000 bales a month, leave alone hides in which we export between 3,000 and sometimes in prosperous years 5,000 bales a month. What is the value of this? Each bale of skin weighs about 600 to 700 lb.; and valued at to-day's depression it would be about Rs. 1,200 per bale. In the case of hides, the lowest value—I am only taking depression rate is about Rs. 500 per bale. If it is calculated it would be seen an extraordinary amount of money is brought into the country. And after all, what is the return? Where is the tax going to land us?

“The significance of the skin and hides trade in this Province has been overlooked. And unfortunately the Government of India has assumed a step-motherly attitude towards this industry. Inter-provincialism has stood in the way, and unfortunately a very great industry of ours that should now develop has suffered on account of jealousy due to other interests in the other Provinces. The Government of India had realized the value and importance of this industry. During its trial, during 1914-18, immediately after the conclusion of the Great War, the Government of India had imposed a duty of 15 per cent on all skins and hides. They had written directly to each and every exporter, even to me, appreciating the value of the services that we had rendered during the War, and the best services that the Government of India could do to us was to impose a duty of 15 per cent on the export of all raw materials, so that the tanner may obtain what is wanted at a much cheaper price in comparison with the foreign buyer. But unfortunately before a few months had passed, down comes a telegram from the Secretary of State, saying 10 per cent out of 15 per cent is knocked out! And even for the 5 per cent remaining, a Hides Cess Committee was appointed to enquire whether this tax should be continued or abolished. Therefore we have been working under this serious handicap, and then, what is to come out of all this? Skin, if traced from the centres where it is collected, it has to go through a number of processes. For instance, it has to be collected from the primary producer, it has to be collected and stored in the place of the original

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supplier; he supplies it to the tanner, the tanner in turn offers it to the middleman, the middleman to the exporter and the exporter sends it to the sales agent in London, and the agent in London sends it to the broker in the London auction. Therefore there are about six links in the chain. And if at every one of the link, half a per cent is charged, then the tanner will have to pay 3 per cent more in addition to what he already pays by way of commission to the exporting agent here, the importing agent in London and to the broker in the London auctions. All of them put together he will have to pay not less than 11½ per cent, which is sufficient to kill any industry root and branch. After all, what is our position? What is the value of this trade but for the fact that it is of international importance? We have won a place of glory as regards Indian tanning trade in South India and we have made the world realize that our goods are indispensable in spite of the attempt of Germany to produce synthetic leather and synthetic everything. It has failed to produce our East Indian Madras-tanned skins. Should we not be proud of that? No one, not even the world's market shall be able to destroy it! I may tell for the information of the House, in prosperous times and in the boom years the very skins that are to-day valued at Rs. 2 per lb. were sold at Rs. 21 per lb. I am saying this, Sir, not because I shut my eyes to the other trades which may be equally affected, but because I am only taking this as an illustration of one of the biggest export trades in Madras, and which is concerned in bringing money to the coffers of the State. (Hear, hear from the Opposition benches.) Sir, apart from this, in a world like this what is the position of this industry? It has not got to be sold here; and it is not supported and backed up by any propaganda or party patriotism. It has got to be on the market on its own merits; face competition and in facing that competition it has stood the test of time. It is being done with a perfection unknown before in any other industry. In this connexion I may be permitted to ask, what has our Industries department done? The very same Government of Madras . . . ”

MR. SPEAKER:—“How many minutes more does the hon. Member propose to take?”

* M. AHMED BATCHA SAHIB BAHADUR:—“I may be allowed to continue to-morrow, Sir.”

MR. SPEAKER:—“Half an hour you have already taken; can't you finish it in two or three minutes?”

* M. AHMED BATCHA SAHIB BAHADUR:—“Sir, I am speaking on a very important subject, a very important matter from my own point of view.”

MR. SPEAKER:—“The House is now adjourned to meet again to-morrow at 3 p.m.”

[23rd February 1939]

APPENDIX I.

[Vide answer to starred question No. 729 asked by Sri K. V. R. Swami at the meeting of the Legislative Assembly held on the 23rd February 1939, page 177 supra.]

Statement showing the quantity and value of carpets manufactured during 1938 in various jails.

Jails.	Number of carpets manufactured during 1938.	Quality.	Value.	
			RS.	A. P.
Central Jail, Rajahmundry.	20	Civil debtors carpets ..	37	8 0
Central Jail, Vellore ..	50	Do. ..	84	6 0
	8	Tent carpets ..	160	0 0
	* 2	Cotton dhurry ..	25	8 0
	* 2	Woollen pile carpets ..	55	0 0
Central Jail, Coimbatore ..	24	Civil debtors carpets ..	30	0 0
Central Jail, Salem ..	1,550	Police carpets ..	3,487	8 0
	10	Dark blue carpets ..	26	0 0
	2	Tent carpets ..	52	0 0
Central Jail, Bellary ..	21	Civil debtors carpets ..	56	12 3
District Jail, Madura ..	6	Do. ..	10	2 0

* Twist, wool, etc., were supplied by the parties and the value represents only labour and other charges.

APPENDIX II.

[Vide answer to starred question No. 734 asked by Sri K. V. R. Swami at the meeting of the Legislative Assembly, held on the 23rd February 1939, page 180 supra.]

Statement showing the exports of gold (private) from the Province of Madras during the ten official years ending 1937-38.

Years.			Quantity (fine).	Value.
			OZ.	RS.
1928-29	..	..	35	1,959
1929-30	..	..	26	1,626
1930-31	..	..	492	29,143
1931-32	..	..	72,257	55,92,707
1932-33	..	..	530,694	4,19,73,253
1933-34	..	..	392,298	3,33,21,751
1934-35	..	..	115,125	1,06,53,923
1935-36	..	..	4,987	4,72,381
1936-37	..	..	1,291	1,18,250
1937-38	..	..	1,223	1,10,115

THE MADRAS LEGISLATIVE ASSEMBLY.

Friday, 24th February 1939.

The House met in the Assembly Building, Chepauk, at three of the clock. Mr. Speaker (THE HON. SRI B. SAMBAMURTI) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Refund of the sum realized by the confiscation and sale of the salt satyagraha camp at Vedaranniyam.

* 768 Q.—SRI A. VEDARATNAM PILLAI: Will the Hon. the Prime Minister be pleased to state—

(a) whether the salt satyagraha camp at Vedaranniyam was confiscated and sold;

(b) if so, what the amount that was realized was;

(c) whether it is a fact that the amount so realized was adjusted towards the fine imposed on individual persons;

(d) whether the Government received any petition from the Secretary, South Tanjore District Congress Committee, requesting the refund of the said amount; and

(e) if so, what the reply given to the above petition was?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The answer is in the affirmative.

“(b) The cash seized and the sum realized by the sale of the articles at the satyagraha camps at Vedaranniyam, Agastiam-palli and Kodikarai amounted to Rs. 979-5-0.

“(c) & (d) The answer is in the affirmative.

“(e) The reply given was that as no action had been taken by the Government to cancel the fines imposed during the Civil Disobedience Movement they considered it inappropriate to make any individual orders in connexion with the cases referred to in the petition.”

S. M. LALJAN SAHIB BAHADUR:—“On a point of order, Mr. Speaker, you could not hold any meeting whatsoever during the Dasara holidays. Muharram is a Muhammadan festival and you could not hold any meeting during Muharram.”

MR. SPEAKER:—“The point of order may be stated. No speech please.”

S. M. LALJAN SAHIB BAHADUR:—“Is no speech allowed on a point of order?”

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MR. SPEAKER:—"No. State the point of order."

S. M. LALJAN SAHIB BAHADUR:—"I bow to the ruling of the Chair."

MR. SPEAKER:—"This has already been considered in fixing the dates for the meeting. The meeting will go on."

Police bandobust made for His Excellency the Viceroy's journey through this Province during January 1939.

* 769 Q.—K. ABDUR RAHMAN KHAN SAHIB BAHADUR: Will the Hon. the Prime Minister be pleased to state—

(a) the nature of Police bandobust made for His Excellency the Viceroy's journey through this Province during the month of January 1939;

(b) the number of constables, Sub-Inspectors, Deputy Superintendents and other members of the Police force requisitioned from various districts for the bandobust; and

(c) the cost incurred by the Government in this connexion?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) & (b) The police arrangements made in connexion with His Excellency the Viceroy's journey through the Madras Presidency and the Madras States in January 1939 consisted of measures taken to guard the railway stations and railway lines in accordance with the standing orders in the matter and the practice hitherto followed.

"A fairly large number of officers and men were employed also in accordance with the previous practice and the requirements of the case.

"(c) The expenditure incurred by the Government in this connexion was approximately Rs. 22,914-4-0."

SRI V. KURMAYYA:—"May I know, Sir, whether the previous practice of getting police officers and constables from other stations can be stopped now under the existing changed circumstances?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"When the Viceroy is going through our Province we are responsible for his life and safety, Sir."

SRI V. KURMAYYA:—"May I know, Sir, whether it is necessary under the Congress Government?"

MR. SPEAKER:—"The question may be clearly repeated."

SRI V. KURMAYYA:—"May I know, Sir, whether the Government really think that the life of the Viceroy is unsafe without the Police stationed along the railway line when he is travelling?"

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THE HON. SRI C. RAJAGOPALACHARIAR:—"There have been previous events which have shown that there is some risk and hence the necessity for that caution."

SRI V. M. RAMASWAMI MUDALIYAR:—"May I ask, Sir, whether the Government still consider it necessary to make this arrangement in view of the fact that the whole country has been prepared for non-violence?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I hope the hon. Member is right, Sir, but I cannot take that risk."

Publication of the inspection reports of the Member of the Board of Revenue on the condition of agricultural crops and the state of distress among the ryots in the South Arcot and Chingleput districts.

* 770 Q.—BASHEER AHMED SAYEED SAHIB BAHADUR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Member of the Board of Revenue concerned has inspected any part of the South Arcot district and Chingleput district after the failure of the monsoon;

(b) if so, which are the areas so inspected and when the inspection was done;

(c) whether any of the members of the Legislature representing the districts were informed of such inspection and whether any such members accompanied the member during the inspection;

(d) whether after the inspection of the districts of South Arcot and Chingleput by the concerned Member of the Board of Revenue, the Government have received any reports from the Board Member as to the condition of agricultural crops and the state of distress among the ryots in the said two districts; and

(e) if so, whether the Government will place a copy of the reports on the table of the House?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—" (a) & (b) The Commissioner of Land Revenue inspected the Ponneri and Tiruvallur taluks of the Chingleput district on the 16th December 1938 and inspected the crops in Kallakurichi, Villupuram and Cuddalore taluks of the South Arcot district on the 22nd and 23rd December 1938.

"(c) The Government have no information.

"(d) The inspection note of the Commissioner of the Board of Revenue have been submitted to the Government.

"(e) The Government consider that no useful purpose will be served by placing these notes on the table of the House."

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BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I ask, Sir, whether the Government have any definite proposal to afford immediate relief to the people who are actually suffering? That is what I am concerned with."

SRI T. VISWANATHAM:—" The Government . . . "

S. M. LALJAN SAHIB BAHADUR:—" Mr. Speaker, I have not been able to understand what Mr. Basheer Ahmed Sayeed said. He was not audible. Will you please ask him to go to the microphone and speak? "

MR. SPEAKER:—" Perhaps the hon. Member did not see."

S. M. LALJAN SAHIB BAHADUR:—" I can see, Mr. Speaker, I can see Mr. Basheer Ahmed Sayeed. I could not hear; what he said was not understandable."

MR. SPEAKER:—" Mr. Basheer Ahmed Sayeed has spoken through the mike."

S. M. LALJAN SAHIB BAHADUR:—" Oh, I see, I could not understand that."

MR. SPEAKER:—" The hon. Member will understand. He has come for the first time after so many days and he is not accustomed to the sound of the mike. The hon. Member will hereafter be present at the sittings of the Assembly and get accustomed to the proceedings of the Assembly before he shouts in the House like that."

SRI T. VISWANATHAM:—" In reply to the question, I submit that the Government are considering all proposals and are as anxious as the hon. Member to afford relief to those who are in distress."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I know, Sir, whether the Government have got any test works to be carried out in the districts of Chingleput and South Arcot? "

SRI T. VISWANATHAM:—" The Government are not aware that the situation is so bad as to start test works."

KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—" May I ask, Sir, whether the Government will give instructions to the members of the Board to get into touch with the members of the Legislature when they tour in the districts? "

SRI T. VISWANATHAM:—" I think it is open to the hon. Members of this House to get into touch with the Members of the Board of Revenue when they are on tour in the districts."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I know, Sir, whether there is now any proposal to sink more and more wells in these two districts for the purpose of irrigation? "

SRI T. VISWANATHAM:—" Not at this stage, Sir."

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BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I know, Sir, what is the actual time when the Government will begin to formulate proposals for affording relief to the distressed areas? "

SRI T. VISWANATHAM:—" The exact time cannot be stated, but it will be very, very early."

KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—" May I know, Sir, whether the Government are aware that the Members of the Board are not sending their tour programmes to the members of the Legislature? "

SRI T. VISWANATHAM:—" The Government are not aware of it."

KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR:—" Will the Government please ask the Members of the Board to send their tour programmes to the members of the Legislature in the districts concerned? "

SRI T. VISWANATHAM:—" If they are not already sending it, the suggestion of the hon. Member will be considered."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" Is it a fact, Sir, that the District Collectors and the Member of the Board of Revenue have recommended full remission in all the cases of utter failure of crops? "

SRI T. VISWANATHAM:—" It is not right to ask for the details of the office notes and inspection notes and the various suggestions made by officers of Government."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" May I know, Sir, whether the Government have any objection to take the opinion of the members of the Legislature coming from those districts before any of the recommendations of the Board of Revenue are accepted by them? "

SRI T. VISWANATHAM:—" The Government are taking into consideration all the representations from the representatives in this House and the representations of the public."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" I am thankful, Sir. Will they, Sir, with reference to the recommendations that have come before them, take the opinion of all the members of the House representing those places? "

SRI T. VISWANATHAM:—" What I have said is exactly with reference to the suggestions made by the hon. Member."

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Remission of assessment on dry lands.

* 771 Q.—SRI A. VEDARATNAM PILLAI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether there is any Government Order at present prohibiting the remission of tax on (rainfed area) dry lands even when the crops of the said lands are destroyed either by the failure of rains or by floods; and

(b) whether in such cases, the Government will allow the remission of tax at least in the future?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The answer is in the negative. The rules for such remission are contained in Board's Standing Order No. 14.

“(b) Does not arise.”

Construction of a diversion road connecting Panampozha bridge with Ramanattukkara-Parakkadavu road.

* 772 Q.—MUHAMMAD ABDUR RAHMAN SAHIB BAHADUR: Will the Hon. the Minister for Public Works be pleased to state whether it is a fact that the diversion road connecting Panampozha bridge with Ramanattukkara-Parakkadavu road proposed to be built by the district board under the Vipan Scheme at a cost of Rs. 54,000 only, will serve the purpose of Parakkadavu bridge proposed to be built by the Public Works Department at a cost of Rs. 2.60 lakhs?

THE HON. MR. YAKUB HASAN:—“The answer is in the negative.”

Closure of the Periyana channel bund in the Pollachi taluk, Coimbatore district, to traffic.

* 773 Q.—SRI V. K. PALANISWAMI GOUNDER: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Periyana channel bund of Pollachi taluk, Coimbatore district, was used by the ayacutdars for plying their carts and leading their cattle for the last fifty years and more;

(b) whether the carts and cattle are not allowed to pass over at present;

(c) whether the Government are aware that there is no other cart-track in the vicinity for the ryots to carry the produce;

(d) whether it is a fact that more than twenty-five ryots were prosecuted for allowing their carts to pass that way; and

(e) whether the Government intend to withdraw the prosecutions and allow the ryots to use the bund as usual?

THE HON. MR. YAKUB HASAN:—“(a) to (e) The Government have no information, but have called for a report.”

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Reduction of establishment in civil courts.

* 774 Q.—SRI B. VENKATACHALAM PILLAI: Will the Hon. the Minister for Law be pleased to state—

(a) whether it is a fact that the work in all the civil courts has declined to a very large extent; and

(b) whether steps have been taken to reduce the establishment proportionately?

THE HON. DR. P. SUBBARAYAN:—“(a) There has been a fall in the total number of suits instituted in all the civil courts, except in the City Civil Court.

“(b) It is not possible to reduce the establishment in strict proportion to the reduction in work.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I know, Sir, the proportion of the fall in this year's figures compared with last year's figures?”

THE HON. DR. P. SUBBARAYAN:—“I am afraid I do not carry figures in my mind. If the hon. Member puts a separate question, I will try to collect the information.”

Improvement of the libraries attached to jails.

* 775 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state—

(a) whether the libraries attached to jails have separate librarians; and

(b) whether they have any shelves to keep the books?

THE HON. DR. P. SUBBARAYAN:—“(a) The answer is in the negative.

“(b) The Government have no information as to the precise manner in which the books are kept in the different jails.”

SRI K. V. R. SWAMI:—“May I ask, Sir, whether the Hon. Minister will get the information?”

THE HON. DR. P. SUBBARAYAN:—“I am afraid, it will not be very useful, and it is not very easy to get the information required.”

Number of honorary medical men appointed in this Province since the introduction of the honorary system, communalwar.

* 776 Q.—KHAN BAHADUR P. M. ATTAKOYA THANGAL SAHIB BAHADUR: Will the Hon. the Minister for Public Health be pleased to state—

(a) how many honorary medical men have been appointed in this Province after the introduction of the honorary system; and

(b) how many of them are Brahmans, non-Brahmans, Muslims and Christians?

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THE HON. DR. T. S. S. RAJAN:—“(a) The number of honorary medical men appointed in this Province after the introduction of the honorary system is 253.

“(b) One hundred and twenty-seven of them are Brahmans, 93 are Non-Brahmans, 28 are Christians, four are Muhammadans and one is a European.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I ask, Sir, the Hon. Minister, ~~what the reason is~~ for the very low figure so far as Muslims are concerned?”

THE HON. DR. T. S. S. RAJAN:—“As far as I can see all such duly qualified Muhammadans as applied have been taken.”

DR. M. J. SAMUEL:—“May I know what the principle is underlying the selection? Is it communal, efficiency or availability?”

THE HON. DR. T. S. S. RAJAN:—“In appointing honorary medical men the District Medical Officer concerned sends in his recommendations and his recommendations are based upon the qualifications which the candidates possess under the rules and, on the recommendations of the District Medical Officer, the Surgeon-General with the Government of Madras makes the appointment.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“Sir, in view of the fact that a minority representing 3 per cent of the population has already occupied a larger number of these posts than every other community, will the Hon. Minister be pleased to consider at least now, the desirability of applying communal rotation with regard to these appointments as well?”

THE HON. DR. T. S. S. RAJAN:—“Applications received from one community are very large in number. To the extent that suitable candidates are available, the Government are making appointments with all due consideration to communal representation.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I know, Sir, if the number of applications received from the Muslims is only four?”

THE HON. DR. T. S. S. RAJAN:—“I am afraid the hon. Member must know the number of men available in the community for appointment. As far as the Government are aware, I do not think that there are more than four applications.”

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Disapproval of the Deputy Sanitary Engineer, Bezwada Circle, to the proposal of the Kurnool Municipal Council to construct a drain in the Harijan quarters in Kurnool Fort.

* 777 Q.—SRI S. NAGAPPA: Will the Hon. the Minister for Public Health be pleased to state whether it is a fact that the resolution passed by the Kurnool Municipal Council requesting the Government to approve the sanction of Rs. 500 made by the Municipal Council to construct a drain in Harijan quarters of Kurnool Fort was disapproved by the Deputy Sanitary Engineer, Bezwada Circle?

THE HON. DR. T. S. S. RAJAN:—“The answer is in the affirmative.”

DR. M. J. SAMUEL:—“Have the Government any other alternative plan to improve the drainage at Kurnool for Harijans?”

THE HON. DR. T. S. S. RAJAN:—“No alternative plan has been put before this Government by the Municipality.”

SRI S. NAGAPPA:—“May I know why he has disapproved, Sir?”

THE HON. DR. T. S. S. RAJAN:—“The disapproval is due to engineering considerations which made it impossible to construct the drain according to the specification of the Municipality.”

SRI S. NAGAPPA:—“What are the specifications of the Municipality, Sir?”

THE HON. DR. T. S. S. RAJAN:—“The Government are not in possession of the details of the case. If the hon. Member would put a separate question with regard to the details, I would be glad to get the information.”

Use of soaked rice for the feeding of buffaloes in the Madras Serum Institute.

* 778 Q.—SRI G. KRISHNA RAO: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether it is a fact that buffaloes are being fed on soaked rice in the Madras Serum Institute;

(b) if so, whether this practice is in the nature of an experiment on animal nutrition or whether it is in conformity with the practice obtaining elsewhere; and

(c) whether it is a fact that this practice has resulted in an enormous increase in the quantity of rice purchased?

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THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) Yes.

“(b) It is not an experiment but it is based on sound dietetic principles of feeding animals. As far as is known, it is in conformity with the general practice obtaining everywhere that cereals are usually given raw to animals, but soaked or crushed to aid digestion.

“(c) There has been an increase in the quantity of rice purchased but the cost of revised scale of rations does not exceed the cost of the old scale as a corresponding decrease has been effected in some other commodities for purposes of balancing the rations.”

SRI G. KRISHNA RAO:—“May I know, Sir, whether till recently these animals were fed upon boiled rice *kanji*?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Ever since rice was introduced as a ration this has been given.”

SRI G. KRISHNA RAO:—“Was it being given in a soaked form?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“It was being given in a soaked form as well as in a boiled form.”

SRI G. KRISHNA RAO:—“I should like to know whether it was the practice to give soaked rice to the animals.”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“I have already stated that to aid digestion rice is being soaked.”

Removal of dry leaves from the Kodiakkadu forest for manure purposes on payment and reduction in the rate charged therefor.

* 779 Q.—SRI A. VEDARATNAM PILLAI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the public are allowed to remove dry leaves on payment from the Kodiakkadu forest for manure purposes;

(b) if not, when the Government propose to do so;

(c) how much one has to pay for a head load of dry leaves at present;

(d) what the previous rate was;

(e) what the reason is for the present enhancement of the rates;

(f) whether the villagers have requested the Government to reduce the present rate; and

(g) if so, what action the Government have taken in that matter?

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THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) Yes.

“(b) Does not arise.

“(c) Two annas.

“(d) The rate since September 1913 was 1 anna 3 pies per head load.

“(e) The working plan of the forest prescribes the felling of fuel coupes over an area of 1,262 acres and prohibits the removal of dry leaves for manure. When the hon. Member brought to the notice of Government the need for allowing the removal of dry leaf for manure purposes, the matter was examined and as it was found that regeneration would be doubly hampered if fuel felling and manure leaves removal were permitted at the same time, the Government decided to permit the removal of dry leaves and stop the felling of coupes. The rate was fixed at 2 annas per head load considering the loss involved by the stoppage of fuel felling.

“(f) Yes.

“(g) The matter is under consideration.”

Co-operative societies in the Presidency of the type of the Kallakurichi Industrial society.

* 780 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether there are any co-operative societies of the type of the one at Kallakurichi doing business; and

(b) if so, the nature of the work done by them and where they are situated?

SRI B. S. MURTI (Parliamentary Secretary) on behalf of the Hon. Sri V. V. Giri:—“(a) & (b) There is the Udupi Agricultural and Industrial Society in South Kanara. It undertakes the hulling of paddy, extraction of oil and crushing of sugarcane.”

Number and names of district boards paying personal allowances to board secondary school teachers after 1st November 1934.

* 781 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state the number and names of district boards which pay to board secondary school teachers after 1st November 1934, (a) the full personal allowances, (b) personal allowances in part, and (c) no personal allowances at all?

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THE HON. SRI C. J. VARKEY:—"Generally speaking, the personal allowances in question were granted to teachers whose pay at the time of the introduction of the new scales of pay exceeded the maximum of those scales. So far as the Government are aware, these personal allowances have been paid in full except by the District Board, Tanjore. Orders were recently passed asking the District Board to pay these allowances in full with effect from the current year."

Dress regulations for the students in Government Colleges.

* 782 Q.—SRI N. M. R. SUBBARAMAN: Will the Hon. the Minister for Education be pleased to state—

(a) whether there are any dress regulations for the students in the Government colleges; and

(b) if the answer to (a) is in the affirmative, what they are?

THE HON. SRI C. J. VARKEY:—" (a) & (b) Under the existing rules students are required to wear a clean and respectable dress, and it is left to the discretion of principals of colleges to decide what shall constitute this form of dress. Whether the rules should be revised is under consideration."

Abolition of the system of commutation of pensions.

* 783 Q.—SRI G. KRISHNA RAO: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government have decided to abolish the system of commutation of pensions; and

(b) if so, whether the Government have any alternative scheme of starting a provident fund system in its place?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) Orders have been issued in G.O. No. 51, Finance (Pension), dated 10th January 1939, abolishing the system of commutation of pensions under the Madras Civil Pensions (Commutation) Rules.

" (b) The answer is in the negative."

SRI G. KRISHNA RAO:—" I should like to know . . . "

MR. SPEAKER:—" This question has been discussed under the Budget and elaborate details will be given on the subject by the Hon. the Prime Minister in his reply to the debate. The House will proceed to the next question."

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Alleged assault on two Indian passengers in the Grand Trunk Express by two soldiers.

* 784 Q.—SRI P. BUCHAPPA NAYUDU: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that on or about the 16th of January 1939, two Indian passengers travelling by the Grand Trunk Express from Chirala to Bezwada in Guntur district, were assaulted by two soldiers in a compartment in which they were travelling;

(b) whether the Government have received any complaint or information about the same;

(c) who the soldiers and passengers are and whether these passengers received any injuries;

(d) what led to the use of force by the soldiers against the civil people in a railway compartment; and

(e) what action has been taken in the matter?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) to (c) On 16th January 1939, a party of sepoys of the 1st Punjabi Regiment about 14 in number were proceeding on leave to the Punjab in No. 3, Down Express. The soldiers took up more room in the compartment than they were entitled to and thereby caused inconvenience to the other passengers. One of the passengers requested the soldiers to leave more room. Thereupon four of them threatened to assault him and when he tried to pull the chain pushed him aside. Two other passengers were also threatened with assault. Information was sent to the Railway Sub-Inspector of Police at Bezwada, who took the names and numbers of the soldiers. The soldiers expressed regret for their behaviour. As the incident was deemed trivial, no action was taken under the Railway Act, but the matter was reported by the Sub-Inspector to the District Superintendent of Police, Railways. The military authorities are expected to take suitable action."

Duties of the village police.

* 785 Q.—SRI K. V. R. SWAMI: Will the Hon. the Prime Minister be pleased to state what the duties of the village police at present are?

THE HON. SRI C. RAJAGOPALACHARIAR:—" There are two classes of village police, namely, village talayaris and ghat talayaris.

" The village talayari is required to act under the orders of the village magistrate, to patrol the village and the roads within its limits, to report the movements of criminals entered in the village magistrate's register and the presence of suspicious strangers, to assist the regular police in the execution

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of their duties and to patrol, when ordered to do so by the District Magistrate, such portions of the open railway line as may be allotted to him irrespective of the village to which he belongs. He is also responsible for carrying and guarding remittances of revenue from his village to the taluk treasury.

"The duties of a ghat talayari are to supplement the regular police in guarding roads in forest areas where wayfarers are likely to be subject to molestation and attack by robbers and rowdies."

SRI P. R. K. SARMA:—"May I know what is the salary paid to these individuals who are charged with such onerous duties?"

MR. SPEAKER:—"Supplementary questions about salaries will not arise from this question which deals with duties."

Reduction in the rate of interest charged by Government for agricultural loans.

* 786 Q.—SRI K. V. R. SWAMI: Will the Hon. the Prime Minister be pleased to state—

(a) the rate of interest charged on agricultural loans granted by Government; and

(b) whether the question of reducing the same will be considered by the Government?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) The rates of interest charged by the Government on agricultural loans are as follows:—

	PER CENT.
Loans under the Land Improvement Loans Act and the Agriculturists' Loans Act (Takavi loans)	5½
Loans under the Agriculturists' Loans (Madras Amendment) Act, 1935, for the relief of indebtedness	6¼

"(b) The existing rates have been fixed after full consideration."

SRI K. V. R. SWAMI:—"May I know, Sir, whether, considering the present rate prevailing in the money market, the Government will reconsider the rate fixed?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"The desirability of lowering the rate, as far as possible, is admitted. Sir, and is always under consideration; but there are more things to be taken into account than what is reported in the Press as the current rate for borrowing by Governments."

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Alleged irregular conduct of the Subdivisional Officer, Palghat, at a public function in Kalpathi.

* 787 Q.—SRI N. G. RAMASWAMI: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government are aware that an I.C.S. officer in charge of the Palghat subdivision irregularly conducted himself at a public function in Kalpathi by offending the public sentiment;

(b) whether a memorial was submitted to the Government and, if so, with what effect;

(c) whether the said officer ordered on the day following the incident the dismantling of the pandal by the police; and

(d) what the Government have done to bring home to the concerned officer his alleged irregular conduct?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) to (d) The Government received a complaint in regard to this incident and have taken suitable action in the matter. The Sub-Collector has explained and expressed his regret for what happened."

SRI E. KANNAN:—"May I know, Sir, what was the nature of the action taken by the Government in the matter?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"That the Sub-Collector has explained and expressed his regret for what happened is the result; the nature of the action taken could be inferred."

Resignation of Revenue Inspectors during the Non-Co-operation Movement and their reinstatement.

* 788 Q.—SRI V. VENKATASUBBAYYA: Will the Hon. the Minister for Revenue be pleased to state—

(a) how many Revenue Inspectors resigned Government service during the Non-Co-operation Movement;

(b) how many of them have applied for reinstatement; and

(c) what orders have been passed in each case?

SRI T. VISWANATHAM (Parliamentary Secretary), on behalf of the Hon. Sri T. Prakasam:—" (a), (b) & (c) The Government have no statistics to show the exact number of clerks who resigned. Revenue Inspectors are only clerks deputed for the time being to do the duties of Revenue Inspectors. A number of clerks who resigned their posts in the Revenue department have applied for reinstatement. Their cases are under consideration."

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Resignation of Revenue officials in the Nellore district during the Non-Co-operation Movement and their reinstatement.

* 789 Q.—SRI V. VENKATASUBBAYYA: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether any Revenue officials in the Nellore district other than village officers resigned their appointments during the Non-Co-operation Movement;

(b) how many of them have applied to be reinstated; and

(c) what action has been taken in the matter?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a), (b) & (c) Two persons who were formerly employed in the Revenue department in the Nellore district have applied for reinstatement alleging that they resigned their appointments in connexion with the Non-Co-operation Movement, and their representations are under consideration.”

SRI V. VENKATASUBBAYYA:—“May I know, Sir, what action has been taken on their representations?”

SRI T. VISWANATHAM:—“The representations are under consideration.”

SRI V. VENKATASUBBAYYA:—“May I know how long will such consideration take, Sir?”

MR. SPEAKER:—“It will take as much time as is necessary.” (Laughter.)

Statistics of famine relief operations in Bellary, Anantapur and Kurnool districts last year and this year.

* 790 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the manner in which moneys were spent both last year and this year up till now in Bellary, Anantapur and Kurnool districts in respect of famine relief;

(b) the gross amount spent there up till now;

(c) what the net expenditure is; and

(d) the nature of work given to those that remained in relief camps?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) It is presumed that the hon. Member desires to know the various heads under which expenditure in connexion with famine is incurred. His attention is invited to the Form K-I printed at page 271 of the Famine Code.

“(b) & (c) Final figures relating to the expenditure have not yet been received by the Government.

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“(d) People do not remain in relief camps. They resort to relief centres during the day.

“Road works, repairs to irrigation sources and employment to weavers in their own craft were the works provided at relief centres.”

Reasons for clubbing certain firkas in Nandikotkur taluk, Kurnool district.

* 791 Q.—SRI S. NAGAPPA: Will the Hon. the Minister for Revenue be pleased to state the reasons for clubbing two firkas, namely, Prathkote and Pomulopad of Nandikotkur taluk, Kurnool district, into one?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“The Government are not aware that the two firkas have been clubbed.”

Policy of Government in respect of unauthorized cultivation in assessed and unassessed waste lands.

* 792 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) what the policy of the Government is in respect of unauthorized cultivation in assessed and unassessed waste lands; and

(b) what the policy of the Government is when taram assessment is levied in the first instance of the encroachment in the unassessed or assessed waste lands?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The attention of the hon. Member is invited to Board's Standing Order No. 26.

“(b) Taram assessment is ordinarily levied in cases of encroachments in which the occupation is considered unobjectionable but the levy of such assessment does not confer any right of occupancy nor does it mean that the assignment will ultimately be ordered.”

Construction of a reservoir for irrigation near Kadayam, Ambasamudram taluk.

* 793 Q.—SRIMATHI V. LAKSHMI AMMAL: Will the Hon. the Minister for Public Works be pleased to state with reference to the answer to question No. 20, dated 1st September 1937, regarding the Ramnathi reservoir proposal in Ambasamudram taluk, Tinnevely district—

(a) whether the examination by the local officers has been completed;

(b) whether Government have received a report from the local officers;

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- (c) what orders, if any, have been passed on the same; and
 (d) whether Government would be pleased to depute an engineer to inspect the spot along with local ryots?

THE HON. MR. YAKUB HASAN:—“(a) Preliminary examination of the proposal has been made by the local officers.

“(b) A report has been received.

“(c) It has been decided that the further examination of the scheme should wait till the results of the working of the Papanasam hydro-thermal scheme are known.

“(d) The question does not arise.”

Lower Bhavani Project.

* 794 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Government have passed any orders on the scheme of the Lower Bhavani Project; and

(b) if so, what the same are?

THE HON. MR. YAKUB HASAN:—“(a) & (b) A copy ^a of G.O. No. 2202, P.W. (Irrigation), dated 13th October 1938, is laid on the table”

Reinvestigation of the Aninimilanka project.

* 795 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) the extent of land that is likely to be served by the Aninimilanka project;

(b) whether the project will be re-investigated; and

(c) if so, when?

THE HON. MR. YAKUB HASAN:—“(a) 25,000 acres.

“(b) & (c) Re-investigation of the project has been taken up and is in progress.”

* 796 Q.—SRI K. V. R. SWAMI:—“I do not want to put this question, Sir.”

Reasons for the reduction in the scale of Port Trust dues.

* 797 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether there was reduction in the scale of Port Trust dues from 1st November 1937;

(b) if so, what the reasons are; and

(c) whether there is any decrease of revenue on account of such reduction?

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THE HON. MR. YAKUB HASAN:—“(a) No Port Trust dues are levied in any of the minor ports in this Province, except Tuticorin. A reduction in the Port Trust dues leviable at that port was made from 1st November 1937.

“(b) When the scheme of improvements to the harbour was in force, the Port Trust dues were raised from time to time to meet the cost of the scheme. After the scheme was abandoned and the entire debt on account of that scheme had been cleared, there was no justification to continue the enhanced rates. The dues were therefore reduced to afford to the merchants who used the port necessary relief.

“(c) Though the reduction contributed to an increase in the tonnage of imports and exports at the port, there was a decrease of Rs. 27,560 during 1937-38 in the revenue realized, as compared with the previous year.

“If, however, by ‘Port Trust dues’ the hon. Member means ‘Port dues,’ collected at all ports (in contradistinction to Port Trust dues), the answer to clause (a) is in the negative and clauses (b) and (c) do not arise.”

Construction of borehole latrines in municipalities.

* 798 Q.—SRI MUTHU KR. AR. KR. ARUNACHALAM CHETTIYAR: Will the Hon. the Minister for Public Health be pleased to state—

(a) whether the Government intend to popularize the use of borehole latrines;

(b) whether municipal councils are prohibited from having them within their limits;

(c) if so, why; and

(d) whether the Government will consider the desirability of permitting municipal councils to erect them at public places in towns where erection of flush latrines is not possible?

THE HON. DR. T. S. S. RAJAN:—“(a) A scheme for popularizing borehole latrines in rural areas is under the consideration of the Government.

“(b) The answer is in the negative.”

“(c) & (d) The questions do not arise.”

Scheme for preparing medicinal oil from fish as a cottage industry.

* 799 Q.—KHAN BAHADUR MAHMUD SCHAMNAD SAHIB BAHADUR: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) what the scheme approved by the Government is for preparing medicinal oil from fish as a cottage industry;

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(b) whether the Government will publish the details of the scheme for the information of the public; and

(c) whether the medicinal oil so extracted is being used in any Government medical institution?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The scheme is to demonstrate at important fish-curing yards, the best method of extracting shark liver oil under village conditions as ascertained by experiments at Tanur. The demonstration will be done by the staff of the Fisheries department after they have themselves been given requisite training at Ponnani.

“(b) A leaflet describing the method in simple language will be printed and distributed among the fishermen manufacturers.

“(c) Not yet.”

Publication of the Government Order prohibiting the location of toddy shops on roadsides close to other shops.

* 800 Q.—SRI E. KANNAN: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether it is a fact that there is a standing order of the Government that toddy shops should not be located on roadsides close to other shops; and

(b) if so, whether that order will be placed on the table?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) & (b) The hon. Member presumably refers to the instructions regarding the location of liquor shops in rural areas. A copy^a of the standing order on the subject is placed on the table of the House.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I know the rules regarding the location of urban shops?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Notice, Sir.”

SRI E. KANNAN:—“May I know, who is the authority that has to take action if anybody breaks the rule?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The Excise Commissioner.”

^a Printed as Appendix II on page 372 infra.

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Statistics regarding the number of buffaloes, and the quantities of rice and wheat bran purchased by the Madras Serum Institute during 1934-38.

* 801 Q.—SRI B. BHAKTAVATSALU NAYUDU: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the number of buffaloes purchased every year for the period 1934 to 1938 for the Madras Serum Institute;

(b) how many tons of rice were purchased by the Institute every year during the said period; and

(c) how many tons of wheat bran were purchased by the Institute every year during the aforesaid period?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) to (c) The information is furnished below:—

Year.		Number of buffaloes purchased.	Quantity of rice purchased.		Quantity of wheat bran purchased.	
			TONS.	LB.	TONS.	LB.
1934	..	944	3	1,748	117	..
1935	..	583	2	344	57	89
1936	..	916	1	1,170	81	..
1937	..	1,511	6	758	101	..
1938	..	1,047	20	382	75	1,120 "

Policy of Government with regard to the Fisheries department.

* 802 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) what the policy of the Government is with regard to the Fisheries department—whether they want to develop it or close it; and

(b) if the latter, the reasons for the same?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“There has been no change in the policy hitherto followed, which is to develop the fish supplies to the population, stimulate fisheries industries, educate the fisher children and improve the moral and material condition of the fishing community.”

SRI K. V. R. SWAMI:—“May I know whether it is the desire of the Government to invest large sums of money in this direction and whether they have enough money to undertake these schemes?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“We have got enough money to undertake the scheme.”

SRI K. V. R. SWAMI:—“Is there enough money to undertake deep-sea fishing?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“Yes, Sir.”

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Working of the District Periodical Conferences.

* 803 Q.—SRI K. V. NARAYANA RAO: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the Government have called for the reports of the working of the District Periodical Conferences;

(b) whether the Government have received any complaints from the non-official members of the District Periodical Conferences that the presidents of the said conferences are not giving due weight to the resolutions of the conferences;

(c) whether such complaints will be placed on the table of the House; and

(d) whether such subjects as corruption in the Government departments and the behaviour of the public servants towards people are permitted to be discussed at the said conferences?

THE HON. SRI V. I. MUNISWAMI PILLAI:—“(a) The answer is in affirmative.

“(b) Some of the non-official members of the Malabar District Periodical Conference represented to Government the slow progress made in the expending of the Government of India grant for rural reconstruction work in their district.

“(c) Government do not consider it necessary to place this representation on the table of the House.

“(d) No specific orders have been issued in the matter. These conferences are advisory in character and it is open to Collectors to lay before them for advice all matters of general importance pertaining to the welfare and administration of the district.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I ask whether the Hon. Minister will consider the feasibility of entrusting the contracts to panchayat boards and ask them to execute the works entrusted to them at two-thirds of the estimated cost instead of insisting upon one-third being paid by the people concerned?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“A communiqué has already been issued as to how to spend the money.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I know whether the presidents of these conferences alone can introduce the subjects that are to be discussed on their own initiative, or whether the members too have got any power to introduce their own subjects?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The rules prescribed give power to these presidents to introduce the subjects that may be discussed by the conference.”

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✓ SRI K. V. R. SWAMI:—“May I know whether there will be any use if heads of departments are not there in the conference?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The constitution of the conference prescribes that heads of departments will have to be there, if they are in the headquarters at the time of the meeting.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I suggest that a change in the rules may be made allowing members to introduce subjects without depending upon the sweet will and pleasure of the presiding officers?”

THE HON. SRI V. I. MUNISWAMI PILLAI:—“The suggestion will be considered.”

Introduction of the Wardha scheme of education into this Province.

* 804 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government propose to introduce the Wardha scheme of education into this Province; and

(b) if so, what their proposals are?

THE HON. SRI C. J. VARKEY:—“(a) & (b) The matter is under consideration.”

Branches of the Connemara Public Library in and outside the City of Madras.

* 805 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Education be pleased to state whether the Connemara Public Library has any branches in the City of Madras and outside the city?

THE HON. SRI C. J. VARKEY:—“The Connemara Public Library has no branches in the City of Madras or outside the city. However, the rules of the Library provide for lending books to persons in the City of Madras as well as to other libraries in the Province approved by Government for this purpose. These rules are contained in G.O. No. 2160, Education, dated 22nd October 1929, which has been placed at the disposal of the Press.”

SRI K. V. R. SWAMI:—“May I know whether any charges are made for sending these books?”

THE HON. SRI C. J. VARKEY:—“Only conveyance charges for conveying those books are charged.”

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Encouragement of physical training in schools.

* 806 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that Government are concentrating their attention on the encouragement of physical training in schools; and

(b) if so, what the nature of the training is and what the sort of encouragement they desire to give is?

THE HON. SRI C. J. VARKEY:—“(a) and (b) It has always been the policy of the department to encourage physical training in schools. The question of the further improvement of physical training in these institutions is engaging the attention of the Government.”

Publication of the scheme, if any, for kindergarden schools for children of pre-school age.

* 807 Q.—SRI MUTHU KR. AR. KR. ARUNACHALAM CHETTIYAR: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government have formulated any scheme for kindergarden schools for children of pre-school age; and

(b) if so, whether they will place it on the table and when they propose to implement it?

THE HON. SRI C. J. VARKEY:—“(a) No such scheme has been formulated by the Government.”

“(b) In view of the answer to clause (a), this clause does not require a separate answer.”

Curtailment of expenditure on Police.

* 808 Q.—SRI K. V. R. SWAMI: Will the Hon. the Prime Minister be pleased to state—

(a) whether the question of curtailing expenditure on Police by the reduction either of number or of certain supernumerary posts was considered by the Government; and

(b) if so, with what result?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) & (b) The Government have frequently had occasion to examine the question of curtailing expenditure on the Police department and they are constantly on the look-out for possible directions of economy. They are satisfied that no major reduction in establishment is possible at present in this department without detriment to good administration.”

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SRI K. V. R. SWAMI:—“May I know from the Hon. Premier whether at least in the case of minor appointments reductions can be made?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“We shall try, Sir.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I ask whether the Hon. Premier will consider the question of reducing the extra police establishment that was brought into existence when the Civil Disobedience Movement was on?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“But, Sir, new movements have started now.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I know whether the new movement is on the same scale as that of the Civil Disobedience Movement as to justify the retention of the staff which was then recruited?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Not on the same scale but the nature of the movement makes it necessary for us to retain the establishment.”

BASHEER AHMED SAYEED SAHIB BAHADUR:—“May I ask whether the attention of the Hon. Minister has been drawn to the fact that in other Provinces retrenchments in the police department have been made, notwithstanding the fact that greater movements are found going on in those Provinces?”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I am not at all sure that the hon. Member has given the facts correctly.”

Attendance of the village munsifs and triune officers at the taluk office.

* 809 Q.—SRI M. G. NATESA CHETTIYAR: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether travelling allowance is granted to village munsifs and triune officers for attending at the taluk office on the direction of superior officers;

(b) whether Government have taken any steps to reduce such attendance to a minimum; and

(c) whether the Government have instructed the Tahsildars that such business as requires the attendance of the village officers should be transacted preferably during the tours of the Tahsildars in the villages concerned?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The answer is in the negative.”

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“(b) According to the instructions contained in the Board’s Standing Order village officers should not be summoned from their villages without good cause and on all practicable occasions and especially in matters of minor importance information or explanation should be obtained from them by sending a written order instead of requiring their personal attendance.

“(c) No such explicit instructions have been issued by the Government.”

Introduction of certain amendments to the Malabar Tenancy Act.

* 810 Q.—SRI E. KANNAN: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether he has received any representations from the Secretary, All-Malabar Kisan Sangh, praying for the introduction of certain amendments to the Malabar Tenancy Act; and

(b) if so, what the Government propose to do in the matter?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The answer is in the affirmative.

“(b) The question of amending the Malabar Tenancy Act is under consideration and in that connexion the amendments suggested will be examined.”

Proposal for legislation on the lines of Sir K. Srinivasa Ayyangar’s “Irrigation Bill.”

* 811 Q.—SRIMATHI V. LAKSHMI AMMAL: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Government have made any estimate of the loss to public revenue arising out of the principle enunciated by the Urlam case; and

(b) whether the Government have considered the desirability of legislation on the lines of Sir K. Srinivasa Ayyangar’s “Irrigation Bill”?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The answer is in the negative.

“(b) The attention of the hon. Member is invited to the answers to starred question No. 614 and starred question No. 613 given in the Assembly on 18th January 1939 and to the answer to starred question No. 691, given in the Assembly on 27th January 1939.”

[24th February 1939]

Postponement of kist collection and measures to relieve economic distress in the Tirunelveli district.

* 812 Q.—SRIMATHI V. LAKSHMI AMMAL: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether the Collector of Tirunelveli has submitted any recommendations to Government for postponement of kist collection in view of lateness and partial failure of the north-east monsoon in the district this year, and for the need for special remission in Sankarankoil and Koilpatti taluks and part of Tenkasi and Nanguneri taluks; and

(b) whether Government will be pleased to consider the advisability of taking steps to relieve the economic distress prevailing in the district?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) On the recommendation of the Collector of Tirunelveli, the Board of Revenue has directed that the collection of the February and March kists this year in the Sankarankoil taluk should be postponed to April and June 1939, respectively and that the collection of the February kist in the Koilpatti taluk should be postponed to June 1939. The Government are not aware of any other recommendation of the Collector on the subject of remissions.

“(b) The Government have called for a report on the Memorandum submitted by the hon. Member and certain others regarding the grant of liberal remissions in the district. After the receipt of that report, the question whether any special measures are called for will be considered.”

Speedy disposal of the loan applications of the ryots of Polagudi village, Nannilam taluk.

* 813 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Revenue be pleased to state—

(a) the amount set apart for Nannilam taluk, Tanjore district, under the Agriculturists’ Loans (Madras Amendment) Act, 1935, for giving loans to the agriculturists in 1937–38 and 1938–39;

(b) the number of loan applications received from the ryots of Polagudi village in Nannilam taluk;

(c) how many among them were sanctioned and how many rejected;

(d) the time taken for the disposal of these loan applications;

(e) whether any additional staff has been appointed to deal with the loan applications; and

(f) whether the Government will be pleased to appoint more officials for the speedy disposal of loan applications?

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SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) Allotments have been made on a district basis and the Collectors may distribute the amounts among the taluks in their districts from time to time with reference to the actual needs of each taluk.

“(b) to (d) The Government have no information.

“(e) & (f) For the speedy disposal of loan applications, the Board of Revenue has been empowered to sanction, subject to the existence of budget provision, temporary establishments, in accordance with a prescribed scale which is based upon the number of pending loan applications. Collectors have also been authorized to employ temporary establishments in accordance with this scale in anticipation of the sanction of the Board of Revenue. The Board of Revenue will address the Government if temporary establishments are required in any district in excess of its powers of sanction.”

Selection of villages for fixing radio sets in rural areas.

* 814 Q.—SRI MUTHU KR. AR. KR. ARUNACHALAM CHETTIYAR: Will the Hon. the Minister for Public Works be pleased to state—

(a) the principles which the Government follow in sending radio sets to rural areas;

(b) the number of rural sets working in Ramnad district;

(c) the villages having them; and

(d) whether the Government will consider the desirability of consulting the Members of the Legislature of the local area before they decide upon the villages?

THE HON. MR. YAKUB HASAN:—“(a) In January 1937 when the question of installing rural sets was under the consideration of Government it was thought that the best way of selecting suitable villages was to ask the District Economic Councils to suggest about ten villages in each district in the order of preference. The District Economic Councils were also informed that places which were prepared to assist financially and those which could provide facilities by way of suitable sites and buildings to house the sets were likely, among other things, to be preferred. Out of the lists submitted by them, the Government selected 4 to 5 villages in each district (or 103 villages for the whole Presidency with the exception of Malabar, South Kanara and the Nilgiris), following the principles stated below:—

(i) A taluk to have not more than one set,—in one of the villages recommended by the District Economic Councils—generally five for each district;

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(ii) Villages offering contribution and having electric supply or likely to have it in the near future, to have preference;

(iii) Only four sets to be given for each district where no contribution was forthcoming, or where only four places were recommended by the District Economic Councils.

As regards villages other than the 103 referred to above, the position is that sets would be supplied to any village if (a) the cost of the set; (b) Rs. 10 per mensem towards maintenance charges; and (c) licence fees, are paid.

“(b) The Ramnad district has not yet been taken up for installation.

“(c) Kamudi, Tondi, Ramnad, Sivaganga and Elayirampennai have been selected for installation of sets. The Panchayat Board of the last mentioned village has since withdrawn its offer to provide the site for the set and the question of substituting another village for it is engaging the attention of the Collector.

“(d) As stated in the answer to clause (a) villages were selected in 1937 in consultation with the District Economic Councils and the Government have no reason to think that a revision of the selections made is called for. No question of consulting the local Members of the Legislative Assembly therefore arises.”

SRI R. M. PALAT:—“May I ask why the districts of South Kanara, Malabar and Vellore were left out?”

THE HON. MR. YAKUB HASAN:—“They were left out because there is no arrangement for Malayalam and Kanarese radio programmes.”

SRI R. M. PALAT:—“Vellore speaks Tamil so far as I know. Why is Vellore left out?”

THE HON. MR. YAKUB HASAN:—“Not Vellore but Nilgiris.”

SRI R. M. PALAT:—“Has it been left out because the people speak Kanarese?”

THE HON. MR. YAKUB HASAN:—“Yes, on that account.”

SRI R. M. PALAT:—“In other districts like Kurnool and Cuddapah there are Kanarese speaking people but they have been included in this list.”

THE HON. MR. YAKUB HASAN:—“As it is, the sets are limited and we cannot add any more. The omission of these two districts was due to the fact that there is no arrangement for radio programmes in those languages.”

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Papanasam Hydro-Electric Project.

* 815 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

- (a) the amounts spent on Papanasam Hydro-Electric Project up till now;
- (b) when the same is expected to be completed; and
- (c) what the percentage of expected yield from the Project is?

THE HON. MR. YAKUB HASAN:—“(a) Work on the scheme was commenced only recently and a sum of Rs. 13.88 lakhs is expected to be spent before the end of March 1939.

“(b) The work is expected to be completed by 1942.

