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THE

COUNCIL OF STATE DEBATES

(Official Report)

VOLUME I, 1928

FOURTH SESSION

OF THE

SECOND COUNCIL OF STATE, 1928



DELHI
GOVERNMENT OF INDIA PRESS
1928

THE

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT OF THE FOURTH SESSION OF THE SECOND COUNCIL OF STATE)

VOLUME I—1928.

COUNCIL OF STATE.

Wednesday, the 1st February, 1928.

The Council met in the Council Chamber of the Council House in New Delhi, at Eleven of the Clock, being the first day of the Fourth Session of the Second Council of State, pursuant to section 63D (2) of the Government of India Act, the Honourable the President (the Honourable Sir Henry Moncrieff Smith, Kt., C.I.E.) was in the Chair.

MEMBERS SWORN.

The Honourable Mr. Narayan Prasad Ashthana (United Provinces Northern : Non-Muhammadan) ;

The Honourable Nawab Sir Muhammad Muzammil-ullah Khan, Khan Bahadur, K.C.I.E., O.B.E. (United Provinces West : Muhammadan) ;

The Honourable Major General Thomas Henry Symons, C.S.I., O.B.E., K.H.S., I.M.S. (Director General, Indian Medical Service) ;

The Honourable Mr. Ernest Burdon, C.S.I., C.I.E. (Finance Secretary) ;

The Honourable Mr. Charles Cuningham Watson, C.S.I., C.I.E. (Political Secretary) ;

The Honourable Mr. George Washington Hatch, C.I.E. (Bombay : Nominated Official) ;

The Honourable Mr. Kiran Chandra De, C.I.E. (Bengal : Nominated Official) ;

The Honourable Mr. Alma Latifi, O.B.E. (Punjab : Nominated Official) ; and

The Honourable Mr. Donald Weston (Bihar and Orissa : Nominated Official).

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

PANEL OF CHAIRMEN.

THE HONOURABLE THE PRESIDENT: I have a Message for the Council from His Excellency the Governor General. The Message is in the form of the following order:

"*In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, hereby nominate the following Members of the Council of State to be on the panel of Chairmen of the said Council of State:*

In the first place, the Honourable Sir Phiroze Cursetji Sethna; in the second place, the Honourable Khan Bahadur Maulvi Abdul Karim; in the third place, the Honourable Rai Bahadur Lala Ram Saran Das; and lastly, the Honourable Mr. William Athelstan Gray.

Sd. IRWIN
Viceroy and Governor General."

(The Message was received by the Members of Council standing.)

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: Under Order 76 of the Council of State Standing Orders I am required at the commencement of the Session to constitute a Committee on Petitions consisting of a Chairman and four Members. The following Honourable Members have at my request kindly consented to preside over and serve on the Committee. I hereby accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Rai Bahadur Lala Ram Saran Das, and as Members the Honourable Raja Sir Rampal Singh, the Honourable Sir Ebrahim Jaffer, the Honourable Mr. P. C. Desika Chari and the Honourable Sir Manmohandas Ramji.

GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills:

The Insolvency (Amendment) Act, 1927.
The Repealing Act, 1927.
The Indian Bar Councils (Amendment) Act, 1927.
The Indian Merchant Shipping (Amendment) Act, 1927.
The Indian Divorce (Amendment) Act, 1927.
The Indian Forest Act, 1927.
The Indian Lighthouse Act, 1927.
The Indian Succession (Amendment) Act, 1927.
The Presidency-towns Insolvency (Amendment) Act, 1927.
The Bamboo Paper Industry (Protection) Act, 1927.
The Indian Securities (Amendment) Act, 1927.
The Societies Registration (Amendment) Act, 1927.
The Indian Tariff (Cotton Yarn Amendment) Act, 1927.
The Indian Tariff (Amendment) Act, 1927.
The Criminal Law (Amendment) Act, 1927.
The Cantonments (Amendment) Act, 1927.
The Indian Emigration (Amendment) Act