“(c) The return expected is 6.28 per cent on the sum at charge.”

Reasons for the delay in the formation of the Statutory Electricity Board.

* 816 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

- (a) what the reasons are for not forming the Statutory Electricity Board all this time;
- (b) whether Government desire to form it at any time at all; and
- (c) if so, when?

THE HON. MR. YAKUB HASAN:—“(a), (b) & (c) The attention of the hon. Member is invited to the answer to starred question No. 476 given on 9th December 1938.”

Prevention of accidents in the South Indian Railway electric trains.

* 817 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

- (a) whether the question of preventing accidents in the South Indian Railway electric trains was considered by Government; and
- (b) what the result is?

THE HON. MR. YAKUB HASAN:—“(a) & (b) I take it that the hon. Member's question is prompted by the question put by Diwan Bahadur A. Appadurai Pillai, in February 1938 on the subject of accidents in the South Indian Railway electric trains. From the report received from the railway company with reference to the said question, the Government are satisfied that the Railway Administration has taken all precautionary measures for preventing accidents.”

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Radio sets working in the Province.

* 818 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

- (a) the number of radio sets now working in this Province; and
- (b) whether Government desire to order for more?

THE HON. MR. YAKUB HASAN:—“(a) & (b) It is presumed that the hon. Member refers to radio sets which are being installed by Government in the rural areas of this Province. Forty-six sets have been installed and 58 more have been ordered. More sets will be ordered and sent to villages for installation if the cost of the sets and a sum of Rs. 10 per mensem towards the cost of maintenance per set, and the annual licence fees are paid by the local bodies concerned.”

Failure of crops in certain localities of the Bhadrachalam division, East Godavari.

* 819 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

- (a) whether it is a fact that crops have failed in certain localities of the Bhadrachalam division, East Godavari; and
- (b) whether a report will be called for on this question and placed on the table?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) The Government are not aware that the facts are as stated.

“(b) A report has been called for.”

Measures to relieve agricultural distress in certain parts of the Coimbatore district.

* 820 Q.—SRI V. C. PALANISWAMI GOUNDAR: Will the Hon. the Minister for Revenue be pleased to state—

- (a) what relief the Government propose to give to the ryots in parts of the Coimbatore district where rains failed during the fasli;

(b) whether the Government propose to give substantial remission of dry assessments in those tracts, and to suspend collection of agricultural loans; and

(c) whether the Government propose to postpone the collection of assessment in the above tracts until final decision is made?

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SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) (1) Two ordinary works in the Dharapuram taluk have been opened under the management of the District Board, Coimbatore, to relieve unemployment.

(2) The district board has been permitted to divert a sum not exceeding Rs. 10,000 from the Railway Cess Fund to be expended on the collection of road metal in the area where there is unemployment.

(3) Four test works have been opened in the affected area and a standing credit of rupees one lakh has been sanctioned to meet the expenditure on relief operations during February 1939.

(4) Arrangements are being made with the South Indian Railway for the grant of concessional rates for the carriage of fodder to the affected area.

(5) A sum of Rs. 5,000 has been sanctioned for sinking and deepening wells in the affected area.

(6) The concessions granted in the case of members of the Scheduled Castes and other poorer classes in respect of the utilization of the Government of India grant for rural reconstruction have been extended to all classes affected by adverse seasonal conditions in the district.

(7) The collection of the February kist has been postponed in 81 villages of Dharapuram taluk, 31 villages of Udamalpet taluk and 26 villages of the Palladam taluk.

“(b) & (c) The question of remission of dry assessment will be considered on receipt of further reports from the local officers. The orders of Government are not required for the suspension of collections within the fasli.”

Proportion of Reserve Sub-Registrars and clerks appointed to the cadre of Sub-Registrars.

* 821 Q.—SRI V. J. SAMU PILLAI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether any principle of proportion is observed as between candidates recruited direct as Reserve Sub-Registrars and clerks admitted into the Madras Registration Subordinate Service, in the matter of confirming them in the cadre of Sub-Registrars;

(b) if so, in what proportion; and

(c) whether it is a fact that the Government intend altering the same?

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SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) & (b) Under the special rules relating to the Madras Registration Subordinate Service substantive appointments to the post of Sub-Registrars are made in equal proportions—

(1) from the category of Reserve Sub-Registrars and

(2) from the ranks of clerks in the Registration Department, two successive appointments from the former category being followed by two successive appointments from the ranks of clerks.

“(c) The answer is in the negative.”

Number of Sub-Registrars reverting from Orissa.

* 822 Q.—SRI V. J. SAMU PILLAI: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that the Sub-Registrars who had been deputed to the Orissa Province have elected to revert to the Province of Madras and have been allowed to do so; and

(b) if so, how many of them are reverting?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“(a) & (b) Of the ten Sub-Registrars who were transferred to Orissa three have reverted to this Province.”

Revival of the post of Inspector of Registration.

* 823 Q.—SRI V. J. SAMU PILLAI: Will the Hon. the Minister for Revenue be pleased to state whether it is under the consideration of the Government to revive the post of the Inspector of Registration?

SRI T. VISWANATHAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—“The answer is in the negative.”

UNSTARRED QUESTIONS

Grant of permission to district boards to run the road services.

242 Q.—SRI R. MARUTHAI: Will the Hon. the Minister for Local Administration be pleased to state whether they propose to permit the district boards to run the road services as is being done by the Coimbatore District Board from out of the funds locked under road and railway cess?

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- 4.—Under sub-sections (2) and (3) of section 113 and section 236 of the Madras Local Boards Act, 1920 any district board may with the previous sanction of the Government maintain a road service such as the motor transport service maintained by the Coimbatore District Board and meet the cost involved from its railway cess accumulations, if any. Each case will be considered on its merits.

Employment of local labour by the Dalmia Cement Company in its operations in this Province.

243 Q.—SRI R. MARUTHAI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) the conditions under which licence was issued to the Dalmia Cement Company to carry on operations in this Province; and

(b) whether it is a fact that the company has been making attempts to oust the local men employed in order to provide places for northerners; if so, what action the Government propose to take to secure the interests of the local hands?

A.—(a) The reference is presumably to the mining lease granted to the company. It was granted subject to the usual conditions prescribed in the Mining Rules and in the Form of Mining Lease for major minerals except that the rate of royalty to be charged per ton of limestone quarried and removed has been fixed at 4 annas.

(b) The Government understand that the allegation is not true.

Alleged discourteous behaviour of certain labour school teachers towards the Harijan uplift workers of North Malabar.

244 Q.—SRI E. KANNAN: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that Sri Swami Ananda Thirtha, M.A., of Payyanur and other Harijan workers of North Malabar are being slighted by some of the labour school teachers and if so, what action has been taken by the District Labour Officer in the matter; and

(b) whether it is a fact that Sri Swami Ananda Thirtha had made complaints to the Labour Officer and the District Collector, Malabar, that indecent language was used against him by one of the Labour school teachers in August 1938, and if so, what action was taken by these authorities in the matter?

A.—(a) & (b) The attention of the Hon'ble Member is invited to the answer given to starred question No. 670 on 25th January 1939.

[24th February 1939]

Appointment of honorary visitors to Labour schools in the Malabar district.

245 Q.—SRI E. KANNAN: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that honorary visitors are appointed to the Labour schools in Malabar and that they alone are the authorized non-official visitors to these schools and if so, the principles governing the selection of these visitors;

(b) whether it is a fact that Roman Catholic and other Christian Missionaries or workers are appointed as honorary visitors to the labour schools and if so, their number; and

(c) whether it is a fact that the District Labour Officer refused to appoint Harijan Sevaks like Sri Swami Ananda Thirtha as honorary visitors to the labour schools?

A.—(a) Yes. The honorary visitors alone are the authorized non-official visitors to the labour schools in Malabar. Generally local men of status, who have sympathy with the work done among the Scheduled classes and would find time to pay frequent surprise visits to the schools are appointed as honorary visitors.

(b) Out of 50 honorary visitors only two are Christians. One is a Roman Catholic priest and the other a Protestant doctor attached to the Basel Mission Hospital, Palayangudi.

(c) Sri Swami Ananda Thirtha was not appointed as an honorary visitor as at the time of his application there was no vacancy.

Hardships of Kavayi Harijan pupils in having to go to distant labour schools.

246 Q.—SRI E. KANNAN: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether Harijan pupils have now been admitted in the Fisheries school in Kavayi, North Malabar; and

(b) whether Harijan pupils are still being conducted from Kavayi by the Labour School teachers to their Labour school in Payyanur and whether the Government are aware of the distance these children have to walk to reach that school?

A.—(a) No Harijan pupils have so far sought admission to this school.

(b) Eight pupils from Kavayi attend the Labour School at Payyanur. They have to walk a distance of about a mile and a half to reach the school.

[24th February 1939]

Pay of unpassed clerks in the Registration department.

247 Q.—SRI A. KARUNAKARA MENON: Will the Hon. the Minister for Revenue be pleased to state—

(a) the number of unpassed clerks in the Registration department;

(b) the number of unpassed clerks in the Registration department in the Malabar district;

(c) how many of such clerks in the Registration department in general and in the Malabar district in particular are allowed increments in the sanctioned scale of Rs. 35—1½—60; and how many are not so allowed;

(d) what the reasons are for the differentiation, if any;

(e) whether there is any difference in the nature of the work allotted to these two sets of clerks;

(f) whether there are cases where juniors were exempted while seniors were not; if so, how many and why; and

(g) whether the Government will be pleased to allow increment at least to those unpassed clerks who entered service before the Government introduced the minimum general qualifications?

A.—(a) 601.

(b) 101.

(c) Number of unpassed clerks in the Registration Department in general who are allowed increments	443
Number of unpassed clerks in the Malabar district who are allowed increments	80
Number of unpassed clerks in general who are not allowed increments	158
Number of unpassed clerks in the Malabar district who are not allowed increments	21

(d) In August 1917, the Government prescribed a minimum educational qualification for admission to the public service in any post the sanctioned pay of which was Rs. 20 per mensem or more. The time-scale of pay for clerks was introduced in March 1921. Unpassed clerks who were exempted either by the Government or by Heads of Departments from the minimum educational qualification under the orders issued from time to time are allowed to draw increments in the time-scale subject to the efficiency bar. Unpassed clerks who have not been so exempted draw the minimum in the time-scale.

(e) The answer is in the negative.

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(f) There are such cases but it has not been possible to ascertain the number. Exemptions were granted according to the circumstances obtaining at the time of the exemption and the efficiency of the clerks concerned.

(g) The Government have no such intention.

Statistics regarding the women clerks appointed to the Madras Ministerial Service.

248 Q.—SRI V. S. R. M. VALIAPPACHETTIYAR: Will the Hon. the Prime Minister be pleased to state—

(a) whether it is a fact that women clerks were recruited recently for appointment in the Madras Ministerial Service; and

(b) if so, how many were appointed, their qualifications and the community to which they belong?

A.—(a) The answer is in the affirmative, i.e., the Madras Public Service Commission has selected them.

(b) No one has yet been appointed.

Extension of the term of office of Public Prosecutors.

249 Q.—DR. M. J. SAMUEL: Will the Hon. the Minister for Law be pleased to state—

(a) whether the Government are aware that the Public Prosecutors of the Presidency met in conference and passed a resolution that each Public Prosecutor should be given an extension for three terms;

(b) whether the Government intend to accede to their request; and

(c) how many Public Prosecutors were given extension after (i) one term, (ii) two terms, and (iii) three terms after the present Government came into power?

A.—(a) The answer is in the affirmative.

(b) It is not possible for the Government to accept the suggestion.

(c) The number of Public Prosecutors given extensions is as follows:—

(1) after one term	...	...	...	1
(2) after two terms	...	...	...	1
(3) after three terms	...	...	...	Nil

Communal representation in the appointment of Public Prosecutors and Government Pleaders.

250 Q.—DR. M. J. SAMUEL: Will the Hon. the Minister for Law be pleased to state—

(a) the number of Public Prosecutors and Government Pleaders in the Presidency, communitywar;

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(b) whether the Government are giving effect to the principle of communal representation in the matter of appointments to the above; and

(c) if not, why not?

A.—(a) There are 16 combined posts of Government Pleaders and Public Prosecutors and 20 separated posts, i.e., 10 Government Pleaders and 10 Public Prosecutors in the mufassal. Of these 36 posts, 17 happen to be Brahmans, 14 non-Brahmans, 3 Indian Christians and 2 Muslims. In the City the present Government Pleader and Crown Prosecutor are Brahmans and the Public Prosecutor is a non-Brahman.

(b) & (c) The Government do not deem it advisable to go by caste or community in selecting their legal advisers or advocates. Therefore they have not laid down any rule of communal representation in making these appointments.

Opening of a buffalo-breeding station at Pratur, Guntur district.

251 Q.—SRI K. CHANDRAMOULI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether there was any proposal to open a buffalo-breeding station at Pratur, Guntur taluk; and

(b) if so, when it will materialize?

A.—(a) The answer is in the affirmative.

(b) The proposals are being postponed for want of funds.

Value of raw materials purchased and the value of finished goods sold and used during 1937.

252 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state—

(a) the cost of raw materials purchased for the use of manufactures in jails in the year 1937;

(b) the value of finished goods sold and used during the same period; and

(c) the net revenue derived from the same in 1937?

A.—(a) Rs. 4,07,656-0-7.

(b) Rs. 5,50,046-1-1 and Rs. 1,68,197-1-3 respectively.

(c) Rs. 3,10,587-1-9, which excludes the cost of maintenance of prisoners and other costs chargeable to the manufactures.

[24th February 1939]

Statistics regarding the area under cultivation and the total yield and value of the chief food and industrial crops in the Province.

253 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) the total average under each crop during last year in this Province in respect of the chief food and industrial crops;

(b) the total yield of each such crop; and

(c) the value of the same in each case?

A.—(a) to (c) The hon. Member is referred to the particulars contained in Appendix VI, IX and X of the Season and Crop Report of the Madras Province for the agricultural year 1937-38 (fasli 1347).

Extent of cultivation in the 31 estates of the Bhadrachalam taluk, East Godavari, at the time of cession by His Exalted Highness the Nizam and at present.

254 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the extent of each of the 31 estates of the Bhadrachalam taluk, East Godavari, before the same were ceded by His Exalted Highness the Nizam;

(b) how much of each estate was under cultivation at that time; and

(c) what the extent of each estate is at present and how much of it is under cultivation?

A.—(a), (b) & (c) A report has been called for.

Particulars of zamindaris with obligatory military services commuted to money payments, Havly estates and other zamindaris.

255 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Revenue be pleased to state—

(a) the zamindaris or poliams which were under obligation to maintain military forces or semi-military forces before 1802, who were directed by Government to disband such forces and whether the expenditure incurred for such forces was converted to money payments and added to the peshkash;

(b) the zamindaris formed out of Government villages known as Havly estates and sold in auction; and

(c) the other zamindaris?

A.—(a), (b) & (c) The attention of the hon. Member is invited to the information contained in the statement at pages 151-153 of Part I and in Chapter VII of Part II of the Report of the Estates Land Act Committee. A list of estates is given in the 'names of zamindari, etc., in the Madras Presidency' which is a publication available for sale.

[24th February 1939]

Opening of panchayat courts in villages.

256 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Law be pleased to state with reference to the answer to starred question No. 547, dated 29th March 1938—

(a) whether the information called for by the Government regarding villages without either a panchayat or village court has been received; and

(b) if so, whether the question will now be answered?

A.—(a) & (b) The attention of the hon. Member is invited to the answer to his unstarred question No. 79 given at the meeting of the 28th November 1938. The matter is still under the consideration of the Government.

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

II.—NOMINATION TO THE HOUSE COMMITTEE.

MR. SPEAKER:—"I have to announce that under rule 152 of the Madras Assembly Rules, I have nominated Mr. G. E. Walker to the House Committee in the place of Mr. J. Nuttall who has ceased to be a member."

III.—GENERAL DISCUSSION OF THE BUDGET FOR 1939-40—concluded.

MR. SPEAKER:—"May I know what time the hon. Member Mr. Ahmed Batcha will require?"

* M. AHMED BATCHA SAHIB BAHADUR:—"I will be very brief."

MR. SPEAKER:—"Brief means five minutes?"

* M. AHMED BATCHA SAHIB BAHADUR:—"Half-an-hour, Sir."

MR. SPEAKER:—"The hon. Member has already taken half-an-hour."

* M. AHMED BATCHA SAHIB BAHADUR:—"I will deal with only one point."

MR. SPEAKER:—"Only one point? Then the hon. Member can finish exactly at 4 o'clock. There are numerous other hon. Members desiring to speak and there is no time, as this is the last day. Therefore punctually as it strikes four, the hon. Member may stop."

* M. AHMED BATCHA SAHIB BAHADUR:—"A few more minutes may be given Sir."

MR. SPEAKER:—"Yes."

* M. AHMED BATCHA SAHIB BAHADUR:—"Sir, I was dealing yesterday with the question of export trade and in that connexion I was dealing with the international trade competition.

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India has advanced in status and position by virtue of the place she occupies in the international markets of the world. Our connexion with Great Britain in this aspect has been advantageous as certainly Great Britain is the world's greatest market, the greatest exchange and the world's greatest carrier. The goods of this country are carried to markets which brings in competitive buyers from all sides of the world. The export trade having thus assumed an international character cannot be ignored. Under these conditions when the skins and hides trade and other trades such as tea and rubber are exporting large quantities to foreign markets, is it right, Sir, that we should ignore this factor of competition? Apart from competition there is always the fight between one country and another and the consequent raising of tariff walls so that it becomes impossible to develop our trade. Therefore it is quite one thing to say that the sale of goods can be taxed in our country and another thing to suggest that it may be successfully taxed in a foreign market. The foreign buyer is not subject to the same conditions as the buyer in our own country. The foreign buyer has many more articles of manufacture brought to him and offered at his doors and unless we are competitive it is impossible for us especially in trade to maintain the dignity and the status that we have had till now.

"The cumulative effect of such a tax would be that we would be imposing an additional 5 per cent on the costs that we are already burdened with. And if our goods are to be offered in foreign markets, you can never compel the purchasers there to purchase them merely because your revenue raising expediency has compelled you to increase the prices of your goods. Sir, in a country which is still industrially backward and is only slowly beginning to advance in that direction, is it not the principal duty of the Government to see that the goods that we place in the markets of the world are characterized by cheapness of cost rather than that the price of goods should be increased on account of additional taxation? I remember there was a time in the skins and hides trade when we never exported finished leather which we are now exporting in enormous quantities. If some ten years ago, we were told that we would be exporting finished leather manufactured in Madras itself by two very leading manufacturing concerns, we would have laughed at any such suggestion and thought that it was impossible. But to-day we have assumed a different position. We are not merely manufacturing a special type of tanned skin and hide characterized ignorantly by some people as having been only half tanned, but we are manufacturing finished leather which is up to the standard of European specifications. Tons and tons of this finished leather have been exported to foreign countries. This had been possible because we command cheap labour and preferential treatment in certain markets, so far as duties are concerned. Since we form a unit in the British Empire, that is in itself a great advantage to us for the

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economic development of our country, although I do not wish in the least to justify the inferior status we occupy and the control to which we have been subjected. In spite of all this the British Empire itself is a very big organization and the arrangements that were come to under the Ottawa Agreement by which preference was given to the British Empire products have given an impetus to the tanning industry which produces finished leather and has made India one of the largest suppliers of goods in the foreign markets. Otherwise, Sir, we would not have been able to export the large quantities of Indian finished leather.

“Sir, it is very necessary that not only should we have cheap production, but we should have all the facilities in the international markets to be able to compete with foreigners. Therefore, so far as these trades are concerned, the additional tax that is proposed to be levied should not be looked at from the narrow standpoint of revenue; it should be looked at from the standpoint of the cumulative effect the tax will have on the selling prices in the foreign markets. Certainly if we want to gain a few lakhs of rupees in one direction we should not imperil the existence of the very valuable industries and trade. Therefore, I am of opinion, Sir, that this tax will act as a great hardship on the industry and will ultimately go towards its ruin. The only justification that has been put forward in support of this sales tax is that this is a new thing so far as India is concerned but that it is a common thing in some countries in Europe. But is that an argument, Sir, for taxing sales in India? It is this kind of argument that has brought so much trouble on us. Why should we place India on a par with the foreign countries and the European countries which are quite different from our country? They are all free and self-governing countries whereas we are still linked as slaves to a big unit. Are our armies to-day our own armies? Are not armies of occupation

4 p.m. stationed in our country for Imperial purposes? Are not the other services in India all imported from outside countries? Is there not a continuous drain from this country in the shape of remittances to foreign markets? All these things bring me to the irresistible conclusion that no analogy can be drawn between the countries of the West which are completely independent units, self-governing and complete in themselves, and our own country which is already an enslaved country and which has only the flickers of independence in Provincial Autonomy. Sir, I can understand any amount of taxation, I can understand any new tax being imposed in a country where money will not flow out of its borders. But here, money is flowing in so many directions, money is flowing in the shape of enormous military expenditure, money is flowing out of this country in the shape of remittances. Therefore, Sir, to argue that because some European countries are having this tax, we should also have it, seems to me to be most wonderful. Every year thousands and thousands of pounds are being drained out of this country. Should we be able to avoid this drain and should we be

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able to preserve the money in our own country, we should have plenty of money to distribute to our people and perhaps to lessen the present taxation. Therefore, Sir, that argument does not appear at all to be sound—that because this tax is levied in some country elsewhere, therefore we should also have it here.

“Another important factor which must suggest itself in this connexion is the standard of wealth. I am not saying anything about the standard of living; I think it is open to a man to adopt any standard of living he pleases. But as regards the standard of wealth, a comparison between this country and a country in Europe or a country like America is perfectly out of place; the standard of wealth there is perfectly and completely different from the standard of wealth in our country, and consequently we cannot argue on the footing of what is prevailing in foreign countries. Sir, it is a fallacy always to assume that because certain things are done in the West, we should also do similarly here. Our country has got its own conditions, its own traditions and its own peculiarities which determine the nature of the taxation and which also determine what should be considered reasonable or otherwise. I was so much surprised that the suggestion came from a Member of the Congress party which has always been preaching going back to the purity of the past. Under these circumstances, I can never imagine how a tax of this kind can be justified.

“Then again, I cannot also understand why certain professions should be allowed to escape taxation. I can understand the sale of goods being taxed, but what of those people who are earning enormous incomes through their profession? Recently there was what is known as the Advocates' Association Jubilee celebrations, at which a gentleman, the oldest member of the legal profession, presided and gave a list of incomes that would be accruing to the legal profession. It was said that one individual alone was capable of earning Rs. 20,000 a month, and from that figure downwards, it could be brought down to Rs. 10. We have no means of knowing to-day what the highest individual in any profession would be earning. There is absolutely no reason why an income earner, simply because he is not a trader, should be exempted from this taxation. If it is to be on the basis of the income earned, then that earner should contribute his share towards the maintenance of the State. There is no reason, therefore, why those that follow certain professions should be excluded. It is not that I am antagonistic to them, but I am saying that any taxation should be equitable and distributed in such a manner that it would affect all sides or sections of the people equally. And this one distinction I will try to clarify, Sir, with your permission; it is not a tax on income—that is very clear. Again, let not the people think that it is a tax on capital; for it is not a tax on capital too. There may be a big business with only a capital of Rs. 10,000 but the turnover of that business can be so much that within one month the turnover may be even Rs. 1 lakh. The turnover may be so extraordinary and

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large that very often it may bear no comparison with the capital. In such large businesses which involve crores of rupees, sometimes even half per cent must be heavy. It is therefore a gigantic and disproportionate basis of taxation to take turnover as the basis, and not capital which is much less, and not income itself which is much more less."

Mr. SPEAKER (ringing the bell):—"The hon. Member will close."

* M. AHMED BATCHA SAHIB BAHADUR:—"It is not to be supposed, Sir, that I am opposed to any taxation. I specially remember the words of the Hon. the Prime Minister when he said that the moment some taxation is mentioned, he knew that one member after another would stand up in the Opposition; he said it was done instinctively . . ."

Mr. SPEAKER:—"It is not necessary that that observation should be commented on so much."

* M. AHMED BATCHA SAHIB BAHADUR:—"Not so much, Sir, only in a few words. (Laughter.) It is an instinct formed naturally, an instinct in every one of God's creation. That is the instinct of self-preservation. That instinct is common to me as much as to the Hon. the Prime Minister himself (Laughter) and I should certainly say that whenever he is confronted with an unsolved difficulty, he has the habit of always facing the Opposition, and that is the habit that he has cultivated, and it is an instinct which God has given us. Therefore, Sir, if according to that instinct we oppose, it is but natural. But I put my case much higher than on that instinct, Sir, of self-preservation. It is not an instinct of preservation of ourselves, but of the preservation of the nation itself, the improvement of the country's industries and the ultimate good of our own people." (Applause.)

Mr. SPEAKER:—"I know that there are numerous members of the House who desire to speak to-day, the last day of the general discussion of the Budget. It may not be possible to allow all of them to do so unless each member chooses to finish his speech in five minutes. If hon. Members want to allow each other the pleasure of a speech on the floor of the House now, I think they must restrict themselves absolutely to five minutes; they must thus give a new aspect to the debate. Instead of covering the old grounds again and again, let them give one or two new points and finish. Some representations have been made that maiden speeches also should be allowed. We must give them a chance. I think therefore it is very desirable that all members, unless otherwise permitted, should finish their speeches in five minutes, and if the bell is struck, no further request should be made, but members should quietly and voluntarily sit down."

"With these remarks, I call upon Mr. M. C. Rajah to speak."

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* SRI RAO BAHADUR M. C. RAJAH:—"Mr. Speaker, I shall try my best to finish my speech within five minutes; but if I require a little more time, I crave your indulgence. Sir, it is customary during the general discussion of the Budget for members of the House to congratulate the Hon. the Finance Minister on the achievements during the year and to thank him for the schemes of nation building service embodied in the Budget presented to the House. Sir, I read and re-read the Budget speech of the Hon. the Prime Minister and turned over the pages of the Budget to see if there is any constructive scheme for the betterment of the people, if the Budget is likely to benefit the people, if it contains any measure which will bring happiness and prosperity to the poor and the depressed, and also if it provides sufficient amounts for increasing the happiness of the people. Sir, I am sorry to say that I found none. I am sorry, therefore, I cannot join the previous speakers in giving a bouquet of flowers to the Hon. the Premier and in overloading him with such garlands of praise since, as I said, the Budget is completely devoid of proposals for nation-building services. The Budget before the House does not confer any benefit on the people; it contains only new burdens. The Hon. the Premier takes credit for having introduced Prohibition in three districts and for extending it to North Arcot from October next. I wish him every success in this noble and sacrificial experiment."

"Sir, before I proceed further, I should like to clear some misconception lurking in the minds of my hon. Friends, the Congress members sitting on the opposite benches, that the depressed classes are not working in the interests of the country's advancement. Sir, on behalf of the depressed classes, I can say that nobody is more interested than we are in the future of our country. We maintain that our love to our motherland and our patriotism is not less than those of the more vociferous sections of the present-day Indian politicians, while our sacrifices for the country have been immeasurably greater. Let me assure this House that we of the depressed classes are in no way behind any section of this country's inhabitants in the desire for political advancement. We appreciate freedom more than anybody else, just as the cage bird longs for freedom all the more keenly because it has known the limitations of the cage and the restrictions on its liberty. I may say here and say that we are even more anxious for the freedom of the country than others, as we are the original inhabitants of the land, and therefore the country's interests and ours are very closely associated. It should therefore be realized that not until the question of our future is assured, can there be any real advancement of the country. If to-day India is not fit for complete self-government, it is because of this great problem. This is not a new proposition; time and again, Gandhiji had enunciated this proposition, and yet it has not been translated into action. It is time that the Congress party realized this simple truth, that the strongest chain is only as strong as its weakest link. The advancement of the community

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would ensure the stability of the Indian nation and that can only be when the toiling millions, the real labourers on the soil, are given the place which is theirs by right in the body politic.

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"The sooner untouchability is removed root and branch, the nearer will you be to the goal of complete self-government. Financially it is a deficit Budget; and as far as benefits to the people are concerned it is a 'bankrupt' Budget. Time and again before Congress accepted office, I was tired of hearing them say that the Britisher had made the country poor, that the people were emasculated and were overburdened with taxation. But what do we see to-day? The people of our Province are fleeced and burdened with all kinds of taxation by the very party which accused the bureaucratic Government of overburdening the people with taxation. God alone knows what more taxes are to follow. The people are borne down with taxation and on the top of this the people are overburdened with loans for which they have to pay the interest year after year.

"The Premier has made an appeal to us to co-operate with him in opposing short-sighted or malicious attacks on the financial reputation of our Province made by certain newspapers and assures us that his borrowing policy is of the soundest standard and that our credit is of a high order. We all know that the financial credit of our Province which the Premier says is of a high order, was built up by the much despised bureaucratic Government in the past. It is our wish that this credit should not be impaired. Every citizen of the Province has a right to express his opinion on the financial policy of the Congress Government in the strongest language possible. Instead of welcoming these criticisms and meeting them and convincing the critics of the soundness of his financial policy, is it right for the Premier to characterize them as 'embroidered scurrility, an outcome of ignorance and malice'? Is this not an example of verbal terrorism and an illustration of that very embroidered scurrility of which the Premier has proved himself as capable as the critics whom he accuses of scurrility and ignorance and malice? Surely nobody welcomes these loans and most people have fears about the future and about the fate of their posterity which will have to bear these heavy burdens.

"I am sure, the Premier has not altogether forgotten that whenever a loan was sought to be raised by the British Government in India, the Congressmen in the past threatened the Government saying that when they came into power they would repudiate these debts and that the repudiation of such debts was one of their general principles. What will the Premier say if in course of time the loans he raises are similarly repudiated and the subscribers are mulcted of their money? The Premier should not think that his Ministry and his party would remain in power always. He should remember that they may have to make room for a revolutionary party which will repudiate such loans and leave the subscribers in the lurch.

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"The Budget before the House is a Budget of taxation. I see that the Government are going to get an Excise revenue of Rs. 10 lakhs from enhancing the duty on country spirits. I thought that the express policy of the Congress Government was that no revenue should be derived from the vices of the people and that such revenue would be mere filthy lucre. But what is this enhancement but an attempt to make money out of the much-despised drinking habit of the people? It would be much better for the Government to do away altogether with the country spirits than to encourage its consumption, even by a limited section which can afford to purchase it under any rate, even under an enhanced rate. Then again, why an enhanced rate on country spirits alone, and why not also on imported liquor as well? Are the Government afraid of facing opposition from influential quarters, while it thinks it can safely enforce its will by overawing the inarticulate classes?

"Coming to the question of the levy of vend-tax on tobacco, the Prime Minister has done well to remind the House that he has taken up a measure which was sought to be introduced by the previous Government. The measure was dropped, if I am not mistaken, in response to the agitation against it led by some prominent men belonging to the Congress party. I am glad he is taking it up now and I would in this connexion request him to have a Bill passed in this House preventing juvenile smoking in this Province, which I think is very necessary in the interests of the morals of the young and the health of the coming generations.

"The Premier wants to levy a tax on the sale of goods generally and says that the general sales tax is the most important of all their new revenue-producing measures and one full of possibilities. Whether this sales tax will include turnover by merchants who deal in foodstuffs like rice, dal, ghee, tamarind, chillies, etc., is not quite clear."

AN HON. MEMBER:—"Mr. Speaker, I suggest to the hon. Member not to read from his manuscript. It is a long one. He may sum up the whole thing in two or three minutes."

* SRI RAO BAHADUR M. C. RAJAH:—"I wish the Premier will make it clear in his reply. Here the Premier has propounded a policy of taxing food, which is opposed to all sound principles of taxation. Generally, the Government do not tax the necessities of life. As these are the foodstuffs affecting the poor people to a great extent, I think the taxation of general foodstuffs would be avoided.

"Coming to the levy of entertainment tax, I should like to submit to the Premier that these entertainments are intended more for the poor in order to alleviate their miseries and troubles; especially so when Prohibition has been introduced and those addicted to drink should be provided with some form of innocent relaxation. It is not just to levy this tax. All these taxation proposals affect the poor.

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"The Premier says in his Budget speech that if the Legislature will pass these measures at an early date, he will be able to get sufficient revenue to wipe off the deficit and also to undertake some reconstructive activity. I admire the adroitness and politeness of this seemingly submissive statement. What doubt is there that this Legislative Assembly will pass these measures, seeing that the Premier has got an obedient majority with him, which is bound to act automatically as he wishes them to do?

"With reference to the Scheduled classes, the Premier has stated that even in this lean year, he has found it possible to increase the provision set apart for them. On page 379 under Demand XXIII, under Miscellaneous Departments the total amount of Rs. 10,04,500 has been set apart this year and the amount that was provided last year was Rs. 9,82,300. Out of this provision a provision of Rs. 17,700 is shown as set apart for the Government taking over the management of Chidambaram Nandanar School and Hostel. Practically, the Premier has only set apart Rs. 4,500 over and above last year's provision, a magnanimous sum for the amelioration of the depressed classes! As regards these ten lakhs also, there has been an enormous increase under the item pay of establishments. Last year the pay of establishments was rupees 5,38,500 but this year it has risen to Rs. 5,65,800, an increase of Rs. 27,300. With all that, the Premier says that he has given a very magnanimous sum for the amelioration of the depressed classes this year. In the Budget speech he has also made reference to the magnificent work that the Congress party has done for the uplift of the depressed classes. This small sum of Rs. 4,500 is the only magnanimous sum set apart for the uplift of the Scheduled Castes in this Province and with this the Premier and his party are very pleased. I do not know if the Scheduled class members of the Congress party are satisfied with this considerably increased provision which I consider to be not even crumbs from the master's table. But with all that this is what the Premier described as a great boon he is conferring on the Scheduled Castes of the Province in spite of his financial difficulties.

"Regarding the question of educational facilities to the depressed classes, the Hon. the Minister has stated that the students were altogether exempted from paying fees in the Government Arts and Professional Colleges. Is it not true that these students are already in receipt of half-fee concessions or full-fee concessions from the Labour department? The real effect is that he is now only exempting these students from the payment of the other half-fee, that too in respect of those who are paying half-fees, and this will mean nothing in the case of those that are in enjoyment of full-fee concession. The extent of the benefit will be apparent if we remember that there are only half-a-dozen students in the whole of the Province who have been benefited by this concession. Therefore, it is not as if the depressed classes have been given very special concessions costing considerably to the Government.

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"With regard to the question of appointments of depressed classes in the Government service, the Premier in the course of the Budget speech has stated that applicants from the Scheduled Castes 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 the public services. Further a press communiqué has also been issued regarding the removal of the age-bar in respect of Scheduled Caste candidates for admission to Government service. The age-bar has no doubt been removed but at the same time the educational qualifications have been put up. I will read the communiqué:

'It has been decided that the age rule shall not be a bar to appointment—

- (1) if he holds a degree . . . or
- (2) if . . . the qualification prescribed is lower than the degree of B.A., . . . he possesses a qualification . . . higher than the minimum educational qualification . . .

The press communiqué itself later explains the position by saying that Intermediates belonging to the Scheduled classes may apply for posts for which the minimum educational qualification is the S.S.L.C., without any regard to age and the graduate may apply for all posts. On one side there has been an exemption in respect of age-bar and on the other hand it is said that there must be a higher educational qualification than the qualifications prescribed for the post. Why not extend the concession to S.S.L.C. holders also? I only ask whether it is a real concession or whether it is not intended to make others believe that much is being done for the Scheduled classes by the Congress Government. I do not want a responsible Minister to come and state before a responsible Legislative Assembly that they, the voiceless millions, have been given things which in fact have not been granted. Is this a concession? It is all bluff.

"Speaking on this occasion, Sir, as a member of the depressed classes, I have studiously confined myself to the financial aspect of the depressed classes problem. The Premier has also remarked in the Budget speech that he hopes to break the segregational difference in an effective manner. He says that he hopes to do it but he is not sure of it. How can he be sure of it, for, though he has not put it in such a way, he at least knows that he has only given Rs. 4,500 more than what he did last year. I am sure at this rate he cannot realize his hopes. He has not provided any substantial amount in excess of what was provided for last year. I will go further and say that very little provision is made for the community over and above what has been done by the previous Governments. It is nothing short of self-adulation and complacency. Indeed the present Government have gone a step further and made much of the little that has been done in most self-satisfactory terms.

"There is very little done to give relief to the agricultural labourers, to the tillers of the soil, who are primarily the producers

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of wealth in this country. Moreover, every new taxation, whether it be the tax on petrol or electricity, will have ultimately to be borne by the poor, patient, sweating holder of the plough. Therefore, I have every right to denounce the taxes levied and the loans raised by the Congress Ministry."

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* SRI B. BHAKTAVATSALU NAYUDU:—"Mr. Speaker, the other day the Hon. the Prime Minister referring to us, members who constitute the Opposition, said that we oppose the Government out of an instinct to do so. That remark implies that we are not guided solely by the merits of a question. I desire to point out with due deference to the Hon. Prime Minister that that is a cheap gibe. (Rao Bahadur Sir A. T. Pannir Selvam: 'Hear, hear'.) I also wish to emphasise that we are not actuated by any cantankerous spirit.

"In his Budget speech, the Hon. Prime Minister has not referred to the agitation that is going on against the compulsory introduction of Hindi in our schools. He would appear to hug the delusion that the agitation is confined to a handful of persons. He is gravely mistaken. The Ministry's policy is causing widespread discontent and bitterness. The volume of discontent may look small, but it will before long assume an unmanageable proportion. I am sorry the Premier is acting like King Parikshit in this matter. It is time he reversed his policy. Obstinacy will not pay.

"We are thankful to the Ministry for the small mercies they are showing. In the matter of land revenue remission, the Government are following neither a bold nor a far-sighted policy. They have not yet decided to grant a permanent reduction of the land tax. They would seem to prefer a policy of improvisation and postponement. The agriculturist population has been groaning under a heavy burden; what it wants is a permanent remission and not makeshifts. In this connexion I desire to invite the Government's attention to one feature of their administration. The question of granting remission is decided on the basis of the reports of outturn furnished by the karnams. These worthy officials do not want to appear to be prodigal with the Government's money. Such an anxiety makes them actually parsimonious, if not niggardly. What they do is to overestimate the outturn, so that many cases which deserve remission do not get it. I call upon the Revenue Minister to instruct the Revenue officials and their immediate superiors to be graceful, if not also generous, in dealing with the poor ryots.

"I wish to refer to two more points: one is the permit that is applied for and granted for supply of water for the cultivation of dry land. This year on account of drought and general lack of water, orders have been issued to the effect that such permits need not be granted till further orders. I know the situation demands extraordinary action. All the same there are cases of dry land

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which deserve to be exempted. Suppose a piece of dry land is surrounded by wet lands; in such a land only a wet crop can be grown, and that means plenty of water is required, and if water is taken, the Revenue department levy a heavy penalty of even twenty times more than the block rate. I request the Hon. the Revenue Minister to instruct the Revenue Divisional Officers and the Jamabandi Officers to cancel these heavy penalties levied by Tahsildars, whenever such a case is brought to their notice. If the necessary permit is not granted, that land cannot be cultivated. Hence the need for exemption. The other matter I want to refer to is the facility for collecting green manure. A ryot should be free to take the leaves of trees on poramboke land adjoining his own plot—trees which probably he himself had planted and which he had taken care to grow with a view to obtaining therefrom green manure for his plot. No doubt the Government officials should see to it that the trees are not killed; but they should be liberal in the matter of allowing green manure. Such liberality will ultimately redound to the credit of the administration.

"Now a word about the proposals for new taxation. There are more competent persons in this House to deal with petrol and electricity taxes. The proposal to levy tax on sale of goods on the annual turnover basis is bound to create uneasiness. The Prime Minister is no doubt careful enough to say that the incidence will be low. It is not a question of the measure of incidence. It is not wise to add to the troubles of the tax-payer. It is bad enough that he has to pay profession tax and income tax; and now comes the turnover tax. Instead of bothering about a complicated matter of this kind, I suggest that the Government should think of embarking upon productive activities, so that on one hand employment may be given to the unemployed and on the other hand the coffers of the Government could be filled without prejudice to the public interests, without hitting this interest or that, the ryot or the landlord, the small trader or the big trader.

"The Congress Government claim to be ever solicitous of the poor man's welfare. In regard to two matters at any rate such a claim is untenable. The proposal to do away with commutation of pensions is sheer cruelty to the poor man. It will hit the non-gazetted officer very hard. His pay is low; he has a large and growing family to maintain; he is not only not able to save any money but is actually in debt. Such a man, soon after his retirement, thinks of securing a lump sum either to wipe off debts or to build a dwelling or make some provision for some unfortunate dependant; he is willing to get his pension commuted. Ordinarily, no sane man will think of getting his pension commuted except for very grave reasons. To deny such a person the only way of escape, is nothing short of calculated ingratitude.

"The other matter in regard to which the Congress Ministry's claim of being champions of the poor cannot be admitted, is the

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very unsatisfactory state of affairs in the Government Press. Early in October last there was a strike in the Press and the Prime Minister had to intervene. I would like to know why the conditions in the Press were allowed so to worsen as to explode in that distemper. I understand that the workers feel disappointed with the Congress Ministry and will go on strike if their grievances are not redressed. If such a catastrophe comes to pass—God forbid!—we will not get our blue books, yellow books, green books and agenda papers. It is funny for the Minister to claim remarkable achievements in settling industrial disputes when things are so rotten in the Government Press itself, the biggest factory under the direct control and management of the Government themselves."

* SRI K. PERIASWAMI GOUNDAR:—"Mr. Speaker, I shall confine myself to the time-limit by confining myself to one or two points"

* MR. SPEAKER:—"And set an example to other hon. Members and that in a maiden speech." (Laughter.)

* SRI K. PERIASWAMI GOUNDAR:—"The present Budget is unique in so far as it officially enunciates the future policy of taxation, namely, relief to the poor and shifting the burden of taxation to the better class. We welcome this idea and it would have the full support of the country. It is quite laudable and scientific. In pursuance of this policy, certain taxation proposals have been made, namely, a tax on electricity, a tax on petrol, a tax on entertainments, a sales tax and so on. But it is certain that there would be protests against these things as they fall on the local section of the people. Tax the agriculturist, add cess after cess to the land tax he is paying; there would be no noise, no protest, no breaking of necks or backs. But put a small tax on the well-to-do class. There would be noise and there would be protests. Indeed one hon. Member went to the extent of saying that the first straw was the last straw that would break the camel's back. Sir, we know these camels are capable of bearing many more straws but only they should be trained in the art of bearing loads. Unbroken animals fight shy of even the lightest load but in course of time they get accustomed to heavy loads. We are sanguine that these camels can be trained to carry much more heavy loads without breaking their backs, to the great relief of our milch cows.

"But, Sir, there is one item of proposed taxation to which exception might be taken. I refer to the tax on tobacco. It was a tax that was once attempted and dropped in deference to public opinion. It is a tax on the agriculturist. Whoever be the person that pays, ultimately it would fall on the agriculturist. The agriculturist besides food crops produces a few commercial crops, that is, tobacco, cotton, groundnut, etc. These are the only means by which he gets the little cash that he needs. Whatever might be the justification for such taxation in other times, it would be

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quite inopportune under the present economic condition of the ryot. It is also likely to be misunderstood and misinterpreted. So, Sir, I would suggest that this might be deferred for the present.

"There is one other item of taxation which comes foremost to my mind, namely, a tax on the house property in towns. The people in urban areas enjoy all the amenities provided by the Government. It might be said that they enjoy more than what might be legitimately due to them. Courts and police are at hand; colleges, schools and hospitals are in their vicinity; grants from Government for bridges and water-supply are liberal; but what is it that they contribute to the Provincial coffers? They might pay to their municipalities and get back their money in the form of services rendered to them; they may pay even income-tax to the Imperial Government. As far as the Provincial Government is concerned they contribute very little. I really wonder why the beautiful buildings in urban areas which show all signs of wealth and prosperity are not taxed, while the parched up lands in remote villages are squeezed to pay their share of revenue. If you tax these buildings on the basis of one-fifth income, I am sure we would get a decent revenue for the Province and that too from persons who are capable of paying.

"I now pass on to items of capital expenditure. I should like to say a few words about the mischievous and false campaign that is carried on in a section of our low-class journals and even by some gentlemen who might be expected to know better. All our capital expenditure requires money. We have got various electric schemes on hand. We have under consideration various irrigation schemes. How are they to be financed? Does anybody in his senses say that the Tungabhadra project, Bhavani project, Papanasam electric scheme or other schemes should be met out of current revenues? Is it even possible to do it? The only way in which they could be financed is by borrowing. Was the Mettur project financed from revenue? Let these critics remember that the Mettur project was financed by borrowing seven crores of rupees. Every productive scheme should be financed only by borrowed capital. The only safeguard that should be insisted upon is that borrowed capital should be used for productive purposes. Since the Provincial Government came into power they have borrowed three crores and propose to borrow $1\frac{1}{2}$ crores more. Every pie of it has been used for productive assets. Two and three-fourths crores have been spent on electric schemes and $2\frac{1}{4}$ crores as loans to local bodies and agriculturists, including one crore for agriculturists. As a matter of fact in this period, our productive asset has increased by five crores, from 22 crores to 27 crores, and produces an additional revenue of about 16 or 17 lakhs of rupees, judged by the most rigid tests. Our capital expenditure policy could be fully justified. It is as conservative as conservatism could possibly be.

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“ There might possibly be no use in arguing with the class of people who cannot or will not understand these things. Our capital expenditure mainly consists (1) financing irrigation schemes, (2) financing electric schemes and (3) advancing loans to agriculturists and corporations. Sir, I would press for a more vigorous programme of capital expenditure. Money is cheap. This is an opportune moment for capital expenditure. Taking the case of extension of irrigation, the acute famine conditions have made the irrigation problem both urgent and necessary. The Ceded districts, the Coimbatore and Salem districts are the favourite homes, if not, the permanent abode of famine. For the Ceded districts the Tungabhadra project has been taken on hand. The frequent famine conditions of Salem and Coimbatore are well known, better known to members on the Treasury Bench than to many other hon. Members. Take the case of Coimbatore. There is a terrible famine condition in those areas. As was pointed out by the Premier, the Government have started famine test works. What are the wages paid? A male labourer gets $1\frac{1}{2}$ annas or $1\frac{3}{4}$ annas a day and a female labourer is paid $1\frac{1}{4}$ annas. There is no use in saying that we are able to get labour for these wages. No doubt you get labour for these wages, not in tens, not in hundreds, but in thousands, from far-off villages. Surely you cannot trade on the misery of the people while I thank the Government for the test works which they have started here and there. I should certainly condemn the policy of paying such miserable wages. As the relief works are started in a few centres and as these could not provide work for all, many villages are deserted. It is feared that unless rains set in early, the Coimbatore district would be reduced to the position of an uninhabited waste. I am not given to exaggeration and I am not exaggerating. This is the actual situation. Why should this district of Coimbatore which is surrounded by rivers on all sides, by the Amaravati on the south, by the Bhavani on the west and the Cauvery on the north, be in such dire calamity? These rivers could be harnessed and water taken to these parched areas. The Upper and Lower Bhavani projects have been under consideration for a very long time. I think they have been under consideration ever since the advent of the British Government. People have got tired of it. In this year's Budget, we are again told that the matter is under consideration. Money is cheap, labour is cheap, lands there are fertile; the industry of the Coimbatore peasant is famous. Why then the delay? The people there cannot bear any more delay and I would beg of the Hon. the Premier and the Minister for Public Works to take up the Bhavani project for execution immediately. Sir, there is again the question of supply of Mettur water to Salem and Coimbatore districts. The Mettur project is not as productive as was expected. The only way in which it could be made productive is by supplying water to Salem and Coimbatore districts. Besides the financial effect, it would be a great relief to the famine

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stricken people in these areas. So I would request the Government to have the matter examined again. Let not Salem district suffer because it is over-represented in the Cabinet.

“ The other item of capital expenditure is the lending of money to agriculturists and helping the land mortgage banks to lend money to the agriculturists. I am glad that a provision of 75 lakhs of rupees has been made for lending money to the agriculturists. Last year we made a provision of 50 lakhs for this purpose but I am sorry to find that even this paltry sum was not fully disbursed. The apathy of the subordinate Revenue officers is the cause for this. I hope they would be sufficiently whipped to action so that this year at least this amount could be fully disbursed.

“ The rural credit facilities have all got frozen. It is impossible for an agriculturist to get credit anywhere. Agriculture cannot get on without credit facilities. Moreover the load of old debt has to be discharged. I think that effective steps should be taken for the supply of rural credit. Otherwise the rural economic life would go to pieces. Besides the vast expansion of village co-operative societies the land mortgage banks should be established in all taluks. I am aware that a committee is looking into the matter and I hope that as a result of the efforts of the committee ways and means would be found for the establishment of credit facilities in rural areas.

“ I desire to refer to one other matter. I mean the administration of justice. Besides, famine, cyclone, and the money-lender, the other cause of the poverty of our rural areas is the gamble in litigation. The proceedings of courts is conducted in a foreign language and the decisions of courts are so curious and so contradictory that the thing has got reduced to a state of mere gamble. The present system of administration of justice is not suited to the genius of our people. It has thoroughly failed. The whole system requires thorough overhauling. I am glad that the Minister for Courts comes from a class that is most ruined by litigation. I would request him to see that such things are ended and that a cheap and efficient system suited to the genius, to the character, intelligence and resources of our people is substituted therefor.

“ It is said very often that we are throwing away 4 crores of revenue by Prohibition. If this sum of 4 crores had dropped from the skies and if we had thrown it into the Bay of Bengal, it would be criminal. But look at our Excise revenue. Taking the accounts for 1937-38; out of the Excise revenue of 4 crores, 340 lakhs are contributed by toddy and country liquor; wine and other foreign liquors contribute only 10 lakhs. Which are the classes of people that contribute the sum of 340 lakhs by drinking toddy and arrack? They are the poorest and the most miserable among us. Shall we tempt them to drink by locating shops at convenient centres and collect the revenue by pandering to the vice of these unfortunate wretches? It is too filthy for any decent Government to do.

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"Sir, I feel I have already transgressed the time-limit and I do not wish to take up the time of the House any further. I thank you, Sir, for giving me an opportunity to speak."

4-45 p.m. * Mr. H. S. TOWN:—"Mr. Speaker, as the time at my disposal is very short I will refer only to one point, that is the sales tax. This appears to be a turnover tax and has caused very serious consternation amongst the business community. Not the ordinary consternation that any taxing measure causes, but a very serious deep-rooted consternation to serious-minded businessmen. This has come to us under the term 'sales tax'; it appears to be a turnover tax and has a fundamental difference to the sales taxes of other countries which are essentially taxes on retail sales. An article before manufacture may pass through six hands in this Presidency and will thereby be taxed 3 per cent. It might after manufacture pass through another six hands. Therefore, by the time it reaches the consumer, the consumer will have to pay 6 per cent on the price that he would have paid otherwise. The tax appears to be a level tax on all sales. Some things are sold at big profits, some at very small margins, a margin much smaller than many non-businessmen realize. Very often less than half a per cent is made on a sale and in times of depression we are sometimes called on to sell our goods at a price that do not more than meet the overhead charges. The possible effect of this tax on the ryot should not be forgotten. The ryot is the special care of the Congress party. I will take just one commodity, groundnut. Groundnut in this Province competes with soya beans, Chinese groundnuts and palm kernels. The price at which the exporter can sell is fixed by world prices. He cannot pass the tax on to the foreign buyer. Groundnut is selling to-day at a price that gives him a margin of profit that will not allow the exporter to put his buying price up at all. The only way in which he can continue to sell his groundnut in the world market is by reducing the price he pays to the ryot, and so the ryot must suffer.

"It is the same with cotton. You all know that I am interested in cotton. I may not be able to pay more to cotton growers in this Presidency than that I am paying to-day. If the price of cotton in the Madras Presidency goes up, I must buy my cotton outside the Presidency. Other Presidencies will profit by this tax on the sale of raw cotton. Then I manufacture my cotton into finished article and I sell it all over India. It probably goes through the wholesale dealer in the Madras Presidency who passes it on to the other Presidency. Each one of us in turn will be subjected to this tax. By the time the goods reach the markets in the North of India, Rangoon or Ceylon, I find that I cannot keep down to the price in the world market. My margins of profits are not sufficiently large to enable me to increase my cost price to any great extent. My apparently large profit depends on the volume that I handle and not large profits on individual sales.

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If we are going to have this turnover tax put on us, it will be very, very serious indeed for the prosperity of this Presidency. I would specially ask the Hon. the Finance Minister to give this matter his very careful thought and I would ask him to let us see his Bill very soon, certainly in this session. I would appeal to him to publish that Bill so that all shades of opinion may know what he proposes; and without presuming on my position, I would ask him to let the Select Committee sit after these opinions have come in, and then proceed with this Bill in the next session. I do feel that this apparently simple little Bill will have a very, very serious effect on the life of this Presidency. It is to me personally of the very greatest importance that the ryot should be a prosperous man. I wish to see him prosperous. I would do all I can to make him prosperous, for he is the man who buys the goods that I am selling, and unless he is prosperous, I cannot be prosperous. But, as I see it this Bill has a great chance of hitting him most seriously. I, therefore, do appeal that special care and thought be given to this one particular Bill. I would ask also that the same procedure should be adopted in the matter of receipt of public opinion, Select Committee and the consideration of the Bill, with reference to the tobacco vend-tax, which in its own way is similar though not quite so serious as the Sales Tax Bill. Sir, I am sorry that I have already exceeded my time-limit."

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Mr. Speaker, the budgetary statement of the Hon. the Premier is one long tale of woe and misery, a tale of famines, monsoon failure, unseasonable floods and devastating cyclones of which the country has been the victim. There has consequently been an extraordinary shrinkage of revenue with the result that the administration of this country has had to be carried on under exceptionally hard circumstances—circumstances under which the ordinary revenue falls short of the ordinary expenditure by not less than 72 and odd lakhs.

(At this stage the Deputy Speaker took the Chair.)

"The deficit of the current year, as I understand budgeting, is really, Madam Speaker, a deficit of 72 lakhs and not a surplus of 2.43 lakhs which we find in page 3 of the Hon. Premier's statement. This figure of 2.43 lakhs surplus is arrived at after taking to the revenue account the sum of Rs. 42.55 lakhs under the Minor Ports Fund and a sum of Rs. 32 lakhs under the head of Land Revenue, the 32 lakhs which ought really to come into the credit of the next year. This sum which has been taken over from the Minor Ports Fund has been variously described at various stages, as robbery, as theft and as misappropriation. Madam Speaker, on this occasion, I shall not use any such harsh expression. I shall content myself by saying that the Government were extraordinarily fortunate in finding a treasure trove which they have availed of. I would submit that but for the treasure trove of Rs. 42.55 lakhs, we should have had a deficit in the Revised Estimates. I would

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only like the Government to consider and to remember that treasure troves are not found every day of the year. And again regarding the 32 lakhs which ought to have gone to the next year's account but for which credit has been taken in this year, we find the Prime Minister stating in page 3 : ' 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 the anomaly gives a budgetary benefit in the current financial year of Rs. 32 lakhs.' I only like to say that this was not an anomaly that the remissions should have been granted in certain districts in March and in certain other districts in April. It was done for a very valid reason, that the fasli year to which the revenue relates runs from 1st July to 31st June, while the financial year begins on the 1st April and goes on to 31st March. If these remissions had all been relegated to the last instalment of kist collection, it would have meant that the burden of the whole remissions would all fall on one year, while the benefit would go on to the other year. So when these remissions were first given, it was probably thought that it would be a prudent course of budgeting to divide this remission equitably between two years. I do not say that the Government, under the circumstances in which they have been placed this year, were not justified in making this appropriation at all. I am referring to it only to show that the year 1938-39 is going to benefit to this extent that this 32 lakhs is received twice over. This remission which was probably given in March last year is going to be given only in April of this year. So the assessment collected in April 1938 is going to be again collected in March of this year. I am referring to this only to show in what bad state we have been financially. The state of circumstances, I do admit, impels all of us to extend our sympathy to those who are responsible for the administration of this land and I am sure this Government deserve all that sympathy, provided that circumstanced as they are, they adjust themselves to circumstances, take care of their resources, conserve them and use them in the best possible manner without dissipating them on projects of doubtful utility.

5 p.m. " The question that now arises is : ' Are the Government dealing with their financial affairs in a manner in which a prudent businessman placed under the financial circumstances in which the Madras Government are placed to-day would deal with those affairs? A prudent businessman when he finds his revenues going down would immediately cut down his expenditure to meet the budget. The Madras Government knew that in 1938-39 they were faced with the difficulty of an unprecedented character. They knew that the revenues were going down. They had to adopt extraordinary methods to overcome that deficit. Ordinarily you would have found that the proposed expenditure would have had to be cut down. Have they done that? On the

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other hand, while in the Budget Estimate of 1938-39 the sum provided for expenditure was only Rs. 15,98,00,000, the sum which is now proposed in the Revised Estimates is Rs. 16,20,00,000—an increase of Rs. 22.67 lakhs. I would submit that this is a process which no prudent Government, no wise businessmen would adopt.

" Next I would just refer to one fact of which I made mention last year and for which the Premier criticized me in his final budget speech and that was the rapidly diminishing—year after year—cash balance of the Madras Government. Last year the cash balance of the Government, the closing balance of the year and the opening balance of the succeeding year had been well over two crores of rupees. It had been suddenly brought down after the Congress Ministry assumed charge to one crore. The Hon. the Premier said that that was right budgeting and that I was wrong in offering criticism; I would only say that the prudence, the advisability, the advantages of having a reserve cash balance of a substantial amount, have been best demonstrated this year. If this year we had not resorted to this method of transferring the April kist to March, if we had not got this Rs. 42 and odd lakhs from the Minor Ports Fund, where would we have been? But have you learnt a lesson at least from the misfortunes of this year? While last year the cash balance was Rs. 136.87 lakhs, you budget this year for a closing balance of Rs. 55.10 lakhs while you require an absolute minimum of Rs. 53 lakhs for your guaranteed deposit to the Reserve Bank, and for the cash balances for your Treasuries and Sub-Treasuries, leaving a surplus of a petty sum of Rs. 2.10 lakhs. I would say again this is not prudent management of finance. This year you ought not to have exceeded your proposed expenditure. You should have restricted yourself at least to the proposed limit, if not reduced it. You must have learnt a lesson from this year's funds and conserved a substantial amount as your cash balance. You have done neither of this.

" Now, let me turn to the other question as to how you are conserving your resources. Talking of the question of the resources of this Government naturally the first question is the policy of Prohibition which should not have been adopted, a policy which means that year after year you are going to throw away lakhs of revenue amounting to ultimately no less than four and a half crores which is practically one-third of the revenues of this Province. Now let me make myself clear. I perfectly agree and I do not think any one will question the statement that absolute abstinence from all alcoholic drinks would be a most desirable state of things. I am myself a person who believes in temperance. I am not a teetotaler—I do not believe in teetotalism—but, if people would abstain from alcoholic drinks absolutely, who can doubt that they are better than myself? But that does not mean that teetotalism or absolute abstinence should be forced down the

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throats of people by legislation. Apart from the principle involved in it, I say it is an impracticable proposal. You are pursuing a will-o-the-wisp policy, as my friend, Mr. E. H. M. Bower, said the other day. You are pursuing an unattainable ideal. Of course the Hon. the Premier in his report says: 'It is practicable to stop the consumption of intoxicating drinks and alcoholic drinks by abolishing the State trade in it and enacting laws for total Prohibition. It is practicable in India satisfactorily to enforce Prohibition'—a statement which I certainly question. In other parts of the world Prohibition has been tried—tried with all sincerity and for a long time, but ultimately failed. They have had to give it up. Of course the answer will be: 'India is not the rest of the world. India is a heaven on earth. Where other people are immoral and given to drinks and things like that, we with our religious temperament will naturally take to Prohibition and it will be easy to enforce it.' Prohibition was tried in Jaffna, a Tamil country; it failed. In our own country, in India it was tried; in Baroda it failed; in Bhopal again the experiment was a failure. I can only say that where the rest of the world has failed, we are not going to succeed. It is a sheer waste of money to be throwing away lakhs and lakhs on this question of Prohibition. Of course the Hon. the Premier again states, 'We have tried it for eighteen months in Salem; we have tried it for six months in Cuddapah and Chittoor. We have succeeded.' True. In the earlier stages your officials and also non-officials are enthusiastic in proof of the old adage that 'new brooms sweep clean,' and you succeed to a certain extent. But as time goes on, human nature being what it is, that enthusiasm wanes. People's interest in it evaporates. Officials become lukewarm and indifferent. Human nature asserts itself and human instinct which naturally takes to some sort of stimulant would inevitably burst off again. It is said that the reports received by Government on Prohibition go to show that Prohibition has been effectively enforced during the year and a half in Salem. The Hon. the Premier relies on official reports. We being non-officials also hear reports from non-official sources. While the Premier believes from official reports that it has been all a success, we non-officials hear from various sources—of course non-official reports even from officials—and these go to show that the whole system is crumbling down in Salem district, that in rural areas it is a very common thing to see pots put on coconut trees at the backyards of houses and drink can be had for the mere asking of it in certain areas. Well, there is the experiment. You have begun it. I am afraid it is going to be a failure. You are great believers in it. I do not believe it. You think you will be achieving very laudable things. Therefore go on with it. Throw away one source of revenue.

"Let me next examine if in the spending departments the objects which you as Congress Ministers have introduced are so

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necessary and so important that even in the straitened circumstances you must be adopting them. First and foremost I will refer—I have got in my mind the question of Khadi which I shall refer to later on—to one thing over which I am very much agitated, over which the whole of Tamil Nadu is considerably excited: the question of Hindi. If you think that Hindi must be forced down the throats of the Tamils and the Tamil area, is it necessary that you should be spending public revenues even at a time when you are so badly in want of money for so many more useful things? You make a fad of it; I am afraid it is something more than a fad. My own belief is that it is done under a deep-laid plot, a deep-laid scheme of denationalising the Tamils and making them forget their own individuality. But that question apart, even purely from the financial point of view, do you think it is justifiable? Mr. Gandhi who is famous for starting his stunts periodically, ten years ago started out the stunt of Hindi as a national language. Immediately your Congress organizations began spreading the idea of Hindi in various places and Hindi schools were started. When you came into power you said that you were going to introduce Hindi as a compulsory subject. An opposition was raised straightaway—opposition not merely from the 'disgruntled' Justices, but opposition, by one who has long been a Congressman, a true lover of ancient Tamil culture, Mr. Somasundara Bharathi, whom you characterized last year as smitten with hatred of Aryanism. Hindi was opposed. The Hindus, Tamils, Muhammadans all opposed it. All of a sudden when one day we were sitting here we heard from you here for the first time that it was not Hindi that you were going to make compulsory but it was Hindustani. Hindustani—well, to this day people have not been able to tell me what exactly is the language which the Government are trying to compulsorily force down the throats of our youths as the third language, as an unwanted language in the middle schools. Is it Hindi or Hindustani? Is anybody able to enlighten me whether they are two different languages or the same? And if it is Hindi how many 'Hindis' are there in this country? Does not the 'Hindi' language vary from Province to Province? What is known as Hindi in the Punjab is absolutely different. I am told, from what is known as 'Hindi' in some other Province. People from one place speaking Hindi are not able to understand the Hindi spoken by people in another place. That is the state of Hindi. And what is the language itself? A language for which, Mr. Gandhi himself says, a dictionary has hereafter to come into existence, a grammar has hereafter to be made, a hybrid language, a language which these people do not want, a language which you want to force upon the Tamils. As to the opposition of the Tamils, it is sought to be explained away on various grounds. But I can assure the Hon. the Premier that it is not merely to-day that Tamils oppose any attempts to impose on them a foreign language or culture. When years ago a Viceroy thought of introducing

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Sanskrit compulsorily in the Colleges, the Tamils and Tamils alone protested and succeeded in resisting the proposal in those days. It is the self-same spirit that animates the Tamils to-day to oppose the compulsory introduction of Hindi. But you persist in forcing this fad of yours. What are the methods you adopt in doing so? You are throwing away public money on this item of expenditure. People do not want it. You want to force it down. When people protested—of course some people took to the method of coming in front of your house and standing there and protesting, expressing in perhaps very strong language their opposition to this compulsory introduction of Hindi—you immediately resorted to the Criminal Law Amendment Act, the Criminal Law Amendment Act which your organization, the Congress organization, at the very inception condemned and condemned root and branch. You were the people who said that this was an autocratic law brought into force by an act of an autocratic Viceroy; that it was an unnatural law; that it was an inhuman law. The Hon. Mr. Rajagopalachari thinks of one thing and, as soon as he thinks of it, he comes to the conclusion that that is the thought of the nation. Therein lies the fault. That is the whole mistake of it. Unfortunately, placed in the position in which he is to-day, he is led to believe and he honestly believes that what he has set his mind upon is the will of the country. That is the mentality with which you are working."

5-15
p.m.

THE HON. SRI C. RAJAGOPALACHARIAR:—"Please address the Chair."

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I am addressing the Chair, and when I use 'you' it is altogether in an impersonal sense. I am not addressing the Hon. the Premier at all.

"Now, Madam, turning to the Criminal Law Amendment Act, how are you enforcing it? When people came and protested against the compulsory introduction of the language in front of your house, you said that you were being abused, foully abused and all that. Immediately that sort of picketing was stopped. Now, day after day, volunteers, young men, young women, with children in their arms, old and aged persons, present themselves at the school. You call it picketing. What is it that they do in front of the Theological High School? Of course the Criminal Law Amendment Act says that any person who loiters in front of any place or near any premises with a view to deterring any person about there from doing an act which he is entitled to do, commits an offence. That is what your Criminal Law Amendment Act says. But what is it that is actually happening now? Is it anything more than a demonstration—a demonstration which has not affected the school really, a demonstration which is meant to appeal to the heart of the Premier? They tried to do it directly in front of your residence; they tried to demonstrate in such a

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manner that it shall not escape the attention of the Premier. Is the demonstration in front of the school really intended to prevent students from going to school? What is it that happened? Day after day, the police are given sufficient notice in advance that the demonstrators are going to start from such and such a place in procession and go and stand in front of a particular place and say 'Long live Tamil.' They go there and immediately the Policemen there arrest them, take them to the magistrate and he gives them six months' imprisonment and a fine and in default another six weeks. This is what is going on every day. Is it picketing? Do you say that they obstruct the students from going to the school? Could it be said that the object of the people who resort to this method is to prevent the students from attending the school. Is it anything more than a mere demonstration? If they want to obstruct the students, they will do it quietly without telling the people and in a manner which will not be considered to be obstruction. On the other hand, day after day, notice is given that they are going to start from a place a furlong and a half away from the school—I have not seen the place and I am not sure of the distance. From there thousands follow these people. They go and stand in front of this school and just say 'Long live Tamil.' The next minute they are arrested and taken before the magistrate and jailed. Do you call this justice . . ."

THE DEPUTY SPEAKER:—"May I remind Sir Pannir Selvam that I said nothing of the sort?"

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I beg your pardon, Madam. What I said was impersonal. When I say 'you,' I do not of course mean you personally, though you are worthy enough to bear any responsibility.

"As I was saying, a few thousands are wasted on this business in these bad days.

"I will turn now to the question of Khadi. Khadi is encouraged at Government expense because Khadi is supposed to be a cottage industry which enables the agriculturists to usefully spend their spare moments and earn a few annas. The principle is perfectly sound. I myself admit that the agriculturists in our country have to be idle for at least four months in the year and that during this period they have no chance of earning any money at all. If you think of giving them some means of earning a few annas, it is very good. But, for that purpose, you should set about the right way. You should encourage cottage industries. By cottage industries I mean industries which will not necessarily be done in the cottage itself, but industries which the villager can carry on in his own village. There are various areas in the Province each with a cottage industry of its own. Why make a fad again of this Khadi? Why force the Tanjorean for instance, in the whole of whose district you cannot grow a cotton plant, to import cotton from some other place and go on spinning

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yarn? He can be advised to use his money in some other more useful manner. There are certain areas in the Presidency where cotton is available. By all means let people there go on spinning cotton. Afford facilities for importing it and give them a few annas. But why force this fad of yours on the people all over the Province? There are certain districts in our Province where other means of spending their idle moments could be invented and taught to the people. Instead of doing that, you think of what a few years ago Mr. Gandhi said, viz., that Khadi is an excellent thing, that it is going to bring salvation to this country, that you should go on spinning and spinning and that by that means you will attain freedom. And to-day, when you have come into power, you are using Government funds for encouraging that thing. I say these funds are used not merely for the purpose of encouraging what you call the cottage industry, but that these funds are being misused for the All-India Spinners' Association. You are using public funds for your party propaganda. No Khadi in this country is according to you 'genuine Khadi' unless it has the impress of the All-India Spinners' Association. That is the arrangement. The money that you are allotting, you are handing over to the All-India Spinners' Association which has to check the various accounts and things like that. As a matter of fact, whether you spend the allotted money through the All-India Spinners' Association or through some other body, this money is being handed over to the All-India Spinners' Association. This body, it would be wrong to say, is merely an industrial organization. Every one knows, the world knows that it is one of your party organizations, that it is your men that work it. You are thus using, under the guise of encouraging cottage industries, if I may correctly express it, public funds for your own party purposes. (The Hon. Sri T. Prakasam: 'Absurd.') The Hon. the Revenue Minister says, 'Absurd.' But facts are facts and they have to be faced. I saw the other day that Mr. Gandhi said that any Khadi which did not bear the impress of the Association should not be accepted as genuine. So, no Khadi can be sold unless it comes through the All-India Spinners' Association. It is admittedly one of your organizations. (Voices: 'No, no.')

(The Hon. Sri T. Prakasam: 'Without knowing facts, one could talk here.')

I do not want to ignore, if possible, interruptions at least from the front benches; but when interruptions come in that manner one cannot help ignoring them.

"Then there is the fund given to the Harijan Sevak Sangh. You are allotting funds year after year for the amelioration of the depressed classes. This amelioration work was started well over 20 years ago. It was the bureaucratic Government that really started setting apart funds for the uplift of the depressed classes people. This object is absolutely unexceptionable. I should say, even in a bad year like this, even when we are hard-pressed for money, we should be able to find the necessary funds required for the

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uplift of the downtrodden community—a community which has suffered for ages. In regard to this matter, what are you doing? You are allotting funds and I am told that some of the hostels which are meant exclusively for the benefit of the depressed classes are being handed over for management to some Harijan Sevak Sangh. It was just the other day that my hon. Friend Rao Bahadur M. C. Rajah told me that even in the matter of providing ameliorative provisions, advisory bodies are created for supposedly advising the Commissioner of Labour but constituted almost exclusively of your Congressmen who are supposed to have been working in the Harijan Sevak Sangh field. There again the funds are liable to be misused though not to the same extent as it is done under the guise of Khadi. But it is again the use of funds for propaganda on your behalf and through you men who in the past have been working under the Harijan Sevak Sangh.

"And, talking of the Harijan Sevak Sanghs or even of Harijans, as a Tamilian I would strongly urge you to adopt a name which we in the Tamil Nad can understand. (Sri T. Viswanatham: 'You understand it alright.')

We do not. It has taken me half an hour to pronounce that name. But, anyway, do not impose these foreign names upon us. Do not adopt them officially. My depressed class brethren, the Adi-Dravidas are now given a new name which Mr. Gandhi invented some years ago for his own purpose. It is adding insult to injury to call them Harijans and giving them a kick. The other day I was reading a book by Herr Hitler where again and again he has described the Jews as God's chosen people and now he has chosen to send these 'God's chosen people' out of the country. Here we talk of Harijans as God's children and do not let them come anywhere near us and segregate them from inhabitable quarters. Why not continue to call them Adi-Dravidas? That is the name which they chose for themselves. I am referring to it, Madam Deputy Speaker, at such length because even in some of our legislative enactments this very objectionable word 'Harijan' has taken the place of the very good Tamil word, from the Tamilian point of view.

"The Harijan Sevak Sangh which is supposed to have been working so far only for the social amelioration of the people, has recently taken also to religious work. In Ramnad, the other day we saw in the papers, a hundred families of Christians or Hindus who became Christians some years ago, were re-converted to Hinduism. That is a matter about which we need not bother at all. The Harijan Sevak Sangh has nothing to do with us. But if I refer to this matter at all it is only to say that gentlemen occupying very responsible positions in the Government of Madras—the Hon. the Prime Minister, the Hon. the Public Health Minister and the Hon. the Minister for Agriculture, all the three of them

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—sent telegrams congratulating the Harijan Sevak Sangh and the converts. Well, if it was only the Hon. Mr. Muniswami Pillai who had done it, I would have said nothing about it; but the Hon. the Premier and the Hon. Dr. Rajan also sent these telegrams. What is the significance of that, I ask. We are not bothered very much about the re-conversion of these Christians to Hinduism. We Christians, whether Catholic or Protestant, are not anxious to retain within our fold anybody who has lost faith in our religion. I am therefore not at all worried about their being taken back to the Hindu fold provided they are kept in the same social condition to which they were raised during the last few years and not be relegated back to their old place. But what is the significance of these two Hon. Gentlemen, according to whose political faith there is no distinction of religion at all, sending those telegrams?

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“According to them the Congress door is open to all. The Congress is said to be a national organization. This Government is a national Government. The Congress is one national organization into which the Hindus, the Muhammadans and the depressed classes and everybody would be welcomed with open arms. Such are your professions. Still if a few Adi-Dravida families are re-converted into Hinduism, straightaway the Hon. the Premier goes into ecstasies and sends a telegram. Well, I should just like to know, if some Hindu families are converted to Christianity and my Hon. Friend Mr. Varkey sends a telegram of congratulations to the converts, what would be the Premier's feeling; or again, if some of the Hindus were to be converted to Muhammadanism, and if my Hon. Friend Mr. Yakub Hasan were to send a telegram of congratulations, how would the Premier appreciate it? If it is an ordinary person who has done this, I could understand it. But if one occupying the responsible position of being the head of the administration of the Province, and having the affairs of the whole Province in his hands, wants to show such an amount of enthusiasm because somebody who is not a Hindu has joined Hinduism, then does it not indicate the degree of impartiality or the tolerance of religion that you are capable of showing to others? I hope the Hon. Premier would give us some explanation.

“Just one word, Madam Deputy Speaker, about the numerous students' strikes which have become a matter of almost daily occurrence. All along when we were in power and even before, we were opposed to the student population being exploited for any party purpose. But when you were mere agitators you found it a useful thing to exploit the students and make them take part in political agitation and disturbance. Knowing that they were inflammable materials, you set them on fire. But now during the last few weeks, I find Minister after Minister getting eloquent about the absurdity of students taking part in politics and that

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students should constitute themselves into an organization which would correspond to a trade union. The Hon. the Premier with his usual facility for parables has converted them into cow-dung and says that it must be preserved and kept as a fertiliser for a future occasion and not used up as fuel at once. A very good advice! You used them when it was advantageous to your policy in the past and to-day you are reaping the benefits derived from their having taken part in politics. But now in your lectures, in your sermons you preach to these people how they must behave. I doubt very much if there is any sincerity about it. If there is any sincerity about it, how do you explain this fact that you as a Government have authorized your college authorities to admit some pupils into the Engineering College who under disciplinary action were expelled from the Osmania University? If the students belong to some outside institution and though they are expelled from that institution for their indiscipline, you say they can be admitted into your institution. But if they belong to your own institution, you tell them, 'You must be good boys; you should not behave like this.' Now I ask, 'Is it for us to sit in judgment over the propriety or the impropriety of the action of the Osmania University who have sent out their pupils?' You go on advising certain students not to organize themselves against their authorities but to act according to discipline. While an outside and a competent body such as the Osmania University who knew the circumstances of the case well expel their students on account of their misconduct, you admit such students into your Engineering College. (A voice: 'other Provincial Governments have done likewise.') Well, other Provincial Governments who have taken similar action are responsible for their action, and you are responsible for your action. Now where is the consistency, I ask, between preaching discipline among your students and encouraging indiscipline among students who come from outside bodies, Hyderabad or elsewhere? Is it because Hyderabad is an Indian State that you are preaching indiscipline for its students or is it because the Osmania University is a Muhammadan Institution that you are giving shelter to those victims of the Osmania University?

“Just one word, Madam Deputy Speaker, about this question of judicial separation. If there was any time which is more propitious to tackle this question . . .”

SRI T. VISWANATHAM:—“Judicial separation!”

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—“I am only sorry that even the Parliamentary Secretary to the Hon. Revenue Minister should be so short-sighted as to find fault with the use of the word 'judicial separation.' If he was not able to distinguish between a mistake and a slip of the tongue, I am only sorry for him. Well I think the use of the expression 'Separation of the Judiciary from the Executive' alone would

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make it intelligible to him as well as the Hon. the Revenue Minister (laughter). This is the time most suited for such separation. Because of paucity of work, civil courts of all grades are being abolished in various parts of the country. I should submit that instead of reducing the number of civil courts, the number of Sub-Collectors or Deputy Collectors who are Subdivisional Magistrates may be reduced and their magisterial work transferred to civil courts. Then there will be this separation of the judiciary from the executive, which the Congress has been asking for the last about 50 years and more. You were agitating for this before you took up office and the moment you took up office, you forget all about it. What is the explanation that is given for not taking up this much-needed reform? The Premier replies: 'How am I to carry on the administration if this separation of the judiciary from the executive is effected? I am in charge of the administration now and where is the necessity for such a separation in these days; it was necessary when the bureaucratic Government was in power; I, as representative of the people, am in charge of the affairs of the Province and therefore there is no necessity for this now.' I ask in all conscience whether this is not a direct hint to the magistracy that they should be subservient to the opinion of the executive. And what is the effect? On behalf of the party in power and on behalf of the Government of the day, lectures are being delivered by some of these magistrates. They seem to have constituted themselves into political propagandists on behalf of the party in power and monstrous sentences are being inflicted in the name of justice.

"Again, why this differential treatment in regard to trial of cases in criminal courts? How often, in how many cases, have not prosecutions launched by the Police been withdrawn even before the cases are actually taken up? Just the other day we heard—I believe somewhere in the south, in Ramnad or Tinnevely—that certain rowdies created disturbance in an anti-Hindi meeting and some of the culprits were charge-sheeted and the matter went before the magistrate. On the first day on which the case was taken up a slip was handed over to the Prosecuting Inspector to take an adjournment of the case. The Police Inspector simply got up and said, 'I want an adjournment of the case.' He was not able to say why he wanted an adjournment of the case. The accused offered this explanation: 'We sent a note to one of our Hon. Ministers and perhaps that is the reason.' That is when your men are the accused. But in other cases for merely saying 'Long live Tamil,' the punishment given is 7½ months' imprisonment. If the accused belong to your party even after they are sent to jail, on conviction, they are released within three days. But here a man who is held in high veneration, for his having delivered a speech in connexion with the anti-Hindi movement is taken to jail and in spite of his being a patient, he is kept in custody and his relations are not allowed to see him; and he is

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then sent away as an exile to Bellary, a place which is not a Tamil district and where he has no company. That is the sort of impartial treatment that this Government are meting out to the people in this Province!

"Then, again, I heard another incident—of course it is very minor—but it shows how this Government behave. Three days ago a letter was sent from the Secretariat to all the Editors of papers in Madras, stating that if on a particular day the representatives of these papers presented themselves before the Hon. the Minister for Public Information they would be furnished with a copy of the Budget Memorandum and also a copy of the speech which the Hon. the Prime Minister was to deliver in the Assembly on that day. Accordingly all the representatives of the various newspapers approached the Hon. the Minister for Public Information and they were given a copy of the Budget Memorandum and also a copy of the speech of the Hon. the Premier. But the representative of *Janavani*, a paper which has very nearly a circulation of nearly 10,000 . . . (Ministerialists: 'No': Opposition members: 'Yes'.)

"Well, the members on this side say, 'Yes' and members on the opposite say, 'No.' However, I would say that the circulation of that paper is well nigh 10,000. The representative of that paper was given only a copy of the Budget Memorandum and not a copy of the speech of the Hon. the Premier. The Editor sent a reference to the department concerned asking why a discrimination had been shown, why other papers were given both, while his paper was given the Budget Memorandum alone; and why he had been given both the things last year and this year alone he was denied the liberty of having a copy of the speech of the Hon. the Premier. Of course, the reply that he got was that the speech of the Hon. Premier was furnished only to the more important newspapers, as if copies of the printed speech of the Hon. Premier were not sufficient enough to be distributed to all the newspapers. I ask, 'Is it because the *Janavani* is not a Congress paper that it was not given the speech of the Hon. Premier?' Of course, as I said above, it is a very small incident. But I am mentioning this simply to show the mentality of the Government. I say people who claim to govern us should be high-minded. As long as you are there, there should be no discrimination between man and man and all papers should be treated alike, though some of them attack you and others support you. It does not become a Government to show this sort of partial treatment between people and people.

"Just one word more about the new taxes which the Government propose to levy. The Hon. Premier has enunciated a principle which is altogether unexceptionable. He said he would follow a policy of easing the burden on the poorer section of people by transferring it to the shoulders of the better class of people."

(At this stage, Mr. Speaker took the Chair and rang the bell.)

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5-45 p.m. * RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Sir, let me have the satisfaction of addressing you for five more minutes."

MR. SPEAKER:—"Already the hon. Member has taken 55 minutes. I think the Deputy Speaker has shown more indulgence. To that extent other members have been deprived of their opportunity of speaking."

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Just one word about the new taxes. The Hon. the Premier has enunciated a sound principle that the burden should be placed on the people who are able to bear it, but not on the poor man. I ask, Sir, whether the new taxes that he is going to levy are not going to filter down to the poorest. There is the tobacco tax. By all means charge tobacco in the cigarette and the snuff forms, but why tax chewing tobacco which is the only comfort of the working woman in the field?"

"Sir, things being as they are, I do not for a moment grudge the Hon. the Premier the satisfaction that he might derive by laying to his soul the flattering unction that 'the people are not tired of the present Government and are anxious that they should continue to look after the welfare and guard the interests of the people.' I do not wish to deny him that pleasure. Again he says that it is impossible for the Governments of the Provinces to function with self-respect under certain conditions to which he has referred. I can only say, Sir, that that statement has got an air of unreality about it. Time after time and budget after budget he refers to the irresponsible Centre and the difficulties under which his Government works. But still he carries on. Why this apparent pretence? It has all got an air of unreality about it."

"The Hon. the Premier has said again that '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.' That statement sent a consternation through the hearts and feelings of some people, and some of them began to talk as though it would be a great disaster to the country if the Hon. the Premier should decide to get away."

MR. SPEAKER:—"The Premier himself never thinks so."

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Nor do I think so. That is what I am coming to. From the point of view of peaceful constitutional progress which I should like this country to make, it might be a disadvantage. But I am sure that from the administrative point of view it would be no calamity. I think, Sir, that this threat need not have been trotted out to us time after time. If the Hon. the Premier resigns under the present circumstances, what will be the consequence? His Excellency the Governor will take over the administration under section 93 of the Act."

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MR. SPEAKER:—"Not at all. The Governor does not come into the picture so soon."

SRI KALA VENKATA RAO:—"There are other interim Ministers."

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"It is a matter of interpretation. My own view is that the Governor will have to take over the administration under section 93. It will be a bureaucratic Government. (Interruption.) I am only saying this to show that things will not be worse administratively from our point of view and from the point of view of those who are opposed to the Congress principles. Things will not be any the worse. The bureaucratic Government will make no distinction between man and man, at least so long as one of the two is not an Anglo-Saxon. Between an Indian and an Indian we shall have impartial judgment; they will not treat the clove picketers with approval and send to jail the people who love their own mother-tongue perhaps a little too well; they will not release some men indiscriminately as soon as they are convicted, and segregate others in Bellary. They will be very impartial, they will be fair, they will be just, they will have some regard for public feelings, they will have regard for humanity. . . ." (Interruption from Congress benches.)

MR. SPEAKER:—"No interruption, please. The hon. Member is in his peroration." (Laughter.)

* RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I am not indulging in peroration. I am giving expression to my innermost feelings and I say, Sir, that we shall not regret if to-day the Hon. the Premier resigns."

Abdul Hameed Khan Sahib Bahadur rose to speak.

MR. SPEAKER:—"What time will the hon. Member require?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"It depends on what I have to say."

MR. SPEAKER:—"You must limit your time. Will the hon. Member finish in ten minutes?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I cannot say; I shall try."

MR. SPEAKER:—"I must fix a time-limit."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"If you don't want me to speak . . ."

MR. SPEAKER:—"I want you necessarily to speak; but speak very briefly and to the point."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"You have experience of my speaking, Sir, and you know I don't do otherwise."

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MR. SPEAKER:—"The hon. Member may try to finish in ten minutes."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, after what you have called the peroration of my hon. Friend Sir Pannir Selvam, it is not necessary for me to add to what he has already said. This is an occasion when the non-official Members of this House, particularly those in the Opposition have an opportunity of saying what exactly they feel in regard to the administration of the party in power during the year that has elapsed or that is passing."

MR. SPEAKER:—"Specially with reference to the Budget."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Naturally, and also with regard to what the Government propose to do in the coming financial year 1939-40. Sir, although the Opposition here is very small (and it might be insignificantly small) so that it might not be of any effect so far as voting is concerned, the Opposition has a right as we are the only party that can freely criticize the actions of the Government. We are the only party that can in the right sense of the word give the supply to the Government to enable them to carry on the administration in the coming year."

MR. SPEAKER:—"Does this party usurp all the power of the House in giving supply?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Of course it is the House that gives the supply; I am sorry you have not understood what I sought to make out. Perhaps I have not made myself plain. It is true that it is not any party but the whole House that gives the supply."

MR. SPEAKER:—"Yes."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"But then we know as a matter of fact that the Government have got a very large majority behind them and so it is only the minority who are in the Opposition who have got the freedom to criticize the policy of the Government. That is what I mean."

"Sir, so far as the Budget for the coming year is concerned, my hon. Friend, Sir Pannir Selvam has said, and I agree with him, that though the Budget might appear to be a deficit Budget to the extent of 17 lakhs, the deficit is certainly much larger. That is due to the various circumstances over which the Government themselves had control and they are responsible for the deficit. On account of Prohibition the Government have been losing revenue year after year and the loss has now amounted to nearly 45 lakhs of rupees. Sir, my party has stood steadfastly by the Government with regard to that policy, and we propose to continue so. But I believe, Sir, that it is high time that the Government who have been responsible for introducing the policy

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of Prohibition in district after district must have gained experience during these years as to how that policy is working in those districts and whether they are justified in depriving the Province of such a large amount of money which they were getting from Excise revenue. Have they been able to find any other methods by which they can achieve this very desirable object without losing all this revenue? The Government have not taken us into their confidence and told us how Prohibition is working in the districts in which it has been introduced. Last year it was introduced in Cuddapah and Chittoor; we do not know how far it has succeeded there and how far it has succeeded in Salem. We have seen reports in newspapers to the effect that the Collector of Salem stated in one of his speeches that non-official support to Prohibition was lacking and therefore he would not be responsible if Prohibition did not succeed as was expected."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is not a correct reproduction of what the Collector said; in fact, he has taken the trouble to correct a mistake that was made on the subject by another person. The hon. Member does not seem to be aware of it. He talks away as if quoting."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I was just saying that the Government have taken the very responsible action of introducing Prohibition and that it was due to the House that the Hon. the Premier in his Budget speech should have given some account of the way in which Prohibition is progressing in those districts. We are living, as the Hon. the Premier said, in very difficult times in many respects. The monsoons have failed, and consequently the condition of our agriculturists is becoming very bad. Naturally it would be necessary for the Government to go to their rescue; but I am afraid that they are not proposing to give the agriculturist that amount of relief which is necessary under the extraordinary conditions brought about by the failure of the monsoons. Here and there we find that the Government are going to give some remissions or order suspension of kist but even those concessions are not given in time but have been postponed. I do not think that this is the way in which you should afford relief to the agriculturists. Then, Sir, last year some hon. Members drew the very pointed attention of the Hon. Minister in charge of Famine that it was necessary that the Famine Code should be revised in order to enable the Government to pay reasonably high wages to the worker during famine times, particularly in the Ceded districts. I do not know what the Government have done and whether the suggestions made here last year and the year before last have had any effect upon the Government. We know that the worker gets only a pittance of As. 1-3 or even less for the work that he does during famine times."

"Sir, even the Hon. the Premier does not expect that the prices of commodities will go up in the coming year, and yet

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we find that in the Budget figures the Government have taken credit for higher amounts believing that there will be better seasons next year.

6 p.m. "Well, Sir, coming now to the various remedies that the Government propose to give effect to in order to balance the Budget, i.e., launching upon schemes of fresh taxation, we have known of two measures, Bills relating to which have already been introduced in the House; they have been considered by the Select Committee—I mean the Bills relating to the levy of taxes on sales of petrol and on electricity. Hon. Members who have spoken before me have spoken about the disadvantages that would accrue as a result of the levy of these taxes to the poor people; but when we come to the threatened, proposed taxes, particularly to the proposal of a tax on tobacco and the general sales tax, I must confess that they would certainly hit hard many a merchant. My hon. Friend, Mr. Ahmed Batcha Sahib, while speaking on the Budget, showed how the smaller trader will be affected by this general sales tax. So far as the tobacco tax is concerned, my hon. Friend, Mr. Hussain, has brought to the notice of the Hon. the Premier the fact that tobacco is not a luxury, that it is a necessity, and that if it is to be taxed, it will amount to taxing even salt. It will be equal to the taxing of salt, because in my opinion, so far as Andhradesa is concerned—and you also know it, Mr. Speaker—tobacco forms part of the necessities of life. I must thank my Hon. Friend, the Minister for Local Administration, for interjecting that it forms part of the regular diet of the people in the Andhradesa. Such being the case, I think it would be wrong to tax such a bare necessity of the citizen as tobacco.

"So far as the general sales tax is concerned, I am afraid it is wrong on principle. I can understand the taxing of a merchant's profit, I can understand a merchant being taxed on what he gains as profit; but I cannot understand taxing the very capital or the turnover. Such a tax is sometimes called a profession-tax, but that also is a wrong tax. In this case, it becomes much more difficult for me to understand how the Hon. the Premier can indiscriminately tax one profession in the same way as another profession and one business in the same way as another business. I think he ought to know, and he must know, that profits vary with the nature of the business; and if you are going to levy the same rate of tax for all businesses, you will be hitting some people harder than the others. Therefore, I trust that the Hon. the Premier, before he launches upon this scheme of levying a tax on business, would think of, and find out if there are not, other sources of revenue to be tapped and as my hon. Friend—I forget the name of that hon. Member—suggested, consider the question of taxing lawyers in this Province. Sir, they are a very prosperous community, and if there is any community of people which can pay more than the others, I think it is the community of lawyers. They can certainly be taxed, and if they

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are, I am sure the Government will be able to secure a large sum of money. But that is not the only source; there are many other such sources. If the Hon. the Premier who is very resourceful in this respect gives some attention to this question, I am sure he will find various other avenues for taxing well-placed people.

"Sir, I shall not prolong this subject. I shall refer only to two other matters, and I shall close. Firstly, with regard to hand-spinning. My hon. Friend, Sir Pannir Selvam has referred to it and I do not therefore want to take much time of the House on that question, but I wish to know from the Government how they have spent the money. They have not yet taken this House into their confidence and given us the details of the expenditure. I do not know whether the money was given to the Spinners' Association altogether, whether it was controlled and managed and spent by the Spinners' Association altogether. I shall wait and see what exactly the Hon. the Premier says about it. But this much I am afraid I must confess, viz., that no sincere or honest effort has been made to introduce—if hand-spinning is a domestic industry—hand-spinning in the villages which are inhabited by Mussalmans. They have not done it. Well, my Hon. Friend, the Premier might come and say, 'You are not in my party, therefore I won't act according to your suggestion, therefore come to my party.' I don't think, Sir, that any speaker should belong to the Government party to enable him to make suggestions to the Government to do . . ."

MR. SPEAKER:—"I do not think he ever said that."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Well, he might not say so here. Anyway, Mr. Speaker, I would next refer briefly to the question that was raised by my friend Sir Pannir Selvam, i.e., with regard to the telegram that was sent by the Hon. the Premier and the Hon. the Minister for Public Health to some Harijan Sevak Sangh for the conversion of a certain number of Christians to the Hindu religion. Sir, with regard to this question . . ."

MR. SPEAKER:—"How does it relate to the Budget?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"It relates to the Budget in this way that it affects the policy of the Government."

MR. SPEAKER:—"Policy?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Yes; may I explain? If I say a few words more, I think I will be able to make the Hon. the Speaker realize my idea."

MR. SPEAKER:—"Anything that the Government do, does not come into the discussion of the Budget. There may be lots of things which the Government do which may be subject to criticism elsewhere, but not in this House."

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ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, my object in referring to this question is to show that Government have no religion."

Mr. SPEAKER:—"Government may have no religion, that does not matter."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"It ought to be so; that is what I want to make out."

Mr. SPEAKER:—"But the rule requires that the discussion of the Budget should be limited to the Budget as a whole or anything relating to it. This does not relate to it."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, Sir, my submission is that there is a demand in the Budget for the salaries of Ministers; and when we are speaking generally, on the whole Budget, we are also making a reference to the advisability of the action that a Minister has to take."

Mr. SPEAKER:—"Any action that the Minister takes?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Yes, so far as it relates to the people of this Province."

Mr. SPEAKER:—"It is too wide."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"If you will kindly permit me, Sir, I shall try to be brief and will show how"

Mr. SPEAKER:—"I think you are going off at a tangent. The Assembly shall be at liberty to discuss the Budget as a whole or any question of principle involved therein; but this is travelling far away from a general discussion of the Budget."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I think I am not travelling very far away, Sir."

Mr. SPEAKER:—"Far enough."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I think this matter took place somewhere in the Tinnevely district, Mr. Speaker, and so, it is not that I am travelling far away." (Laughter.)

Mr. SPEAKER:—"I suppose this is the last point; the hon. Member may close with this."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"This is not the last point; there is one more which I will refer to before closing. My object in referring to this question is to invite"

Mr. SPEAKER:—"To invite attention of the Government?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Not only to invite the attention of Government, but to make a request, an appeal to the Government to completely free themselves from any bias of this kind. Sir, it is very, very difficult for any party or

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any community to take an impartial and unbiassed attitude on questions like this. It is however very necessary that they should train themselves up to be impartial on questions of this character. Sometimes, actions like this expose the mentality of the members who constitute the Ministry. It is therefore necessary that they should rise above these small things and show to the public that they are as much Ministers for the Hindus as they are for the Christians, as much Ministers for the Mussalmans as they are for the Parsis. It is through small things like these that the confidence of communities other than their own is lost. Therefore, Sir, that was my object in referring to this question. I will next go to . . ."

Mr. SPEAKER:—"To the last point?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Yes, Sir, to the last point. I shall next go to the question of appointment to the services. Well, Sir, it is now some years since a certain Government of the past was responsible for formulating what is called a communal Government Order. And in that communal Government Order, a certain proportion was fixed for the various communities, and the Mussalmans got two out of every twelve appointments made. I am afraid, Mr. Speaker, that although that proportion has been fixed in the Government Order, the way in which that order is being administered in respect of minority communities, naturally for whose benefit this communal Government Order was formulated, has not benefited them. I would ask the Hon. the Prime Minister particularly to re-examine this question to find out whether the minority communities are getting the maximum benefit in the working of this Government Order. They are not. I find from experience that there are many handicaps, willingly or unwittingly placed, in the way of the smooth working of this communal Government Order. As a matter of fact, in the formation of circles, in the prescribing of qualifications, in the limiting of age and in the holding of competitive examinations—in all these ways, the minority communities are placed in a great handicap. I do not mean to say for a moment that any community should be given a concession so far as efficiency is concerned; but when a minimum qualification is enough for a particular office, what exactly is the object you have in your mind in raising the qualification unnecessarily, so that it becomes impossible for other communities who have not advanced to the extent to which some communities have advanced, to either apply or make themselves eligible for appointment?"

"Then again, Mr. Speaker, you know that the Mussalman community used to take, and even now to a large extent continue to take some time before completing the education of their children; they begin the education of their children somewhat late. You are also aware, Sir, that they complete their degree course some time later than the students of other communities do. If you are really anxious that they too should apply and

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they too should be eligible for appointment along with others, you should naturally raise the age for all concerned. I do not mean to say that you should raise the age only in the case of this community, but you should raise the age in such a way as to enable the members of this community also to apply. I have seen in many advertisements made by the Public Service Commission that many a handicap has been placed in this respect,—I do not think, Sir, I will be justified in saying, deliberately, but they are there. They have been put in the shape of conditions for making applications. They say for instance that Mussalman graduates who are 23 years of age could not apply for such appointment, because they ought to be only 21 years of age before a particular date. It is impossible. Therefore, I say, if you are really sincere and if you are really anxious to see that all the communities take their proper share in the administration of this Province, it is necessary that you should remove all these disabilities which have been gradually cropping up year after year and month after month, so far as this question is concerned.

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“I would conclude with a reference to the situation in Burma. I may state on this occasion that the Government of Madras have certainly acted very generously and have given kind treatment to the refugees who returned from Burma on account of the unfortunate situation in that country created as a result of the differences between the Indian community and Burmese community. They have spent something like Rs. 54,000 on this question. But, Sir, I must ask the Government to be much more active with regard to this matter in view of the fact that the situation there has not eased and is becoming worse. I do not know how long our present agent is going to continue in Burma. I hope it will be possible for the Government to insist upon the Government of India to send an Indian, preferably a non-official Indian holding an influential position so that he may go there and bring about an understanding between the Burmese and the Indian people. As regards the question of reparations, I do not know whether the Government of Madras have been able to close that chapter by impressing upon the Government of India and the Secretary of State with regard to the necessity of securing reparations for our people who have suffered loss of life and damage and loss of property.

“I conclude, Mr. Speaker, by congratulating the Hon. the Premier for the trouble that he has taken so far as this Budget is concerned. I know it is not easy to tide over difficulties created owing to unforeseen circumstances. I am sure that the Hon. the Premier, although he has threatened to vacate office, will continue to be there for some time. I must also add a word of congratulation to my old friend Mr. Jones, the Finance Secretary, who, I understand is leaving his place in the Madras Government to join the Government of India as Finance Secretary to the Government of India.”

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MR. SPEAKER:—“I think it is time that the Hon. the Leader of the Opposition speaks because we have to close the debate. There are a number of people who desire to speak but it could not be helped for the debate has to close to-day.”

* DR. M. J. SAMUEL:—“I would only request to be allowed five minutes to address the House.”

MR. SPEAKER:—“Yes, Dr. Samuel will speak and that for five minutes, and after that the Leader of the Opposition may speak.”

* DR. M. J. SAMUEL:—“I am not in that happy position as my hon. Friend, Sir A. T. Pannir Selvam, who has given such an enlightening talk on the question of compulsory introduction of Hindi. I come from a district of the Rayalaseema where famine is the normal feature year after year and some part of the district or other is affected every year. We are more concerned with the people being helped with more food and water than such controversial subjects as Hindi, etc. I would put before the House a few points because I have only been allowed five minutes to talk. In the Budget we are told that a sum of Rs. 24 lakhs have been spent last year for the alleviation of the suffering of famine-stricken districts. This sum was spent on the construction of roads and communications which were not of much public utility. These roads do not serve any useful purpose for the coming generation for they are laid in remote places where they are not largely used. I would much rather like that the same money had been utilized for carrying out remunerative minor irrigation schemes. I would appeal to the Hon. the Revenue Minister to undertake some irrigation schemes in the Ceded districts especially in Kurnool and Cuddapah. There are very many tanks and small reservoirs which are in a neglected and dilapidated condition. If this sum were spent upon some of these minor irrigation works the Government would have solved at least to some extent the question of famine conditions. Every time this Government are being asked about the prevention of famine in Rayalaseema, they bring in the colossal project of Tungabhadra, which, I am afraid, would not be realized in the lifetime of this Government. I, therefore, request once more that immediate measures may be taken to prevent famine in the Rayalaseema districts.

“Prohibition is another question about which I wish to say a few words. I am glad that Prohibition has been introduced in another district in our Province. We are glad that it was introduced in the Cuddapah district last year; and my sincere request to the Government was that immediately after Cuddapah, Kurnool should be taken up. Even last year, when I spoke on this question, I submitted to the House that Cuddapah is a district adjoining our own and the manners and customs of the people in both the districts are similar and pointed out that if in one district, it has worked well, the same should apply to the other district also. We are glad that the district of North Arcot has

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been taken; I submit to the Premier that he might take up our district at least next year when he brings in Prohibition for some more districts. Why I put this suggestion is that the people are already very poor and becoming poorer still because of this bad habit and the sooner the temptation is removed the better it will be for the people. The drink evil has been at the back of the ruin of so many poor families and I, therefore, request that Kurnool district should be taken up at least next year.

"The last point I wish to touch upon is with regard to the question of Harijan uplift undertaken by the Government. My hon. Friend, Sir Pannir Selvam, has taken objection to the term 'Harijan.' The Harijan as I understand it is an 'unfortunate man.' The real meaning of the word, is the man of God. It is a matter of gratification that the present Government believe that they are the people of God and therefore, they have taken up the work of the uplift of these classes in right earnest, to improve their condition socially, economically, educationally and politically. But then, Sir, there are Harijans in other quarters also; as we all know a large number of Christians have come from the depressed classes in the Ceded districts. It is also true of the districts of North Arcot and Chittoor. There are many Christian Harijans and also Muslim Harijans. That being so, when you help only the Harijan belonging to the Hindu fold, I ask, 'How far are you justified in helping only one particular section of the community who happen to belong to the Hindu religion, leaving out the others, though all are drawn from the same depressed classes?' I request the Government to extend the same privilege to the Harijans, whether they be Hindu Harijans, Christian Harijans or Muslim Harijans."

* KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—

"Mr. Speaker, I shall try as far as possible not to repeat the very sound arguments that have been already made on the floor of the House in connexion with the general discussion of the Budget. The Hon. the Premier, introducing the third Budget has referred to the uncertain political conditions that are prevailing and called upon all in this country to give him and his Government the utmost co-operation, sympathy, good-will and support. I can tell him that the Congress Government as constituted to-day have probably been the luckiest Government that so far had the fortune of occupying the Treasury Benches since 1920 from the point of view of co-operation and sympathy. (*The Hon. Sri C. Rajagopalachariar*: 'We have earned it.') The Hon. the Premier says that he has earned it and I only wish and hope that he should live to earn it. My mind now goes back two years when after their huge success at the polls the Congress were hesitating to accept office. I would only ask hon. Members to recall to their minds what the atmosphere was at that time in the country and ask whether it was not a fact that almost all the groups and parties who were opposed to them in politics before, said with one voice that the Congress should not shirk their responsibility, that they should not throw away a great chance and that, in their opinion,

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the country had given them the vote to further the progress of the country under provincial autonomy, though some sincere members of the Congress party doubted the wisdom of that advice. I can only say that those who advised that much good would ensue to the country by the Congress accepting office were right as is evidenced by the various statements that the Hon. the Premier has made both on the floor of the House and on other occasions in the country that he has had the best of co-operation from the services and that there has been an absence of interference on the part of the Governor, which was a nightmare to them at that time. They asked that the special powers of the Governor should not be brought into play to restrict the constitutional activities of the Ministry before they accepted office. After some struggle for some months, they accepted office and they have found that they have no such interference; on the other hand, they have handsomely acknowledged that they have had the utmost co-operation and support from the Governor. His Excellency the Governor, if I may say so, has always been helpful and sympathetic at all times to this Government; if it is not so, the House would always be very happy to know it; but I am sure the Hon. the Premier has no cause to say anything on the matter in the negative.

"With regard to the services, he has the best of co-operation from them. We have no doubt in our mind that the services in this country are quite loyal to the Government irrespective of the parties at the head of affairs. I think even to-day not only the Government servants but also servants of public bodies, local bodies and quasi-Government institutions are acting according to the orders of the Government. That bears eloquent testimony to the fact that the services of this Presidency can be trusted to carry out orders loyally and faithfully; so there is not much need for the Hon. the Premier to call again for support and sympathy, particularly in view of the fact that he has had it in plenty from all quarters including political parties. I should only say that he has troubles elsewhere. He has troubles from the extreme section of his own party, from persons who believe in things far advanced." 6-30 p.m.

SRI K. V. R. SWAMI:—"Does it include anti-Hindustani also? (Laughter.)"

* KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—

"I can stand any amount of interruption; but I shall not take up the time of the House by answering interruptions."

"The extreme section with which he has to deal is doing things short of a no-tax campaign. And added to this is the Congress election embarrassment. It is such things which I should call as the trouble that stands in his way, and I do not know to whom he

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would appeal for co-operation to ease him from such troubles. I should also add that the troubles are due to their pushing through schemes without knowing the real feelings in the country.

"I may also state that I find one other statement in the second paragraph of his Budget speech, where he says, 'We are still carrying in Government in the provinces under an irresponsible Centre and in the shadow of a scheme of all-India Federation,' while in the latter part of his speech he is paying tributes to persons who now constitute the Government of India and gives certificates for their work, ability and so forth, at the same time, as I said, calling them irresponsible Centre. I do not know why he calls them irresponsible, nor do I remember any occasion when he has said in this House in what way the irresponsible Centre have interfered with the administration of the local Government. If they have done anything I am sure I will be the first person to start the agitation and join in doing all things to make the working of provincial autonomy a success in this Province. I should say, to my knowledge, I have no information as to the occasions when the irresponsible Centre have interfered with the administration. If any, we should all be happy to have the information furnished by the Hon. Premier.

"Next, Sir, the question of the shadow of Federation. Men of my persuasion have always said that whatever may have been the working of the Montford Reforms in other provinces, particularly in this Province they have been worked with very good success, and similarly, it lies with the Congress Party to work provincial autonomy for the good of the people. I feel that with good-will and understanding on both sides Federation should be possible, particularly in view of the fact that there is a consensus of opinion in this country that Federation, as it is now before us, is defective in many respects, and that it should be remedied; and with the usual safeguards as a guarantee for the non-use of the Governor-General's powers and similar other things, I do feel that it will not be beyond the wisdom of Indian statesmen to work Federation. I think that should be the correct approach to Federation, and I do not think Federation should in any way frighten members administering local Government, on whose sympathy and support depends the chances of working Federation early.

"Sir, now coming to the particular circumstances under which the Hon. Premier has had to present this Budget, I agree with him that the circumstances are very depressing as also the circumstances that have preceded in the last twelve months; and as we are situated, what with bad seasons and cyclones, I feel much for the lot of the agriculturists. Sir, I do feel that much more relief could have been given to the agriculturists. The sufferings of our people in this country are enormous now, and I think, it would grow worse in the country before the next season begins.

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"While on the subject of the distress of our brethren here, I may be allowed to refer very briefly to our brethren in Burma. In this connexion I would like to say that the interest of this Province in the welfare of the Indians in Burma is very great, particularly when we realize that the majority of the Indian population in Burma hails from this Province. Naturally, the concern of the Government and of the people is very great; and I need not detail on this occasion the great services Indian labour and Indian capital have done to make Burma what it is to-day. On former occasions, on the floor of the House, we have debated fully the question of Indians in Burma; and I have expressed my concern then, and we all hope it will have the appealing effect. I shall be failing in my duty if I do not express our appreciation of the manner in which Government and the Hon. Prime Minister have been watching the situation and acting and have been reassuring the people of this country in the matter of the safety of life and property of Indians in Burma. I do hope he will always continue to take the vigilant interest which he has evinced in the matter, and in the immediate future, in the problem that is facing him, the question of the choice of the successor to the present Indian Agent who is to retire shortly. Several suggestions have been put to him, and I do hope he will make the best choice, which will make a good way in the matter of protection of Indian life and property in Burma.

"Sir, with regard to the manner of framing the Budget, the Hon. Premier has said that he is first anxious to determine the needs of the people. Sir, this is a matter about which we have always expressed in unmistakable terms that this should be the method of approach, and we are glad it has been done. It entails also a serious responsibility on the part of Government. While they have to determine the expenditure side first they have necessarily to see they do so in such a manner as to minimize the disturbance to the various items of tax existing and proposed. The success of budgeting on the basis of taking expenditure first depends mainly on the capacity to adjust the budget after determining the amount necessary for expenditure. Whether, he, representing the people, will be able to measure the capacity of the people is the question. He, in his opinion, I must say, first has come to the conclusion that it will be possible to do so. Sir, I only stand here to say that in the matter of taxation, the needs of the Government will not satisfy the view point of the person who has to pay the tax.

"Sir, for meeting the needs of the people and for providing amenities any Government will ordinarily be entitled to reasonable taxation. But I want to put forth this plea, that considering the economic distress with which we are now faced at present, the question becomes very complex and the ability of the person to pay is a very difficult question to be answered, particularly because, Sir, among the items of expenditure or among the items of revenue

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we find items coupled with theories, I may say, doubtful theories and doubtful propositions. It is here that we want caution. Sir, such theories are being put into effect and that in full force and full vigour although there has been recently some slight mitigation in the process of applying this theory—still the danger is there—which I think is responsible for landing this Government in the plight of having had to raid the Minor Ports Fund, and to put off the remission of 32 lakhs of rupees to next year's budget. It may not be wrong budgeting; I will not say it has offended the canons of budgeting; but I say it because remission is of immediate need to the agriculturist. I only say he has had to resort to this also even after resorting to a definitely known raid on the Minor Ports Fund. If only care and caution had been . . .

* THE HON. SRI C. RAJAGOPALACHARIAR:—"If I had more money I would not have done it."

* KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I entirely agree; I absolutely agree with him that he will be the last man to tax the agriculturists. For what has he said in his election speeches? The Hon. Premier waves his hand to express that he did not say so. Probably the Congress Party has done it. Election speeches were made promising 50 per cent reduction in land revenue. I know the Congress members feel very sorry they are not able to get so much relief to the agriculturists; I know they feel they are not able to get the party to support proposals fulfilling their election pledges. But why? They have not got money. The question is whether they should allow the people to continue to bear the same burden, if not more. I am being told, Sir, that the people are being made to save money in an indirect manner, but whether they are really able to save money by Prohibition is a very doubtful question. I question, Sir, the statement or the proposition that the agriculturist is really saving money in those districts where Prohibition is introduced. We shall see what happens in all these places whether he has been thrifty or not.

"Sir, I shall not take up time of the House in dealing with the various taxes that are proposed to be levied. I had an opportunity two days ago to deal with two of the taxes. I shall have an opportunity to-morrow to deal with the petrol tax and the electricity tax. I shall only say a word about these two taxes. Both these taxes may be brought into existence, for I am sure that is going to be the decision on these taxation measures, for a party which has a big following in this House is not going to be defeated. That being the case, I wish only to plead and appeal to the Hon. the Premier that it should not entail or work hardship. It should be possible for this hon. House to make some more amendments to make it more equitable instead of a heavy burden. I should be only pleased if my hopes are realized.

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"Sir, about the new taxes, probably the Hon. the Premier would have escaped much criticism, would have escaped much attention from the Press and the members of public, if he had not probably announced the future taxation in his Budget. I am very grateful to him, Sir, and the whole country will be grateful to him for his having announced these taxes in his Budget speech. Though they may be coming in August, it gives us the greatest opportunity to express our views on the immediate information that he has given to us about the future taxes. A very good suggestion has been thrown out by the hon. Member representing the European Association, that it will be useful if the Government published the Bill for public criticism and before introduction itself. There is no use, Sir, if the Bill is to be introduced and is a Select Committee immediately appointed. It will be very useful if particularly the Sales Tax Bill is circulated for public opinion much earlier than it is introduced on the floor of the House. Sir, with reference to the sales tax I can speak for a very very long time, particularly in view of the fact that I am credited with some knowledge of business conditions. I shall not take up the time of the House except to bring out one or two facts. A very responsible and leading merchant in this place dealing in skins and hides has sent in a memorandum of a few pages which I have just now perused, that with regard to hides the turnover tax will amount to 1 per cent approximately and the turnover tax with regard to skins will amount to 3 per cent. This he comes to by putting the article in the hands of a few persons only. If it should pass through the hands of more persons we would come to exorbitant rates. I only want to bring home to the Government that a general sales tax is the most injurious form of taxation. It will work undue hardship and if a uniform rate is applied all trades and businesses will not bear equally; it will hit some people and will not hit some (Sri K. V. R. Swami: A graduated tax?) I have a suggestion made that a graduated tax will be good. I cannot say offhand how a graduated tax will work or even if we graduate a tax, I imagine it will only be a partial help. The distinction should be not only with regard to the total amount of money for which the merchant or trader sells goods, but the question of the selection of the trade and the business that is the most important. What have this Government been doing this one year? Now they come forward with a petrol tax and an Electricity Duty Bill. Then there is another one, the tobacco tax. They have chosen what are known as particular trades. Sir, even there, there is opposition. I would venture therefore to suggest, Sir, a full enquiry as to whether a commodity and whether a business can reasonably bear a sales tax and whether the tax will fall equally on all people or on particular people, will have to be made. This should be the first approach to the problem. I would implore the Hon. the Premier to drop the idea of a general sales tax. I suggest that

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they should be able to choose one after another these various commodities and then we should be able to know whether the sales tax on the one chosen commodity is proper or not.

"I do not want to take up the time of the House by relating to the House the places where the sales tax has been a success, places where it has been a partial success, and places where it has been a failure. One thing I can say, that this should not be understood to be a tax on very rich men or that it is a just tax. I have information from small businessmen during the last few days—there are many people in Madras—that they are affected by this tax. I have received several telegrams from places outside the City that it will entail hardship on the middle classes. The Hon. the Premier in his speech has said . . . (An hon. Member: 'What is the alternative?') I am not here to suggest alternatives. It is not my job. On the other hand it is very well understood that it is not the job of the men on this side to suggest alternatives. (Interruption.) I am asked to give constructive suggestions. I am here only to make constructive amendments and not to give constructive suggestions. (Interruption.) If I could be a Member of the Government you will not be there one minute longer. (Sri T. Viswanatham: 'That will never happen.') Let not a catastrophe happen, particularly in view of the statement of the Hon. the Premier that he is labouring under very difficult circumstances, on account of bad season and economic distress. The Hon. the Premier in his Budget statement with regard to the principle of taxation has said that his idea is to shift the burden of taxation from the shoulders of the poor to those who could bear it. That is a very difficult question which has always been debated on taxation measures.

"Now, I think that as regards the measures that have been introduced I can say confidently, Sir, that they will affect practically almost all people. It is very difficult to say to-day who are those people who could bear taxes, and the sales tax in particular of which I am now speaking, I can say, is going to affect practically all people connected with small and big trades in this country. I may also say that it will work very great hardship in this country.

"There are one or two other matters to which I should like to refer. My hon. Friend, Sir Pannir Selvam, has dealt very elaborately with the question of the compulsory introduction of Hindi and the use of the Criminal Law Amendment Act by the Government. I would only remind the Government of this discussion that we had last year on the Budget and the subsequent discussion on the answer to a short notice question, a discussion on the floor of the House with regard to compulsory introduction of Hindi and the way in which the Government are dealing with this agitation. I straightaway confess, Sir, that it passes my comprehension why the Government should make it compulsory,

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when responsible men in the Tamil country, men who have nothing to do with this party or that party, come forward and suggest that the Government should drop the compulsory introduction of Hindi. As a matter of fact the Government, the Congress party, through their various other organizations have to an extent spread the study of Hindi—through the Hindi Fracharak Sabha and other associations—in a voluntary manner. I ask the Government whether it is not possible for them to introduce Hindi in our part of the country through those voluntary methods. Why should they resort to compulsory introduction? I am only asking one thing. The Government should take note of the agitation, the feeling and excitement in the country. Why have these not been responsible for changing the mind of the Government in this matter? I plead with the Government to take note of the very serious feeling that is prevailing in the entire Tamil Nad with regard to the compulsory introduction of Hindi. When on the floor of the House last time we raised the question of the compulsory introduction of Hindi the reply was that only two men were connected with this movement. Probably they meant Mr. Ramaswami Naicker and Mr. Somasundara Barati. But to-day, Sir, it is unnecessary for me to tell the House that it is not the work of two men, or the feeling of these two men. There is a real feeling in this country which has been responsible for this agitation. I do hope that the Government will take note of the wide feeling in this country with regard to compulsory introduction of Hindi particularly. In my opinion, Sir, it is absolutely waste of energy on the part of the Government to think of putting down this agitation. By one stroke of the pen they could say, 'Hindi is not compulsory,' and they will find that they are in a better position than they are now. I do hope that the agitation and the feeling of people will be taken note of by the Government.

"Then, with regard to the use of the Criminal Law Amendment Act that has come in very handy. We have heard so much in the matter. I do not contend that absolutely there is no necessity at all for the use of Criminal Law Amendment Act, even for dealing with this particular kind of agitation. But the manner of the agitation, the manner of the persons who are crying, 'Long live Tamil' have not been taken into consideration. As my hon. Friend, Sir Pannir Selvam, has said it is absolutely not necessary to take these young men who cry for their mother tongue and put them in jail for 7½ months. I want to tell in this connexion that the Government in their policy in applying their power of arresting and putting any person in jail who disobeys the law have to some extent not been impartial. I shall only illustrate it by the case against Mr. Batliwala and also the case against Mr. Muthuramalinga Tevar. I do not object to their showing any favour. But what happens to Mr. E. V. Ramaswami Naicker? He has to be in jail, however old he may be. I am only stating this to illustrate . . . (The Hon. the Premier: 'and however

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friendly he may be.') I am told, Sir, 'however friendly he may be.' There is something in it, Sir. That is a very laudable principle that 'I will be impartial. Even if it be the case of a friend, if he is to come under the law, I will not budge an inch.' That statement is given, Sir, and I give every respect to that statement. But, I question, Sir, on this occasion whether there has not been any partiality. Sir, I do not question the propriety of the Government in releasing Mr. Batliwala and Mr. Muthuramalinga Tevar. I only ask the Government, is there any justification for keeping Mr. Ramaswami Naicker in jail any longer? I want hon. Members of the House who have considerable experience of agitation in this country connected with politics and who have enormously suffered and sacrificed, to recall instances of political prisoners having suffered on account of ill-health and the attempts made by the public for the release of such prisoners. Have not the Government released, Sir, have not the Government of India released? Probably the degree of each person's suffering may vary. Not only that. It is not a new thing for the Government to release its prisoners. It is not a new thing to have a prisoner removed from a solitary place to a congenial atmosphere. It seems to me to be reasonable, particularly when there is a demand and the Government have nothing to lose in the matter. What they wanted was to gag the person. That has been done. Even there the people question, 'Is it necessary to gag these people who speak for their mother tongue?' When I spoke last time I did not speak with so much confidence. But to-day I am

7 p.m. confident that I am not speaking for myself alone. I am speaking for a very large number of persons in the country who honestly and sincerely feel that the Government ought not to continue the policy of compulsory Hindi followed with arrests and incarcerations of persons opposing it. When I say this I reflect public opinion. It may be that there is opposition to my view point. But that does not in any way minimize the strength of my argument and the feeling with which people view this agitation in the country.

"Sir, I shall not take up the time of the House with regard to the commutation of pensions. I will have occasions later on to speak. But I shall refer to the cut in salaries. I for one would say that, if we can, we should make economies wherever necessary and possible. But I only feel that there is a doubt with regard to the general proposition in the present circumstances, particularly in view of the fact that there have recently been two revisions of salaries in 1933 and recently. Taking those two revisions into consideration, Sir, I have a feeling that it may not be very just to have a salary cut. Have the Government become bankrupt and are the Government in such a position as to ask for a salary cut—particularly in view of the fact that their theories, which involve them in serious losses are being questioned by the public, and their presumption that the agriculturist is able to

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save on account of their theories being put into practice are being questioned? Will it be right for us to deprive these citizens who have had the fortune or misfortune to enter Government service to pay for these theories? I feel, Sir, that such things should not make us deprive the permanent officials of their privileges—not that I am putting any special plea for the officials. If the country is really in such a state, if we have absolutely no money, we could say, 'We want your co-operation; we want your help; you can help us by voluntarily agreeing to a cut,' and so on. But I contend, Sir, that the situation has not come to that state of affairs that a cut in salaries is justified. We ought to take into consideration the 'dumb official' who cannot speak, who cannot express his feelings in words. As the Hon. the Premier just now indicates I am supposed to be the spokesman on behalf of these dumb officials. (Laughter.) What I mean, Sir, is that we, politicians, we persons representing the public in this august body should take into consideration the cases of those persons who cannot put forward their views before this House. Now after the very rigorous instructions given by the Government that they should not approach members of the legislature with regard to these questions and their grievances and such things, it is incumbent, Sir, just because Government have imposed all these things on our part to look into the matter ourselves and see whether we are justified in applying the cut. If we feel justified, by all means, we can have a cut. I for one feel that such a stage has not come.

"Sir, let me wind up with one word of appreciation to our Finance Secretary who is leaving us. (The Hon. the Premier at this stage seemed to indicate 'not for me.') The Hon. the Premier is not retiring and I do not therefore propose to offer my congratulations on any impending retirement. I confine my congratulations to Mr. Jones on his promotion to the Government of India and say the loss that Madras has sustained is a distinct gain for the Centre.

"Sir, I should end by hoping that the present political situation will not only become clear but will enable us to work for the progress of our country from strength to strength and I do hope, Sir, that the dark clouds that we find will not be present for a long time and that we will be allowed to carry on the work for the good of the people."

MR. SPEAKER:—"The Hon. the Prime Minister will now reply."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, before taking up the main part of my task now, let me finish off a few personal matters so that they may not be hanging over us unnecessarily and keeping us in suspense. The few words that I put in my speech with regard to the state of uncertainty prevailing appears to have been somewhat misunderstood. The uncertainty

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to which I wished to draw the attention of the House was with regard to the Government of the country, with regard to the political changes and not with regard to my own personal connexion with this Government. The uncertainty as to the Centre, the uncertainty as to the part which the Native States have to play: these are grave matters and I explained that a Provincial Government under the Government of India Act finds it hard—must find it hard under any conditions—to function under an irresponsible Centre and this should have made my point fairly clear. It is asked by the Leader of the Opposition, 'In what way has the Centre interfered with you? Tell us and we shall not be on opposite sides in that matter but shall co-operate and carry on a combined and effective agitation.' I am grateful for that offer. I never doubted that such co-operation would be available. But it is not possible for me at every stage that we find a difficulty to take the public into confidence. There are inherent in Government—as in hon. Members opposite who can easily understand by a study of the Government of India Act and out of their own experience where they have thus taken part in administration—connexions and inter-relationships in the functions that the Provincial Government have to discharge. Without any elaboration hon. Members can see the large part that the Centre, either directly or through the Secretary of State, plays in the personnel of the Government and in the numerous rights and privileges that have been laid down in the Government of India Act. Hon. Members here need not worry about any particular cases. Let us take for instance the very general question of retrenchment. Freely is the advice given that we should not widen the gap, widen the gulf in the standards of appointments which certain services enjoy and which certain other services do not enjoy; but in that connexion can the Provincial Government proceed to act freely? Are they not dependent entirely upon the Secretary of State and therefore upon the Centre—not to speak of salaries? There are many other matters which apart from the salaries bring the Centre into the direct field of the functions of the Provincial Government. It is not proper for everything that is under communication and correspondence to be shared with the general public. Because we are peaceful, we do not want to fight till all other methods are finished. And, delicate correspondence and communications are bound to be spoilt if the public is taken into confidence at every stage. I would therefore hope to be excused if I do not immediately put on the table of the House all the difficulties that we have in regard to this and similar matters. But I beg to be believed when I say that whichever the Government may be, a Provincial Government cannot function under an irresponsible Centre and a Secretary of State who is theoretically responsible to the people of England who do not know, and who do not care to know, the details of Indian finance, or Indian administration or Indian life and who cannot be expected to know, even if they had the time to study. To-day no man in Europe—and no woman—even though he may not be an official, even

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though he has entirely all his time at his own disposal, no man or woman in England now is free to think of anything beyond the borders of their own overstricken country. Therefore I want this House to understand that the Secretary of State also is thoroughly irresponsible, as irresponsible as the present Central Government so far as we are concerned. Therefore it was that I said that it is impossible for a Provincial Government, however peace loving it may be, however wise, however compromising it may be, to function under these conditions of irresponsible overlordship. It was this and connected things that I referred to. It was neither my helplessness nor our party difficulties that I referred to. Our party difficulties have a peculiar knack of being solved one way or the other without any difficulty being handed over to those who sit on the opposite benches. (Laughter.) Inherently our party is such, since it represents popular desires and popular ambitions and popular tastes, that it has the inherent capacity to settle its own affairs without any difficulty to those who do not share in our responsibilities in this matter. Sir, so far I spent a little time to explain the misunderstanding. My difficulties to which I referred in the first few sentences of my Budget speech were not difficulties concerning our party but they were difficulties concerning the constitution and concerning the present state of political life in the Indian States and in the various provinces in our country.

"Many hon. Members generously joined in paying compliments to the Finance Secretary who is going away to Delhi. I am glad that in appreciating the work of the permanent services I have had the unqualified support and confirmation of friends opposite. Some members even went so far as not only to join in complimenting but even to extend commiseration to the Finance Secretary for having had to deal with a Government such as is now functioning. I think it was Mr. Bower, if I remember right, who said that he rather congratulated him for being relieved of the duty of working up Budgets for an impossible Government like the present one. (Laughter.) I entirely agree with that attitude of sympathy towards the permanent officials who have been brought up on entirely different policies and on entirely different ideas. I wholeheartedly agree with that observation that Mr. Jones and his company deserve praise for being able to work intelligently, industriously and zealously, and I may even say enthusiastically, under us, whose policies are so different from their own bias and from their own pre-conceived notions. Do I not see in members opposite an entirely different attitude; at least in some members opposite do I not see an entirely different attitude? They are unable to appreciate our difficulties. There are little differences between the attitudes that they have and the attitudes that we have towards things; and therefore it is, when I am disappointed in what I expected from some members opposite, I appreciate all the more the loyalty and the zeal and the capacity and the adjustability of the members of the permanent

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service. Therefore I say that I do admire and I am glad Mr. Bower paid special compliments in that direction to the Finance Secretary who is going away.

"Let me illustrate and at once go into our subject. Take for instance the loan policy or the borrowing policy of the Government. Any one who knows a smattering of public finance understands and can understand that our borrowing policy is perfectly right. That is why an hon. Member in the Council of our Province who spoke the other day on this Budget appreciated our borrowing policy. He is a Professor of Economics. That is why, Mr. Langley who is wholly different in politics from us, appreciates our borrowing policy; and that is why one other member, businessman of a different kind representing the community, as he always loves to call it, of the Indian merchants, also appreciated our borrowing policy. But what do we hear from some other members? I cannot explain away their attitude on the score of ignorance. It would be impertinent for me to imagine that these gentlemen who objected to our borrowing policy did not know the elementary principles of public finance. It would be impertinent for me to attribute ignorance to them. I can only explain it by saying that because they do not like us, they do not like what we do. (Laughter.) That is why they found fault with such a patently right thing as our borrowing policy. I was under the belief when I prepared this Budget speech that it was only given to a few ignorant newspaper editors, obscure editors, to think in that way. I was believing that only the special antipathy of certain newspaper editors and writers could explain such utterly wrong statements about our borrowing policy. But I found some members here continuing on the same lines and offering their criticism as if the country is heading for a great calamity under our stewardship with regard to the borrowing policy. It is easy to mislead a people, who have no experience of public borrowing and who have no experience of Government borrowing. But it is unpatriotic so to mislead the people because you do not like a particular personnel of the Government. It is unpatriotic for all time to make remarks and circulate propaganda which would hurt the Government for all time, which would hurt progress of our country. That is why I consider it so important that I am giving time to this aspect of the matter.

"One member said, if I am not mistaken—I hope to be corrected if I am doing injustice; I think it was Mr. Appadurai Pillai—that the money borrowed is being used for current purpose. No, I am sorry; what was said was that we were heading for bankruptcy, that we were borrowing and leaving the country in a bankrupt condition by borrowing and borrowing, and that we should, on the contrary, pile up cash balances and spend from out of them rather than borrow. It would be unjust, and as ignorant as unjust, to make such criticism or to accept such criticism. Mr. Bower, I think, said: 'It is all right, and you

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explain away your assets. You call certain schemes "remunerative," as somebody used the word "Mesopotamia." Mr. Bower made a very humorous speech. I could enjoy it from beginning to end. But I wish there was goodwill along with humour, or patriotism along with humour. What did he say in effect through that joke? He said that just as the old woman said that she found much comfort in the blessed word 'Mesopotamia,' so also the word 'remunerative' may mislead people by being used as a sort of a jugglery word. Item after item may be taken up; let not my Budget speech, or the Budget Memorandum or even the Budget figures be taken up; but let the audited accounts of 1937-38 be taken up. Hon. Members should remember that as regards our finances, an independent Auditor-General, an officer of the Government of India, scrutinizes them and his officers audit them and such audited accounts are before the House and circulated before the time for this discussion. They are before the members; let them be taken up and examined. Is it 'Mesopotamia' or am I speaking the truth? The remunerative works are given in the Budget. Take page 165 of our Budget Memorandum. The assets and liabilities are there and they can be compared with the accounts audited. It will be observed there that after deducting for interest at a prescribed rate and after deducting working expenses and all that, a profit of 2½ per cent is found to be given by these items. Is that to be called remunerative or is it to be called 'Mesopotamia'? (Laughter.) In this connexion I may state that we have a standing rule that if any particular work, however good and useful it may be, fails to be remunerative for three successive years after allowing for a fair rate of interest and for all the working expenses, it is taken out of the remunerative list and relegated to the unremunerative list even though it started as a remunerative one. This, Sir, is not 'Mesopotamia' but financial rectitude.

"Then, Sir, take our irrigation works. On this standard they have shown, as I said, 2½ per cent profit on the average. All of them, good as well as bad, taken together give a profit of 2½ per cent after allowing for interest and for working expenses. Electricity, on which we have invested about 4 crores, is one of our big items, and Irrigation is another big item in which our assets are 15 crores. After allowing for interest and working expenses, they yield a return and are remunerative. Some yield only 1-13 per cent. I repeat that it is so. Now let me say where we have failed. One item, the Industrial Engineering Workshop, has not proved to be remunerative. 'Do you grudge it?' I ask hon. Members. The Industrial Engineering Workshop has not proved to be remunerative, but I think hon. Members would find fault with the Government if we close it down, because it is not remunerative according to this test. There is nothing else to explain. Therefore, Sir, I say on the floor of this House that all these irrigation systems as well as electric systems, the cinchona

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plantations and the Kerala Soap Factory all these taken together, are not only meeting in full the interest on the capital outlay as well as working expenses, but are earning profits. Therefore, it is wrong and unpatriotic on the floor of this House for responsible Members returned to the House to make statements which the ignorant public who do not understand public finance might take to mean that something is wrong with our finances.

"Then, reference was made by Mr. Langley not only to the cinchona plantations which are near him and under his observation, but to the loans given to the local bodies. Our local bodies are working hard. Our local bodies, however, are abused all round. They are working hard and are made the victims of various kinds of observations. It is easy to attack them. And therefore Mr. Langley did a dangerous thing when he said: 'You have lent money to these local bodies. Is it all quite safe?' An observation like that can catch fire easily like non-safety matches. It is quite easy to start a story like that. I do not say that Mr. Langley knew that it was quite safe and yet cautioned us. I should clear his doubt. The loans to local bodies and other such heads amount to Rs. 650 lakhs. The loans to the Presidency Corporation and the Port Trust and other ports amount to Rs. 137 lakhs. Are they bad debts? The Port Trust is just as 'white' as it continued to be. I hope he will allow me to say so. I think he will accept the Port Trust as quite good. The Port Trusts are good, nobody can doubt them for merely 137 lakhs. Then loans to municipalities, Rs. 178 lakhs. Now let me say that I, at the head of the Government, sit like a snake over the Exchequer. I am unpopular with all the influential members of my party, because I am too strict with regard to loans and things like that; let me make that confession. I do not mind, however, being unpopular, because it will not be good for the party if I begin to be lax. Let me say, therefore, that the department concerned is subjecting every demand for a loan to the greatest scrutiny and it is given the fullest scope to examine the proposal that is put before it. So far as I am concerned, I think there is no danger at all in this matter. Hon. Members may take it from me that that is my way and as long as I am in charge of finance, that shall be my way. I am prepared to incur unpopularity or any difficulty, if it is necessary, for protecting the safety of the finances of our Province.

"Then I come to loans and advances to Scheduled classes, criminal tribes and things of that sort. These are trifles. The main items are these: loans to co-operative societies and land mortgage banks. Hon. Members know how my hon. Friend, Mr. Ramalingam Chettiyar, fights with me for every item. He fights and says that we are not liberal enough; we are too much of a Jew. For me it is quite right that we must be Jews and that we must be careful in lending money to co-operative societies and land mortgage banks.

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"Then I come to 47 lakhs which has been allotted to local bodies. This is for covering the deficits of the local bodies. Do hon. Members know under what conditions we give these bodies loans? We examine their proposal for fresh taxation rigorously; we agree to their fresh taxation if it is necessary; and we also examine how many years it will take them to pay. We ask them to keep provision for a sinking fund and then we give loans. I shall not go into greater details in regard to this matter. I can assure the House that our loans to local bodies or Government servants or the Tiruppur Cotton Market or even Religious Endowments Board are all made on the condition that they should make provision for a sinking fund, and I say everything is quite safe. That is why I say that these advances are creating interest, not only the rate of interest from the point of view of money market, but also sufficient interest to cover any risk involved in future in certain bad cases. Hon. Members may remember that some time back it was asked why wrongly we were charging 5 and 6 per cent when we were borrowing at the rate of 3 per cent. These interpellations were not answered by me at question time, but I reply to them now at the Budget time. These higher rates are charged in order to cover risks of non-payment and also risks arising on account of postponement of collection. All these will have to be covered by a little margin between the borrowing rate and the rate at which we lend money to local bodies. And let me say that all these are carefully covered and there is no difficulty or danger whatsoever about these things. Let me also tell hon. Members that any writing off in any year is debited to the revenue of that year, and therefore it is doubly safe. It is not in any way a less advantageous system.

"Then, Sir, hon. Members referred to the rather bad shepherding in regard to consolidated loans, regarding the interest we have to pay to the Government of India. I do not know exactly what they meant. Two members referred to that subject. Probably they meant that we are to fight and get that reduced. Not that we will not fight; not that we do not know how to fight; not even that we forgot to fight. But the process of this borrowing must be understood and the average rate of interest must be taken into account. The Government of India themselves have borrowed at 5 per cent on a large number of their loans and in this connexion I may say after an examination of the whole situation, $4\frac{1}{2}$ per cent was put down there and it is not open to us to get clear of it within such a short time. That is the only difficulty about it and that is the only justification about it. The Government of India will fling at our face if we go on corresponding about this matter. These are the grounds, and it is not on account of inadvertence to the subject that we keep quiet about it.

"Then, Sir, Mr. Langley suggested that we ought to keep a floating loan going rather than borrow a long-term debt. That seemed to be his suggestion." (Turning to Mr. Langley: 'Am I right?')

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MR. W. K. M. LANGLEY:—"Only for ways and means."

THE HON. SRI C. RAJAGOPALACHARIAR:—"Yes, that is right. I was dealing with the matter of ways and means. He appeared to favour the floating of a short-term loan rather than the long-term loan that we issued. He may be right, but I have to explain that after taking advice from such responsible people including the Governor of the Reserve Bank we took to this course. Let it not be assumed that the short-term loans will always be an advantageous affair. We know that sometimes the rate of interest went up to 7 per cent with some Governments who took short-term loans. It is not also always safe in view of the international situation and the crisis that sometimes happens. Taking all these into account, we have cut the medium; so to say, we are putting our eggs into two baskets and not in the same basket. It is possible that a floating loan may be more advantageous and that is why I have said in express terms when presenting the Budget this year that we need have to borrow so much and nothing has been decided as to whether we should borrow entirely on the basis of a floating loan or any other basis, or on the basis of both. We have only stated that we require 1½ crores and that we have to find ways and means and the best way we will decide.

"Then, Sir, it was said by Mr. Langley that our assets and liabilities have grown to very large proportions. That is so. Liabilities 21 crores and assets 33½ crores. He said that we have to pay very large interest and that we ought to be very careful. I am not quite sure whether Mr. Langley has given sufficient attention to this matter. Otherwise, he would not have made this remark which needlessly and wrongly gave rise to ill-informed criticisms indulged in by certain other Members. We are not to be judged as a bank. A Government ought not to be judged as if it were a bank. If it were a bank, anybody may call on the bank any day suddenly and in order to meet such a contingency, the bank ought to keep large cash balances. But we ought not to keep large cash balances in order to meet such contingencies. The Government is a different thing; it is different from a private management. I shall not offend people, who do not like comparisons, by indulging in homilies. Any Government would be grievously in error if it were to manage its affairs on the basis of a bank, if it were to manage its affairs on the basis of managing the affairs of a family or a private property. The Government is essentially a different thing; it is essentially a different thing from the manager of a private property. If we are to keep a wide margin, what do we really do? What is the meaning of it? Mr. Langley was good enough to refer to Mr. Gladstone as having saved the British finance from the track which it was previously following. I want Mr. Langley to judge these things on the standards of Mr. Gladstone. If it is to be put in clear terms, what is the meaning of keeping large cash balances in the shape of assets as against liabilities?

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It means that we are taxing the taxpayer for nothing, but simply for safety's sake without understanding his capacity and without having sufficient confidence in our taxpayer. If we do such a thing it would be wrong to the present-day generation. Mr. Langley in the next breath put a correct proposition. He stated that our borrowing policy is quite correct, but that we ought not to spend from such a thing for our revenue purposes. What does that mean? Other Members do not really appreciate the importance of that statement. That is why I am rather emphasizing what Mr. Langley put forward. He has put forward the correct defence and for all the criticisms that have been made with regard to our borrowing policy Mr. Langley's answer is quite enough. It is not only right to borrow, but it is wrong not to borrow if it is going to be a source of income in the future. If without doing this, you impose taxes on the present generation and make it pay not only to this Government but also to future Governments for whom such taxes are going to be a source of revenue, you are doing injustice to the present generation. You should not be unjust to the present-day taxpayer. That is quite a correct attitude. Mr. Gladstone and all good financiers will bear us out in our financial policy. It was emphasized by him in a famous Budget speech that it was correct to borrow. He took the old-fashioned bankers by surprise by making such a statement. They did not understand that Government was a different thing from a bank. To Mr. Gladstone a Government was as different from a bank as water is different from alcohol. The two are totally different. Because a bank has to borrow, it has to keep cash balances just like a private man, and has to look after its assets in a different way from that of a Government. But the Government has to tax only to the minimum and spend the maximum. My hon. Friend, Sir Pannir Selvam, asked us incidentally to keep larger cash balances. But I think he did a great disservice to the financial knowledge of this Province. It is wrong to keep large cash balances. We must depend upon our revenues. We must not pile up taxes. We must depend upon the continual capacity of the people to pay and spend the maximum and collect taxes up to a minimum only and borrow if you want money for continual remunerative purposes. Therefore to keep a large cash balance is not a correct thing to do. We are compelled to keep a certain amount of cash balance and we are bound to do it. We are going to do it.

4.45
p.m.

"In the same connexion, Sir, while most hon. Members who knew the subject appreciated the approach to the Budget problem that I referred to in my speech, certain hon. Members appeared to hold another view and said that it was wrong to take the expenditure first and collect the revenues according to that expenditure. They said that we ought to know what we could get, gather the revenue first and then spend within the limit. Now that is the

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private gentleman's code of finance. It should not be the Government's code of finance. All modern Governments follow the approach that I have set out to-day in my Budget speech. We must know what we have to spend and collect all that from the people. If it is beyond our capacity, strike it out; if it is within our capacity we must collect it. It should be remembered that the Government is not the owner of property or the owner of a bank. It is a co-operative concern. Such management is not a new thing either in our country. I have lived in the villages and I know what is done there without anybody in the towns knowing it and without the Government knowing it. Supposing they want to run a festival, they first calculate how much is wanted and they collect what is called a *vari*, which means a tax. They divide it among the householders. The old-fashioned people of the villages do not first find out how much money they can collect and then say, 'Let us spend it all.' That is not the way of any Government be it of a village or of a whole Province. They first find out how much should be spent and they distribute it among the people as a *vari* and they collect it. That is the simple village government and it is the same for the Province. We must find out what is wanted and divide it among the people and collect it as a *vari* from the people. Now a *vari* is a good thing in the village and it is looked upon as a proper thing to be paid. But the word 'tax' is unpopular. Here 'tax' is something that frightens people; it is the only way by which people can co-operate and run a joint concern. Therefore when we are collecting taxes now, we decide what is to be spent—the minimum—and we put off certain things that can wait. We see what taxes we can collect. We proceed to ask for the sanction of the House for this tax being collected. It is a simple process, the same process by which the Mariamman festival is conducted in the village. It is the same thing that is adopted in the Government also. Nothing more. Only it is larger in size, the figures are greater and the spread of it is greater. There is no other difference. Hon. Members should agree to the taxation measures as cheerfully as the village householder agrees to the Mariamman festival *vari*. But if it is wrong, it is open to the Members to criticize. We are here to examine the Bills and see whether they are right or wrong, but this approach to the problem is the correct approach.

"The hon. Member, Mr. Langley, went a bit further than myself. He said that we might borrow not only for these remunerative purposes but even for public health, rural water-supply, roads, sanitation and the like. There I think he ran away with logic. He went to the logical extreme. His argument was that our sanitation, public health, road improvement, water-supply and all these things were going to benefit the future generations also, and that therefore they should also pay and that we are entitled to borrow to finance those schemes. Logically speaking

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MR. W. K. M. LANGLEY:—"Within limits."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Truth can never escape us where we reason it out. We will always find where we completely agree if only we are reasonable and have no previously-conceived notions in the matter. I also agree that it should be 'within limits.' But I shall explain why our limits are rather large. Every year we have to spend on these things. It is true that the future also is to benefit by our spending now but that process is to be multiplied in such a recurring manner that it almost amounts to the same thing as spending for ourselves. For we have now to spend for the next ten years; the next year we have to spend for the next ten years and the year after next, for the next ten years. So that we would always have to spend for the future also with regard to public health, sanitation, roads and the like. Therefore it is sound finance to pay for public health and such things from the current revenue alone. That is the ultra-conservatism to which I must stick in spite of Mr. Langley's willingness to loosen the reins for us if it should be necessary. If at any time it becomes necessary to spend very large amounts, if, for instance, the European group put forward a reliable scheme by which we can make our roads good enough for the next twenty years so that there will be no need for annual repairs, I am prepared to advise borrowing."

MR. W. K. M. LANGLEY:—"Is that a firm offer, Sir?"
(Laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is a firm offer, at any rate as firm as I hold office. (Laughter.) But let my conditions be rightly understood. Once the road is made, it should be as good as the reservoir at Mettur. It should not be what we see now on the roads of Madras: the thing looks all right, but everybody is digging it up again. (Interruption.) The hon. Member protests on behalf of the Madras Corporation. The repairs are no doubt there. But if by capital expenditure we can make our roads, wells and public health works strong enough to last so many generations, we are perfectly prepared to borrow. It will be perfectly sound finance to borrow. But I am a little more conservative in that respect than Mr. Langley, because perhaps Mr. Langley is more interested in the development of new experiments in our finance as well as our roads, but I am not quite so much interested in the experiments as in the roads themselves. Therefore it is that small difference that explains my greater conservatism in the matter. But I am broad-minded enough and scientific enough and if the thing is true, the offer is firm. I could easily see and I know it is wasteful to repair things every year; apart from finance, it is wasteful in many other ways if a thing can be done permanently."

"Mr. Reid and some other hon. Members also said that we have done nothing for agriculture, that we have not done enough."

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'Nothing' means 'not enough.' I ask the hon. Member to cast his eyes down on the details of the agricultural budget. He will see the following: Agricultural Research stations—3.79 lakhs; Agricultural demonstration and propaganda—7.03 lakhs. The demonstrators have been increased from 186 to 203 in the present Budget. And then you have "Agricultural education—1.47 lakhs, Agricultural experiments and research—4.73 lakhs." The research covers cotton, paddy, sugarcane, dairy-farming, ground-nut, animal nutrition, paddy, coconut and the like. And then there is an allotment of Rs. 46 lakh for the improvement of agricultural marketing. These are not small. I can understand some hon. Members with pre-conceived notions saying, 'Why all this waste? Nothing is going to come out of it.' I can understand other people saying that this is not enough and that we should do more. But it is wrong to say that this is nothing or next to nothing. There is a mistake and a persistent mistake for which this Budget procedure gives room. Every year we look only at the additions. We do not care to see that the previous amounts also have to be spent. Hon. Members have got into the habit of thinking that somewhere there is money ready for carrying on all the previous items passed already in the previous years which form Part I of the Budget and all that the Government are to do is to find the money for the extra expenditure. But the Government have to find the money for the whole—for what is in the previous year's Budget as well as for what is added to it. Therefore if we go on increasing year after year, a nation like ours, whose resources are limited and who are not only notorious for their poverty but are actually poor, cannot be taxed every year extra. If they cannot be taxed every year extra, it means we cannot spend every year on Part II schemes either. A stop has to be put to all our pet schemes. There is an old story that if a man began lifting an elephant when it was a small calf and continued lifting it everyday as it grew in size according to its age, he could finally lift it when it grew to its full size to which it would grow as it advanced in age. That is to say, the man starts lifting an elephant when it is a calf just a day old—he could no doubt do it easily—and continues lifting the elephant everyday as it grows up for thirty years, for everyday there will be a tiny addition only to the weight of the elephant and if the man is able to lift it on one day, he must surely be able to lift it the next day also, because the addition to the weight of the elephant is only very small. In that way the man believed that he would be able to lift a full-grown elephant when it is thirty years old. That is what hon. Members expect the Government to do. They say that we must go on adding Part II schemes every year and that we must not say in any year that we do not add Part II schemes. One hon. Member said, 'Only Rs. 4,000 added this year.' Another hon. Member said, 'Only Rs. 1,700 added this year.' A third said, 'Only one lakh of rupees added this

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year; it is a drop in the ocean.' Hon. Members would wish the Government to go on increasing the Budget from 6 crores to 7 crores, from 7 to 8, from 8 to 10, from 10 to 12 and from 12 to 16 crores. Yet the Government are supposed to be able to go on. We could do that, but hon. Members prove to me in clear terms that we cannot tax more, that it will be a very heavy burden to tax more. The meaning of it translated into Part II schemes is that we cannot add any more Part II schemes, any more experiments and any more expenditure. It is only if we refuse to see the clear meaning of words and figures that we can go on expecting the Finance Minister to add every year to the previous year's expenditure and anyhow go on accumulating the taxes.

"Hon. Member after hon. Member rose from the Opposition benches and said that our proposals for further taxation were very heavy. They said that the Government had given up their drink revenue and that they were going to levy all this tax on account of Prohibition. That was the main criticism. It is not anything discovered. I have said it already when introducing the Budget. The taxation is the result of having to meet expenditure, which we have to meet in spite of our loss, apart from casual losses, by Prohibition. Mr. Krishna Rao attacked Prohibition for this reason; Mr. Palat, of course, attacked Prohibition for this and 8 p.m. other reasons; the other reasons being that he does not like us, that he does not like this Government. (Laughter.) That is all. Therefore he objected to the Prohibition policy. Mr. Appadurai Pillai also attacked Prohibition for this reason; Mr. Bower, of course, attacked Prohibition for this reason. Mr. Pannir Selvam attacked Prohibition also for this reason. 'You have mischievously and wickedly and unnecessarily given up the drink revenue and you are putting all these taxes on the people. You are trying to put it in such a way that the people won't understand it; we, here on the Opposition benches, will explain the whole thing to the people. We shall see that the people understand that these are additional taxes which they should not agree to.' It is clear, Sir, that this argument only means this: 'Save us from this tax; save us from the petrol tax; save us from the tobacco tax; save us from the sales tax; tax the men who drink.' That is the clear meaning of it. If in this country the rich men were drinking and not the poor, if in this country it was only the man who wanted a little exhilaration and who could afford to spend on drink but the poor did not ruin themselves, there would be no justification for my introducing Prohibition in those circumstances—I can understand it. But it is because we are convinced that it is not the rich that are paying the drink tax, that it is the poor that are paying it and that not because the poor man wants that luxury but because we place it in front of him wherever he goes, so that he may be tempted by it; it is because it is wrong to make him drink that we have introduced Prohibition, not because we

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did not like one form of revenue and wanted another form of revenue. Mr. Krishna Rao began the whole debate by making a statement which can easily be misunderstood and which would not be justifiable at all; but I know the meaning with which he said it. He said that this Government was introducing ethical standards in the administration. It is wrong; it is easily misunderstood. I do not think that he wants us not to have ethical standards in administration or in the Government. What he meant was that we should not introduce the notion that that money is tainted, that one kind of revenue is bad and another kind of revenue is good and therefore give up what we call bad revenue and go in for good revenue. What he meant to say was that we should not have the drink tax not because it is tainted money, as some people imagined. That is the sense in which he put it. He certainly wants ethical standards in administration—there is no doubt about it. But it is not because it is tainted money, it is not on account of the fact that there is any formal or other taint in it, that we want to do away with drink revenue; it is wrong to place temptations before the poorest of the poor who can drink only to cover up their sorrows, it is wrong to place temptations before them and make them waste 4 annas for us to get one anna out of it and use that one anna for the purpose of administering the Government. It is plain and indeed there can be no justification for any other criticism of our policy. It is impossible to criticize our policy of giving up that revenue and taking to any other form of revenue, however unpopular it may be. It is understood, therefore, that we strive for Prohibition not because we want to satisfy a notion or a whim but because we appreciate the error of making the poorest of the poor to pay four times or three times or even double the amount of money that you require and make him ruin his own family and happiness, in order to enable you to get six pies or one anna out of it and in order that you need not tax other people. It is wholly wrong that we should follow such a policy. There can be no need for any further explanation on this matter.

“Sir, even though it is late now, I think I must take a few more minutes to show that some Members seem to be taking a very wrong line in making their criticisms of the Government. It is wrong, if I have understood it, it is wrong to increase our labour troubles for the sake of making criticism of this Government. It is wrong to be saying, for instance, that the Government Press people are not satisfied, that they have got numerous difficulties, the Government have not satisfied them, and they would not have the blue books or the printed books if they go on like this, etc. Sir, the labourers are shrewd people; they know that if any Government is to help them, this Government alone can help them. They know that Members of the Opposition who now take the opportunity of saying that the Government Press people are not satisfied, will not satisfy them if they take up the reins of Government. The labourers are not going to give hon. Members of the Opposition

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their gratitude, merely because a statement is made in the Opposition benches to that effect. They are far too shrewd for them; they want solid help. And I claim that we have helped; I claim that we have helped them to the utmost of our capacity and that we alone can help them, if further help is to be rendered to them. But let me say, apart from whoever is going to help them, that it would not do to create discontent in the Government Press by statements of this kind. I am prepared and my Colleagues are prepared to carry on business without one printed sheet here”

SRI G. KRISHNA RAO:—“On a point of personal explanation, Sir. It was not in my mind to embarrass the Government by that statement. I only wanted to say that we should have times of peace, and greater harmony should be created so far as these people were concerned.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“It was not the hon. Member's intention to embarrass us at all. It is not Mr. Baktavatsalam's intention to embarrass us at all. I accept that. But I must be permitted to make this warning, since even unintended harm ought to be prevented.

“Then, Sir, take for instance the plan with regard to Hindustani, to which such eloquent references were made. Are hon. Members not aware that it is only an excuse for opposition to the Government? Do hon. Members really imagine that the objection is to language and that it is not objection to the Government? Whatever may be said on the other side in defence of this, I claim that this agitation is merely a thing that comes in handy. It is not only that. What has happened to this agitation about Hindustani? It has been converted into a regular propaganda which creates communal hatred more and more. Is it good? Is it good for anybody? Is it only this Government that is to reap the results of that communal hatred? I say therefore that the opposition has to be very careful in dealing with matters which give permanent results. It is all right to abuse Hindustani even though it may be only for the sake of politics, but that opposition should be such that it will not create communal hatred and bitterness. All kinds of theories are started—Sanskrit, English, Aryan, Dravidan, and so on. Are we not in India? Or has an earthquake converted Tamil India into an island, separated from the rest of India? It is wrong to go on in this way, and therefore it is, Sir, that the Leader of the Opposition asked me why I am so obstinate in regard to this matter. I am obstinate because I do not like this kind of agitation. It is not because of the language; it is not because of the particular curriculum. It is necessary, it is right, and it is wanted for the people—I make bold to say. And future India will not find fault with me for what I am doing; future India will laugh at the opposition that is raised to it—I have no doubt about it.

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“ Sir, Mr. Rajah said that we did nothing for the Scheduled-classes. He read some figures. I admit that judged from our own standards, we have done nothing; judged from what we wish to do, we have done next to nothing. The troubles, the segregation, the ex-communication—all that is a Himalayan fact which remains there. We have not shaken it. I am not satisfied with what we have done, I admit. But yet, give the devil his due; it is not right to refuse even the devil his due. What does Mr. Rajah say? I want hon. Members to refer to page 379 of the Estimates. The completed accounts of 1937-38 show, apart from other things, Rs. 10,41,611 as having been spent on the particular business of construction of school buildings, wells, scholarships, equipment of schools, maintenance of hospitals, construction of pathways, burial grounds, etc., only for the Scheduled classes, even, excluding the Kallars and others. I am only reading the special items for the Scheduled classes. The Revised Estimate for 1938-39 is Rs. 11,47,700 and the Budget Estimate for 1939-40 is Rs. 11,68,900. Now, there is a progressive rise. In spite of our difficulties, in spite of acts of God and our bad luck, instead of everything that I have said already in my Budget speech, the allotment from Rs. 10,41,611 at the end of 1937-38 to Rs. 11,68,900 in the Budget Estimate for 1939-40—is it a thing to be ignored? Is it not something to be proud of that in the midst of difficulties we choose this and not the other things? Is it to catch votes that we have done it? Do the Scheduled classes vote us into the position that we hold? Not at all. Let there be no mistake about it. If we wanted to manipulate, if we wanted to get merely favour from the general public, we might as well have favoured some other classes; but these are the classes who need help from this Government; we have to be true to our pledges and to our creed; and that is why it is seen we have raised the amount here. We have refused hospitals and schools to others; we have refused roads and ordinary village communications to others; but we are doing this. It is, I think, very unfair; it is one thing if other people say it, but Mr. Rajah should not have said it. If other people said it I could have understood. Mr. Rajah is not a baby and I think he ought not to have put forward this criticism.

“ In dealing with this part of the matter, let me draw the attention of the House to one other detail. Wells hitherto for the Harijans had necessarily to be made out of that allotment, but now we have put down an adequate sum which should serve not only for one year but for future years. We have put it as a separate fund, and the fund for water-supply covers in a large measure the needs of the Harijans also. Over and above that, apart from the wells question, apart from wells which can be got out of the other fund, we have provided this extra amount for those special things which the Scheduled classes need by way of amenities of life, to pull them up a little more. I submit this is not a bad record or a bad promise for the coming year.

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“ In this Budget, friends referred to various matters of which one or two have to be explained even though it is late. Sir Pannir Selvam in eloquent and strong language charged us with political dishonesty. He said that we were using the grant in the name of the All-India Spinners' Association for political purposes. He said that this Association was a limb of our political party organization; and that therefore it was dishonest. If the premises are true, it would be no doubt wrong for us to use public funds in this way for our political organization. But, do we do that? I am amazed at even a passing thought of this nature in the mind of the most antipathetic of members on the other side; I am surprised that with the personal knowledge that members opposite have they should imagine that we would be so foolish—not to speak of being wicked—as to use the money in that way. I say emphatically that this money is used by the Spinners' Association for weavers and spinners and for nothing else. The accounts are audited by the officers of the Accountant-General. The Association has nothing to do with politics. What is the good of my making ignorantly a statement about organizations for which the Leader of the Opposition is responsible? Similarly, what is the use of the leader and members on the other side of the House speaking about organizations of which they are totally ignorant? It is only ignorance on the part of Sir Pannir Selvam that has led him to imagine that the All-India Spinners' Association has anything to do with politics. It has absolutely no connexion with politics. The only connexion is that it was founded by the Congress. It has the sympathies of the Congress in its aims and objects. But that, I submit, is not a wrong connexion. The Congress sympathizes with cottage industries. Are therefore cottage industries to be barred from receiving Government grants? Missions run hospitals and schools. Because they are connected with the mission management and they are converting people, is it right that they should be barred from Government assistance? Why do we give them grants? Is it to help the conversion of people from one religion to another? No. It is for the educational work of the missions; it is for their medical work. Similarly even if the All-India Spinners' Association has some connexion in the matter of its origin with the Congress and the Congress sympathizes with the aims and objects of that Association, is it right that it should be barred from getting grants from the Government? Just as the high school run by the mission should not be barred from getting Government grants, just as the tuberculosis hospital at Madanapalle and other medical institutions run by missionaries should not be barred from getting Government grants, similarly also the All-India Spinners' Association should not be barred from getting the grants for conducting and improving the cottage industry, the very necessary cottage industry, of hand-spinning. It is admitted to be necessary. Therefore, I say it is very wrong, it is very unfair that such criticisms should be made by such leading members of the Opposition as

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Sir Pannir Selvam. I submit, on the other hand, that it is the duty of the Leader of the Opposition to prevent such criticism. (Applause.) I and the Leader of the Opposition are colleagues. We have to run the Government together. We are like two wheels in the machine; he must pull one way and I must pull the other way. There must be a belt between these wheels which makes the wheels run and the machine itself will run in the direction of the stronger pull. Then alone the machine will run. Otherwise, the machine will go out of order; it will not move. It is wrong for the Leader of the Opposition to pass such criticisms without a knowledge of facts.

"The same arguments apply to the Harijan Sevak Sangh. The Sangh is not interested in politics. It is interested in the uplift of the depressed classes, in raising the standard of living of the Scheduled classes. Whatever the name, it does not matter. They are also human beings. We recognize their disabilities and are trying to lift them up from that position. Their work is purely social, economical and educational; and if some persons who work in the Harijan Sangh are allowed to advise the district authorities with reference to that particular work with which they are familiar, is it wrong? It was represented as if we had handed over our funds to the Sangh. No such thing has been done. Harijan Sangh workers are given the privilege of going to the Collectors and of pointing out the needs and requirements in respect of the health, education and well-being of the residents of the *cheris*. Is this to be curbed? Is this wrong? Surely, such criticisms should not be made without sufficient information or basis.

"On the same lines were Mr. Abdul Hameed Khan's criticisms, that the minority community which he represents has not been given the full benefit of the communal ratio and privileges that are put down in the rules. I only want to make a claim and I want him and other hon. Members opposite to accept it, that this Government is honestly endeavouring to carry out the communal principle and to give effect to it in the correctest manner possible. Nothing is reduced; if at all, something is added and that is done in spite of our belief that the communal principle is wrong. Because we are apt to go wrong on account of our bias and because friends may think that on account of this bias we may do some injustice, we have gone out of the way and seen to it that we do not commit any error in that direction; on the contrary we have been trying to give them more and more. He says, 'Remove the age-bar to the Muslim community and give the community all that you are doing for the Scheduled classes.'"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I did not compare the Muslim community with the Harijan community at all. What I submitted was that my community should be given the due share according to the communal Government Order."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"I said we are doing it."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I am sorry you are not."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It is open to the hon. Member to take up any particular case which has not been done, get it done and say that the thing was not done but that he got it done. I challenge him to say now whether he has found anything which has not been done, whether I could do anything which I have not done."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"They are too many to mention."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"May I be allowed to interrupt the Hon. the Premier and to point out for instance the dearth of representation of the different communities in the honorary medical service, which was apparent from the reply of the Hon. the Minister for Public Health to a question referring to the recruitment to the honorary medical service?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am thankful to the Leader of the Opposition for the elucidation. The communal principle was enunciated with a specific safeguard—the safeguard was not put down on account of the unwillingness of the Government to grant the right but that safeguard was necessary for the proper conduct and efficiency of the administration, and this was the safeguard.

(Interruption by Abdul Hameed Khan Sahib Bahadur.)

"I would request the hon. Member not to interrupt me; at any rate not ignorantly to interrupt me.

"The safeguard is that in certain services where the application of the communal principle would mean death and danger to the community, it should not be done. We should not overdo any principle; we have to be wise in applying any principle. I shall take the case pointed out by the hon. the Leader of the Opposition. We have transferred the functions of the highly paid permanent medical service to other people and they are paid a very miserable honorarium for the work got from them. It is quite necessary and quite good. For we save the money of the public tax-payer and we give chances to the profession to serve its part in the public administration of the country and so we have organized the medical relief of the country in that way. But if the honorary medical men are chosen according to the communal principle, would the programme be successful? Would we not at once say that it has been a failure and would that not break the whole scheme of honorary medical service and would not the system of highly paid doctors come in again? Even as regards the people appointed, I remember that the Hon. Minister

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for Public Health said in answer to a question that as many Muslims as applied were taken in. All the four that applied for it were taken. There is no logic in your saying that you have not been appointed in sufficient numbers to this post, and at the same breath saying that there are not sufficient engineers, doctors and others with professional degrees and that therefore more facilities should be given for bringing up these people to the right educational standards of the other people. You cannot at the same time say that there are enough to fill all these special, technical and professional places also, especially where they are honorary. It is as a safeguard for the success of the honorary scheme itself that we have not overdone the communal principle. Though there are no communal rules attached to it, the Government have been observing it as far as possible, as will be clear from the fact that all the four medical men that applied for it were taken. I only make this suggestion that the whole thing may be examined, it may be now or it may be from time to time and if there is anything wrong, it is open to the hon. Member to come to me, hold my ear and twist it, if necessary, and say that it is not done. (Laughter.)

“ ‘This is a year of trial for us,’ I said in the Budget speech. That phrase was used to mean that it is really a year of trial for the tax-payer and for the people. I did not mean anything else. Let me say at once that this does not merely mean that it is a period of trial for the Government, which is but the representative of the people. If it is a trial for the tax-payer, it is equally a trial for us all. You all know what the trial is; it has been made perfectly clear; acts of God, misfortunes and all things combined have come upon us. Some hon. Members even grudged the windfall we had from the Minor Ports Fund and made jocular references to it. Yes, sometimes God sends certain windfalls to offset certain misfortunes; but as against so many misfortunes, we had only one windfall. Was the failure of the monsoon a windfall? Was the cyclone a windfall? Was the huge remission that had to be given a windfall for the Government? If particular misfortunes befall us, God also sends us some windfalls. Is it wrong? I submit that it should not be grudged. Further, we have not hidden it: on the contrary, I have made it quite clear in the Budget speech that had it not been for this forty and odd lakhs from the Ports Fund, it would have reduced our balances. I have said it in the clearest terms possible; there has not been any manipulation. This no doubt is a year of trial for us and I am therefore asking for the co-operation of the tax-payers and not only of the Leader of the Opposition. I submit that we cannot have it both ways. No new amenities, no new schools, no new hospitals, no new expenditure can be undertaken without paying money. You cannot ask for these without allowing us to have money. Therefore it is that I am making a general appeal for co-operation. But hon. Members join with some newspapers that commented on

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the same matter and repeated the very same things that the papers had written. They said, ‘You are going to tax not a luxury, but you are taxing the necessities of life. Impose a tax on drink, tax a luxury which we can give up. But the sales tax, tobacco tax and electricity tax are all taxes on necessities.’ But that is not a correct argument. If a man considers that electricity is a necessary, petrol is a necessary, tobacco is a necessary of life, then I say that is a good tax, and that is the kind of tax which we can take. If people who own motor cars cannot get on without motor cars, they must buy petrol; therefore petrol is a necessity for them; and it is just the thing that we should select for distributing the tax burden. I know we cannot go beyond a certain limit; we have not done that; and we do not propose to go beyond that.

“ It was argued in some newspapers openly—and it is insidiously argued here, or at least it is presumed in the argument here—that the man who drinks pays the tax without dissent, so why should we bother ourselves? It was said, ‘My good man, why do you give that up and put a tax on people who are unwilling to pay? The tax on drink is voluntarily paid.’ Not at all. It is a crime to imagine that it is voluntarily paid. It is paid most involuntarily; it is paid under the force of delusion; it is paid under the force of habit; it is paid under a craving you have created in him by having a toddy shop there. Therefore it is wickedness to call it as a voluntarily paid tax. And yet I saw it in print, in some newspapers that are up against Prohibition, in leading articles.

“ Then, Sir, it was said, ‘You are inconsistent; you have said in your Budget speech that in some districts you are afraid of illicit distillation, and therefore you do not raise the tax on country liquors in those districts. You have referred to the fear of illicit distillation, and now is there not therefore the fear of illicit distillation in all the districts in the Province where you want to introduce total Prohibition?’ I submit this is a very old argument, and some superstitions are hard to kill. If we allow a regulated trade in liquor instead of total Prohibition it is more difficult to put down illicit distillation. It is easier to put down illicit distillation in a total Prohibition area than it is to put it down in an area where there is licit liquor alongside. Controlled trade in liquor is really a competition by Government with illicit distillation, and therefore you are governed by special conditions there. That is why in 1934 the tax was reduced on country liquor. We saw the results, and we now feel that it is good not only from the revenue point of view but from other points of view to put the same duty on liquor in all districts, except where it is absolutely dangerous on account of the fear of illicit distillation and to take the duty level of 1934 for arrack in respect of country liquor. That is an inheritance of the Excise policy. We are now having a gradual process of Prohibition

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alongside with the maintenance of the old policy of the Excise department. We cannot help it. Hon. Members asked me, 'Are you not inconsistent in running shops in Madras while you are closing shops in Salem?' I am inconsistent I admit. I am terribly inconsistent in running shops in Madras while closing them down in Salem. There is patent inconsistency; only to that extent; but, to that extent we must bear with inconsistency. We must run Prohibition on proper lines, on proper Prohibition principles and control trade on proper trade principles. We are running these two things, of which one thing will be a diminishing thing in due course and the other thing will be increasing. That is the only thing we should remember in this connexion.

"I have to ask forgiveness for detaining the House so long. I have heard the criticisms of the other side, and I can only sum it up in one sentence. Apart from minor matters, apart from prejudice, apart from bias, the one main, important, substantial criticism that I have heard from the other side is this: 'These new taxes are an additional burden to the people and we wish you had not imposed these burdens upon the people.' I too wish we had not imposed these burdens. They say nothing else but this: 'Re-impose the duty on drink; do away with Prohibition, and then you will have money.' It is said that sometime ago they introduced a tobacco Bill, but that they withdrew it, and that the Congress people objected to it. So far as I know I do not think there is any Congress resolution on the subject; I do not think the Indian National Congress passed any resolution declaring that this Bill on tobacco in Madras is bad. I do not think I ever said it, or any one of us said it; or any of the members on our side said it. Hon. Members opposite are not in touch with Congress people, Congress things, Congress resolutions and Congress principles; therefore they make mistakes sometimes; what some people or other may say here and there they take it to be the Congress view. It is excusable. It is reasonable to oppose the tax on tobacco then; because at that time you had the drink tax, you had everything else, and yet you wanted to put a tax on tobacco. It is wrong to put a tax to increase your cash balance; therefore it was objected to then. But to-day we are short of funds; we have given up this, we have given up that and therefore we want money, and so we tax tobacco. Those who do not want to pay the tax may give up tobacco altogether; but if they want to help Government, they may use tobacco and give the revenue. It is a perfectly voluntary arrangement for them. It is not a taxation imposed on everybody. This tax is imposed on those who, if they like, may enjoy, but if they do not like may give it up, and they won't be affected. It is not right therefore to say that the Congress objected to that tobacco Bill. It is all a mechanical argument, which has no soundness behind it. Therefore there is consistency in me. It may be perfectly wrong to introduce a taxation Bill under certain circumstances and it would be perfectly right to introduce it under

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certain other circumstances. If I am full of cash, it is wrong for me to borrow a rupee. But if I have nothing for the next meal, it is right for me to borrow. Therefore, 'borrowing is bad' is not the formula to be applied to those people who have not got money, but to those who want money to add to the money they already have for the purpose of accumulating their cash balances. Therefore it was iniquitous for them to proceed to tax tobacco in order to spend more. Therefore there was opposition to it then. All their criticism is only this. We know they are not able to point out any other way by which we can carry on except to say, 'You are not giving up Prohibition.' Member after member rose up in his seat and was very clever in analysing the Budget and saying, 'Oh, you have done this, you have done that and finally look here comes the gap; you have made it through Prohibition. This is wrong. How are you going to fill this gap?' It is exceedingly clever. I have anticipated it. But their criticism is, 'Introduce the drink tax again; don't make any effort to remove the drink evil; carry on as before, it does not matter.' This is their criticism. I am therefore confirmed in my view that the budget that I have presented is a good budget, and the criticism is not right."

IV.—STATEMENT *RE* BUSINESS OF THE HOUSE FOR THE NEXT DAY.

MR. SPEAKER:—"Before adjourning the House I would like to invite the attention of hon. Members of the House to the agenda for to-morrow. The agenda includes two taxation Bills. The report of the Select Committee must have been received by hon. Members by the 23rd instant. The ordinary requirement that before the expiry of fifteen days from the making of the report of the Select Committee, the Bill as amended by the Select Committee cannot be taken into consideration has been dispensed with by me. And there is the other requirement that amendments should be given notice of at least three clear days before the sitting of the Assembly at which the Bill is to be considered. That rule too has been dispensed with. Hon. Members may give notice of their amendments to-morrow before 12 noon to the Secretary to the Assembly, so that they may be roneed and circulated to hon. Members."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"It is already nearly 9 o'clock now and hon. Members of the House do not expect to be here before 2-30 p.m. to-morrow. I would prefer to have the hour fixed at 3 p.m., so that during question time the amendments may be circulated among the members of the House."

MR. SPEAKER:—"It is not sufficient; as there are only 29 questions the question hour may not occupy more than half an hour to-morrow. If members do not come before 2-30 p.m., then such

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of the members who want to give notice of amendments may deliver them to the Secretary, say, by 2-30 p.m. Amendments *cannot* be received after that hour."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I suppose there will be special exceptions to that with the consent of the Chair."

MR. SPEAKER:—"No, they are important Taxation Bills; and that is why I have drawn the attention of hon. Members to this rule, as every member is entitled to know beforehand what amendments will come up for consideration."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"There may be verbal amendments which though by themselves may not be important, all the same may be necessary. . . ."

MR. SPEAKER:—"In such cases if Government accept such verbal amendments, then with the consent of the whole House they may be taken up."

The House then adjourned to meet again at 3 p.m. the next day.

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

* (1) *Appropriation Accounts of the Government of Madras for 1937-38 and the Audit Report.*

* (2) *Finance Accounts of the Government of Madras for 1937-38 and the Audit Report.*

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APPENDIX I.

[Vide answer to starred question No. 794 asked by Sri K. V. R. Swami at the meeting of the Legislative Assembly held on the 24th February 1939 page 274 supra.]

G. O. No. 2202, P.W. (Irrigation), dated 13th October 1938.

The Government have carefully considered the latest modified scheme drawn up by the Chief Engineer for Irrigation for the construction of a project across the Bhavani river in the Coimbatore district, revised with reference to the orders in G.O. No. 675, P.W. (Irrigation), dated 31st March 1937, and the remarks of the Irrigation Development Board. They observe that the scheme is expected to cost Rs. 267 lakhs and is designed to irrigate the entire project area of 207,000 acres in the second-crop season (October to February) thus allowing the ryots to grow a commercial crop like cotton throughout if they wish, and enabling them to pay the prescribed water-rate without difficulty. Under this scheme the division of the ayacut into zones and the attempt to supply water during the first-crop season are to be abandoned with the result that the ryots will be at liberty to grow a green manure crop, for which no charge will be made, during the south-west monsoon period when the project channels will be closed. The Government note that the scheme has been worked out by the Chief Engineer only in its broad outline, and that before coming to a decision on its merits, it should be further investigated in its revenue and agricultural aspects.

2. The Government agree with the Chief Engineer and the Irrigation Development Board that the scheme as now drawn up appears to be better than those hitherto considered as there is reason to expect that the three primary obstacles which stood in the way of the previous schemes, viz. (1) the difficulty of levying a suitable water-rate to make

* Placed on the table on the 23rd February 1939.

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the scheme remunerative, (2) the difficulty of allowing the ryots to grow commercial crops like cotton throughout the project area, and (3) the problem of finding sufficient manure, will, to a large extent, if not completely, be overcome, though in respect of the problem of manure the Government can only hope that time and experience will teach the ryots that a proper rotation of crops to provide fodder for their cattle and manure for their crops is very essential if their lands are not to deteriorate. The Government accordingly accept the recommendation of the Irrigation Development Board and sanction the detailed investigation of the latest scheme put forward by the Chief Engineer in its revenue and agricultural aspects. The Chief Engineer is requested, in revising the project estimates, to assume a water-rate charge of Rs. 9 per acre. The Board of Revenue is requested to instruct the Collector to explain the modified scheme to the ryots and obtain their views on it.

3. When these proposals were under the consideration of Government, representations were made by the Coimbatore District Board and the people in the area urging the desirability of undertaking the Upper Bhavani Project in preference to the lower one on account of the greater and more extensive relief that will be afforded by the former to the dry taluks of the district noted for scanty and uncertain rainfall. The reasons that led to the dropping of the Upper Project in G.O. No. 47 I., dated 7th January 1928, in favour of the Lower may not be as pertinent now as they were at the time as many factors have changed since the Upper Project was abandoned. One aspect that weighs greatly in favour of the Upper Project is that it would command twice the area of the Lower Project and irrigate those parts of the Coimbatore district which at present suffer most from drought. If the Upper Project is found financially practicable, it would be of much greater benefit to the district than the Lower, and the Government therefore desire that both the Upper and Lower Projects in their latest forms be re-examined with reference to their cost and the benefits derivable therefrom. The Chief Engineer and the Irrigation Development Board are requested to make this examination and submit their reports to Government in due course.

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4. Proposals for the employment of such special staff as may be required for the revision of the estimate and the detailed investigation of the schemes (including the continuance of the irrigation experiments at Kugalur or elsewhere if necessary), should be submitted by the Irrigation Development Board as soon as possible for the sanction of Government.

(By order of His Excellency the Governor)

K. RAMUNNI MENON,
Secretary to Government.

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APPENDIX II.

[Vide answer to starred question No. 800 asked by Sri E. Kannan at the meeting of the Legislative Assembly held on the 24th February 1939, page 276 supra.]

Rural shops must not be located, without the special permission of the Collector, within a furlong of a metalled road. When shops on a road-side are sanctioned in rural areas, the minimum distance between such shops should ordinarily be five miles. So far as possible, proximity to the following are to be avoided: places of worship, schools, hospitals, factories, bathing places, the cheris or other localities inhabited by the members of the depressed classes and other places of public resort. Generally speaking, business under each licence must be done in a separate place unless all the licences are for consumption off the premises.

THE MADRAS LEGISLATIVE ASSEMBLY.

Saturday, 25th February 1939

The House met in the Assembly Building, Chepauk, at three of the clock, Mr. Speaker (THE HON. SRI B. SAMBAMURTI) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS

Statistics of persons arrested and convicted for picketing in connexion with anti-Hindi agitation.

* 824 Q.—SRI B. BAKTAVATSALU NAYUDU: Will the Hon. the Prime Minister be pleased to state—

(a) how many persons were arrested and convicted for the alleged offence of causing annoyance or nuisance, (i) in front of the Premier's house, (ii) in front of the Hindu Theological High School, Mint street, Madras, (iii) in front of the Hindu High School, Triplicane, Madras, in connexion with the picketing of the Anti-Hindi agitators;

(b) how many of them are, (i) males, (ii) females and (iii) ladies with children in their hands;

(c) whether it is a fact that all or at least some of them were convicted under section 17 (1) or (2) of the Criminal Law Amendment Act, read with section 117, Indian Penal Code;

(d) whether it is a fact that some of them have been arrested and convicted for uttering the words "Down with Brahmin Raj" and "Down with Hindi"; and

(e) whether the Government have issued any instructions to the subordinate officers to treat it as an offence?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The figures up to 31st January 1939 are 173, 485 and 25, respectively.

“(b) 647, 27 and 9, respectively.

“(c) Section 117, Indian Penal Code, was not applied to any of these persons.

“(d) & (e) They have been arrested not only for the uttering of any words but for their action taken along with their words and the molestation and obstruction involved.”

SRI V. S. R. M. VALLIAPPA CHETTIYAR:—“May I ask, Sir, with reference to the answer to clause (b) about the ladies with children in their hands, whether those children are their children or those that were adopted for the occasion?”

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MR. SPEAKER:—"It is not a supplementary question."

SRI V. S. R. M. VALLIAPPA CHETTIYAR:—"I will put another question."

MR. SPEAKER:—"No, no."

SRI V. S. R. M. VALLIAPPA CHETTIYAR:—"I will put a different question. May I know, Sir, whether the Government have enquired as to wherefrom these agitators derive their financial assistance or who are helping them with finance."

MR. SPEAKER:—"I do not think that it arises out of the question at all."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"The Hon. the Premier referred to some action other than the utterances of these words. May I know, what the sort of annoyance caused was?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"The annoyance and molestation were caused to the teachers and students of the school, Sir."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I am asking, what is the sort of annoyance caused? The Hon. the Premier referred to certain action on the part of these agitators. What is the action?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"The gathering of crowds and people shouting generally leads to a disturbance; that, I referred to already. Further than that, I think the matter is for the Courts."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"May I know, Sir, whether the Government consider that these persons should be held responsible for the gathering of the crowds?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"Those who are responsible for sending these persons there are also responsible for the crowds." (Hear, hear.)

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"That may be a matter for laughter on the other side. We are talking about a very serious matter. Are we to hold X, Y or Z responsible because a crowd of 5,000 gathers at a particular place, and are these people to be punished under the Criminal Law Amendment Act?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"If I do a thing under certain circumstances and in a particular case, where the consequences are natural, I am responsible for all the consequences."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"May I know, Sir, whether the provisions of this very long clause of section 17 (1) or (2) of the Criminal Law Amendment Act would bring in the collection of a crowd?"

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THE HON. SRI C. RAJAGOPALACHARIAR:—"I would draw the attention of the hon. Member to the general clauses in a chapter under the Indian Penal Code."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"May I draw the attention of the Hon. the Premier to the clause under which these people are being convicted, and ask if extraneously other people collect, the crime should be ascribed to them or the responsibility for that should be put on the shoulders of these persons?"

MR. SPEAKER:—"I think, it is a matter for legal opinion and as such I won't permit it."

RAO BAHADUR A. T. PANNIR SELVAM:—"I will put another question, Sir."

"May I know, Sir, whether it is not a fact that generally the police are there almost at the same time at which these picketers arrive in front of the school?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"It should be so, Sir, because, the police have to be careful and be there before anything occurs."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"And therefore, may I know, Sir, if it is not a fact that these people go there with a view to getting themselves arrested and not with a view to obstructing anybody?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"That is a matter of opinion, Sir. They go there to cause annoyance; that is the view of the Government."

SRI K. V. R. SWAMI:—"May I know, Sir, from the Hon. the Premier, whether the courts that tried each of these cases held that these people came under the Law?"

MR. SPEAKER:—"Otherwise they would not have been convicted."

SRI K. V. R. SWAMI:—"May I know, Sir, whether in these cases any of the convicted persons presented appeals?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I think not, Sir."

SRI A. SUBRAHMANYAM:—"பிரமண ஆசிரி ஒழிக, ஹிந்தி ஒழிக" என்று கோஷித்தது மல்லாது காங்கிரஸ் ஆட்சி ஒழிக, பூதூல் ஒழிக, உச்சிக்குடுமி ஒழிக என்றும் இன்னும் பொது ஜன அமைதிக்குப் பாதகத்தை விளைவிக்கத்தக்க முறையில் ஆபாசமான வார்த்தைகளைக் கோஷித்தார்களென்பதையும் பத்திரிகை காரியாலயங்கள் மீதும் சாப்பாட்டு, காமி ஹோட்டல்கள் மீதும் பொது ஜனங்கள் மீதும் கல்லையும் மண்ணையும் வாரிப்போட்டு சகிக்க முடியாத நஷ்டத்தையும் துன்பத்தையும் உண்டு பண்ணினார்கள் என்பதையும் அரசாங்கத்தார் அறிவார்களா?"

MR. SPEAKER:—"The question is too long, and is therefore disallowed."

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SRI A. SUBRAHMANYAM:—"It is an important matter, Sir."

MR. SPEAKER:—"It may be important, but the question is too long."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"In view of the fact that having such a large number of prisoners is a drain on the public finance, may I suggest to the Hon. the Premier to adopt some other method in dealing with anti-Hindi agitators?"

THE HON. SRI C. RAJAGOPALACHARIAR:—"I am thankful for the suggestion, Sir."

Particulars of persons arrested for anti-Hindi agitation.

* 825 Q.—SRI RAO BAHADUR M. C. RAJAH: Will the Hon. the Prime Minister be pleased to state—

(a) the number of persons who have been arrested on a charge of picketing and for demonstrating their opposition to the introduction of compulsory Hindi in schools;

(b) how many of these are women; and

(c) under what Act they have been dealt with?

THE HON. SRI C. RAJAGOPALACHARIAR:—" (a) The number of persons arrested up to 31st January 1939 is 752.

" (b) Thirty-six.

" (c) Under the Indian Penal Code or the Criminal Law Amendment Act or the Madras Towns Nuisances Act or the City Police Act as the case may be."

* 826 Q.—A. K. Khader Kutty Sahib Bahadur who had given notice of the question was absent.

THE HON. SRI C. RAJAGOPALACHARIAR:—"I have dealt with this question in full in a previous statement. If the questioner is not here, I do not think it necessary to take up the time of the House."

The question was passed over.

Classification of the Palar irrigation system as an unproductive one.

* 827 Q.—SRI D. RAMALINGA REDDIYAR: Will the Hon. the Minister for Public Works be pleased to state—

(a) when the Palar irrigation system was classified as an unproductive one;

(b) why it was done so;

(c) what the extent of ayacut under the Palar irrigation system is; and

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(d) whether there has been any reduction in the rates of assessment on lands under the said ayacut after the system has been so classified?

THE HON. MR. YAKUB HASAN:—" (a) & (b) The system was transferred to the unproductive class, under the rules in the Public Works Department Code, with effect from 1931-32, as during the three successive years ending 1929-30, it failed to yield the requisite return of 4 per cent on the capital outlay.

" (c) The area irrigable under the system is 78,668 acres. The area irrigated during 1936-37 was 19,204 acres. Later figures are not available.

" (d) The answer is in the negative."

Number of prosecutions launched under the Madras Traffic Control Act in Chicacole, Narasannapeta and Patapatnam.

* 828 Q.—SRI C. NARASIMHAM: Will the Hon. the Minister for Law be pleased to state how many prosecutions under the Madras Traffic Control Act, 1938, were launched by the Police in the Second-class Magistrates' Courts of Chicacole, Narasannapeta and Patapatnam from April 1938 till the end of the year?

AHMED THAMBI MUHAMMAD MOHIDEEN MARACAIR (Parliamentary Secretary) on behalf of the Hon. Dr. P. Subbarayan:—"A statement ^a is laid on the table."

Publication of the proposed new rules regarding the conditions of service of Official Receivers in the Presidency.

* 829 Q.—MIR AKRAM ALI SAHIB BAHADUR: Will the Hon. the Minister for Law be pleased to state when the Government intend to publish the proposed new rules in respect of the appointment and remuneration, etc., of Official Receivers in this Presidency?

AHMED THAMBI MUHAMMAD MOHIDEEN MARACAIR (Parliamentary Secretary) on behalf of the Hon. Dr. P. Subbarayan:—"The matter is still under consideration."

Permission for leasing out the lands given for cultivation to the forest hill-tribe coolies.

* 830 Q.—SRI V. K. PALANISWAMI GOUNDAR: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether for the last fifty years forest land to the extent of 40 acres was given for cultivation to the forest (Malasars) hill-tribe coolies in compensation for supplying labour for work in the forest;

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(b) whether they were enjoying the land by leasing it out;

(c) if so, why they were prevented now from leasing out the land;

(d) whether the Government are aware that consequent on the restriction now imposed, the land lies uncultivated and that the hill-tribe coolies have been deprived of the income; and

(e) whether the Government will allow the hill-tribe coolies to lease out the land in future?

SRI N. S. VARADACHARI (Parliamentary Secretary) on behalf of the Hon. Sri V. I. Muniswami Pillai:—“(a) In or before 1913, an extent of 39.5 acres of reserved forest was leased out to the Mulsars of Sircarpatti, with the object of inducing them to settle down and cultivate the land and at the same time to provide the Forest department with labour at the current market rates.

“(b) The answer is in the affirmative.

“(c) & (d) The lease by the department to the Mulsars is subject to the condition that they should cultivate the land themselves and that they should not sub-lease it. Actually they have been sub-leasing the land to a rich pattadar who owns the adjoining fields and to whom they are indebted. Hence a notice was issued to them that the lease will not be renewed on its expiry on 30th September 1938, unless they themselves would agree to cultivate the land. They have so far refused to do so.

“(e) The answer is in the negative.”

Weights of buffaloes in the Madras Serum Institute at the time of their purchase and after.

* 831 Q.—SRI B. BAKTAVATSALU NAYUDU: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether in the Madras Serum Institute there is a register maintained showing, among others, the weight of each buffalo at the time of purchase;

(b) when the animals are reweighed, whether the weights are entered in the register;

(c) whether the difference between the two weights shows an increase or decrease; if so, by how many pounds; and

(d) whether those registers can be placed on the table for reference?

SRI N. S. VARADACHARI (Parliamentary Secretary) on behalf of the Hon. Sri V. I. Muniswami Pillai:—“(a) The answer is in the affirmative.

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“(b) The answer is in the negative.

“(c) Does not arise.

“(d) It is not considered necessary to place the register mentioned in clause (a) on the table of the House.”

Preparation and maintenance of statistics in regard to the quantity and the value of fish caught in each year.

* 832 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether the Fisheries department prepares any statistics in respect of the quantities of fish caught in each year and the value of the same; and

(b) if not, why not?

SRI N. S. VARADACHARI (Parliamentary Secretary) on behalf of the Hon. Sri V. I. Muniswami Pillai:—“(a) & (b) Regular statistics of landings of sea-fish in all fishing villages served by fish-curing yards are collected by the Fisheries department.

“There are many villages especially on the East Coast not served by fish-curing yards and statistics for those villages are not available.”

SRI K. V. R. SWAMI:—“May I know, Sir, from the Parliamentary Secretary, whether the information which is said to be not available will be called for as far as possible?”

SRI N. S. VARADACHARI:—“Yes, Sir.”

State help to the restarting of the paper mills at Rajahmundry.

* 833 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether it is a fact that the paper mills at Rajahmundry had to be closed down on account of the refusal of the municipality to give it the necessary facilities;

(b) whether the municipality raised the objection when the mills were restarted some time ago;

(c) what the Government have done for securing to the mills the necessary facilities to enable it to restart its work;

(d) whether any representations have been made to the Government on behalf of the workers of the mills; and

(e) what the Government propose to do to relieve the distress of the workers of the mills?

THE HON. SRI V. V. GIRI:—“(a) The Government understand the position to be as stated and have called for a report.

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“(b) The Government have no information.

“(c) The Government have taken necessary steps to acquire the strip of land between the mills and the river Godavari for constructing a drain for the passage of the effluent from the mills to the river.

“(d) The answer is in the affirmative.

“(e) They are assisting the concern to restart the mills with the least possible delay.”

SRI K. V. R. SWAMI:—“May I know, Sir, from the Hon. Minister whether the Government have ascertained the real reasons for closing the factory?”

THE HON. SRI V. V. GIRI:—“The Government have directed the Director of Industries to visit that place and a report is expected, Sir.”

SRI K. V. R. SWAMI:—“May I know whether any enquiry is to be held, Sir?”

THE HON. SRI V. V. GIRI:—“After inspection a report is expected.”

Manufacture of fertilizers in the Province.

* 834 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether the examination of the question of manufacture of fertilizers has reached any stage; and

(b) if so, what that stage is?

THE HON. SRI V. V. GIRI:—“(a) & (b) No. The question is still under examination.”

SRI K. V. R. SWAMI:—“Does it take such a long time for consideration, Sir?”

THE HON. SRI V. V. GIRI:—“It is such a big question that it requires a very long time for consideration.”

Starting a factory at Mettur for the manufacture of artificial manure.

* 835 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) whether the investigation by the Director of Industries, with a view to starting a factory at Mettur for the production of artificial manure, has been completed; and

(b) whether the Government intend to start any such industry?

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THE HON. SRI V. V. GIRI:—“(a) The investigation has not yet been completed.

“(b) The Government have not considered the question.”

SRI K. V. R. SWAMI:—“May I ask the Hon. Minister to expedite the investigation?”

THE HON. SRI V. V. GIRI:—“It will certainly be expedited, and I will help the hon. Member by giving a further answer to say that the All-India Planning Committee also has carefully considered this question.”

Alleged disturbance at one of the polling stations in Chennur, Sirvel taluk, during the recent District Board elections.

* 836 Q.—K. ABDUR RAHMAN KHAN SAHIB BAHADUR: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is a fact that during the recent district board elections in Kurnool district, there was disturbance at one of the polling stations in Chennur, Sirvel taluk;

(b) whether it is a fact that the candidate stretched himself across the path leading inside to the polling office in order to prevent voters from going in to vote;

(c) whether the polling officer and the police have submitted any report of the disturbance to the Government; and

(d) the action taken by the Government against the persons responsible for the disturbance?

THE HON. SRI B. GOPALA REDDI:—“(a) The answer is in the affirmative.

“(b) The information received from the polling officer concerned was to the effect that one of the candidates blocked the gate of the booth and prevented the voters from entering the booth.

“(c) A report about the incident was received from the polling officer but not from the police.

“(d) The Government did not consider that any action on their part was called for in the matter.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“May I know from the Hon. Minister whether this kind of incident is not likely to encourage people who may like to engage themselves in a similar manner on future occasions?”

THE HON. SRI B. GOPALA REDDI:—“They did not block the way, Sir.”

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—“Was the polling officer requested to stop the polling, Sir?”

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THE HON. SRI B. GOPALA REDDI:—"The polling officer did not agree to stop the polling."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"May I ask, Sir, whether the candidate did actually lie across the path so as to prevent voters from entering the booth?"

THE HON. SRI B. GOPALA REDDI:—"I do not find it in the report of the polling officer."

K. ABDUR RAHMAN KHAN SAHIB BAHADUR:—"May I ask the Hon. Minister to find out from the polling officer or from other authorities whether the allegation made is true?"

THE HON. SRI B. GOPALA REDDI:—"An elaborate report was submitted by the polling officer to the Collector. I do not find anything in it about the blocking of the gate."

SRI GOPAVARAM VENKATA REDDI:—"Was any complaint received that the candidate incited some of his followers to commit acts of violence and in consequence violent acts were committed?"

THE HON. SRI B. GOPALA REDDI:—"Not that I am aware of."

SRI GOPAVARAM VENKATA REDDI:—"Will Government call for the information, Sir?"

THE HON. SRI B. GOPALA REDDI:—"There is no need for it."

General and special qualifications prescribed for appointment to the several posts in the Local Board and Municipal Services.

* 837 Q.—SRIMATHI V. LAKSHMI AMMAL: Will the Hon. the Minister for Local Administration be pleased to state—

(a) the educational and special qualifications prescribed for local board and municipal employees like commissioners, secretaries, managers, panchayat officers, superintendents, head accountants and head clerks; and

(b) whether there is any rule or order that such employees should, before confirmation in their posts, pass tests in the respective Acts and rules framed thereunder and accounts relating to their respective offices?

THE HON. SRI B. GOPALA REDDI:—" (a) Government have not laid down any qualifications for appointment to the posts of Commissioner. Under sub-section (3) of section 12-C of the Madras District Municipalities Act, 1920, the Commissioner shall be appointed from among persons who are in active Government, Municipal or Local Fund service.

The qualifications laid down for District Panchayat Officers are a degree of a recognized University and a pass in Part I of the Account Test prescribed for subordinate officers in

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Government service, within the period of probation unless the person has already passed in the said part or has before the commencement of his probation been exempted by the Government from passing in the said part.

"The qualifications prescribed for secretaries, managers, superintendents, head accountants and head clerks of local bodies are—

"(i) Matriculation examination of the University of Madras or a completed Secondary School-Leaving Certificate issued under the authority of the Government of Madras or any equivalent examination held by a recognized University; and

"(ii) Part I of the Account Test prescribed for subordinate officers in Government service.

"Secretaries of district boards are alone permitted to pass the Account Test within the period of probation unless they have already passed the test.

"(b) The answer is in the negative."

SRI KALA VENKATA RAO:—"Are the Andhra University degree holders also selected for these posts, Sir?"

THE HON. SRI B. GOPALA REDDI:—"I have already read the words 'recognized University.'"

Policy of Government regarding the establishment of panchayats in all villages.

* 838 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is the policy of the Government to establish panchayats in all the villages; and

(b) if so, how far this policy has been carried out?

THE HON. SRI B. GOPALA REDDI:—" (a) The answer is in the negative."

"(b) The question does not arise in view of the answer to clause (a)."

Protests received from district boards regarding G.O. No. 4619, L. & M., dated 20th October 1934.

* 839 Q.—H. S. HUSSAIN SAHIB BAHADUR: Will the Hon. the Minister for Education be pleased to state the number of protests received by Government from district boards regarding G.O. No. 4619, L. & M., dated 20th October 1934, before the present Ministry assumed office and the number and names of district boards that have passed resolutions after assumption of office by the present Ministry, requesting Government not to apply the Government Order to old entrants?

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THE HON. SRI C. J. VARKEY:—"The presidents of seven district boards addressed Government regarding the Government order in question soon after it was issued; the Government are not aware of resolutions having been passed by district boards on the subject after the assumption of office by the present Ministry."

Opening of new schools in the Ramnad district under the Wardha scheme of education.

* 840 Q.—SRI MUTHU KR. AR. KR. ARUNACHALAM CHETTIYAR: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government propose to start Wardha schools in Ramnad district; and

(b) if so, when and where?

THE HON. SRI C. J. VARKEY:—" (a) & (b) The proposals for the immediate opening of Wardha schools in Ramnad or any other district are not under consideration. As a preliminary to the opening of these schools, we have to get teachers trained under the Wardha scheme. The question of opening a training school for this purpose is now under the active consideration of the Government."

Enquiry into a case of alleged assault on one Venkatappa Rao by the Stationary Sub-Magistrate, Chicacole.

* 841 Q.—SRI C. NARASIMHAM: Will the Hon. the Minister for Revenue be pleased to state—

(a) whether it is a fact that the Stationary Sub-Magistrate at Chicacole, Mr. H. M. Ataulla Sahib, assaulted one Narayana Chetti Venkatappa Rao while going on a bicycle along the public road and slapped him violently;

(b) whether the said Venkatappa Rao was prevailed upon not to file a criminal complaint;

(c) if so, whether the conduct of the Sub-Magistrate is consistent with the policy of the people's Government; and

(d) whether the Government will be pleased to order an enquiry into the matter?

SRI T. VISWANATHIAM (Parliamentary Secretary) on behalf of the Hon. Sri T. Prakasam:—"The Government are not aware if the facts are as stated and have called for a report."

Deepening of the bed of the River Godavari to improve navigation.

* 842 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that the bed of the River Godavari is silting up year after year;

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(b) whether it is a fact that even passenger boats cannot easily reach canals at Bobbarilauk and Vijjiswaram; and

(c) whether the Government would consider the desirability of deepening the bed of the river with the help of the dredger to make it easy for passenger and goods boats to reach the canals?

THE HON. MR. YAKUB HASAN:—" (a) The river is probably silting up to some extent due to natural causes. There has, however, been no material change for the past several years.

" (b) There can be no real difficulty for passenger boats to reach the canals. A slightly circuitous route may have to be followed as the level in the river recedes.

" (c) In view of the answer to clause (b), Government do not see the need to deepen the bed of the river with the aid of a dredger."

SRI K. V. R. SWAMI:—"May I know whether there was any complaint with regard to this?"

THE HON. MR. YAKUB HASAN:—"There are always complaints about every matter and I think there may have been complaints in this matter too." (Laughter.)

Civil courts proposed to be abolished in 1939.

* 843 Q.—MIR AKRAM ALI SAHIB BAHADUR: Will the Hon. the Minister for Law be pleased to state—

(a) whether the Government propose to abolish any civil courts, i.e., District Courts, Sub-Courts and District Munsifs' Courts, in this Presidency in the year 1939; and

(b) if so, what the courts likely to be abolished are?

AHMED THAMBI MUHAMMAD MOHIDEEN MARACAIR (Parliamentary Secretary) on behalf of the Hon. Dr. P. Subbarayan:—" (a) & (b) The attention of the hon. Member is invited to the answer to Legislative Assembly Question No. 714."

Mortality from smallpox attacks in the City of Madras during the last five years.

* 844 Q.—SRI V. VENKATASUBBAYYA: Will the Hon. the Minister for Public Health be pleased to state—

(a) the number of smallpox attacks in the Madras City during each of the five years ending with 1938;

(b) how many of them ended fatally in each of the years; and

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(c) how many of the attacks were among the vaccinated and how many among the unvaccinated?

THE HON. DR. T. S. S. RAJAN:—“(a), (b) & (c) The required figures are given in the appended statement.”

SRI K. V. R. SWAMI:—“May I know, Sir, from the figures supplied whether vaccination is felt to be good or bad for the person vaccinated?”

THE HON. DR. T. S. S. RAJAN:—“The figures do not mean anything more than what they connote.”

ABDUL HAMEED KHAN SAHIB BAHADUR:—“Is the Hon. Minister aware that this is due partly to the fact that there is failure of water in the City and, if so, what steps he proposes to take in the matter?”

MR. SPEAKER:—“From vaccination to water-supply?”

THE HON. DR. T. S. S. RAJAN:—“I do not know whether that supplementary question arises from this question.”

MR. SPEAKER:—“I think it may be put as an independent question.”

Objections to the feeding of buffaloes in the Madras Serum Institute on soaked rice.

* 845 Q.—SRI B. BAKTAVATSALU NAYUDU: Will the Hon. the Minister for Agriculture and Rural Development be pleased to state—

(a) whether it is a fact that adult buffaloes are being bought in the Madras Serum Institute for the purpose of taking out serum;

(b) whether they are given boiled rice kanji when those buffaloes are suffering from diarrhoea or excessive heat;

(c) whether it is a fact that the present Superintendent, instead of giving boiled rice as before, is now giving soaked rice to the buffaloes;

(d) whether it is a fact that the soaked rice so given to the animals, is found to be ejected along with the faecal matter;

(e) whether it is a fact that the strength of the animals that are given soaked rice is found to be less than that of those animals that were given boiled rice kanji; and

(f) whether the Government have investigated the efficacy of feeding buffaloes on soaked rice; if so, with what results; and what the nature of the investigation was?

SRI N. S. VARADACHARI (Parliamentary Secretary) on behalf of the Hon. Sri V. I. Muniswami Pillai:—“(a) The answer is in the affirmative.

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“(b) Rice kanji is given to the buffaloes as a sick diet.

“(c) Boiled rice in the form of kanji is given to sick animals; soaked rice is not given to such animals but only to other he-buffaloes.

“(d) Very small quantities of grains will usually be ejected by animals along with the faecal matter. Soaking has nothing to do with it.

“(e) No decrease in strength has been noticed.

“(f) Yes. The revised scale of rations was introduced with a view to maintaining as narrow a ratio as possible between nitrogen and carbo-hydrates and after a careful study of the digestible protein, starch, fibre and fat equivalents of the different kinds of fodder.

“The result of the changed diet has so far been satisfactory. Attempts to improve the diet further are however being continued.”

Decision arrived at on the suggestion of the Mappillanad Congress Committee to improve cottage industries.

* 846 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Industries and Labour be pleased to state with reference to question No. 587, dated 30th March 1938, regarding the help to Mappillanad Congress Committee to develop cottage industries—

(a) whether the Government came to any decision; and

(b) if so, what the same is?

THE HON. SRI V. V. GIRI:—“(a) & (b) Yes. The following action has been taken on the representation made by the Mappillanad Congress Committee relating to the development of cottage industries:—

“(1) The Government sanctioned a special grant of Rs. 5,260 to the All-India Spinners' Association during the current year for the development of hand-spinning and khadi manufacture in Mappillanad.

“(2) The Government selected a Mappilla youth for training in the manufacture of hand-made paper at Wardha during the current year but this youth did not come forward for the training. Steps have also been taken to make arrangements for the training of a few Mappilla youths in glass-bangle making in the United Provinces. The particulars called for in this connexion from the President, Calicut Congress Committee, are still awaited.

“(3) Particulars of assistance afforded by the Department of Industries and Commerce to small-scale industries under the Madras State Aid to Industries Act, 1922, were furnished to a Mappilla gentleman.

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- “(4) Six Mappilla youths were admitted to the casting and metal working course at the Government Industrial School, Calicut; one of these dropped out. Three of the remaining receive stipends.
- “(5) Efforts are being made to admit some Mappilla youths to the ceramic course at the Government School of Arts and Crafts, Madras.
- “(6) The question of extending Pykara power to Malabar to facilitate the development of cottage industries is under investigation by the Electricity department.”

Disposal of objections raised against the loan application of the Indian Steel Rolling Mills, Limited, Negapatam.

* 847 Q.—SRI B. BAKTAVATSALU NAYUDU: Will the Hon. the Minister for Industries and Labour be pleased to state—

(a) with reference to the answer to question No. 695 answered on 27th January 1939, in what stage the loan application of the Indian Steel Rolling Mills, Limited, Negapatam, stands at present; and

(b) whether any notice was published by the Director of Industries, Madras, calling for objections on this loan application and, if so, how they have been dealt with?

THE HON. SRI V. V. GIRI:—“(a) The matter is still under the consideration of Government.

“(b) Yes. The objections were duly considered by the Board of Industries.”

SRI B. BAKTAVATSALU NAYUDU:—“What is the amount of loan applied for?”

THE HON. SRI V. V. GIRI:—“I think it is 5 lakhs. I am not sure. I want notice.”

SRI B. BAKTAVATSALU NAYUDU:—“May I ask, Sir, whether the Board of Industries has dealt with the application, and if so, what are the recommendations of the Board of Industries?”

THE HON. SRI V. V. GIRI:—“Notice, Sir.”

Proposal for the exchange of books published in the United Kingdom for the books printed and published in this Province.

* 848 Q.—SRI D. RAMALINGA REDDIYAR: Will the Hon. the Minister for Administration Reports and Public Information be pleased to state with reference to starred question No. 364 answered in the Legislative Assembly on 21st March 1938—

(a) whether the Government have considered the desirability of writing to the British Museum authorities in regard to the

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reciprocal arrangement of securing publications in the United Kingdom in exchange for the publications supplied to the said Museum from our Province through the Registrar of Books, Madras; and

(b) if not, why not?

THE HON. SRI S. RAMANATHAN:—“(a) & (b) The matter was considered and it was found that the hon. Member's suggestion would involve an amendment of the British Copyright Act, 1911.”

Metalling the Kumbakonam-Karaikal road.

* 849 Q.—SRI P. R. K. SARMA: Will the Hon. the Minister for Local Administration be pleased to state—

(a) whether it is a fact that some portions of the road from Kumbakonam to Karaikal in Tanjore district have not been metalled;

(b) whether the Government are aware that heavy traffic passes through this road; and

(c) whether the Government will be pleased to make a grant to the District Board of Tanjore for metalling that road as early as possible?

THE HON. SRI B. GOPALA REDDI:—“(a) The answer is in the affirmative.

“(b) The figures of traffic census taken in 1937 and 1938 are—

					TONS. (Per day.)
April 1937 ..	..	..	..	..	506
October 1937 ..	..	..	..	..	554
April 1938 ..	..	..	..	..	525

“(c) The question will be considered as and when funds become available if the district board makes an application. It is the function of the district board to metal and keep the roads in fair condition.”

Scheme for the reorganization of elementary education.

* 850 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Education be pleased to state—

(a) whether the scheme for the reorganization of elementary education has been completed; and

(b) if so, what the scheme is?

THE HON. SRI C. J. VARKEY:—“(a) It is not understood exactly to what scheme the hon. Member refers. If he refers

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to the steps taken by Government in recent years to improve elementary education, the answer is in the affirmative.

“(b) The hon. Member is referred to the Press Communiqué, dated 26th June 1937.”

Scheme for adult education.

* 851 Q.—SRI K. V. R. SWAMI: Will the Hon. the Minister for Education be pleased to state—

(a) the amount spent on adult education in 1937–38;

(b) the manner in which the same was spent;

(c) whether the Government have now got any scheme for adult education; and

(d) if so, what the same is?

THE HON. SRI C. J. VARKEY:—“(a) & (b) A sum of Rs. 1,035 was disbursed as grants in 1937–38 to the Devadar Malabar Rural Reconstruction Trust towards the cost of maintenance of the classes for the education of adults. Night schools and public libraries maintained by local bodies and private agencies also promote adult education. Particulars of expenditure on these are not readily available.

“(c) & (d) The question of adult education is engaging attention. No definite scheme has yet been decided upon.”

Closure of the Bandipalaiyam Adi-Dravida school.

* 852 Q.—SRI J. SIVASHANMUGAM PILLAI: Will the Hon. the Minister for Education be pleased to state—

(a) whether it is a fact that the Government ordered the closure of the Bandipalaiyam Adi-Dravida school maintained by the Cuddalore Municipal Council; and

(b) if so, why?

THE HON. SRI C. J. VARKEY:—“(a) The answer is in the affirmative.

“(b) Because there is already a municipal school at Bandipalaiyam into which Adi-Dravida pupils can be admitted. The suggestion to close the Adi-Dravida school was originally made by the municipal council itself.”

Recrudescence of attacks on Indians in Burma.

* 826 Q.—A. K. KADER KUTTY SAHIB BAHADUR: Will the Hon. the Prime Minister be pleased to state—

(a) whether the Government are aware of the recrudescence of the Burmese attacks on Indians in Burma, within the last few days;

^a Included in the Proceedings under rule 31.

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(b) whether the Government have received any report about the same from the Agent of the Government of India in Burma, and if so, whether the Government will be pleased to place the same on the table of the House;

(c) what the cause of the recrudescence of the trouble was;

(d) how many Indians were murdered and how many were injured; how many shops and houses were looted, and in what all places;

(e) what steps the Government of Madras or the Government of India took to prevent the recurrence of the attacks on Indians in Burma and to save their lives and property and whether such steps that were taken were effective;

(f) what steps the Government of Madras or the Government of India took to enable the Indians who suffered at the hands of Burmans to get compensation;

(g) what steps have been taken by the Agent of the Government of India in Burma in the matter of preventing the recurrence of the attacks against the person and property of Indians in Burma;

(h) whether the Government will be pleased to place on the table of the House the despatches submitted by the Agent to the Government of India or to the Government of Madras with reference to the condition of Indians in Burma and as to the steps taken by the Agent to prevent further troubles and in the matter of helping the Indians who suffered in the last riots to obtain compensation; and

(i) whether it is a fact that the officer who is now acting as the Agent of the Government of India in Burma is to leave the place shortly, and if so, whether the Government have considered the advisability of appointing as his successor a non-official Indian?

THE HON. SRI C. RAJAGOPALACHARIAR:—“(a) The answer is in the affirmative.

“(b) to (d) The information received from the Agent and other sources is as follows:—

“There was a riot in Monywa town on 18th January 1939 in which sixteen Indian dwelling houses and nine Indian business houses were burnt or looted. Nineteen Indians were injured. No one was killed. The estimated loss of property is Rs. 35,000. Additional Police were at once sent there and all possible protection given to Indians. Since 22nd January 1939 the town has been quiet and anti-Indian feeling is reported to be waning. No definite cause can be assigned for the recrudescence of the trouble other than the general unrest in the country. It is reported that the trouble arose out of a fracas between certain

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students who wanted to observe a hartal over something which had nothing to do with anti-Indian feeling, and some Indian shop-keepers who refused to comply with the demand for hartal.

“(e) It has to be presumed that the Government of Burma and the Secretary of State have taken the necessary steps in the matter. The police are reported to be doing everything that they could be expected to do.

“(f) The Government of India have been addressed in the matter. It is understood that the question of compensation is under consideration of the Riot Inquiry Committee.

“(g) It is presumed that he is in touch with the Government of India who again must be doing all that they legitimately can.

“(h) The Agent is an officer of the Government of India and the suggestion in the question cannot be carried out.

“(i) This is a matter which concerns the Government of India.”

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

II.—GOVERNMENT BILLS.

(1) THE MADRAS ELECTRICITY DUTY BILL, 1939 (L.A. BILL NO. 5 OF 1939).

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, I beg to present to the House the Select Committee Report on the Madras Electricity Duty Bill, 1939, together with the Bill* in the amended form. The report is before the House and I do not think I need take up the time of the House over it. The change made of any consequence is that only energy sold at a price of more than 2 annas per unit comes under taxation. The slight change made in clause 7 only enables the transfer of the tax, not necessarily to consumers generally but to groups according to the nature of the tax that is to be imposed or its quantity and so on. The change gives a little more elasticity in regard to the transfer of the charges. I do not think there is any other important change. I move, therefore—

‘that the Bill as amended by the Select Committee be taken into consideration.’ ”

* MR. H. S. TOWN:—“Mr. Speaker, the Bill is practically the same Bill as that which went to the Select Committee. When we discussed the motion that the Bill be referred to a Select Committee I voiced the general principle on which my group objected to this Bill.

(L.A. BILL NO. 5 OF 1939)

[25th February 1939] [Mr. H. S. Town]

“In the Select Committee I put forward certain amendments. 3-30
These amendments, I must admit, were most sympathetically p.m.
considered and were fully discussed but they were rejected. I have no doubt that if I move the same amendments to-day in this House, the result will be exactly the same. It is for this reason that we have not put forward any amendments to this Bill at this stage, but we do feel that the Bill has been formulated on wrong lines and this is why I am speaking at present. We do not agree with the clause in the Bill which differentiates between large company and small company and our reason for that is that it is clearly understood by everybody here and by the majority of users of electricity in the Presidency that the effect of the duty on electricity will eventually be felt by the consumer, and I cannot see any reason why the consumer who takes his supply from a small company should be differently treated from another who by chance takes his supply from a large company.

“One other point is that Government have taken power to see that the duty is paid by the company in one place and in another place by the consumer directly and not through his bill. My group's objection to that is, that, whereas we know that in the course of the next five years or seven years when a revision of the rates is to take place and the fact whether the company pays the duty or not will be taken into account in fixing the rates, some of the rates will be fixed in the next two or three years when revision is due. I take it that Government will see that the rates fixed at the next revision are fair and equitable and that the rates allow the company a reasonable return and permit of the supply of electricity at cheaper rates than is possible under existing conditions. But shortly afterwards Government, may again find themselves in need of revenue and may increase the duty and they may say that the company should not pass the duty on to the consumer. The company in agreeing to the reduction in the rates will agree to reduction on the basis of the present tax and they may find themselves almost immediately taxed again. I hope when using the power that they have taken, the Government will use that power with fairness and charity.

“I do not wish to take up much of the time of the House. As I said before we are not moving any amendments, but I wish to make it clear that this party opposes this Bill now, because we consider that it has been conceived on wrong lines.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Just a few words with your permission, Sir. Let there be no impression that this is the first time that a tax of this kind is levied on electricity. As hon. Members know, it has been levied in other Provinces even before this. The hon. Member who spoke objecting to the Bill described it as having been conceived on wrong lines. He referred to the fact that the tax is proposed to be put, not upon the consumer,

[Sri C. Rajagopalachariar] [25th February 1939]

but upon the distributors. I do admit that the tax that is proposed to be levied is a tax on the distributing agencies. It is not merely a simple tax on the consumers as Mr. Town wishes to make it. It is possible that it may be a tax on consumers. It is also possible that it may be a tax on the distributing agencies as the Bill is framed. Where the company is doing good business, where the company is either overspending on management or giving high dividends, it will be a tax on the distributing agents, because the Government in exercising their powers of supervision over the company who are monopolizing a right will take into account these licence duties as part of the management charges and also take into account all other circumstances and either allow them to be transferred or not allow them to be transferred. In cases where the company can fairly bear the duty, it will be a tax on the distributing agency but where it is not fair to put this tax upon the company it will be transferred to the consumer. The reason why this middle course is taken up by the Government is that while on the one hand we may think of getting the tax from the users of electricity, on the other hand we should see that the use of electricity is not in any way hurt. That is to say, where the business is in the initial stage and where the company is running its business either at a loss or at a very little profit and the Government consider it not right to take off the owners of such a business, so to say, it will not allow the tax to fall heavily upon the person who has taken the business of distribution. It was therefore thought desirable to take a middle course which has been taken up under clause 7. That is the only point that needed explanation on the speech of my hon. Friend Mr. Town. He asked 'Why should some consumers who take electricity from small companies be exempted and why should some consumers who take electricity from big companies be taxed?' I have already stated that it is necessary not only to tax the companies, but it is also necessary to safeguard the increasing use of electricity and the better management of the companies.

"As regards fairness and charity that have been referred to in fixing the rate, I submit hon. Members may rest assured that everything will be done to see that things are looked into and the right decision is given in each case. I give this assurance as far as it is possible to carry out such an assurance to fulfilment."

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

Clauses 2, 3, 4, 5 and 6 were put and carried.

Clause 7.

* SRI DIWAN BAHADUR A. APPADURAI PILLAI:—"I beg to move the amendment standing in my name as follows:—

'Delete the whole clause.'

[25th February 1939] [Sri A. Appadurai Pillai]

"Sir, my objection to clause 7 is twofold. In the first place, I find that the clause is superfluous. Under the existing rules the rates that are charged by the licensees are previously settled with the approval of the Government and are duly published and kept in force for a period of time. Before approving the rates, the Government carefully consider the capital invested, the energy consumed and the capacity of the residents to bear the tax and after a definite schedule has been made, that schedule is allowed to come into force for a period until the next revision takes place. When the present Bill becomes an Act and the rate of half-anna per unit is charged, it is recovered as is contemplated by the Bill from the licensee. We know as a matter of fact that this half-anna will be shifted on to the shoulders of the consumer. But before doing so, under the existing rules the licensee will come up to the Government and take their formal permission and add this half-anna to the existing rate and put a schedule and then keep it in force for a particular period. We know that following that procedure, the Madras Electric Supply Corporation has revised their schedule of rates as from 1st January 1937. Further, as soon as half-anna is imposed as the rate per unit on the licensee, steps will be taken by the licensee to come up to the Government and ask for permission perhaps to alter the half-anna rate on consumers. There seems to be no reason why an additional provision as is contemplated in clause 7 of the Bill to permit any licensee to collect the amount from the consumer is necessary. It will be collected from the consumer as a matter of course eventually and there seems to be no reason to anticipate that in a separate clause. That is why I said that clause 7 is superfluous.

3-15
p.m.

"My second objection is that the clause introduces an element of discrimination. If the Government take power under this clause to authorize such of the licensees as they think fit to levy this half-anna from the consumer, there will be an element of discrimination introduced and consequent indefiniteness from the point of view of the consumer. I do not for a moment question the impartiality of the Government. Certainly, the Government would take steps to see which of the licensees should be permitted to charge the extra half-anna on the consumer, after a consideration of the investments made by the licensees and the capacity of the consumers. I dare say that the Government would certainly take all the circumstances into consideration before arriving at a decision. I do not question that at all; but from the point of view of the consumer I do strongly urge that there is a certain amount of indefiniteness introduced and an element of discrimination between one licensee and another licensee. It is that element of discrimination which I would like to see removed by the deletion of clause 7.

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"We know from recent events, at any rate in one municipality in North Arcot, that that municipality went on a strike with regard to taking supply of electricity from a company in that district. They refused to take electricity and preferred to go back to kerosene or petrol lights. A great deal of persuasion was necessary to induce the municipality to come to a compromise with the electric supply company in the district. The reason is this. There is a very loud complaint on the part of the consumer that the charges levied by the electric supply companies are rather arbitrary and out of all proportion to the capital invested by them and the margin of profit is sometimes much larger than what can be expected on ordinary investments. That complaint is very common, Sir. Having regard to that complaint and the state of feeling in the country with reference to electricity supplied by private companies, will it not add to the indefiniteness and the apprehensions of the people if this clause 7 is allowed to remain. I am unable to see the necessity for this clause giving special powers to Government to discriminate between licensee and licensee. My submission is—if I am permitted to repeat my argument—that this tax will find its way to the consumer in the ordinary course of events and if that is the case, why take this special power under clause 7? It is on that ground, Sir, that I submit that the clause should be omitted.

SRI B. BHAKTAVATSALU NAYUDU:—"I second it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, this clause was inserted as a result of the consideration of the objections raised by the companies and licensees interested in this business of distribution of electricity. I do not think that it would be right at this stage to delete this clause after all that has been done. I am therefore sorry that I cannot accept the suggestion coming as it does at this stage."

The amendment was put and lost.

Clause 7 was put and carried.

Clause 8 was put and carried.

Clause 9.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I have an amendment to move on behalf of the Government which I shall first explain. It is in regard to the condition attached to the making of the second and subsequent set of rules. The form that is now put in clarendon type in the Bill as amended by the Select Committee is slightly altered according to the amendment that I propose. This amendment is in line with the provision in some of the legislative measures which have been passed; for instance, the Income-tax Act and other similar measures. With

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a view to have an accepted and more correct form on this technical question this amendment is moved. The amendment that I formally move is this:

'(1) In sub-clause (2) of clause 9 omit the proviso;
and

'(2) After sub-clause (3), insert the following sub-clause,
namely:—

"(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."

This is nothing more than a verbal alteration and I commend it to the House."

The amendment was put and carried.

Clause 9 as amended was put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move—

'that the Bill be passed into law.'"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Mr. Speaker, Sir, I know that it is almost a formality for me to say anything at this stage, because it is going to have no real effect on the final passing of this Bill. If I rise to say anything at this late stage . . ."

MR. W. K. M. LANGLEY:—"On a slight point of order, Mr. Speaker. It has nothing to do with this particular subject; but, with great respect to you, I think you have not put the preamble to the vote of the House."

MR. SPEAKER:—"Yes, preamble and clause 1 also."

Clause 1 was put and carried.

The preamble was put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move after thanking Mr. Langley for his point of order,

'that the Bill be passed into law.'"

MR. SPEAKER (addressing Sir Pannir Selvam):—"Do you 4 p.m.
object to the motion being made, for third reading?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I just wish to make some general remarks on the Bill before it is put to the vote. As I already stated, it will be futile on my part, particularly at this stage, to say anything by way of opposing the principles of the Bill. That was the main reason also why none on this side thought it necessary to say anything very much on the earlier

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motion of the Hon. the Premier, recognizing the futility of their saying anything at all. I just wish to say this much. Nobody can contend that electricity would not be a proper subject-matter for taxation at some time or other; but, situated as we are in our Province, it seems to be a matter for consideration whether this taxation proposal on electricity is not coming up at rather too early a stage. Electricity is a thing which has not developed"

MR. SPEAKER:—"Don't you think that your speech would have been more appropriate at the consideration stage?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"It would have been, Sir; it would then have been as futile as it is going to be now."

MR. SPEAKER:—"Whether futile or not, that objection would have been considered by the Government then."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Would it have weighed with them? That is the question."

MR. SPEAKER:—"Probably it would have, and probably it would have been open for the other members of the House to take up that opportunity."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Even these remarks which I want to make were prompted by the speech of the Hon. the Prime Minister in his final reply to Mr. Town."

MR. SPEAKER:—"But how can this observation come under the third reading? It would have been very appropriate in the second reading stage, and probably it would have given a clue to the other members of the House to speak. I think you may be brief."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Yes, Sir; I do not propose to take any way near the time that I was privileged to take yesterday."

MR. SPEAKER:—"Oh! One hour! it was the indulgence of the Deputy Speaker."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I must thank the Deputy Speaker for that. I was saying that, as was remarked by one of the European members the other day, electricity in our Province is not a luxury. It is one of the necessities, and it is a power which ought to be developed very much further. True, thanks to the policy of the Government—this Government and its predecessors—electricity has made very much progress, particularly in the Tamil area. I am sure it has roused the jealousy of the Andhra area where electricity production is in its initial stage. I hope that it will be developed there as extensively and as rapidly as it has been done in the Tamil districts. I refer to this only with a view to show that this is an enterprise which deserves all

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possible encouragement at the hands of the Government, and all possible development. In my own district for instance, which is very fortunately situated in this respect, our electric lines run almost to our wet lands and almost through all the villages in our parts; and an electric line runs within four or five miles from one of my villages. So much so there is great scope for development of electric power. I therefore thought that the Government would have been wiser if, to make up their deficit, they had chosen some other subject for taxation than this, reserving it to some later stage when we have developed it much further. After all, Sir, it is the consumer that is going to pay, whatever camouflage may be made, to say that the licensee is going to pay, after bringing in this clause 7 and all that.

"As regards clause 7, I should like to say this: that there was no explanation at all coming from the Hon. the Premier as regards this clause. At this stage, I cannot agree to it; and if certain interested parties or certain licensees or companies came and made certain representations to him in consequence of which this clause"

MR. SPEAKER:—"If Mr. Pannir Selvam claimed to speak now even after speaking at the previous stage, that would have been all right; but it is too late to make these observations just now. At that time, they would have been of some value."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Even now it might be of this value, that the Hon. the Premier can give us the satisfaction of knowing exactly the reason which prompted him to accept that clause and what it is that prevented him from accepting it previously."

MR. SPEAKER:—"What is the value of the remark just now?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Just for the Opposition to have the satisfaction of knowing the reason which prompted the Government to take a particular action. I have not got very much more to say, Sir, at this stage on that. I shall try to raise this question earlier in regard to the Petrol Bill and say then what I have got to say."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"There is nothing for me to say, Sir, except that in the form in which it has now been accepted by the House, the Bill may be passed into law. I do not know if it will be right for me, after Mr. Pannir Selvam has been stopped with regard to clause 7, to say anything about it. As regards the general stage at which we should take up taxation like this, I do not deny there is some force in what Sir Pannir Selvam has said, but at the same time, I think we may claim that having considered all these matters, it won't be a heavy burden for the people to pay this tax—either the

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licensee who is making a profit or the consumer himself who is having this extra luxury. So far as our country is concerned, I think the use of electricity has not yet become so common as to be called a necessity."

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

(2) THE MADRAS SALES OF MOTOR SPIRIT TAXATION BILL, 1939
(L.A. BILL NO. 6 OF 1939).

* THE HON. SRI RAJAGOPALACHARIAR:—"Sir, I beg to present the Report of the Select Committee on the Madras Sales of Motor Spirit Taxation Bill, 1939. The amended form in which the Select Committee has recommended the Bill* is now before the House. The minor changes with reference to the definitions, etc., need not detain the House at this stage. One or two things, however, may be made clear which are of greater importance. The definition has been altered so as to make it quite clear that it is not only what is commonly known as petrol that is taxed, but any substance which can be used for the same purpose is to be taxed. It came to light in the course of our discussions that there are certain varieties of fuel oil which may take the place of petrol. Even though relatively speaking, they are not so common as petrol, it is likely when we impose a tax on petrol, that there will be a disturbance of the equilibrium, and while petrol may get taxed, the other forms of fuel may not get taxed and may get an advantage. For that reason, it is necessary in any taxation measure to make it precise that no particular article, put to the same use, gets an advantage in regard to the tax. That is a part of the change that has been made.

"Then again, it has been made clear that it is not only the fuel that is called motor spirit, and substitutes of that kind, that are taxed, but also fuels that are used for internal combustion engines which do not move by way of locomotion, but are used for power; that is to say, oils used for running what are commonly called oil engines, which are known to the mechanical world as internal combustion engines—such oils also are taxed. As regards the other changes, they are all made so as to make the law enforceable without ambiguity or evasion. Certain amendments proposed by certain members who are afraid that the Act will be put to oppressive use will also be found included in the amended form, and I do not think I need detain the House in explaining them fully. An amendment has also been accepted to make the second and subsequent stage of the rules subject to previous publication.

"The one thing that should be remembered in this connexion is that the commodity is not taxed more than once; it is only at one stage that it falls under the tax. Sir, I do not think I need

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add anything more to what I have already said when moving the Bill for the first reading. I now move—

'that the Bill as amended by the Select Committee be taken into consideration.'"

* MR. W. K. M. LANGLEY:—"Mr. Speaker, Sir, my position in connexion with this Bill is very similar to the position in which my hon. friend Mr. Town found himself in connexion with the previous Bill which we have just passed into law. In fact, I think I may say that if anything, the Hon. the Premier was good enough to give more consideration perhaps to our representations in connexion with this Bill than he did with the previous Bill, because there were many knotty points which arose in connexion with the definitions and other matters connected with this Bill in the Select Committee; and the Hon. the Premier, in spite of his very busy week, was most considerate in meeting us at any time of the day and discussing matters very fully. I think he will admit that we put our cards quite plainly on the table and hid nothing from him, and he also hid nothing of his intentions from us. And I do wish to pay this tribute now to the way in which we have been treated in the discussions in connexion with this Bill. But it seems to me, Sir, that the Hon. the Premier is one of those rather dangerous people who, the politer they are, the more unfortunate it seems to be, for the people whom they are dealing with. I think he would have made a good inquisitor in the Spanish Inquisition, where, as you may remember, heretics were usually handed over by the inquisitor to the secular arm, with the request that they should be treated *suaviter fortiterque*. I have no doubt that that has been our fate in connexion with this Bill when it was handed over, not to the secular arm but to the Select Committee; because, although the Hon. the Premier is always *suaviter in modo*, I am afraid he is usually *fortiter in re*. So much so that while this Bill left us in this House as a measure of taxation solely upon the automotive industry, it has unfortunately returned to this House from the Select Committee as a means not only of taxing the automotive industry alone which, if it be not already so heavily taxed, would, I think, be a legitimate subject for taxation of this nature hereafter, but also of stationary engines which are run now on what is known as Diesel oil. It must be within the knowledge of some hon. Members of this House that the Department of Industries ever since the days of Sir Alfred Chatterton has been pressing upon the ryots and others that they should use Diesel engines as pumping sets for raising water, for decortiating, for oil-pressing and such other matters connected with agriculture. Well, it may be said now that since electricity as a cheap source of power is available to the ryots, they could now discard the stationary Diesel oil engines and use instead electricity

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as motive power. That is the case in a large part of the Presidency. Nevertheless electricity has not yet reached the whole of the Presidency and according to the figures at my disposal, out of the total consumption of Diesel oil, no less than 25 per cent is consumed by stationary engines where there is no possibility of getting electricity at all. Actually, if you include all places which are under the electric grid system, the Diesel oil consumed by such engines would rise to no less than 50 per cent. That being the position, it is premature as yet to be considering the taxation of Diesel oil used in stationary engines. I admit that the Hon. the Premier has signified that he would be prepared to accept the amendment which stands in the name of this group; that is the best compromise that we could make and the definition is certainly better than the earlier definition. But I must confess for my own part that I do wish that this question of stationary engines might have been omitted at any rate for the present until it is possible for all parts of the Presidency to be able to rely on electricity as their central motive power.

"There is yet another point in connexion with the taxation of oil used for stationary engines, and that is that a number of electric supply corporations generate electricity by means of stationary engines using Diesel oil, and it seems to me that in the case of these particular electrical undertakings, they would be taxed not only under this Bill but also under the Electricity Bill. It seems to me to introduce another reason why it would have been better to have excluded Diesel oil used for stationary engines.

"These are the only points that I wish to make at this stage. I think I have already said quite enough in my speech on the introduction of the Bill."

MR. SPEAKER:—"Is your objection to the Bill based on this constitutional position? Is it your ground that the original Bill having only dealt with the inflammable hydro-carbon ordinarily used for providing motive power for motor vehicles, cannot now be so changed as to impose taxation upon Diesel oil and other things used for other purposes also? Is it the hon. Member's contention that the intention of the original Bill has been departed from?"

SRI B. BAKTAVATSALU NAYUDU:—"My amendment is to that effect."

* MR. W. K. M. LANGLEY:—"Subject to correction, Mr. Speaker, I do not think that the original Bill actually specified stationary engines."

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MR. SPEAKER:—"The original definition of motor spirit is—

'any inflammable hydro-carbon (including any mixture of hydro-carbon or any liquid containing hydro-carbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicles.'"

* MR. W. K. M. LANGLEY:—"I think the understanding when the Bill was introduced was that motor vehicles quite definitely meant automotive vehicles which actually moved under their own power. I do not, however, wish to press it at this stage. I have stated my objection to bringing oil used for stationary engines within the purview of the taxation."

MR. SPEAKER:—"All the while the hon. Member has been arguing that the definition has been so worded as to bring within its scope oil used for stationary engines. Does the hon. Member really object to high speed Diesel oil being covered by the definition of 'motor spirit'?"

* MR. W. K. M. LANGLEY:—"These legal points are rather beyond me. I think I will let my remarks stand as they are and I will not press them further."

MR. SPEAKER:—"Then the hon. Member agrees to high speed Diesel oils being covered by the definition of 'motor spirit'?"

* MR. W. K. M. LANGLEY:—"Yes."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"One point which I wish to submit for the consideration of the House is this. The Select Committee has altogether altered the whole aspect and scope of the Bill. That has been effected by altering the definition of the words 'motor spirit.' When the Bill was introduced, the general impression was that taxation was proposed to be imposed only on petrol used by motor vehicles. But, by an innocent-looking alteration of the definition of the words 'motor spirit' the Select Committee is going to affect not merely motor vehicles but also other kinds of internal combustion engines."

MR. SPEAKER:—"Do they not come under the extensive definition of vehicles?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"No, Sir; the oil-engine is a stationary affair. The vehicles move from place to place by reason of the internal combustion, but in the case of these engines no amount of working of the engines will move them an inch further. They will stand where they were originally located. It seems to me, therefore, that by this amendment the Select Committee has gone far beyond its powers."

MR. SPEAKER:—"What is the particular section that the hon. Member objects to?"

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RAO BAHADUR SIR A. T. PANNIR SELVAM:—"The scope of the Bill has been altered and that by the definition of the words 'motor spirit.'"

MR. SPEAKER:—"But Mr. Langley agreed to it."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I am not sure as to what he agreed to."

MR. SPEAKER:—"He agreed that the definition is comprehensive and can stand as it is."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I am not sure if he agreed to it. But all the same the definition as has now emerged from the Select Committee is not the same as it was at the time the Bill went from the House to the Select Committee."

MR. SPEAKER:—"It may not be the same, but is the taxation beyond the scope of the Act?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"That is a matter for you, Mr. Speaker to decide."

MR. SPEAKER:—"Mr. Langley who stands for a particular interest has agreed to the alteration of the definition."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"But I have got this advantage, Mr. Speaker. Mr. Langley was suffering under a disadvantage, namely, that he was not a lawyer, while I have the advantage of having been a lawyer addressing an ex-lawyer."

MR. SPEAKER:—"A disbarred lawyer."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"It does not require a practising lawyer to interpret law."

"I want to draw your attention to the change that has been made in sub-clause (c) since it went to the Select Committee. The Bill as introduced in the House defined 'motor spirit' as—

'Hydro-carbon (including any mixture of hydro-carbon or any liquid containing hydro-carbon) which is ordinarily used for providing reasonably efficient motive power for any form of motor vehicle.'

Whereas according to the Select Committee, it has been amended as follows:—

"'Motor spirit' means any substance which by itself or in admixture with other substances, is capable of directly or indirectly providing reasonably efficient fuel for any form of internal combustion engine and includes petrol, high speed Diesel oil and crude oil but does not include kerosene, coal or charcoal."

So that it is clear that the original intention was that the tax was to be levied on fuel used for driving motor cars, whether they be private cars or public vehicles. I do not think from the wording of the original clause that it was the intention that the fuel used for stationary engines should be taxed. The amended definition alters the whole position. Unfortunately, I was not

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present in the House at the time; but from the reports we see that the Premier said that it was really going to be paid by those who owned a car. But by this altered definition, the tax is not merely to be paid by the owners of cars but also by all those who own a stationary engine run by Diesel oil, used for agricultural or other purposes. The owner of the car, though he is not a rich man, is a middle-class man and one who is not exactly very poor, and he is able to drive about in his motor car; he may perhaps be able to bear the burden. But as for the other person, he uses the engine for his own agricultural purposes, he sets up his engine in his village for irrigating his wet lands, and his gardens. Fortunately the district from which I come is not so unfortunately situated. We get water through channels and we are not dependent upon water baled out by stationary engines. But gentlemen from the dry districts which are subject year after year to famine, are under the necessity of pumping water for irrigation purposes from deep bore-wells, and they it is who have to depend upon these oil-engines. Is it the object of the Hon. Member that they should pay an additional taxation to what they are already paying? From the point of view of my district I have to say that almost at every three miles there is an oil-engine used for the purpose of hulling paddy."

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SRI V. M. RAMASWAMI MUDALIYAR:—"On a point of order, Sir, I think there is a separate amendment given notice of by Sri Baktavatsulu Nayudu on this very point."

MR. SPEAKER:—"We have not reached the stage of amendments as yet."

SRI V. M. RAMASWAMI MUDALIYAR:—"That is what exactly I mean. There is a separate amendment given notice of on this point, and that will be the suitable opportunity to discuss this point as it relates to the deletion of the words 'Diesel oil and crude oil, etc.' I think these remarks will be apposite then."

MR. SPEAKER:—"No, he now raises the question with reference to the introduction of certain words which, he says, are beyond the scope of the Bill. I understand your point; the merits of the case can be gone into at the time of the amendment stage. What he wants to show is how crude oil-engines and other stationary engines should not be covered by the definition of 'motor spirit,' and therefore they are not within the scope of the original Bill and the Select Committee is not right in going beyond the scope of the original Bill."

SRI V. M. RAMASWAMI MUDALIYAR:—"All the same there is no need for an elaborate discussion of what is motor spirit."

MR. SPEAKER:—"In order to convince probably the Chair, the Government and all concerned as to the correctness of the position, he is elaborating the point. And we will see, as this is the

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stage of consideration, how far the point raised is correct. His contention is that the amended definition is beyond the scope of the original Bill. It will be answered by the Hon. Premier afterwards."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"I was saying that this crude oil or Diesel oil is used very considerably in my own district for the purpose of hulling paddy. I would submit that would ultimately result in taxing this oil also."

MR. SPEAKER:—"Your contention is that they are not motor vehicles, and this new addition is really imposing a tax on a person, the levy of which was never the original intention of the framers of the Bill."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Yes. The framers of the Bill intended to levy a tax on a person who uses a motor vehicle. Now this is going to impose a tax on the user of a motor engine which is merely stationary. So it widens the scope of the Bill; it levies a tax which was not the intention of the original Bill to levy, and so the person who uses the oil-engine to water his fields, or husk paddy, groundnuts, whether for his own use or for hire, the poor man . . ."

(At this stage the Hon. Premier spoke in a low voice across the table asking the hon. Member to confine himself to the main point.)

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"Yes, we shall confine the discussion to one point."

MR. SPEAKER:—"But how does it affect the position?"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"The whole position is that it is not within the purview of the powers of the Select Committee to make alterations within the general framework of the Bill which we sent up. After all, the Select Committee is a creature of this House. The Committee cannot widen the scope of the original Bill. Our original Bill was for certain restricted purposes. It will not be within the power of the Select Committee to say that we shall also levy a tax . . ."

MR. SPEAKER:—"It was only defining 'motor spirit.' It was only making clear what 'motor spirit' means. This House referred the whole Bill and wanted the Select Committee to consider the definition of 'motor spirit.' Now, the Select Committee, having considered the definition of 'motor spirit' gave a very extensive definition instead of a limited definition."

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"We sent up the Bill. Our intention was to levy a tax on what is being used as fuel for a motor car."

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MR. SPEAKER:—"No; on sales of motor spirit. The preamble of the Bill itself says it. It runs as follows:—

'Whereas it is expedient to provide for the levy of a tax on retail sales of motor spirit, etc.'"

RAO BAHADUR SIR A. T. PANNIR SELVAM:—"And we have defined 'motor spirit' as what is being used for a motor vehicle, and therefore we have restricted the meaning of the term 'motor spirit'."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The point is this, Sir. It has been suggested and argued that there is something unconstitutional or legally wrong in the present form in which the Bill has emerged from the Select Committee being taken up for consideration now. Otherwise there is no point at this stage in the discussion. I can understand the many things that Sir Pannir Selvam said would have to be considered on the merits of the particular question. Just now, I will confine myself to that which is necessary to dispose of the preliminary point raised. The object of the Bill is to be considered and gathered from the preamble and the statement of objects and reasons. Now, the title, the preamble and the objects and reasons are there. I submit, Sir, that it is only motor spirit in the Province of Madras and retail sales that are there. The objects and reasons also exactly follow the same lines. The object of this Bill is to levy a tax on all retail sales of motor spirit in this Province, etc. The point is further raised that inasmuch as we have a definition in the body of the Bill, we must consider everything in the light of this definition. To accept that contention would come to this: that the Legislature and the Select Committee appointed by the Legislature would not be free practically to make any material amendments in a Bill once it has been published. It would finally resolve to that. The same point now made to attempt to narrow the scope with reference to the commodity might be applied with reference to the amount to be taxed and with reference to every other detail, if once we accept this principle. At this rate this interpretation of the constitutional position would mean that the Select Committee can do nothing more than make mere explanatory and verbal amendments. The commodities to be taxed, the persons to be taxed and the way in which the tax has to be collected, all that would have to be considered as material parts of the Bill. I can understand an interpretation in a law court being objected to on that basis, but the Legislature which is to pass various provisions with reference to a particular tax will have to be free to move every element in the process of taxation that is proposed, and one of such elements is the commodity to be taxed, the other element is the man to be taxed and the method to be adopted in collection."

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"Here what is it we are dealing? Internal combustion engine has a certain fuel, and motor spirit is used as a fuel. Are we then to think that the scope of the Bill will be enlarged if for instance we say 'fuel' is not merely liquid spirit but something else. We cannot allow that construction to be so narrow. Therefore, I submit, the same principle should be applied to the use to which the engine is to be put, and the oil to be used for running the engine, whether the engine is used for running a locomotive, motor vehicle or a stationary engine producing power. In every case, I submit, we must confine ourselves to the preamble, and the objects and reasons to explain the preamble. I do not think that it is merely a question of interpretation of a Bill already passed into law; it is now a question of what we should pass into law, and therefore every detail in connexion with the Bill must be within the purview of the Select Committee as well as the Legislature. I submit there is nothing in the point raised. All that can be raised now is this: the Bill is so changed that we must publish it again. And that is a minor point; it has been considered by the Select Committee and the Select Committee has come to the conclusion that the Bill does not require republication. It is for the House to accept it or reject it and say the Bill should be republished. It does not prevent the House from making any change whatever in any of the various provisions levying a tax on motor spirit. There is no legal point involved. All that they can say is 'we do not think it is right to consider this Bill on this occasion.'"

MR. SPEAKER:—"Supposing the original Bill provides for taxation upon a particular item, can the Select Committee suggest a tax on two items, that is, suggest taxation on an additional item. Is it within the power of the Select Committee to include a number of items when the original Bill seeks to impose taxation on only one item?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Yes, and then say it should be published again. If the two items are disconnected altogether, I can understand the Chair ruling it out of order. Now the question raised is, what are the uses to which the commodity taxed should come under the Bill? That I think is not so disconnected. Supposing we stipulate that only public lorries should be taxed and private motor vehicles should not be taxed, then it would not be within the scope of the Select Committee to recommend taxation on private motor vehicles."

MR. SPEAKER:—"So your contention is that since the original Bill sought to impose taxation on retail sales on motor spirit, the various forms which that tax could take, so long as it confined itself to the sale of motor spirit, is perfectly within the scope of the Bill?"

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KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Mr. Speaker, Sir, I think the Hon. Premier has worsened his case by the statement he has made. In fact, he has strengthened the case of the Opposition with regard to the admissibility of the amended Bill. He has made a definite statement, whatever the final decision might be. So far as the interpretation goes, that any Bill on any taxation relating to a particular commodity can ultimately, when it emerges from the Select Committee, be a taxation measure on any commodity . . ."

THE HON. SRI C. RAJAGOPALACHARIAR:—"No, no."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Now I find that he concedes . . ."

MR. SPEAKER:—"Leave him aside and confine yourself to your point. The principal point on which he was emphasizing was that the original Bill sought to levy a tax on retail sales of motor spirit, and only one kind of motor spirit was mentioned in the original Bill. But motor spirit is defined more elaborately by the Select Committee; and it does not seek to go beyond the scope of the original Bill. That is his contention."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"As I understand the situation now, I will place my remarks this way. The object of the Bill is to tax some motor spirit which is used for the purpose of running motor vehicles."

MR. SPEAKER:—"The preamble distinctly says 'levy of a tax on retail sales of motor spirit.' No question of motor vehicle at all. It is only in the definition that it comes." 4-45 p.m.

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Both put together it comes to this: motor spirit for the purpose of running motor vehicles. The question is, motor spirit was defined in the original Bill in a particular manner, but by the amendment of the definition now, it includes items other than that particular spirit which is motor spirit; it also includes other kinds of spirits which are used for purposes other than for motor vehicles, engines and other things."

MR. SPEAKER:—"Other spirits, is it? The idea of this Bill is to exclude definitely kerosene, coal or charcoal and to levy this tax on that kind of combustible material which is necessary for the running of motor vehicles."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"So, now according to the amended definition here it comes to this. This Bill as amended by the Select Committee contains names of articles which are used for purposes other than for motor vehicles. Therefore, I contend, Sir, that the scope of the Bill has been definitely changed."

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MR. SPEAKER:—"Does the hon. Member mean that Diesel oil is not a motor spirit?"

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"It may be a motor spirit or it may not be a motor spirit, but it is also a spirit used for other purposes. 'Motor spirit' is being defined for the first time. So far as we are concerned here the definition of motor spirit seems to vary from day to day. The Government when they drafted the Bill have some definition of motor spirit; then, when they go to the Select Committee they have another definition. I do not know what definition they are ultimately going to have by the time the Bill goes out of this House. (The Hon. the Premier: "The House is entitled to do it.") Therefore, I am saying that the word 'motor spirit' is a term which has to be defined. There is no recognized definition of that term. Therefore, we necessarily have to go into the contents of the definition. If there is already an accepted definition in another Act, it does not matter. For instance, if you see the next clause (d), you find 'petrol' means dangerous petroleum as defined in the Petroleum Act, 1934. That word is defined in a previous Act. But with regard to the previous clause (c), the idea is that with the help of the Legislature we should make a definition. Therefore, I contend that since we are now in the stage of defining a particular word 'motor spirit,' we should not have an indefinite idea of what the motor spirit is."

MR. SPEAKER:—"Suppose the definition is not perfect, good or sufficient in the original, is not the Select Committee entitled to elaborate and define it?"

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"The Select Committee is entitled to make the definition clear so far as it relates to the main object of taxation. I shall explain still more the idea of the Select Committee including this. There are some motor vehicles which are being run without petrol. That is a fact. Diesel oil engines are used nowadays. An economic way of transport is to use Diesel oil engines and crude oil engines which though more costly than the ordinary engines, in the long run it pays. It is very economical, therefore, to run motor vehicles, particularly those which are fitted with Diesel oil engines, trucks, motor buses, with Diesel oil. The Government would have thought that these motor vehicles which would use Diesel oil would escape taxation if the old definition was to be there. The object now is to bring under the definition all combustible materials of whatever nature which are used for the purpose of running motors. If it is merely on engines which are used for vehicles they are entitled to do so. Instead of that, this definition is not a definition of combustible material which is necessarily used for the purpose of running motor vehicles, but it is a

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definition by means of which they will be able to tax all materials which are necessary for running Diesel oil engines; it is with that view that they have now put in a general definition of Diesel oil without having a proviso that it relates only to such Diesel oil as is used primarily for the purpose of running motor vehicles. If they had stated that, probably the position would have been different. It would mean that they are trying to tax only one particular kind of oil which is used for the purpose of motor transport. But now, as it now stands, it will mean that Diesel oil which is now used for many purposes other than motor vehicles will also be taxed. I would ask the Government to see that aspect of the question. I contend, Sir, that under the circumstances it is definitely important. By the general statement made by my Hon. Friend, the Prime Minister, that the Bill does not very much vary and it hardly needs republication, I do not think he expects us to be convinced in the matter. I can say, Sir, without fear of much contradiction that a taxation measure or any measure cannot go beyond the scope of the objects and reasons mentioned in the particular Bill. I contend, Sir, that this clause stands on the objects and reasons of the Bill and that the main object of the Bill is the taxing of the spirit which is necessary for the purpose of running motor vehicles, and we should not at all be bothered by the present definition of motor spirit, particularly in view of the fact that the object of the Bill is only to confine the definition to the taxation of 'spirit' necessary for motor vehicles."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, we are thankful to you for practically drawing the attention of the House to the way in which the Select Committee has sent out this Bill after enlarging its scope. In the Select Committee, that is as a member there, I felt—why, as a matter of fact I asserted—that by enlarging the definition and by including another commodity besides what was sought to be the only commodity for the purpose of this Bill, the scope of the Bill was enlarged. Mr. Speaker, when a Bill comes up before this House, or when it is introduced in this House and is then referred to the Select Committee, it is certainly not with the object of enlarging the scope of the Bill itself. It is merely to interpret and to even correct mistakes, if any, or to insert other things that may be found necessary and that are not materially different from the original Bill, as introduced. Now, in the Select Committee what has been done is, that, without confining the definition to the commodity which was the only object of this Bill, that is 'motor spirit' which is intended for propelling purposes, which is quite self-sufficient, they have radically changed the definition. According to the original Bill, 'Motor spirit' means 'any inflammable hydro-carbon (including any mixture of hydro-carbons or any liquid containing hydro-carbon), which is ordinarily used for

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providing reasonably efficient motive power for any form of motor vehicle.' It is very very clear that the object with which this Bill was introduced was to apply to that commodity which will give efficient motive power for any form of motor vehicle. Certainly an internal combustion engine was not in the minds of the authors of this Bill or even this House. Sir, if, instead of petrol, there was another commodity which could be used for making a motor vehicle run, I can understand the Select Committee introducing that motor spirit also side by side with petrol. I do realize, Sir, diesel oil can be included along with petrol for the purpose of running a motor vehicle. I cannot understand crude oil being included side by side with diesel oil and petrol for the purpose of this Bill. Crude oil serves a very different purpose than either petrol or diesel oil. Diesel oil sometimes is used for running a motor vehicle, but not crude oil. I have not heard of crude oil being used for running a motor vehicle. Of course, it is used for running engines which are stationary."

MR. SPEAKER:—"Motor cars are running by crude oil. I have seen a motor car running by firewood. Crude oil does run a motor car or a motor vehicle."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Whatever commodity which is being used for the purpose of running a motor vehicle can be included in the definition and all these commodities can be safely brought in by the Select Committee in this Bill. But another article, another commodity, which is not used for the purpose of running . . ."

MR. SPEAKER:—"By any stretch of imagination can it be said that diesel oil or crude oil cannot be brought within the meaning of 'motor spirit'?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I said, Mr. Speaker . . ."

MR. SPEAKER:—"With regard to diesel oil you agree? So far as crude oil is concerned, by any stretch of imagination can it be said that you cannot bring crude oil within the definition of a 'motor spirit'?"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"It is stated in the objects and reasons that the object of this Bill is to levy a tax on all retail sales of motor spirit in this Province and it is not said even there that it is the motor spirit which is used not only for running motor vehicles but also for stationary engines."

MR. SPEAKER:—"Therefore it is said 'sales of motor spirit in this Province.' It does not say 'used for the purpose of running a motor vehicle.'"

ABDUL HAMEED KHAN SAHIB BAHADUR:—"We cannot go away from the fact that the definition specifies the purpose

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for which the motor spirit is sought to be taxed. The definition in the original Bill is clear. It is very clearly stated that it is intended for running motor vehicles. Having these two things together, it is positively clear that we can tax only that motor spirit which can be used for running a motor vehicle and no other motor spirit can be brought under this Bill. The Hon. the Premier can withdraw this Bill and bring in another in its place."

MR. SPEAKER:—"That is a different matter. He may withdraw or may not withdraw. We must deal with this part of the Bill only and not the whole Bill."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"We may take the objects and reasons of this Bill along with the definition of that particular commodity. What is the object of this Bill and which is the commodity sought to be taxed? When we read these two definitions along with the objects and reasons, we cannot but come to the conclusion that the only motor spirit that can be taxed under this Bill without enlarging its scope, the only commodity is that commodity, which can ordinarily be used for the purpose of running a motor vehicle."

MR. SPEAKER:—"What is a motor vehicle then? A motor 5 p.m. vehicle was not defined in the original Bill."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"It is defined in the Motor Vehicles Act, Sir."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"If an engine which cannot move can also be called a motor vehicle, I have no objection. I submit that on account of the new definition, on account of the fact that crude oil has been included in the definition itself, obviously the scope of the Bill has been widened. You can see clearly that the author of this change in the definition makes this position more difficult by deliberately not including kerosene oil, coal, or charcoal. He has taken particular care to see that these three are not included. He knows that these things can be used for running a vehicle but not for running a static motor engine."

SRI G. KRISHNA RAO:—"On a point of information, Sir, I should like to ask whether, in framing the preamble of the Bill in the way in which he framed it in the beginning, the Hon. the Premier had anything in his mind except highly refined motor spirit and whether he wanted anything except it for a tax on gallonage?"

MR. SPEAKER:—"I do not think that enquiry will be permitted. An enquiry into what the mental condition of the Prime Minister was when he drafted the original Bill cannot be permitted."

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SRI G. KRISHNA RAO:—"I wanted that information only to show that in the Select Committee stage of the Bill this thing has been extended. Diesel oil and crude oil were not found in the original Bill."

MR. SPEAKER:—"The whole question is that there was a definition of motor spirit and the original Bill sought to impose a tax on the retail sales of motor spirit. That is clear from the Preamble as well as from the Statement of Objects and Reasons."

SRI G. KRISHNA RAO:—"I should like to have an explanation from the Hon. the Premier as to whether when he brought in the original Bill he had in his mind any idea of including crude oil in the definition of 'motor spirit'."

MR. SPEAKER:—"The House is not concerned with what he had in his mind when he introduced the Bill."

SRI G. KRISHNA RAO:—"He is the father of the Bill."

MR. SPEAKER:—"Suppose he says he had it in his mind, are we to accept it?"

SRI G. KRISHNA RAO:—"We will believe what he says."

MR. SPEAKER:—"I believe the House is not concerned with what the Premier had in his mind. We are not concerned with his original intentions but with what was in the original Bill and what is in the subsequent Bill."

SRI G. KRISHNA RAO:—"Technically as it is, it is overstepping the definition contained in the original Bill."

MR. SPEAKER:—"That is the point we are considering. Let us not go into what the Prime Minister was thinking of when he drafted the Bill a number of times."

BASHEER AHMED SAYEED SAHIB BAHADUR:—"I think, Sir, the objection raised is based on an assumed connotation and denotation of the term 'motor spirit.' The term 'motor spirit' was certainly defined in a certain way by the original framers of the Bill. The alteration of the definition to make it more comprehensive and compact or to make it more absurd is certainly within the competence of the Select Committee to which it was referred."

MR. SPEAKER:—"More absurd?"

BASHEER AHMED SAYEED SAHIB BAHADUR:—"Yes, Sir, even more absurd."

MR. SPEAKER:—"Can a Select Committee make an absurd definition?"

BASHEER AHMED SAYEED SAHIB BAHADUR:—"I submit it is within the power of the Select Committee theoretically. It can make the definition as it existed in the Bill better or worse."

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MR. SPEAKER:—"Better or worse' is different. But, 'absurd,' that was what the hon. Member said."

BASHEER AHMED SAYEED SAHIB BAHADUR:—"If the Select Committee is perverse, it can make the definition absurd; if it is not, it can improve upon the original definition placed before it and make it better."

"The other point is that the Select Committee has power to make the definition more comprehensive. Sir, it can make it more intelligible. It can also take into account, when defining, the possibilities of the evasion of certain taxes or the hardships that might be imposed by the interpretation of the definition. It is within the competence of a Select Committee to take into account all the aspects of a certain case. Now, Mr. Speaker, what we have to consider is this. There are two things aimed at in the Preamble and in the main clauses of the Bill. The taxation of retail sales is one aspect. The other aspect is the taxation of certain spirits. The words 'motor spirit' might mean anything and everything. There is no well-known and accepted definition of the words 'motor spirit.' But, even if there existed any such definition, it is still within the competence of the Select Committee and of the Legislature to modify it so as to make it include or exclude several other stuffs. A certain stuff is going to be taxed and what that stuff is, whether it is a connected or related stuff or whether it is merely a single stuff and not a compound of several stuffs is not a question that really concerns the House. What we have to see is whether the fundamental principles have been departed from by the Select Committee in the way in which they have modified the Bill and also the scope of it. I contend, with all respect to you, Sir, that it is within the competence of the Committee to do what they have done so long as the fundamental principles underlying the taxation proposals are not affected by such modification."

MR. SPEAKER:—"That a fundamental principle has been violated is the contention. It is now contended that whereas the original Bill sought to impose taxation on retail sales of motor spirit, the revised Bill wants to impose a tax on crude oil also. Is crude oil, according to the hon. Member, 'motor spirit'?"

BASHEER AHMED SAYEED SAHIB BAHADUR:—"Sir, the argument against the inclusion of crude oil is based on the assumption that 'motor spirit' merely means the one article which hon. Members have in their mind. There is no known definition of the term 'motor spirit.' In the absence of any such definition, it is wrong to say that 'motor spirit' cannot and shall not include crude oil. It will certainly be an unwarranted assumption to say that 'motor spirit' means something and that we cannot go beyond it."

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MR. SPEAKER:—" Their contention is that ' motor spirit ' was defined to mean something in the original Bill, whereas in the Bill as amended by the Select Committee it means also crude oil and that this could not have been contemplated by the original Bill."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" Then it amounts to this, that the Select Committee was competent merely to endorse what was placed before it."

MR. SPEAKER:—" Can the Select Committee impose a new tax? "

BASHEER AHMED SAYEED SAHIB BAHADUR:—" This is not a new tax. What the Select Committee has done is to give a connotation to the term ' motor spirit.' That is certainly within the competence of any Select Committee to do."

MR. SPEAKER:—" And indirectly bring in a new tax not contemplated by the original Bill? That is the contention."

BASHEER AHMED SAYEED SAHIB BAHADUR:—" A certain stuff, yet to be defined finally by this Legislature, was sought to be taxed. What that certain stuff is, has to be defined by the original framers of the Bill, by the Select Committee and by the Legislature. The final voice is with the House so far as the real stuff that is to be got hold of for the purpose of taxation. It is not the user of the vehicle that is going to be taxed. The words ' motor vehicle ' at the end might have been very unhappy. The expression should have been ' motor mechanism ' and I see from the definition as originally framed, that is, what is really intended. There is a certain stuff used for a certain purpose and we propose to tax it. I submit it is within the scope of the Select Committee to expand or to lessen the scope of the definition or the meaning of any word within the Bill. It does not necessarily mean that it has changed the fundamental principle or the basis of the Bill at all. I submit it has done nothing in violation of any of the powers of the Committee."

SRI V. M. RAMASWAMI MUDALIYAR:—" I just want to clear the position, if possible."

MR. SPEAKER:—" Is the hon. Member going to speak on behalf of the Government? "

SRI V. M. RAMASWAMI MUDALIYAR:—" I am going to speak on my own behalf."

MR. SPEAKER:—" This is a taxation Bill, and I think the Prime Minister will defend it much better than the hon. Member." (Laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—" Sir, the question really is an interpretation of the scope and not on the merits of the particular thing. I submit that there is a slight

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confusion. We are getting a great deal into the mood of a law court interpreting a law already passed. With due deference . . ."

MR. SPEAKER:—" I think nobody thinks so."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" I am not sure; but there is a tendency, when we discuss the interpretation of a clause, to get into the habit of thinking that the clause is already there and it has to be interpreted."

" I want to avoid a particular mistake and therefore I proceed at once. The scope of the Bill is to be understood by the object of the Bill. If the object had been to protect a particular vehicle or to put down the motor vehicle and subject it to taxation, I can understand that only things connected with the motor vehicle should be considered to be within the scope of the Bill. As I understand this Bill—I am not referring to what I had in my mind—this is a taxation measure, and the proposal is to tax certain commodities used for running an engine. It is not intended in any manner to penalize the vehicle itself. It is intended to get money out of the material that is sold. It may be in this connexion seen that we have published two Bills. There are two original Bills in this case. As a matter of fact, in order to understand the scope of the Bill it may not be entirely useless to consider both. They vary in many details with reference to the way in which the tax is to be enforced. But, apart from that, it will be seen that the definition that comes down is not to be taken as a part of the taxation measure itself. Just as every other clause which follows the preamble may be varied by the Select Committee, the preamble and the object of the Bill are to be inferred from the objects and reasons and not from the definition. For instance, ' retail sale ' may be defined in a particular way. If, as Mr. Basheer Ahmed explained, it was found by the Select Committee that certain forms of sales will be evading taxation, it would have to alter the method of taxation. To detect such evasions we would have to define ' retail sale ' in a different way. It will be seen that it is not the user of the oil that is taxed here. It is only the spirit that is used that is taxed. Any hydro-carbon can be used to produce a reasonably efficient motive power for running an engine; will not hon. Members admit that even steam can be used to move the engine, as a locomotive, and not necessarily that it should be used for stationary engines? "

MR. SPEAKER:—" Steam will never be called ' motor spirit '."

* THE HON. SRI C. RAJAGOPALACHARIAR:—" It will never be called so. Crude oil and motor spirit are made out of the same stuff. Perhaps it is better that I also point out that crude

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oil, petroleum and petrol are all produced out of the same material. They are used for varying purposes, but one can be made out of either if we care to do it. Just as we can make various forms of spirit by an adaptation or addition of other matters, in the same manner, crude oil is not an entirely different stuff from petrol, and it is connected with petrol in production, in origin and in monopoly. It is not for their use or on the kind of use that taxation is proposed to be levied, but it is on the stuff. For instance, if we buy motor spirit for dry-cleaning purposes, it would still come under the tax though it is not used for running an engine or a motor vehicle.

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“ Motor spirit is to be taxed, although it is used in different forms. The object of the measure is to tax a particular stuff, and whether we ought to tax it or not when it is used in a particular form for a particular purpose, it is for us to decide. I submit that if a peculiar construction is put upon it, that the object of the Bill should be read from the definition clauses, it means that the definition clause is sacrosanct. I submit it is not so, because we can go on materially altering the definition clauses saying as to what ‘ retail sale ’ means in a particular case and as to what ‘ wholesale sale ’ means in particular cases and so on and so forth. The question reduces itself to this: the object of the measure is not related to the motor vehicle but it relates primarily to the material used as fuel for more than one purpose. We have to avoid confusion. Apart from the constitutional and the legal implications that we are trying to expound, I submit we must pay greater attention to the preamble which reads: ‘ Whereas it is expedient to provide for the levy of a tax on retail sales of motor spirit ’; and therefore ‘ motor spirit ’ is brought under a particular definition clause. Therefore we have to see whether the definition really relates to the retail sale of ‘ motor spirit ’ in various forms, or it relates only to the use of that particular stuff which is used for *running* the motor vehicles.”

MR. SPEAKER:—“ This is a taxation measure. The original Bill sought to impose a tax on a particular form of motor spirit. We never contemplated crude oil and other things. If we can interpret that the original object of the Bill was such as to impose a tax on motor spirit, whether it is petrol or crude oil or anything else, then it was perfectly within the purview of the Select Committee to alter it in the manner in which it has done. The only question is whether crude oil is included in motor spirit or not.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“ Yes, that is the only point on which I am trying to explain. The object of the Bill was not to tax motor spirit with reference to particular uses to which it is put. Crude oil, I contend with good reason, is allied in the raw material to the motor spirit.”

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MR. SPEAKER:—“ The motion before the House is that the Bill be taken into consideration; we can go on with the whole Bill, and I shall give a ruling later. Leaving aside the point that has been raised, the Bill may be discussed fully.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“ I think the question is that the Bill as amended by the Select Committee be taken into consideration.”

MR. SPEAKER:—“ Yes, and the question has been put. The Bill as amended by the Select Committee is for consideration before the House. But that is not the only point which hon. Members may discuss. Any other point which hon. Members may have in connexion with this may be taken up now, and they are entitled to discuss all the points in the Bill. That is why I say that the scope of the whole Bill is now for discussion before the House.”

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—“ I may say, Sir, I was one of those who vehemently opposed the Bill in its earlier stages, but I fondly hoped that at this stage I would not be put to the necessity of finding fault with the Bill. I do not think that I am in that good enough happy position. I do not think the Select Committee has in any way rendered the burden less. They have got the same rate of tax now and they have included additional items also for taxation as has been pointed just now. I only hope that, at this stage at least, Government will consider the question of reducing the rate and minimizing the burden. After all, this is only a new taxation experiment and I should think Government should consider themselves happy if the principle of levying tax on gallonage of petrol is accepted and some amount of money raised; and if they find they are not able to get money from this source, they can expect a wind-fall from the Government of India. With the passing of the cruel Income-tax Bill which has been passed at the instance of the Finance Member of the Government of India and in view of the hopes that he has given to the Provincial Ministers, I hope that they will get back their amount. Taking into account the Railway accounts, I hope such dividends which they (the Provincial Ministers) may be able to get will help this Government not to increase the burden of taxation. Cannot this Government live on such hopes? Therefore, I suggest that Government may, if necessary, merely get the principle of this Bill passed and apply a lesser rate of taxation for the present, and raise it at a future date, if necessary, with the consent of the Legislature and not by bringing forward any resolution or an amendment to this Bill. I know my hon. Friend the Prime Minister, without prejudice to the principles of the Bill, will have ample scope for such things. But he may say that such a thing will delay the procedure. After all, what is needed is a tacit consent of this Legislature which

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wants to be told what the conditions of the finances of this Province are from time to time, how satisfactorily the Government are spending their money and how they (the Government) expect this Legislature to accept their proposal. If they bring forward such a proposal, they can get it passed, particularly when they have got such a large majority. I hope the Hon. the Premier will see the point of view that I am putting forward, and if necessary at the close of the year, he can then come forward with a resolution. That is my main contention. In answer to the contention on the first day of the meeting on this Bill that this Bill will not be a hardship on the middle-class men, I can say with confidence that the users of the motor cars are mostly middle-class men and this Bill will certainly work a great hardship on them compared to the taxes that the Government are getting from motor-owning classes. Therefore I suggest that the proper thing for the Government is to bring forward a reasonable taxation measure relating to petrol”

MR. SPEAKER:—“Does the Hon. Member mean petrol only?”

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—“I am still hoping that the tax will not be imposed on articles beyond that particular kind of spirit which would be necessary to run the motor vehicles.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, before we go to clauses”

MR. SPEAKER:—“I do not go to clauses now. The question that the Bill as amended by the Select Committee be taken into consideration is now under discussion. There is no objection to taking the scope of the Bill into consideration at this stage. So, the general principles of the Bill are now under consideration.”

THE HON. SRI C. RAJAGOPALACHARIAR:—“I thought it would not be necessary for members to speak now on the point of order that was raised, because that could be taken up for discussion when the clause with reference to which it was raised is taken up.”

MR. SPEAKER:—“Of course it may be taken up afterwards, but there may be other points evidently which hon. Members may wish to speak upon. Besides, there will be this particular difficulty. The Bill contains many clauses. Once the motion for consideration of the Bill is carried, then the principles of the Bill will be deemed to have been accepted by the Legislature. That is the constitutional position. I am drawing the attention of hon. Members who have given notice of amendments involving

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the principles of the Bill. If the principles of the Bill are deemed to have been approved by the House once the motion for consideration of the Bill is carried, then it raises an important point with reference to the amendments that have been incorporated in the original Bill by the Select Committee. If you want to oppose those amendments on principle, you will be debarred.”

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—“Apart from the consideration of the main motion that the Bill as amended by the Select Committee be taken into consideration on which members could object to the consideration itself, it is proper that the other points which have been raised should be discussed thoroughly now. I suppose that if the motion for consideration is put and carried, it means that the principles of the Bill have been accepted definitely, and if we are allowed to discuss the point with regard to the scope of the Bill when we deal with the definition clause, we will be indirectly opposing the principles of the Bill, to which exception may be taken. What I mean to say is that the objection regarding the scope of the Bill must be thoroughly discussed.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“Sir, I was saying from the beginning that, when this Bill was introduced, what was contemplated under the Bill was only tax on fuel which will be used for motor vehicles. As an illustration of this, I would only refer to the Hon. the Premier's speech in introducing this Bill. My contention is correct. That speech did not contain anything to show that motor spirit included everything. We ought to give great credit to the Hon. the Premier's comprehensive brains, and if he wanted to refer to other kinds of materials which are used for purposes other than those of motor vehicles, there would have been some reference to this in his speech.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“I did not wish to interrupt my hon. Friend over there. He is entirely proceeding on wrong lines. The thing that is mostly used for a particular purpose we are taxing. If my speech is to be read in that way, I am afraid we are going on wrong lines.”

RAO BAHADUR SIR A. T. PANNIR SELVAM:—“Sir, if it is said that even at the time of introduction of the Bill, it was said that the speech of the Hon. Premier contained a reference to the fact that the scope of the Bill extended to all forms of fuel, then it would have been absurd on my part to have referred to the speech of the Hon. Premier saying that it did not contain any such reference. However, as regards the scope of the Bill, I would say this. Supposing there is a proposal to impose taxes on tobacco, and tobacco is defined in one of the sections of that Bill as tobacco used in the shape of cigars and cheroots, by this the intention of the framers of the Bill is made clear that it is tobacco

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which is used only in the shape of cigars and cheroots that must be taxed. If the Select Committee were to say that the tobacco which is used for chewing should also be taxed, would it not be going beyond the scope of the Bill and the intention of the Legislature? On the same analogy and on the same basis, I submit that the Select Committee now had no right to go beyond the scope of the original Bill. Of course it is only the definition that is being altered and it is a very small matter in the Bill. But in this case I would submit that the alteration of the definition really alters the whole situation. The scope of the Bill is to levy a tax on what is defined as 'motor spirit', and is it proper to include now X, Y and Z in the definition of 'motor spirit' and say that we have already used the words, 'motor spirit' in the Bill and therefore we are justified in taxing X, Y and Z?"

Mr. SPEAKER:—"I have to put one small question to the Government. The two provisos to clause 3 say—

'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.'

Is it open to the Provincial Government to vary the rate sanctioned by the House simply by a notification? This is a taxation measure and the tax should be definite. Is it open to the Executive to alter the tax without a taxation Bill? Of course there is the proviso which says that no such alteration shall come into force until approved by a resolution of the Legislative Assembly. I ask, is it open to the Select Committee to make such a provision?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The question is not whether the Select Committee could do it; the real question is whether the Legislature could do it."

Mr. SPEAKER:—"Can the Legislature divest itself of its powers with regard to taxation measures?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is the point, not whether the Select Committee can do this."

Mr. SPEAKER:—"The Select Committee has divested the Legislature of its powers."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"There is ample precedent for what has been done. For instance, in the Income-tax Act the maximum, the minimum, the slabs and other matters are fixed and the variation of the rates is left to the Executive when the Legislature so chooses."

Mr. SPEAKER:—"Whatever might have been the case under dyarchy, now when every pie of taxation has to be approved by the House, can the House delegate its power of imposing taxation to the Executive Government?"

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"I submit that the power of taxation is with the Legislature, but the power to vary the tariff may be given to the Executive if the Legislature so chooses. The question is not one of the constitution under which we are working—whether it is dyarchy or provincial autonomy—but it is one of the permanent principles of law, namely, whether the power which the Legislature can exercise can be delegated to another body by the Legislature in respect of any particular matter which it chooses. I submit the Legislature can leave the question of tariffs to the Executive. The question has been decided by many precedents especially in the case of tariffs under customs duties. The powers of the Legislature may be different under various kinds of constitutions but the rules and laws governing the interpretation of the powers of the Legislature are the same, and I submit that the Legislature can in any particular case, if it so chooses, leave the tariffs to the Government."

Mr. SPEAKER:—"Can the Executive Government impose any additional taxation or increase the rate of taxation?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"No, unless the Legislature gives the power."

Mr. SPEAKER:—"If the Legislature gives the power, can the Government do it?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"It can and it is being done in the case of the customs tariffs."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"We have no tariffs here. If in this Bill the maximum and the minimum had been fixed, it would be certainly open to the Executive Government to vary the rate between the maximum and the minimum; but here no maximum has been fixed and only one rate has been fixed, and yet the Executive Government wants to take the power to vary the rate by merely getting a resolution passed in this House."

* M. AHMED BATCHA SAHIB BAHADUR:—"I will make a small suggestion, Sir. I do not want to make a long speech."

Mr. SPEAKER:—"You may make a speech if you like."

* M. AHMED BATCHA SAHIB BAHADUR:—"I am not inclined to make a long speech, Sir. I only want to help in arriving at a decision on this point."

Mr. SPEAKER:—"If you want to enlighten the House, you may do so. I do not want any help at present."

* M. AHMED BATCHA SAHIB BAHADUR:—"There has been some confusion created."

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MR. SPEAKER:—"There is absolutely no confusion. The hon. Member may speak on the point at length if he wants to make himself clear on the point. I am always clear, very clear."

* M. AHMED BATCHA SAHIB BAHADUR:—"The Hon. the Premier cited the example of tariffs and said that the Legislature gave the power of fixing the tariffs to some other body. I submit, Sir, that it is entirely different from what is contemplated here. In the case of Customs, the Legislature sometimes taxes commodities on the basis of their values. The Legislature imposes what is called *ad valorem* duties at a certain percentage of the market value of the commodities. The question is, who is to fix the market value of the commodities. The Government of India for the purpose of levying export and import duties have asked the Tariff Board to investigate into the prices of commodities from time to time, accordingly the Tariff Board gives a list of prices ruling from time to time. But the question of the determination of the price of an article is entirely different from the question of what the tax to be levied on that article should be."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Did I say that the whole of this is covered by that and that both are absolutely the same? I did not say so. Various Acts give power to the Executive Government in various ways. The Income-tax Act gives it in one way, and the Customs Act gives it in another way. The question is whether the Legislature which has the power of taxation can delegate the duty of fixing the tariff or the rate to another authority."

MR. SPEAKER:—"Does the Income-Tax Act authorize the Central Government to increase the rate of tax by notification?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"For instance the question whether incomes exceeding Rs. 1,000 or Rs. 2,000 should be taxed may be left to the Government to decide and they may bring their decision into force by a notification."

* M. AHMED BATCHA SAHIB BAHADUR:—"That is not done by the Government by notification."

MR. SPEAKER:—"Can the Executive Government be authorized to increase the taxation? Supposing the tax is now fixed at $1\frac{1}{2}$ annas for petrol and half-anna in the case of motor spirit other than petrol, can the Executive Government to-morrow alter the tax to 4 annas in the case of petrol and 2 annas in the case of motor spirit other than petrol? Is it open to them to do so?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"The question is not whether the Government would be well advised in so altering the rates. The only question is whether the Legislature

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cannot, if it considers it convenient and reasonable in a particular case, hand over the power to vary the rate to the Executive where the exact rate that is to be levied is a matter that is to be decided on merits. For instance, prices may vary and the taxation also may be altered according to the varying prices. Taxation in neighbouring provinces and States may vary and so on. We will have to alter the rate to suit those conditions. It is only a question of convenience for the Legislature to consider whether it is desirable to give this power to the Executive or not. I do not think there is any legal difficulty in giving this power. The power to tax is always in the Legislature, but can it not say that it fixes a tax of 2 annas in the first instance, and erect a particular machinery and give it the power to alter it with its own consent? It is open to the Legislature to withdraw that power immediately even. The taxation power remains intact with the Legislature."

MR. SPEAKER:—"Can the Legislature authorize the Executive to increase the tax without another Finance Bill?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"There is no constitutional bar against the delegation of the powers of the Legislature. That is the only issue involved now. The Legislature has the authority according to a particular section to do something. It does it. Then the power to vary is given by the Legislature to the Executive Government to be exercised under certain conditions."

MR. SPEAKER:—"Without the usual safeguards of a financial legislation? This Bill authorizes the Executive Government to vary the tax by a mere notification and that notification has to be approved only by a resolution of the Assembly."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"But are we not familiar even in this House with cases where the maximum and the minimum are fixed, and the Government is entrusted with the power to make rules to vary the rates between the maximum and the minimum? The fact that there is no maximum put in here does not alter the power of the Legislature to delegate this power to the Government. Of course, on the merits of the question, it is open to the House to say that such absolute power should not be given to the Government."

MR. SPEAKER:—"Probably the point was not considered in the other case because the maximum and the minimum were fixed, whereas in this case a *carte blanche* is given to the Government to alter the rates."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"All that I contend is that it is open to the Legislature; if it considers that the power will not be misused, to give such a power in particular

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cases to the Government. I shall explain the circumstances in which that power will be used when the clause comes up for discussion."

MR. SPEAKER:—"If the motion that the Bill be taken into consideration is passed, then the principles of the Bill will be deemed to have been accepted. One of the principles of the Bill is that the Executive is authorized by the Legislature to increase the tax without a Bill being brought before the House."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"If the motion is passed, the details will not by any means have been accepted. It is open to the Legislature, when the clause is taken up for consideration, to refuse to pass that clause or to modify that clause. That clause would not have been accepted by passing the motion for the consideration of the Bill."

MR. SPEAKER:—"It is a very important principle, namely, whether the Government can be given the power to increase the taxes without a Bill being brought before the House for the purpose."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"All that I contend is that, when the Bill is taken up clause by clause, it will be open to the House to refuse to pass that clause on its merits. By agreeing to the motion now before the House, it would not amount to the House having agreed to that clause in principle."

MR. SPEAKER:—"The whole difficulty is this. It is the Executive which wants this power. The present Executive commanding a majority in the Legislature will naturally have anything it wants passed by the Legislature. Now let us view the constitutional position. I want to invite the attention of the Hon. the Premier to section 82 of the Government of India Act. 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.'

But here the power of increasing the tax is given to the Executive Government; it is only provided they should bring forward a resolution for approval of the House."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"With great deference, I submit, Sir, that that section has nothing whatever to do with the point raised. That section deals with one principle, namely, that a taxation measure, either putting a new tax or increasing a tax already in existence, cannot be introduced except at the initiation of the Executive Government. That is the provision there. It does not permit a private member, for instance, to bring any such thing. Now, the present question however is

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whether if the Government bring in such a measure before the House, the House cannot give a margin of variation to the Government."

MR. SPEAKER:—"It is not a margin."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Whatever it may be, that section has nothing to do with this, and there is no other provision in the law which curtails the sovereign power of the Legislature in regard to this matter. As for the further question that the Government commanding a majority may do it, that is a question for the House to consider. The majority is in the unfortunate position . . ."

MR. SPEAKER:—"The Government will have to consider whether it would be expedient that such a power should be taken."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"That is a different matter, Sir."

MR. SPEAKER:—"Because the Government commands a majority in the House, any motion may be passed."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"This is not the point, but I concede at once the other difficulty. Accepting the principle of this Bill being passed, it would not prevent that question being considered on the merits, the merits being the expediency of such a power being taken. That will be considered when this clause is taken up, and I shall then present the reasons why such a proposal is made and why it was accepted by the Select Committee. And it has its limitations, which I shall explain. But at this stage, it would not be part of the general principle."

MR. SPEAKER:—"It has got its limitations?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Yes."

* M. AHMED BATCHA SAHIB BAHADUR:—"MR. Speaker, the clause that we are now discussing . . ."

MR. SPEAKER:—"We are not discussing a clause; we are on the general principles only."

* M. AHMED BATCHA SAHIB BAHADUR:—"The principle enunciated by this clause approaches to a liquidation of our own rights. The reason why I particularly think that I should throw some light on this question is that the Hon. the Premier has brought in references to the Tariff Board and also to the income-tax . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I do not mention anything about the Tariff Board, Sir."

* M. AHMED BATCHA SAHIB BAHADUR:—"I know there is a Board constituted for the purpose of deciding the tariff; I have mentioned the word 'Board' in that connexion. But in dealing with tariff and in dealing with Customs as levied under

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the Sea Customs Act, I know there are three different standards that are followed. In the first instance, there is the duty imposed on what are called the *ad valorem* bases, that is, the prices at which the importer purchases the goods are taken as the basis; then, apart from this *ad valorem*, there is what is called the market value, where the prices of goods ruling at a particular time are taken into consideration. The importer is called upon to give his price of the commodities that he is importing, which is taken as the market value. The other basis that is taken into account is the tariff value. What the tariff value is of any particular thing, is a question to be determined from time to time by a Board specially constituted for that purpose. These three things—the *ad valorem* duty, the tariff rate and the market rates—should be taken as something absolutely different from the rate at which these commodities should be taxed. The Customs Act clearly says that such and such a commodity should be taxed at so many per cent, at 10 or 20 per cent. In determining the rate of tax, the Customs Act clearly says that in the case of certain articles it is the *ad valorem* duty, in the case of certain others it is the market rate, and in the case of the others the tariff rate as determined by the Tariff Board, that should be taken into account. But as regards the rate for Customs purposes, it is a thing which is determined by the statute and by the Legislature. Nobody except the Legislature, has any power to alter, change, increase or modify a particular rate which is charged on a particular commodity that is being imported. So also in the case of income-tax, I know that the power to decide as to what is the minimum income is not left to the Executive."

MR. SPEAKER:—"The Hon. the Premier said that when the clause comes up for consideration he would explain the various aspects of the question, and that this may be taken up then."

* M. AHMED BATCHA SAHIB BAHADUR:—"He has told us that the power of reducing the rate is a thing which is delegated by the Legislature to an outside body. It is a preposterous thing, a thing which I have never heard of."

MR. SPEAKER:—"The Hon. Member may say all these things, more strongly, when that clause comes up for consideration."

* M. AHMED BATCHA SAHIB BAHADUR:—"Because he referred to all this, I had also to explain, in order to enable you, Sir, to come to a decision on this question. In order to remove the ambiguity on the question, I am differentiating as to what is *ad valorem* and what is the rate. A thing which is not within the competency . . ."

MR. SPEAKER:—"You may enlarge upon it when the matters is specifically put to the House."

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* M. AHMED BATCHA SAHIB BAHADUR:—"That is exactly what we are doing now."

MR. SPEAKER:—"We are now at the stage of considering the general principles. When this matter is put specifically to the House, when the relevant clause comes up for discussion, the hon. Member may continue his remarks."

* M. AHMED BATCHA SAHIB BAHADUR:—"All right, Sir."

MR. SPEAKER:—"I take it, then, that the discussion on the motion for consideration is now finished."

SRI G. KRISHNA RAO:—"May I know, Sir, whether it is possible to consider the principles of this Bill without being completely informed about the scope of the definition of 'motor spirit'?"

MR. SPEAKER:—"I have not yet put for the decision of the House the motion that the Bill be taken into consideration. Before that question is put to the House, I am going to give my ruling."

SRI G. KRISHNA RAO:—"Thank you, Sir."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, if I understand the Hon. Speaker aright, when once the motion for consideration of this Bill is carried, it will be a question of the majority deciding with reference to the clauses of the Bill, whether that particular clause referred to should be passed or not. Therefore, it will not be left to the Hon. the Speaker or to any member in the majority party to decide whether the principle involved in it is right or wrong. Therefore, it is now that we should appeal to the Hon. the Speaker to decide whether the two principles that have now been questioned, i.e., with regard to the inclusion of another commodity in the definition of 'motor spirit' and with regard to whether Government can take power by means of a single Bill . . ."

MR. SPEAKER:—"It is only a question of fixing the rate; why such power was asked for by the Government, the Hon. the Premier said he would explain."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Not only to fix the rate at which the tax is levied by means of this Bill, but also the taking of power to alter the rates from time to time either by Executive act or by notification, and giving information to the Legislature by means of a resolution and getting that Executive action ratified."

MR. SPEAKER:—"But there is one provision that no notification shall come into force unless approved by this House. That safeguard is put in there. That is why I say that this House is

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going to consider the whole matter. Even if a pie of tax is to be imposed, it will not be put into effect before the notification is considered by the House. The revised clause says:

'No such notification shall come into force unless approved by a resolution of the House.'

Therefore, the decision of this House, the deliberation of this House upon that increase of tax is there. It is not delegated or surrendered to anybody."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"The Hon. the Speaker rightly made a difference between a Bill and a resolution . . ."

MR. SPEAKER:—"Of course there is a difference, but the deliberative character of the thing is there. The House will decide it when a resolution comes before the House; it will be fully discussed and will be accepted or thrown out."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"The Hon. the Speaker also pointed to section 82 of the Government of India Act. Nowhere else is any reference made to financial bills that can be brought forward by the Government. It is here in section 82 alone that any mention is made, and the only means by which the Government can impose a fresh taxation or increase or amend a tax is given here. When they intend to increase a particular tax . . ."

MR. SPEAKER:—"But they have taken the power now, subject to ratification by the Assembly itself of the notification."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"But whether they can or cannot take that power by a single Bill is a matter to be considered."

MR. SPEAKER:—"The decision of the House is not to be taken away; the House is going to consider whether that is right or wrong. The House does not divest itself of its right to consider whether a new increase in the tax is right or wrong. That is the provision made there."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"In clause (a) of section 82, it is clearly stated that the only way in which the Government can impose a definite tax is . . ."

MR. SPEAKER:—"It does not say so; it says that a Bill for increasing the tax shall not be introduced without the recommendation of the Governor. But apart from section 82, the question is whether a Legislature can delegate the power of increasing the tax to the Government? It is not delegated here, because the deliberative or the deciding right of the House is preserved."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"May I submit, it is not always possible to have the same complexion of parties in a Legislature? That is also taken into consideration

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in this section. There may be a time when the majority might become a minority and a minority might become a majority. Such a time may come, and therefore it is necessary that the present majority should not bind a subsequent Legislature by taking power when it is not free to do so under this section. It is not free to bind a subsequent Legislature as regards the decision that that Legislature may take on the question. That is what I wish to submit, Mr. Speaker. It is wrong for any Legislature to do so at any moment."

MR. SPEAKER:—"But the right of the Legislature to consider the notification and approve it or reject it is there. There is a further proviso here which says:

'Provided further that no such notification shall come into force until approved by a resolution of the Legislative Assembly.'

Even the contention of the hon. Member that the Legislature cannot divest itself of its right of considering an increase in tax is provided for there by the proviso, that the notification shall not come into force until approved by a resolution of the Assembly."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I felt, with the Hon. the Speaker, that there is a difference between . . ."

MR. SPEAKER:—"Yes, there is difference. There is no question about it, but the right of the House . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"May I add that this is an astonishing proposition. The proposition, I submit, takes away the power from the Legislature, because the proposition put forward means that the Legislature cannot do certain things, namely, to give power to its own Executive. I submit it would be a most extraordinary position, in trying to protect the legislative rights of the Legislature, to take away the rights of the Legislature to make what legislation it chooses." 6 p.m.

MR. SPEAKER:—"The Legislature is a sovereign body and so the Executive wants to bring in the notification before the Legislature."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"At any time, the Legislature has the authority to cancel the powers granted to the Executive and withdraw them. That is to say, we are protecting the Legislature against its own errors. I submit, it comes to that."

MR. SPEAKER:—"I think the motion for the consideration of the Bill as amended by the Select Committee may now be put to the vote of the House. The object of the original Bill as introduced was to levy a tax on retail sales of motor spirit. The term 'motor spirit' was defined in a particular way. In the Bill as it has emerged from the Select Committee it has been defined in another way. It is contended by certain members that the new

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definition has included fresh commodities in the term 'motor spirit' over and above what was included in the old definition and that to the extent to which such new commodities have been added, the Bill is a new Bill and cannot be proceeded with. The only question is whether the Bill as it has emerged from the Select Committee seeks to tax substantially the same commodity as the original Bill. Though in describing the term 'motor spirit' the old Bill referred to a commodity ordinarily used as motive power for vehicles, yet, the tax was not on sales of motor spirit used or sold for purposes of motor vehicles, but on all sales of motor spirit used or sold for whatever purpose. It is, therefore, proper to hold that the amendment is within the scope of the original Bill and the amendment made by the Select Committee has not so altered the scope and character of the Bill as to make it *ultra vires* and it may, therefore, be considered."

The motion that the Bill as amended by the Select Committee be taken into consideration was put and carried and the Bill was taken into consideration.

Clause 2.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I have certain amendments of a verbal nature which may perhaps be first taken up so that the more substantial amendments may be moved later when the Bill is taken up clause by clause. It pertains to clause 2, and hon. Members will see that they are merely verbal amendments:—

'For sub-clause (h), substitute the following sub-clause, namely:—

"(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."

According to the Bill the definition is 'who sells or keeps for sale motor spirit and who is not a retail dealer.' The object is the same. Instead of merely describing the excluded class of purchasers, it would be better to describe it positively. In that aspect of the matter, it is considered better to have the amendment I have moved. I, therefore, commend it for the acceptance of the House."

MR. SPEAKER:—"The question is

'For sub-clause (h), substitute the following sub-clause, namely:—

"(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."

Shall we first finish all the verbal amendments and then take up the other amendments?"

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KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Mr. Speaker, I have got a small doubt. I do not object to the present procedure of taking up verbal alterations at first. No doubt, this amendment is to be carried. After it is carried, at the time when the main clause is to be taken up for consideration, supposing there is a motion for the rejection of this sub-clause, will you, Mr. Speaker, then hold that, this particular clause having been amended by the House earlier and passed, I cannot speak for the deletion of the sub-clause (h)? That is my difficulty, Mr. Speaker."

MR. SPEAKER:—"Whatever happens now if clause 2 is passed, will happen then."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I do not object to the motions being taken in any way. Since the difficulty has been pointed out by the hon. the Leader of the Opposition, let us go according to the orthodox rule. This may be first put and then the rest."

* MR. G. E. WALKER:—"Mr. Speaker, the position is this. According to the rules of the House, in the consideration stage, once a clause has been accepted on an amendment, it is not competent for the House at a later stage to pass another amendment inconsistent with the first one. I have given notice of an amendment in respect of an earlier sub-clause and I am anxious to move it. I suggest that we proceed in the usual way."

MR. SPEAKER:—"I think it would be better to go according to the orthodox method."

Clause 2.

Sub-clause (c).

* MR. G. E. WALKER:—"I beg to move—

'For clause 2 (c), substitute the following:—

"(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."

This amendment is the outcome of many heart-searching discussions between the lawyers, the technicians and the Hon. the Premier. As the definition of 'motor spirit' originally appeared in the first Bill which was sent by this House to the Select Committee, the term 'motor spirit' undoubtedly included very much more than what is commonly known as petrol. It is very surprising that the Hon. the Premier did not mention anything about it when there was a point of order raised with regard to it. The definition was doubtful because it was taken partly from the

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Excise Act on which the Act of the Central Provinces was based and generally speaking, it had no very close link; but it undoubtedly included petrol and some, possibly all, of these Diesel oils. In the Select Committee I moved an amendment to limit the definition to "petrol" only, but that was turned down; and it was because of that and the doubtfulness of the then existing definition that the comprehensive amendment was adopted by the Select Committee. But that amendment suffered from being a concoction of only lawyers with some laymen there being no one who had a technical knowledge of motor spirits or fuel oils on the Select Committee; and the result was that methylated spirits, cod liver oil, *eau de cologne* and such other things would have been brought within its ambit and it would have been necessary for all people who trade in these things, the chemist or even the general store-keeper to register themselves as motor spirit dealers under the Act. I have been, therefore, at great pains to draft an amendment which would not suffer from such defects, and in consultation with those who understand the technical side of the whole question and also with the Hon. the Premier I have drafted and am submitting this amendment to the House. It covers the same things as the Select Committee intended to imply, but is without any of the doubtful points which sprang from the wording of the amendment by reason of their not having sufficient technical knowledge of the inner workings of the oil industry. It is in no way a substantial alteration of the Select Committee's definition, but it has removed some of the anomalies and doubts which that definition gave rise to. I hope that the Hon. the Premier will accept the amendment."

The amendment was duly seconded.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I accept the amendment."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Mr. Speaker, while I speak on this amendment, I practically speak on one of the main principles of the Bill, particularly so, since the Government have accepted the amendment as better in point of drafting than the one that found a place in the Bill. The draft as amended by the Select Committee is not clear and I think it may be easily interpreted not to cover Diesel oil which is used for motor cars. I think the Government must be thankful to the European Group for having suggested an amendment which is very good from the point of view of getting revenue. (The Hon. Sri C. Rajagopalachariar: 'It has nothing to do with the European Group; it has been done in an individual capacity.') I mean the European Group of the House, it was, which has, as is usual, chosen the particular gentleman to move this amendment and I do think that he has the authority of the party for it until I feel that it is to the contrary. As the amendment has been moved from the point of view of drafting, I have no quarrel with

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it; but I am only concerned with that aspect of it which brings internal combustion stationary engines within the definition of 'motor spirit.'

"I am now talking of the various engines and pumps that are now being installed throughout the country. We have now come to a stage when it has become the fashion to use engines and pumps for the work of rural reconstruction, and in fact, that is what the several boards, committees and bodies set up for carrying on rural reconstruction are doing, so to say, with the object of increasing the agricultural prosperity of the people. Our endeavour should always be to help them with some engines. Now the immediate effect of this Bill will be to push up the price of thick oil. I hope the Hon. Premier will see the reasonableness of this, as it will otherwise entail hardship to the agriculturists on whom, it is said, all these measures are intended to confer benefit. I can say with confidence it is not only big mirasidars or big ryots who put up these engines; I think on account of the propaganda carried on by various departments all ryots are trying to set up pumping sets. Therefore, by these provisions in the Bill you will be taxing those persons. I hope Government will further amend the clause. I do not suggest the amendment myself, as the chances of acceptance of my amendment are remote, and so I content myself with throwing out this suggestion to the Hon. Premier. If that is done, I am sure, he will be doing a great service to the people, for whom so much is being said and done in this House. So I hope every effort will be made to exempt oil required in rural parts to run pumping sets from the scope of this Bill. I hope my suggestion will be taken serious notice of, as it is entirely in favour of the rural folk of the Province."

SRI B. BHAKTAVATSALU NAYUDU:—"Mr. Speaker, Sir, I wish to say a few words with regard to the amendment . . ."

MR. SPEAKER:—"Does the hon. Member wish to move it as a substitute for the amendment of Mr. Walker accepted by Government?"

* SRI B. BHAKTAVATSALU NAYUDU:—"I do not move the amendment that stands in my name; but I suggest that the words 'or stationary internal combustion engines' be omitted. My object in making this suggestion is to exempt oil engines used for the purpose of irrigation which run on crude oil. Now the reason why I urge that crude oil should not be taxed is simple. It is this: that it will increase the financial burden of the already overburdened agriculturists and rice-mill owners. I shall explain how the proposed tax on crude oil will increase the troubles of the agriculturists. Take the case of a man who owns 10 acres, which constitute a homogeneous plot, in a district like North Arcot or Chingleput, where rivers and streams are few, where tanks and ponds are silted and are shallow, where the rainfall is both scanty and uncertain and where well irrigation is a necessity. He runs

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an oil engine for that purpose. He would have an engine of ten horses' power. Let us assume that the engine is run to draw water out of a well wherein the water is about 20 feet below the common ground level. Such an engine would have to be worked for eight hours daily to irrigate the ten acres of land; and it consumes about half a gallon of crude oil per hour. That means a daily consumption of four gallons of crude oil. The farmer will have to pay daily two annas as tax for the quantity of crude oil spent. That works out at Rs. 22-8-0 for every crop. In other words, it means an additional tax of Rs. 2-4-0 per acre. The figure may appear to be paltry to town-bred gentlemen who live on the labour of the rural population; it is a heavy additional burden to the agricultural farmer who has a thousand and odd worries, who has many taxes to pay for no benefits received. Therefore I request the Hon. the Premier to delete the words 'or stationary internal combustion engines.' I hope he will consider my suggestion favourably."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, the point is this: this House has considered at great length and has thoroughly discussed the point, and I do not think that the plea made by the Leader of the Opposition on behalf of the agriculturists could be stronger than the plea made by the members of the European Group on behalf of the crude oil as such, whatever the motive may be. They tried hard to get out of taxation, so that it is not want of advertance. We have considered the point and I have only to submit that I cannot accept his suggestion. The grades of Diesel oil which are available in the market and which will be available in the market after this taxation measure are numerous and it is not a difficult thing for one kind of oil to be used for the other, which is not taxed."

"As regards the hardship that may be caused to the agriculturist, I have only to say that the small agriculturist has rarely a chance of using crude oil engines. And the tax that is put in clause 6, that will be considered later, is more than enough not to hurt the agriculturist. For these reasons I submit the tax need not be taken away from the Government by this amendment."

The amendment of Mr. G. E. Walker was put to vote and carried.

Clause 2.

Sub-clause (h).

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move that—

'For sub-clause (h), substitute the following:—

"(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.'"

The amendment was put and carried.

Clause 2 as amended was put and carried.

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Clause 3.

Sub-clause (1).

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I move the amendment that stands in my name, and that is—

'In lines 4 and 5, for the words "one anna and six pies" substitute the words "one anna".'

"Mr. Speaker, on the face of it, the amendment that I have moved would appear to be very paltry and trivial, as it is after all a difference of six pies, and as though it does not matter very much. But if we realize what this amount means to the user of petrol, and particularly, to the user of petrol who is not in a position, at any rate, to maintain a motor car either for the purpose of luxury or for that of necessity, I am sure the Hon. Premier will agree to this small amendment, for the simple reason that it would go a long way to reduce the incidence of tax on the poor tax-payer who will be affected if this petrol Bill is passed. We know there are a large number of people who own cars, who can afford to pay a higher price for petrol and consume at the same time a number of gallons a day or for the whole month. There is also another class of people who always have an eye on the amount of petrol that their car consumes and the amount that they can properly consume every day. For such men it does not matter if there is a slight increase in the price of petrol. But there are a large number of car-owners who note in their diaries the number of miles their cars have run for the number of gallons of petrol they have put, and they have a very careful and keen eye on the number of miles the car is able to run for a gallon of petrol put. I refer to this only to show how a very large number of people will not be able to pay a higher price for petrol. So, should there be a rise in the price of petrol, such people will minimise the use of car, and some of them will give up cars altogether. So we have to take into consideration such a class of people while passing this measure."

"Apart from this, we have to realize that motor transport has come into being and it has taken the place of the bullock cart to a certain extent. Most of our villagers who used to walk long distances are now taking to motor transport for even going from one village to another. Further motor vehicles are nowadays used for the transport of goods from one place to another, and it is competing with the railways. There was a time when there was no motor bus tax or lorry tax, and at that time the ordinary Indian with a very small capital sunk everything he had in motor bus or motor lorry. Then came the motor vehicles tax; and now, in addition to that, we have the petrol tax to be imposed. The ultimate result will be the single-bus owner or the single-lorry owner, who, on account of the fact that he does not find many avenues

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open to him to eke out his living, has put everything he and his family had including jewels in this motor trade will be hard hit.

6-30 p.m. “If in addition to all these and in addition to the tax, he is called upon to pay more for the petrol that he has to use in order to keep the motor vehicle going, the result is that he will have to give up this trade and go into the streets to add to the number of unemployed. Who takes up this motor trade? Large capitalists. We know that already this motor trade, this transport business has been gradually passing from the hands of individual owners of motor vehicles into the hands of capitalists. We know what is happening in the mufassal and what is happening in the districts. The district boards are taking over the motor vehicles. Big capitalist concerns and large firms are taking over this motor business. We have come to realize that as a result of the competition that has been going on between the railway and the motor transport, we are now coming to a time when the motor transport business is going to compete very seriously with the railway companies. At the same time we know that the large capitalist companies are going to take over even this small business which has been in the hands of our poor people, and this also is going to pass into the hands of the railway companies. When such are the difficulties under which a poor motor owner is working, and this is the only means by which he is eking out his livelihood, is it right on the part of a responsible Government, a Government which is obviously claiming to do all that lies in its power to give facilities to the poor man in order to find employment, to put this burden on him?

“Now, what is being done? By adding $1\frac{1}{2}$ annas to a gallon of petrol they are going to indirectly tax that poor man. It is not possible for me at this stage to say, ‘do not tax them.’ The only thing I can do is to mitigate the evil, to reduce the burden that will fall on the shoulders, the slender shoulders of the poor taxpayer, and I am only appealing to the Hon. the Premier to at least concede to reduce the burden to 1 anna. It would certainly make a great difference to the user of petrol. When we have to levy a new tax we must look to that class of people who could afford to pay. That we are not going to do. Had not the Government told us that they are going to impose taxes on that class of people who could pay? Are we going to break the neck of the small man by imposing this tax, a tax which he will not be able to bear? That is the question, I am asking. The Hon. the Premier said that—in his budget speech or in introducing the Petrol Bill—when the user of petrol can bear the increase in the price of petrol by the importer, they could as well pay this $1\frac{1}{2}$ annas more. Most of these importers of petrol increased their prices when there was no competition and whenever there was competition they lowered the price. Are you going to quote the analogy of the irresponsible person who has an

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eye on his own pocket? He wants to see how much profit he could make. Are you, a responsible Government, going to compare yourself with that irresponsible merchant, whose eye is not so much on the user of petrol or the consumer of petrol or the commodity, as on his own pocket and on his profit? Are you going to compare yourselves with him and say ‘when you can bear the burden of an additional price of petrol, why not bear this burden also which we propose to levy on you by this tax?’ I am not asking for the wholesale removal of this tax. The Government will have 12 lakhs for them, if they agree to reduce the tax to 1 anna instead of $1\frac{1}{2}$ annas. There may be a decrease of 6 lakhs, but the Government should consider the suffering of the public and not so much the loss that the Government might incur by the reduction that I am proposing. I move, Sir, that the rate be reduced from $1\frac{1}{2}$ annas to 1 anna.”

* H. S. HUSSAIN SAHIB BAHADUR :—“I second the amendment just now moved by my hon. Friend Mr. Abdul Hameed Khan for the reduction of the gallonage tax on motor spirit from $1\frac{1}{2}$ annas to 1 anna.

“Sir, it is with some feeling that I have to second the amendment, because, I feel that it will be not only improper but unpatriotic to drive out our poor fellow-beings from the field of motor transport by imposing an additional tax on motor spirit in this manner. Sir, we know, when we look around us, that the individual owners of motor taxis, motor lorries and motor buses are generally poor people, people of poor means who want to eke out their livelihood by possessing these motor vehicles. Sir, they are already heavily taxed, and I know that many of the individual lorry owners have been compelled to sell their vehicles. This is due to the recent enhancement of the motor tax. If, on the top of it, this gallonage tax is to be imposed, I am sure, Sir, that almost all the poor individual owners of motor vehicles will be driven out of the field of motor transport. What would be the result? We find that as a result of the recent enhancement of the motor tax, this motor transport enterprise has passed into the hands of others who are more powerful people, who possess large capital and who could command any number of motor vehicles and put them into service. This state of things has been a source of great hardship and misery to our own people. I understand, Sir, that the effect of the recent enhancement has been to deprive our own people of this means of livelihood, which they had hitherto. I would say that, if the Government want to impose a further taxation on these poor people by levying a gallonage duty on petrol and other oils and spirits that are being used for running the motor vehicles, there is no doubt that our own people will have not only to sell away all the vehicles, motor vehicles, that they possess now, but they will have to sell all their belongings and they will certainly be turned out into the streets.

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“We know that there are also firms and railway companies which will take advantage of the situation and monopolise the motor transport enterprise as a result of our own tax. By passing laws like this we restrict and ultimately kill the enterprise, I must say a promising enterprise, an enterprise that is so very essential for the well-being of our own people, an enterprise that is really sustaining the poor classes of our own people and classes who possess very slender means and whose large families have to depend for their livelihood on this enterprise. Therefore, Sir, I must say that this amendment, though it does not go a long way to mitigate the evil that we are going to inflict on our own people, does to some extent at least reduce the burden that is sought to be imposed on our own people. With these few words, Sir, I very heartily second the amendment proposed by my hon. Friend.”

6-45 p.m. Mr. W. K. M. LANGLEY:—“In supporting this amendment I only wish to make one brief point, that is the incidence of taxation on petrol which will be added to by this clause. At present, if you take the price of petrol as Re. 1-2-0, the taxation on that is already 10 annas. If you deduct this taxation from the selling price of petrol, you will find that the actual cost of petrol is only 8 annas. On these 8 annas, there is already a taxation of 10 annas. Now you are proposing to add 1 anna and 6 pies making the taxation no less than 11 annas and 6 pies as against the cost per gallon of 8 annas. I would appeal to the Hon. the Premier to see that there is some sort of proportion in all things. There should be some sort of limit to the incidence of taxation. And also the Hon. the Premier has the power under this Bill, or he will have the power under the Act, to increase the taxation when he feels so inclined. Could he not just give way in regard to this one amendment which seeks to make the tax 1 anna instead of 1 anna and 6 pies? Let us start with that, and let us see what effect it does have, and then if necessary increase it later.”

* SRI G. KRISHNA RAO:—“Sir, I am in the position of a helpless man who has to choose between two evils. In such a situation we choose the lesser of the two evils. In that spirit I second this amendment. We know that the Hon. the Premier will reply with his very sweet reasonableness, but will not accept the amendment. He always knows the art of sugar-coating the bitter pills. He will rise and say in a seemingly reasonable manner that such and such an amendment cannot be accepted. As I said already, I want to support this amendment because I feel that this is the lesser of the two evils. It is not necessary for us on this side of the House to make an appeal to the popular Government to have the welfare of the people at heart. No doubt the administration requires money, and the Hon. the Prime Minister is hard put to it to find ways and means of making some revenue. That we can understand, but at the same time, we have got to see that the poor

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people are not troubled with this heavy taxation. The hon. Mover has gone into the matter very graphically. He has told the House that the effect of this new tax will be that the people who own small buses and lorries will not be able to make both ends meet. This will further reduce the small profit they are making after paying the licence fees and other charges. These facts are very well known to the Hon. the Premier and hence I need not dilate upon them. He is very very watchful and keen on gaining his point. He told us that the idea that the consumer is going to be taxed is a mere fallacy, that he has gone into every detail of this taxation and that the bus passenger will be charged, if at all, only 1 pie more. I do not know how he arrived at such a figure. But I am afraid that his calculation is wrong. The result of this tax will be that the owners of buses and lorries will charge 6 pies more for each ticket irrespective of the effect of this tax on them. In that way the poor user of buses which are very popular now, will be made the victim. Hereafter the charges for the transport of food-stuff from one place to another by means of lorries will be increased and this also will have to be borne by the consumer ultimately. It is obvious that the consumer will in the end be affected by this measure of taxation. In the circumstances this very reasonable amendment may be accepted and the difficulties pointed out by Mr. Langley may also be taken into account.”

* SRI T. T. KRISHNAMACHARIAR:—“Sir, I oppose the amendment moved by the hon. Member from the Muslim constituency of the city of Madras. I do not feel that there is any purpose served in just making the Government lose five or six lakhs of rupees without any point being gained. My objection to the Bill originally was because of the hardship that it would cause to the retail dealer. That remains. If that remains, there is no point in making the motor conveyance user pay half an anna more or half an anna less. The hon. the European Member who spoke a little before me told the House that the effect on the public conveyance user will be only 1/32nd of a pie per mile as a result of this tax. There is no use exaggerating the fact. Supposing the amendment is passed, the Government will lose five or six lakhs and nobody will be the gainer as perhaps all that the use of public conveyance will give will be 1/96th of a pie per mile.

“There is one point I would like to mention, however. I join issue with the statement made by the hon. Member for the European community. He is very solicitous about the poor motor-user. Let him recollect what happened about three years ago; the Burmah-Shell Company had then the monopoly of this trade and they were charging Re. 1-6-0 per gallon. When the tax was only 10 annas, they were making a large profit; but when somebody else also came into the trade, they reduced the price and ultimately they came to some arrangement and put up the price again. They

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are now making a profit of 8 annas and odd. When petrol was selling at a lower price they were still making a profit. If they are so very solicitous about the poor Indian motor user, why should they not reduce the price by half an anna just to see that the turnover is not diminished and the petrol consumption continues to be the same as before? After all it is the duty of the man who sells petrol to look to his margin of profit. I do not think anything very serious can happen if there is half an anna more or half an anna less to pay. But the sum total of the loss to Government if the amendment is agreed to is a fairly large sum for this Government. I do not therefore see any particular sense in pressing this amendment excepting the pleasure of opposing for opposition's sake; because, if the Government are compelled to lose five or six lakhs under this measure, they will come in with another taxation measure. And actually this happens to be a taxation where the incidence falls fairly lightly on the consumer. If the distributing firms are so much concerned about the poor Indian consumer, it is perfectly easy for them to give another half an anna off the price and equalize the position thereby. I therefore strongly oppose the amendment."

* V. S. T. SHAIK MANSOOR THARAGANAR SAHIB BAHADUR:—"Speaker அவர்களே, நமது மாகாணத்தில் வரிகள் ஏராளமாக இருந்து வருகின்றன. வியாபாரிகளைப் பாதிக்கும் இந்தப் பெட்ரோல் வரியாவது அந்த அளவுக்கு ஏழைகளுக்கு இருந்து வரும் செலவுகளைப்பற்றிப் பாதிக்கும். பக்கத்திலிருக்கும் சுதேச சமஸ்தானங்களிலும் நமது மாகாணத்திலுமாக மாதம் 1-க்கு பதினெட்டு லட்சம் காலன் (gallon) பெட்ரோல் விற்பனை ஆகிறது. சுதேச சமஸ்தானங்களின் விற்பனை நீக்கி நமது மாகாணத்திலுமட்டும் விற்பனை ஆகும் பெட்ரோலுக்கு காலனுக்கு ஒரு அணுவரி விதித்தாலும் வருஷம் 1-க்கு பத்து லட்சம் ரூபாய் நிலைக்கும் ஆனால் காலனுக்கு 1½ அணு வரி விதிக்க உத்தேசிக்கப்பட்டிருக்கிறது. அதாவது பம்பாயில் உத்தேசிக்கப்பட்டிருக்கும் வரியைவிட காலனுக்கு அரை அணு அதிகமாக வரி விதிக்க உத்தேசிக்கப்பட்டிருக்கிறது. இவ்வரியால் பாதிக்கப்படுகிறவர்கள் மோட்டார் பிரயாணஞ் செய்கிறவர்களும் சாமான்களை அனுப்புகிறவர்களும் ஏழைகளும் வியாபாரிகளும். ஏனெனில் மோட்டார்கள் வைத்திருக்கும் பணக்காரர்களால் அதிகப் பெட்ரோல் செலவழிய வில்லை பல்களுக்காகவும், மோட்டார் காரர்களை பணக்காரர்கள்தான் வைத்திருக்கிறார்கள். பணக்காரர்கள் காலனுக்கு 1½ அணு கொடுத்தால் நஷ்டமில்லை என்று நமது மேன்மை தங்கிய பிரதம மந்திரியார் அவர்கள் சொல்லுகிறார்கள். அது உண்மையானால்,--தயவு செய்து ஒன்றைமட்டில் நன்றாய் கவனிக்கவேண்டும்--கவர்ன்மெண்டு கணக்கை எடுத்துக் காட்டவேண்டும். அதாவது பணக்காரர்கள் எத்தனை பேர்கள் சொந்தமாய் மோட்டார் வைத்திருக்கிறார்கள். அதற்காக எவ்வளவு பெட்ரோல் செலவு செய்கிறார்கள். பிரயாணிகளை ஏற்றிக்கொண்டு போகும் பல்கள் எத்தனை ஓடுகின்றன. சாமான்களை ஏற்றிக்கொண்டு போகும் வாரிகள் எத்தனை ஓடுகின்றன. அவைகளுக்கு எவ்வளவு பெட்ரோல் செலவாகிறது என்பதைக் கணக்கெடுத்துப் பார்த்தால் பத்திலொரு பங்கு கூட செலவு இருக்காது என்பது தெரியவரும். எனவே இந்தப் பெட்ரோல் வரியின் காரணமாக பல்களில் பிரயாணஞ் செய்யும் பிரயாணிகளுக்கு கட்டணம் உயர்த்தப்படலாம். பல ஏற்றுமதி இறக்குமதிச் சாமான்கள் வாரிகளில் போவதால் மேற்படி

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சாமான்களின் வாரிக் கட்டணம் உயர்த்தப்பட்டு விலை ஏற்றப்படலாம். கடைசியில் ஏழைகள் தலையின்பேரில் தான் இந்த வரிகள் சுமத்தப்படுகின்றன."

*THE HON. SRI C. RAJAGOPALACHARIAR:—"Speaker அவர்களே, இந்த திருத்தப் பிரேரணை மிகவும் முக்கியமானது. பெட்ரோல் வரி 1½ அணுவை ஒரு அணுவாகச் செய்யவேண்டுமென்று கேட்கிறார்கள். பார்த்து இது ஏழைகளுக்காகப் பேசுகிற பேச்சாகத் தோன்றும், ஆனால் ஏழைகளின் கப்பலில் பணக்காரர்கள் ஏறும்படியான வியாபாரம் இது. (சுரகோஷம்) ஏழைகளின்போல் வரியைக் குறைத்துக்கொண்டு முடித்துக்கொள்ளலாமென்று ஏழைகளுக்காக கூறுகிறார்கள். உண்மையில் மோட்டார் வண்டியில் ஏறும் ஏழைக்கு இந்தப் பெட்ரோல் வரியின்மீதாய் ஒரு பைசா கூட வரி கூடாது என்று நான் முன்னமே சொன்னேன். மிஸ் லாங்லி (Mr. Langley) அவர்கள் கணக்குப்படி, பஸ்ஸில் போகும் பிரயாணிகளுக்கு ஒரு பைசாவில் இருபதிலொரு பங்கு ஆகும் என்று சொன்னார்கள் அது தான் உண்மை. உண்மையில் ஒரு பைசாவாகவோ அல்லது அதைவிடக் குறைச்சலாகவோ இருந்தாலும் பஸ் சொந்தக்காரர்கள் வியாபாரிகள் ஒரு அணு முக்காலனு கூட்டிப்போடலாமென்று சொல்லுகிறார்கள். எப்போதும் கூட்டிப்போடலாம். போட்டியில்லாமல் வியாபாரத்தில் சம்பாதித்துக்கொள்ள இடம்கொடுத்திருக்கும் இப்பொழுது கூட்டிப் போடும்போது இந்த வரிக்காகவும் கூட்டிப்போடுகிறது கட்டாயம். மத்திய சர்க்கார் ஒரு காலன் (gallon) பெட்ரோலுக்கு பத்தணு வரி வரங் குகிறார்களென்று சொன்னார்கள். அதே வாதத்தில் எடுத்துச் சொல்லுகிறேன். பெரிய சர்க்காருக்கு பத்தணுக் கொடுக்கும் வியாபாரி நமக்கு ஒன்றரை அணு கொடுக்கிறவரி அதிகமென்று சொன்னால் பத்தணுப் போடும் போது ஏன் மிகவும் போரடிக்கு குறைத்துக் கொள்கக் கூடாது? பெரிய சர்க்காருக்குப் பணம் குறைவு ஆகையினால் கொடுக்க வேண்டும்; நமது மாகாண சர்க்கார், சின்ன சர்க்காருக்குப் பணம் அதிகமாயிருக்கிறது, ஆகையினால் இந்த 1½ அணு கொடுக்கக்கூடாது என்று சொல்லுகிறார்களா? அதற்கு (பெரிய சர்க்காருக்கு) பத்தணு கொடுக்கிறவர்கள் நமக்கு இந்த சொற்பவரி கொடுக்காமலிருக்கிறது நியாயமல்லவென்று சொல்லுகிறேன். ஏழைகளுக்காகப் பரிந்து பேசினார்கள். ஐந்தணு பெறுமான ஒரு குரோஸ் தீப் பெட்டிக்கு (match box), ஏழைகள் வாங்கி உபயோகிக்கும் தீப்பெட்டிக்கு, பெரிய சர்க்காருக்கு ஒரு ரூபாய் வரி கொடுக்கிறார்கள். அதே போல் இரண்டணு பெறுமான உப்புக்கு ஏழைகள் 1½ ரூபாய் வரி பெரிய சர்க்காருக்குக் கொடுக்கிறார்கள். ஏழைகள் உபயோகத்திற்கு அவசியம் வேண்டிய உப்பு, match பெட்டிக்கு இவ்வளவு வரி கொடுக்கும்போது இந்த ஒன்றரை அணு ஒரு காலன் பெட்ரோலுக்கு போடுவதினால் ஏழைகள் பாதிக்கப்படுவார்களென்று சொல்லுகிறார்கள். இதுவெல்லாம் மிகவும் ஆச்சரியம். மிகவும் ஏமாற்றம்."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"On a point of order, Sir. Is it parliamentary to use the word *Ematram* in Tamil which means 'deception'?"

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Emmatram does not mean deception. It means misconception. In Tamil it has a different force. There is nothing wrong in that."

MR. SPEAKER:—"I-- either meaning it is not unparliamentary." (Loud laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"இது ஏமாறுவதற்கு வழி. இந்த வாதத்தை ஒப்புக்கொண்டுவிட்டால் நாம் அனைவரும் ஏமாந்துபோவோம்."

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MR. W. K. M. LANGLEY:—"I do not wish to interrupt this torrent of eloquence. But I believe I am entitled under the rules to have the whole speech translated."

MR. SPEAKER:—"The Hon. the Premier is certainly going to enlighten non-Tamil knowing Members with a summary of his speech in English."

MR. W. K. M. LANGLEY:—"Sir, may we at least know what the witty parts are? We do not want to be out of the joke."

THE HON. SRI C. RAJAGOPALACHARIAR:—"There is no wit except the mere truth of it. The truth of it makes people laugh. Nothing especially witty was said by me in this connexion."

"இரண்டாவது 1½ அணுப் போட்டால் எழைகளுக்கு கஷ்டமென்று சொன்னார்கள். மில்லர் கிளவுன் ரால் அவர்கள் மோட்டார் பஸ்களில் எறுகிறவர்களுக்கு கஷ்டமாகுமென்று சொன்னார்கள். மில்லர் அப்துல் ஹமீத்கான் பஸ் லாரி சொந்தக்காரர்களுக்கு கஷ்டமென்று சொன்னார்கள். எந்த எழைகளாகட்டும் அந்த எழைகளுக்கு நேராக நன்மை செய்யலாம். இப்பொழுது பெட்ரோலுக்குப் போடுகிற வரி பணக்காரர்களுக்குப் போடுகிற வரி. இந்த வரியை சரியாக வசூலித்துக்கொண்டால் பஸ் காரர்களுக்குப் போடுகிற வரியைப்பற்றி பின்னால் பார்த்துக்கொள்ளலாம். இதுதான் எழைகளுக்குச் சொல்லுகிறேன். 1½ அணுப் போட்டு சரியாக வந்தால் பஸ்காரர்களுக்கு நன்மைசெய்யலாம். இந்தக் கப்பலில் இவர்கள் (பணக்காரர்கள்) ஏறிக்கொள்வதைத் தடைசெய்யலாம் என்று நினைக்கிறேன். நான் முடித்துக்கொள்கிறேன். (கட்கோஷம்.)"

7 p.m. "Secondly I wish to explain why I spoke in Tamil. It is not merely because there is satisfaction for me in speaking in my mother tongue."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I rise to a point of order, Sir. Can any Member speak in two languages at the same time?"

MR. SPEAKER:—"At the same time he cannot!" (Loud laughter.)

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Sir, it was very necessary for me to speak in Tamil for this reason: that a special appeal was made by Mr. Langley on behalf of the poor people . . ."

* MR. W. K. M. LANGLEY:—"No, Sir. I must correct that statement. I never pleaded on behalf of the poor people. I merely drew the attention . . ."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I am sorry. However, to come to the point, I would say that many of my friends are ignorant of English and I thought I had better speak in Tamil, especially more so because the last speaker, Mr. Mansoor, who supported this amendment spoke in Tamil, and I thought it would be wrong on my part if I did not make things quite clear, because it is a matter on which much confusion might be

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raised by people who are intent upon raising such confusion. My only answer is that the burden on account of this new taxation is not a heavy burden on the poor people. It is a tax that must be collected from a particular class of people, whether they are rich or poor. If drivers or bus-owners are hurt, there are other ways of improving their condition. But this is a tax which all can pay, both rich and poor. But if there are other taxes which affect these bus-drivers and bus-owners alone, then we will consider the question of reducing such taxes which affect them. That is the reason why I refused to make a reduction of petrol-tax in the Select Committee. I would much rather agree to reduce the taxes that are paid by bus-owners and drivers alone, if there is a case made out for that, which I cannot however promise and about which I have not yet considered. If the petrol interests and the petrol consumers are reconciling themselves to pay 10 annas to the Central Government, I do not see any reason why they should object to pay this 1½ annas to the Provincial Government."

* MR. W. K. M. LANGLEY:—"You are getting your share from the Central Government."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I get my share not on the 10 annas. As regards the artistic conception of imposing taxes and the inconsistency of imposing high taxes which exceed the productive cost itself in a very high proportion, I would say that there are many examples for this: for match-box which costs 5 annas per gross, the duty is Re. 1; for salt which sells from 2 annas to 4 annas per measure, the duty is Re. 1-4-0. Thus, there are certain things which are sold in large quantities where the tax is higher than the cost of production itself. In this case, petrol is produced elsewhere and we need not go into these things now. So 1½ annas or 1 anna will not make much difference. Hon. Members will see that it is not an easy process, as they wish to make it out, to enhance a tax from time to time. Therefore I hope they will sympathize with the Government and approve of the proposal is fixing the rate at one and a half annas."

The amendment was put and lost.

Clause 3.

Sub-clause (1).

* SRI B. BAKTAVATSALU NAYUDU:—"I beg to move the amendment which stands in my name as follows:—

'In lines 6 and 7, delete the words "in the case of any motor spirit other than petrol, at the rate of six pies per gallon;".'

"I beg to state that I have explained fully about the difficulties which will be caused to the ryots if this tax is levied. The Hon. the Premier was pleased to say that it will not cause any hardship to poor ryots. It is a fact as far as poor people are concerned.

[Sri B. Baktavatsalu Nayudu] [25th February 1939]

We need not also consider about the rich ryots. What about the middle-class ryots who are having oil engines for irrigation purpose? They are forced to have oil engines, instead of leaving their lands as waste, when there is no seasonal rain. They are paying land-tax. In addition to it, they have to pay Rs. 2-4-0 to Government as motor spirit tax per acre. Is it not hard, Sir, not only to poor ryots, but also to many small oil engine rice-mill-owners who are depending only upon this income as their livelihood? Is it not hard to these poor people?

"If the Government are very obstinate in levying tax on crude oil, I request the Government at least to give Tiruvakambi remission to the persons who irrigate their lands by means of oil engines instead of collecting full wet rates for the lands which are being irrigated by crude oil engines. With these few words I move my amendment."

ABDUL HAMEED KHAN SAHIB BAHADUR:—"I second it."

* SRI T. T. KRISHNAMACHARIAR:—"In opposing the amendment proposed by my friend representing Wallajabad rural constituency, I must say that I thoroughly sympathize with the point of view raised by him, viz., the position of the agriculturist who has a pumping engine for which crude oil is used. At the same time I would point out, in these days when petroleum engines are being substituted for heavy motor traffic by diesel oil engines, it is not wise to leave those classes of vehicles free from taxation. The conditions which originally prevented the incoming of such vehicles cease to exist now. It would be folly on the part of the Government to ignore the possible loss of revenue that will accrue to the Government if these classes of vehicles are left out without taxation. What is happening is, there are more diesel engines nowadays. A diesel oil engine was originally costing about Rs. 8,000. The prices are coming down now owing to the Barter system prevalent between Germany and India. By reason of the last Motor Vehicles Taxation Act, big firms with much motor resources who use this diesel oil for their lorries are coming into the field, and they will become entirely free from taxation if crude oil or diesel oil also is not included in this measure. If the Government do not take steps to cover this lacuna, they must be very silly indeed. An increase of half an anna per gallon is not going to bring much profit to the Government. But that is another matter. Before long, probably a couple of years or so, the agriculturists will not be using many of these oil engines inasmuch as the Government have been extending all over the country the electric grid; what with the thermal stations, and with the development of Papanasam hydro-electric scheme it should be possible that these poor agriculturists will be using cheap electric motors and thereby may substitute the need for crude oil engines.

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The proposition put forward by my hon. Friend, Mr. Baktavatsalu Nayudu, that Government should subsidize these people in some form or other may be considered on a more appropriate occasion and, I am sure, if the Government were to make much money out of imposition of a tax on crude oil, and if, after experience, they find it advantageous to make any subsidy, they will certainly come forward and examine the position and do the needful. At the same time I would submit that it is illogical and unreasonable to ask the Government to leave a large loophole in a taxation measure. It is possible that bigger bus companies may come into the field. I am told that the bus service are being sold to railways and as a matter of fact this would be evident from the statement made by Sir Thomas Stewart in the Central Assembly. So there is no point in asking the Government to leave a loophole and permitting the bus companies to switch over from the internal combustion crude oil engines to the diesel oil engines. If the Government were to do this, they would be left high and dry. Of course the suggestion of the hon. Member from Wallajabad constituency is one that deserves sympathy, but unfortunately it is not a suggestion which should be availed of by the Government at present."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I have little to add to what the last speaker said for not accepting this amendment. The rate of increase in tax is so little that it will not add any great burden to the people. If the agriculturists are to be helped, surely it is not by the lessening of this 6 pies, but by some other measure. We thought that the best we could do under the circumstances was to tax every substance that comes out in the process of manufacturing petrol. Therefore, I hope the amendment of my hon. Friend will be rejected."

The amendment was put and lost.

Clause 3.

Sub-clause (1).

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move the amendment that stands in my name which is as follows:—

"After the words "one anna and six pies per gallon" insert the word "and".

"Sir, grammar requires the insertion of the word 'and' in that place."

The amendment was put and carried.

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Clause 3.

Sub-clause (1).

* DR. M. J. SAMUEL:—"I beg to move the amendment that stands in my name which is as follows:—

'(1) Add the following after the words "shall be payable by the person effecting the sale":—

'Where any person, including a company or firm, registered under this Act as an importer, wholesale dealer or retail dealer carrying on a business requiring the use or consumption of motor spirit, so uses or transfers for consumption motor spirit, such use or transfer shall be considered as sale within the meaning of this Act and shall be liable to tax.'

7-15
p.m.

"In paragraph 9 of their Report, the Select Committee say that they have introduced sub-clause (5) of clause 4 with a view to prevent evasion. The object of my amendment is to delete sub-clause (5). The sub-clause says—

'(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.'

This will cause a very severe hardship. Suppose a retail trader has come to possess a bus or lorry by his fortune—now I think it will be his misfortune—by this clause he will be prohibited from dealing in public transport business. It is unjust to do so. I do not see why the Government should interfere with the freedom of the people to engage in any business they like. A man may be a vendor in motor spirit and at the same time run a bus or lorry and the amendment which I have put down clearly shows that the motor spirit which he uses either for his bus or lorry is taxable."

V. S. T. SHAIK MANSOOR THARAGANAR SAHIB BAHADUR:—"I second the amendment."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I would gladly have accepted the help which Dr. Samuel is giving the Government, but in this connexion the amendment that he proposes would not be considered to be in order. We cannot introduce a notional sale like this. I may explain at the same time that the sub-clause which appears to prohibit such business would not really prohibit it. All that such a vendor has to do is to register the transport business as a separate business. Therefore there will be no difficulty in the matter."

The amendment was by leave withdrawn.

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Clause 3 as amended was put and carried.

Clauses 4 to 13 were put and carried.

Clause 14.

Sub-clause (a).

* MR. G. E. WALKER:—"Mr. Speaker, I beg to move the amendment standing in my name, namely,—

'In sub-clause (a) of clause 14, in lines 1 and 2, omit the words "at any time by day or by night and with or without notice".'

These words occurred originally in clause 9 also and were omitted by the Select Committee. Clause 14 comes into operation in exactly the same circumstances as clause 9. I therefore move, Sir, that the words be omitted."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I second it."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I accept the amendment."

The amendment was put and carried.

Clause 14 as amended was put and carried.

(Clause 15 omitted by the Select Committee.)

Clauses 16, 17 and 18 were put and carried.

ABDUL HAMEED KHAN SAHIB BAHADUR:—"Mr. Speaker, I do not think that we can allow the clauses as they are numbered at present to be passed and then allow the Hon. the Premier to move an amendment to renumber the clauses which have been passed already. The Hon. the Premier must move the amendments to renumber the clauses then and there as the clauses are put to vote."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"Such an alteration can be done even in the third reading stage."

MR. SPEAKER:—"Renumbering can be done even in the third reading stage. Or shall I merely say that I put the 'next clause' to the vote of the House?"

Clauses numbered 19 and 20 were put and carried.

(Clauses 21 and 22 omitted by the Select Committee.)

Clauses 23 to 28 were put and carried.

Clause 29.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move the following amendment:—

'After sub-clause (3), add the following sub-clause, namely:—

"(4) The power to make rules conferred by this section shall, except on the first occasion of the exercise thereof,

[Sri C. Rajagopalachariar] [25th February 1939]

be subject to the condition of the rules being made after previous publication for a period of not less than two weeks."

This is exactly the same amendment which I explained some time ago in connexion with the other Bill. It is merely a verbal alteration and is in conformity with similar statutory provision elsewhere and perhaps it is a more correct form. I commend this to the House."

* SRI T. T. KRISHNAMACHARIAR:—"Mr. Speaker, my object in rising now is to request the Hon. the Premier to extend the concession voluntarily to a period of four weeks. In the Electricity Duty Bill where a similar amendment has been introduced the period stated there is four weeks. Two weeks is too short a period for people to know about any notification. They will have to study it and come up to Madras or to the nearest local authority to make representation to the Government. I, therefore, commend my suggestion to the Government."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I accept four weeks."

The amendment with 'four weeks' substituted for 'two weeks' was put and carried.

Clause 29 as amended was put and carried.

Clause 30.

7-30
p.m.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"In consequence of what has been done to clause 29, Sir, the proviso should be omitted in clause 30. I, therefore, move the amendment:—

'Omit the proviso.'

The amendment was put and carried.

Clause 30 as amended was put and carried.

Clause 31 was put and carried.

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

'Renumber the clauses of the Bill in the numerical order and make consequential alterations.'

The amendment was put and carried.

Clause 1 was put and carried.

Preamble.

MR. SPEAKER:—"The question is that the Preamble do stand part of the Bill."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I suggest to the Government that it would be desirable to amend the Preamble itself, to suit the new definition of 'motor spirit'."

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* THE HON. SRI C. RAJAGOPALACHARIAR:—"The definition having been passed, there is no change to be made."

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"I contend that the definition is one thing and the Preamble is another. I suggest to the Government to amend the Preamble to suit the definition in the Bill."

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I should just like to explain the point to hon. Members. The Preamble is—

'A Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras.'

"There is no change necessary in it at all in view of any change made in the Bill."

The Preamble was put and carried.

* THE HON. SRI C. RAJAGOPALACHARIAR:—"I beg to move, Sir,—

'that the Bill be passed into law.'

"I do not need to say anything except this, that I am grateful to the House for allowing two important measures of taxation on such an important occasion and in this contingency; and it would be very wrong on my part to pass through this stage of this measure without offering this thanks to the House. I need say nothing more. I commend the Bill to the House. Let us hope that as a result of this taxation, we shall not be in want for resources, to do service to the people. If it is unnecessary to bring in any new measures of taxation, we shall be only too glad not to do so. But if it becomes necessary, we shall do so with the same care and caution as we have done with regard to this measure. And we do hope for the same co-operation in regard to such future measures also. (Laughter.)"

KUMARARAJA MUTHIAH CHETTIYAR OF CHETTINAD:—"Mr. Speaker, Sir, ordinarily I was not hoping to speak on the third reading of this Bill, but the few words which the Hon. the Premier has just now spoken have tempted me to speak at this stage also. Sir, the world, and particularly the human beings living in the world, always live in hopes. It is in that belief and with that hope that I now stand—that we will be saved with these taxes and no more. My Hon. Friend, the Premier, has said that while he is grateful to the House for passing these two taxation measures to-day, he also fervently hopes that it would be given to him to adjust the finances of this province with these two taxation measures and no more. Sir, I join in the hope that it will be given to him to adjust the finances with these two measures and that there will be no necessity for him to come before this House again with further taxation measures."

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"I may say, Sir, with a full sense of responsibility, that while taxation may be necessary, every taxation measure must be considered according to the circumstances and the necessities of the Province and also in the light of the question as to whether the people can bear them. I can assure the Government through you, Sir, that if opposition is raised to taxation, it is not merely for the sake of opposition, or that capital should be made out of it by persons who oppose Government in the eyes of the public by saying 'Here is a Government which is levying taxes and doing nothing else, and if we had been in power, we would not have done so,' etc. It is not for that purpose that the cry against taxation has been raised here. The suggestions and criticisms that have been offered so profusely to-day and on the previous days, are all an indication of the anxiety of the members on this side of the House to draw the attention of Government to the appalling circumstances of our countryside to-day, particularly at this juncture when there is enormous suffering. That is why, Sir, we have heard the Hon. the Premier saying that these taxes will not affect the poor man but somebody-else. It has been pointed out already that it is very difficult to find out who is not a poor man. Am I not right in saying that the bus industry in the City of Madras—in spite of the fact that during the last two or three years, there has been a change—is largely in the hands of individual owners? That is the main contention. I would like to ask the Government whether they are not aware of the fact that in the mufassal to-day, there are scores and scores of individuals who had been formerly motor drivers and others in some way connected with the motor industry who, by their frugal habits had been able to save some money and become owners of buses, and are now running buses between various places. I would only ask whether this tax will not affect them. It is only in that view that criticism has been made—not that no new taxation should be raised at all.

"Government have launched themselves in this position of necessity, on account of many theories of their own being put into operation, the wisdom of which many right-thinking men, men who have the national welfare at heart, men who have had experience in life, older than myself, and men who have really sacrificed for the interests of the country, have doubted—they are all quite sincere men, we cannot take it that they are not sincere in their criticism. While they all say that those theories are very laudable, they question the wisdom of putting them into practice. The Hon. Prime Minister has very candidly, rightly and genuinely admitted, at the close of the Budget debate yesterday, that the present situation, i.e., the deficit, the necessity for money and the necessity for fresh taxation, have all been due to the Government action in putting their theories into practice, which, after all, have not so far proved to be of real financial benefit to the people,

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though it is claimed that benefit has come. Sir, benefit might have accrued to the people where schemes have been put through; but such an answer cannot come in the case of those areas where these schemes have not yet been taken up. I only say this to illustrate that persons, while they doubt the wisdom of the action of Government, are quite sincere in their interest for the welfare of this country; and if still they say they doubt the wisdom of the Government, it is not that they are anxious to criticize, but that they are anxious to co-operate in the betterment of the conditions of the people. Sir, this is the way in which those who do not see eye to eye with the Congress Party want to offer their co-operation and advice, for which the Hon. the Premier at the beginning of the Budget debates asked. I should think that the Hon. the Premier and the Government should feel very thankful for this kind of criticism on the part of those who do not want to embarrass him, who do not ask him not to put further theoretical propositions before the country but who simply say that you need not put these theories of yours into practice. I should say that the Government should really feel happy in such a position, to have such sympathetic criticism.

"I only want to add, Sir, that the two taxation measures which have been put through the House to-day, however mild they may look, are not really so mild. I was hoping that at the Select Committee stage, in the second reading stage of the Bill, the members of the House would have amended the Bill in a suitable manner. I am sorry to say that I have been disappointed. I missed your eye, Sir, previously when we were on the question of the rate of one anna. I wanted to speak on that amendment, but I missed your eye and I did not want to stand up late and ask for your special indulgence. I was feeling that it would be possible for the Government to accede to the one anna rate of tax on petrol in the beginning and probably later on, if necessary, to raise it. I think, Sir, that this Bill would have been more popular if the one-anna rate had been accepted.

"There are one or two minor things which I want to refer to, particularly with reference to the application of this Bill which is now going to become an Act. I think the way in which this Bill is going to be worked will be rigorous. Many of the provisions are similar in idea to the provisions of the Abkari Act, and I find that the penalties to be imposed are very harsh. A penalty of Rs. 1,000 is to be imposed under clause 10. I know there are petrol dealers who do not make out even a hundred rupees per mensem, and I do not think if they come to commit an offence under this Bill, they can afford to pay this huge amount. Now that the Bill is going to become law, I hope that the rules to be made hereafter will be so made as to lessen the rigour of these provisions. I would suggest smaller penalties being imposed in the beginning, with a view to see how the Bill works in practice. I am glad to find a clause in the Bill regarding the compounding of

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offences. After all, these small businessmen may not be able to keep very accurate accounts, and if they fail to do so, I do not think they should be unduly punished. I hope that the intention of the Government also is to deal lenient punishments. There may be owners of petrol business who may not be able to attend to this business except through the employment of illiterate persons—barring perhaps a clerk—to do the business for them; and it may not therefore be possible for them to keep elaborate accounts. I would therefore suggest to the Government that, through their administrative orders, they should see that such heavy fines are not imposed on these people, thinking that such large fines alone would improve the administration of this Act. My friend Mr. Hameed Khan interjects that heavy fines may be imposed for the sake of getting more money. I certainly think it will be the intention of no Government to do any such thing. For, fines should generally act only as a deterrent to the commission of further offences; and in that view, I would have no objection to the retention of Rs. 1,000 only as a maximum.

“Sir, it is usual in the third reading stage, to say something about these penalties and fines, and about the way in which generally the Act is to be worked. I appeal to the Government that they should show generosity in the case of first offenders and even second offenders and inflict small and nominal punishments in the hope that it would serve as a good preventive and prevent further lapses.

“I shall not take up the time of the House except to say that we have had recounted in this House some interesting points in this debate to-day of which one is the competency of the Select Committee to amend a Bill in a particular way. We bow to your ruling, Mr. Speaker and we are so grateful to you for the indulgence you have shown to us in the matter of the discussion previous to it. I consider that it will have enlightened not only the members of the House but also the Government. Members will be benefited more by it because they will have chances of serving in future Select Committees and they will bear this in mind, and this will be very useful to them in their future parliamentary business. The law is meant to be interpreted and we are here to interpret as we think right, and if our laws are badly interpreted the House has the authority to point the correct interpretation as was done on the floor of the House when it was felt that High Court Judges and Members of the Judicial Committee of the Privy Council had not correctly interpreted the law in the matter of the zamindari question. The Legislature is the sovereign body and they will be put to the necessity of correcting it even though it may mean our differing from eminent men. When the interpretation of eminent men can be questioned, I do not think there is anything improper in members on this side of the House putting forward their interpretation, especially because by that means the position would be clarified; and so, there is nothing out of order for the House to

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consider it and for you to give a ruling after the feeble attempt we have made at putting our own interpretation to you for your consideration. On the whole, Sir, the debate has been, I believe, very educative.

“I believe, Sir, that when the Government come forward in the future with any financial measures they will take note of all the possibilities that may eventuate by slight alterations with regard to the avenues of taxation, with regard to the amounts that may be expected and with regard to the commodities that may be brought within its scope. By so doing the Government will save much time and it will be helpful to all, including those who are affected by the measure, and I hope they will consider all these aspects before bringing any further financial measures. I know that in their hurry to bring forward bills in time before the House, the Departments have to draft bills at very short notice for publication. Naturally the Bills reach the House in a hurry and the Government themselves hope that they have an opportunity to amend it at a later stage in the Select Committee. That has not been peculiar to this Government, for that is the history of legislation for the last seventeen years. Many Bills are introduced though defective but they are later improved. I do not think that the Government is to blame, for that is a thing which they have inherited from the previous Governments. I do hope that this debate and the ruling which you have given in the matter will serve as an eye-opener to the Government in the first instance and ultimately to all members of the House.

“Before the Bill is passed into law and put into force, I have only to appeal to the Hon. the Premier that this taxation measure will not work as a serious hardship as we expect it to be. Nobody will be more happy than myself if we know that what we expect has not happened. When after a sufficient lapse of time, I am told by the Hon. the Premier that the statement that he made that this would not unduly oppress the people has become true and not the apprehensions of the people, my congratulations will yet more be due to him. I wish he could say so and I live upon that hope, and I hope also that the finances of the Province will be bettered to such an extent by these two measures that Government will not be put to the necessity of having recourse to further taxation measures as far as it could be avoided.” (Applause.)

ABDUL HAMEED KHAN SAHIB BAHADUR:—“After the long and illuminating speech of the Leader of the Opposition I do not think that many words are needed from me. I have only to address myself to one or two points not touched by the Leader of the Opposition. I request the Hon. the Premier although this is a taxation measure and although there are provisions in this very Bill which may operate as an engine of hardship and oppression on the poor tax-payer, to see that in putting this measure into force, either through executive orders or by means of rules to be made under the Act, that those who will be employed for the purpose of

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inspecting the accounts and the books of the dealers, do not unnecessarily harass them. Further I would like to know from the Hon. the Premier whether this Bill is going to impose a tax on the sales of motor spirit and empower the collection of the tax from the retailer, or whether it will touch wholesale importers like the Burmah Shell and other big concerns which import these things in very large quantities. In other words, I want to know whether the tax will be collected from the big concerns and the small trader relieved from the necessity of maintaining accounts and all the penalties attached to it. The big companies may thereafter collect the levy from the retail business man indirectly. The Government we see have taken powers either to collect the amounts from the big concerns or from the retailer. What I want to ask is whether they are going to collect from the one or the other.

"The other thing is that, Sir, I wish the Hon. the Premier had accepted on the analogy of the one which he accepted earlier, my own amendment which was aimed at reducing the rate. If he had done that, he would have satisfied all the members opposite, perhaps with the exception of Mr. Walker, who perhaps may not like others to share the privilege that was accorded to him—possibly it may include him also but I am not sure—and he would have pleased a very large number of people outside who will be affected by the imposition of this tax. I wish he had accepted it but he has his eye elsewhere, namely, that the amount of eighteen lakhs which he wants to make up through this tax, should not be affected. I know that six lakhs of rupees is a very large sum and that is why, I believe, he was not in a position to reduce the rate although I am sure he realized along with me that the people who are to be affected by these taxes are also poor people.

"The other point is the working of the penal provisions of the Act. My hon. Friend, the Leader of the Opposition, said that very often, these people left their business in the hands of clerks on a salary of Rs. 15 or Rs. 20 and they maintained the accounts and the registers. We see that the penalty prescribed for not keeping books, and submitting returns and the like is one thousand rupees and where the offence is continuing, a further fine which may extend to fifty rupees for every day after the first during which the breach continues. This, I submit, is a very heavy penalty. I know that these provisions are generally kept in order to create some sort of terror in the minds of the people. But once when you have introduced in this very Bill that in default of payment this tax would be recovered as if it were an arrear of land revenue, I do not see the necessity to introduce these penal provisions in addition. I do not know what the need for introducing this penal clause is. I am sure these are very difficult circumstances and that when this Act is put into force, the Government would not allow the people to be adversely affected by this tax."

* SRI T. T. KRISHNAMACHARIAR:—"When two important fiscal measures have been passed by the House, affecting

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business interests, I have a duty to submit to the House the views of the business community which has returned me to this House. I am advisedly using the words 'business community' for it is far better to divide people according to sectional interests and on an occupational basis. We neither have the Hindu-Muslim problem nor the Brahman-Non-Brahman question. All that we have is only one interest and that is to ply our own trade and we desire to be allowed permission to do it peacefully and quietly, so far as our business is concerned. We have no politics. The community, though it has been affected by these two fiscal measures, does not feel unduly apprehensive if it is going to stop at that. We have no political ambitions and we do not oppose particular measures for political reasons. We do not want to oppose merely to throw the Government out of power or to make it unpopular. We only ask for a place under the sun and nothing else. These two measures were perhaps necessary as revenue-raising measures. The Government wanted money and they have been fairly carefully framed notwithstanding certain differences of opinion we have had and the incidence on the business community is comparatively moderate. But I do not share the optimism of my hon. Friend, the Leader of the Opposition, who said that these Bills probably may be the last of such measures. We have been brought up in different atmospheres. I am a pessimist having had to struggle hard in life because life to people like me is one eternal struggle. My hon. Friend can afford to take a rosy view of life placed as he is, but I am not confident that this is going to be the last of these measures.

"Our objection to any fiscal measure would not be on the ground that we want to create opposition to the Government. It is evidently a matter of self-interest so that we can ply our trade and contribute in some small measure to the income of the Government as we have been doing in the past by way of rates, income-tax, customs duties and the like. If there are going to be any more measures, I wish it would be best brought to the public attention before discussion in the Assembly in the same manner as it has been done now, all points of view met and care taken so that the community affected will not be driven out of existence altogether.

"I have only to emphasize the request made by the previous speaker not to make the penal provisions which are necessary in a measure like this inquisitorial and very hard in their actual working. I do not say that the Treasury Benches will be primarily responsible for any exhibition of harshness in the working of these fiscal measures, but it is always for them to smoothen the harshness for the first one or two years so that people may get accustomed to it. Government have a lot to gain thereby if they convince the people that there is nothing to fear. With this appeal to the Government I support the motion before the House."

* V. S. T. SHAIK MANSOOR THARAGANAR SAHIB BAHADUR:—"மேன்மைதருகிய Speaker அவர்களே, கனம் பிரைம் மினிஸ்டர்

[25th February 1939]

[V. S. T. Shaik Mansoor Tharaganar Sahib Bahadur]

அவர்கள் எட்டனு கிரையமுள்ள பெட்ரோலுக்கு பத்தணு (tax) வரி இந்தியா கவர்ன்மெண்டுக்கு கொடுத்து வருகிறதாகச் சொன்னார்கள். இந்தியா கவர்ன்மெண்டுக்கு நாங்கள் கொடுத்தால், இந்தியா கவர்ன்மெண்டு பணம் இந்த மாகாணத்திற்கு அனுப்புகிறது என்பதை ஞாபகப்படுத்துகிறேன்.

“மேன்மைதங்கிய முதன் மந்திரியார் அவர்கள் சமர்ப்பித்த பட்ஜெட்டில் (Budget) 17½ லட்சம் துண்டு விழக்கூடியதாக இருப்பது வருந்தத்தக்கதே. இதற்காக மேலும் புதிய வரிகள் ஐந்து போட உத்தேசித்திருப்பது இம்மாகாண செல்வவந்தர்களை ஒட்டாண்டுகளாக்குவதாக இருக்கிறது. ஏற்கனவே கடன் நிவாரண மசோதாவால் பல செல்வந்தர்கள் நஷ்டமடைந்ததோடன்றி ஏழைகள் பலரும் வாழ்க்கை நடத்த முடியாமல் ஸ்தம்பித்துவிட்டார்கள். கடன் பெறுவதும் திருப்பி அளிப்பதும் வாழ்க்கையில் சாதாரண சம்பவங்கள். இதனைத் தீர ஆராய்ந்து ஒரு தக்க முறையிற் உணராமல் திடீரென கடன் நிவாரண மசோதாவைக் கொண்டுவந்து சட்டமாக்கியதால் ஒரே சமயத்தில் ஏழைகளும் பணக்காரர்களும் பெரும் நஷ்டத்திற்குள்ளாக வேண்டியிருக்கிறது. இது போக ஜமீன்தாரி மசோதா கொண்டுவரப்பட்டதின் மூலமாக செல்வவந்தர்கள் உரிமை பறிபோயிற்று. இதனாலும் ஏழைகள் நன்மை அடைந்துவிட முடியாது. இவ்வளவும் போக, இப்பொழுது கொண்டுவரப்பட்டிருக்கும் புதிய வரிகள்—மின்சார வரி, பெட்ரோல் வரி, பொது விற்பனை வரி, புகையிலை வரி போன்றவைகள், வர்த்தகர்களைப் பெரிதும் பாதித்து குட்டிச்சுவராக்கக் கூடியவைகளாய் இருக்கின்றன. வர்த்தகமும் ஸ்தம்பித்துப் போகும். இவைகளை எல்லாம் நோக்குமிடத்து வாயளவில் மேன்மைதங்கிய முதன் மந்திரியார் அவர்கள் சோஷலிஸத்தை (Socialism) வெறுப்பதாகக் காட்டிக்கொண்டாலும் செயலில் சோஷலிஸம் (Socialism) வளவே, வேலை செய்து வருகிறார்கள் என்பது நன்கு தெரிகிறது. நம் நாடு இருக்கும் நிலைமையில் சோஷலிஸத்திற்கு (Socialism) இது கால மன்று. செல்வவந்தர்களை ஒழித்து விட்டு, இம்மாகாணத்தில் ஒன்றும் செய்துவிட முடியாது என்பதை மந்திரியார் கவனிக்க வேண்டும். வர்த்தகத்தையும் ஒழுங்கான வாழ்க்கை முறையையும் ஸ்தம்பிக்கச் செய்தால் மாகாணத்தின் செழிப்பும் வளர்ச்சியும் குன்றியே விடும். சிறுகச்சிறுகச் செய்யவேண்டிய வேலைகளை ஒரேயடியாகச் செய்யப் பிரதம மந்திரியார் முயன்றால் பொன் முட்டையிடும் வாதத்தைக் கிறிய கதையாகவே முடிந்துவிடும்.”

* THE HON. SRI C. RAJAGOPALACHARIAR:—“Sir, I am very grateful for all the good things said on the other side. I have only to give this assurance that it is wholly unnecessary for members to get frightened over the maxima provided in penal clauses. I may assure them that I have utmost confidence that this taxation measure will be so easily enforced that there will not be the slightest difficulty for people entirely to forget wholly all those provisions with regard to penalties. If there is any taxation measure which we can conceive, which could be easily enforced without anybody complaining, it is the Electricity Taxation Act and the Petrol Taxation Act which we have accepted in this House. I hope, therefore, hon. Members will soon forget the very existence of those provisions, that the Bill will be blessed by them not only in the passing of legislation but in the enforcement of it.”

The motion was put and carried and the Bill was passed into law. The House then adjourned to meet again at 3 p.m. on Wednesday, the 15th March 1939.

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APPENDIX I.

[Vide answer to starred question No. 828 asked by Sri C. Narasimham at the meeting of the Legislative Assembly held on the 25th February 1939, page 377 supra.]

Statement showing the prosecutions instituted by the Police for breaches of the Madras Traffic Rules framed under section 3 of the Madras Traffic Control Act, 1938, for the period April-December 1938, inclusive, in certain courts.

Name of the court.			Number of prosecutions.
Stationary Sub-Magistrate, Chicacole	..	..	652
Sub-Magistrate, Narasannapeta	..	..	399
Tahsildar-Magistrate, Patapatnam	..	..	63

APPENDIX II.

[Vide answer to starred question No. 844 asked by Sri K. Venkatasubbayya at the meeting of the Legislative Assembly held on the 25th February 1939, page 386 supra.]

Year.	Total.		Attacks among	
	Attacks.	Deaths.	Vaccinated	Unvaccinated.
1934	633	131	404	234
1935	295	59	174	121
1936	37	3	23	14
1937	756	196	441	315
1938	2,110	661	1,280	830

[25th February 1939]

APPENDIX III

[Vide item II-(1) at page 392 supra.]

To

THE HONOURABLE THE LEGISLATIVE ASSEMBLY,
MADRAS.

The Select Committee appointed to consider the Madras Electricity Duty Bill, 1939 (L.A. Bill No. 5 of 1939) has the honour to make the following report.

2. This Bill was published in the *Fort St. George Gazette* in English on the 7th February 1939.

3. The Committee was appointed on the 20th February 1939 with the instruction that a report may be made before the 23rd February 1939.

4. The Committee met in the Assembly Buildings, Chepauk, on 21st February 1939, and considered the provisions of the Bill.

5. *Clause 3*.—According to the scheme of the Bill as introduced, licensees selling less than 200,000 units of energy per annum or 16,666 units per mensem, are treated as small licensees and are exempted from duty. If a licensee does not come under this exemption, he has to pay a duty on sales effected by him at a price of not less than 2 annas per unit. The Committee think that the duty should be payable only on sales effected by a licensee at a price of more than 2 annas per unit so that even sales effected at 2 annas per unit will be free from duty. They have therefore substituted the words “at a price of more than 2 annas per unit” for the words “at a price of not less than 2 annas per unit,” in sub-clause 1 of this clause.

In sub-clause (3) the words “duty shall be calculated and levied” have been substituted for the words “duty shall be levied.” This change is intended to make the meaning of the expression clearer.

Clause 7.—This clause empowers the Provincial Government to permit a licensee to recover the duty paid by him or any part of such duty from the consumers of energy. To show that they can permit such recovery from specified classes of consumers as well as

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from consumers generally, the Committee have substituted the words “any person or class of persons” for the words “any person” in line 3.

In the Explanation the Committee have deleted as unnecessary the words “and may be recovered” and the words “from the consumer although the duty together with the price charged exceeds the maximum price fixed in the licence for the supply of energy to such person.”

6. They have also provided a separate sub-clause by which in cases where a licensee can recover the duty from a consumer, he may for that purpose exercise all the powers that under sub-section (1) of section 24 of the Indian Electricity Act, 1910, he can exercise for the recovery of sums due in respect of energy supplied.

Clause 9.—The Committee think that in regard to rule-making powers, an interval of at least one month should be given between the first publication of the draft rules and their final publication. This restriction will, however, be impracticable in the case of the first set of rules to be made under this Act, and it will therefore apply only to the subsequent rules or amendments of rules to be made under the Act. The following proviso has therefore been added to sub-clause (2) of clause 9:—

“Provided that after the final publication of the first set of rules, no rules or amendments of rules shall be made until after the expiry of one month from the date of publication of the draft of such rules or amendments.”

7. A copy of the Bill as amended by the Committee is annexed. It is unnecessary to republish the Bill.

C. RAJAGOPALACHARIAR.

22nd February 1939.

Chairman.

[25th February 1939]

ANNEXURE.

[NOTE.—The changes made by the Select Committee are shown in clarendon type and the portions omitted are shown by dots.]

L.A. BILL No. 5 OF 1939.

A Bill for the levy of a duty on certain sales of electrical energy effected by licensees in the Province of Madras.

(As amended by the Select Committee.)

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;

(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, of 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.

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

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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.

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.

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.

(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.

(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.

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

Obligation of licensees to keep books of account and to submit returns.

Inspecting Officers.

Recovery of duty.

Licensee to reimburse himself from consumer in certain cases.

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or any part of it, as may be determined by the Provincial Government.

Explanation.—The duty recoverable from any person under this sub-section shall not be deemed to be past 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.

Penalties.

8. If any licensee—

(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.

Power to make rules.

9. (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) 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

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provision is, in the opinion of the Provincial Government, necessary for giving effect to the purposes of this Act.

Provided that after the final publication of the first set of rules, no rules or amendments of rules shall be made until after the expiry of one month from the date of publication of the draft of such rules or amendments.

(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.

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APPENDIX IV.

[Vide item II (2) at page 400 supra.]

To

THE HONOURABLE THE LEGISLATIVE ASSEMBLY,
MADRAS.

The Select Committee appointed to consider the Madras Sales of Motor Spirit Taxation Bill, 1939 (L.A. Bill No. 6 of 1939), has the honour to make the following report.

2. This Bill was published in the *Fort St. George Gazette* in English on the 7th February 1939.

3. The Committee was appointed on the 20th February 1939 with instructions to report before the 23rd February 1939.

4. The Committee met on 21st February 1939 and 22nd February 1939 in the Legislative Assembly Buildings for considering the Bill.

5. The Committee have subjected the provisions of the Bill to a careful scrutiny and as a result thereof, have made the following among other changes in the Bill.

6. *Clause 2.*—The Committee have inserted definitions of (1) importer and (2) wholesale dealer, as certain duties are imposed on them by the Act.

7. The Committee have expanded and modified the definition of motor spirit so as to include all forms of oil or other substance used for internal combustion engines. A separate definition of petrol has been inserted as the tax on petrol is higher than that on other kinds of motor spirit.

8. *Clause 3.*—This clause refers to the levy of tax on retail sales of motor spirit. The Committee consider that the rate should be different for (a) petrol and (b) classes of motor spirit other than petrol and that the tax in the case of the latter should be at a lesser rate per gallon than that on petrol. The Committee have accordingly amended clause 3 so as to make

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separate provision for petrol and other classes of motor-spirit respectively. The tax on petrol is fixed at one anna six pies per gallon and that on other classes of motor-spirit at six pies per gallon, subject to the power of the Provincial Government by notification to alter the rate from time to time. The Committee, however, consider that no such notification for an alteration of the rate fixed by this clause should come into effect until approved by a resolution of the Madras Legislative Assembly, and they have accordingly inserted a proviso to this effect.

Sub-clause (2).—In this sub-clause for the expression “a dealer” the Committee have substituted the expression “an importer or a wholesale dealer” so as to make the intention clearer. Corresponding changes have been made throughout the Bill wherever the expression “a dealer” occurs.

9. *Clause 4—Sub-clause (2).*—The object of the provisions relating to registration and keeping of accounts is to prevent evasions and to facilitate the collection of the tax from all persons liable to pay it. To further effectuate this object, the Committee consider it necessary that there should be a provision preventing any retail dealer from using or transferring for consumption any motor spirit stocked by him without its being included in his accounts and in the returns of retail sales to be submitted by him to the prescribed authorities. With the same object, the Committee have also inserted a new provision which prevents a company or firm, doing the business of an importer, a wholesale dealer or a retail dealer from carrying on at the same time the business of public transport, to escape the tax payable upon sales of motor-spirit.

10. It was proposed that the security to be demanded under sub-clause (5) of this clause for registration should be limited to the amount of average sales for one month, and that no fee should be charged for registration of importers or dealers under this Bill. The Government accept these proposals as reasonable. The Committee therefore consider that it is unnecessary to amend the Bill in this behalf.

11. *Clause 5—Sub-clause (b).*—The Committee have simplified the provisions of this sub-clause by deleting

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items (ii) and (iv) and all words in item (iii) except the words "the quantity sold by him during such month" and by inserting a general item "(iii) such other particulars as may be prescribed."

12. *Clause 8.*—The Committee have specified the various particulars to be shown in the returns to be made by every importer or wholesale dealer by numbering the points to which such returns should refer and have thus made sub-clause (b) clearer.

13. *Clause 9.*—This clause refers inter alia to the power of inspection of accounts kept by importers and dealers. To show that the accounts which can be inspected under it are only those relating to stocks, purchases, sales and deliveries of motor spirit, the Committee have inserted the necessary words in sub-clause (1).

In sub-clause (2) the Committee have deleted the words "at any time by day or by night" and "and with or without notice." They have also deleted sub-clause (3) which enjoins on the importer or dealer the duty of rectifying any mistake which may be detected during the inspection, as they consider it unnecessary.

14. *Clause 10.*—As a consequence of the last mentioned change, sub-clause (e) of this clause has been deleted. A general sub-clause has, however, been added providing a penalty for any offence against any of the provisions of this Act.

15. *Clause 15.*—This clause refers to the manner of effecting searches. In view of the fact that under clauses 9 and 14, a search can be effected only by officers specially empowered by the Provincial Government, it is unnecessary to provide expressly that searches shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898. This clause has accordingly been deleted.

16. *Clauses 21 and 22.*—These clauses provide punishments for vexatious search or arrest or vexatious delay in forwarding arrested persons. It will be noticed that clauses 25 and 26, by implication, recognize the existence of suits or criminal proceedings

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against any officer or servant of the Provincial Government acting without good faith under the colour of the provisions of this Act. In view of this fact and of the fact that the powers under this Act are to be exercised only by officers specially empowered by the Provincial Government, the Committee consider that the provisions of the general law which already exist need not be supplemented by additional provisions such as those contained in clauses 21 and 22. They have accordingly deleted clauses 21 and 22.

17. *Clause 23.*—In this clause the amount for which an offence can be compounded has been reduced from one thousand to five hundred rupees.

18. *Clause 30.*—In regard to rule-making powers, the Committee consider that there should be an interval of at least two weeks between the publication of the draft rules and that of the final rules. But they recognize that it would be impracticable to apply this restriction to the publication of the first set of rules and have accordingly made it applicable only to the publication of the second or subsequent set of rules or amendments of rules made under this Act. They have accordingly inserted a proviso to the clause in the following terms:—

"Provided that after the final publication of the first set of rules, no rules or amendments of rules shall be made until after the expiry of two weeks from the date of publication of the draft thereof."

19. The Committee have made a few other changes in the Bill but do not consider it necessary to refer to them in detail. The Bill as amended is annexed. The Committee are of opinion that the amendments made by them are not of such a nature as to necessitate a republication of the Bill. Therefore the Bill need not be republished.

C. RAJAGOPALACHARIAR,

22nd February 1939.

Chairman.

[25th February 1939]

ANNEXURE

[NOTE.—The changes made by the Select Committee are shown in clarendon type and the portions omitted are shown by dots.]

L.A. BILL NO. 6 OF 1939.

A Bill to provide for the levy of a tax on retail sales of motor spirit in the Province of Madras.

(As amended by the Select Committee.)

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.

(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—

(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 capable of directly or indirectly providing reasonably efficient fuel for any

form of internal combustion engine, and includes petrol, high speed Diesel oil and crude oil but does not include kerosene, coal or charcoal;

(d) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1934;^{XXX of 1934.}

(e) "prescribed" means prescribed by rules made under this Act;

(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 or keeps for sale motor spirit and who is not a retail dealer.

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).

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,

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:

Short titled
extent and
commence-
ment.

Definitions.

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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 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.

Registration
of importers
and dealers.

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:

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.

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(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.

(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.

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

Obligation
of retail
dealers to
keep books
of account
and submit
returns.

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(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:

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

Obligation of importers and wholesale dealers to keep books of account and submit returns.

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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.

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.

(3)

10. Any person who—

Penalties.

(a) carries on business in motor spirit as an importer, a wholesale dealer or a retail dealer 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

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(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 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.

Issue of
warrants
for arrest.

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.

(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, ^{V of 18} or if the officer issuing the warrant deems fit, by any other person.

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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 at any time by day or by night and with or without notice 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. Omitted.

V of 1898.

16. 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.

17. 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 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.

Offences to
be reported,
etc.

18. (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.

Power of in-
vestigation.

V of 1898.

(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 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

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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.

19. (1) All offences against this Act shall be bailable.

(2) Any officer empowered under section 18 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.

20. When anything has been seized by an officer exercising powers under section 18, 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 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.

21. Omitted.

22. Omitted.

Power to
compound
offences.

23. (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—

(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

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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.

24. (1) No Magistrate shall take cognizance of any offence against this Act— <sup>Cognizance
of offences.</sup>

(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 26.

25. (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. <sup>Bar of
certain
proceedings.</sup>

(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.

26. 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 <sup>Limitation
for certain
suits and
prosecutions.</sup>

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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.

27. (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 28, be final.

Revision.

28. 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.

Power to make rules.

29. (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 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 authorised 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

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(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.

30. 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.

Provided that after the final publication of the first set of rules, no rules or amendments of rules shall be made until after the expiry of two weeks from the date of publication of the draft thereof.

31. 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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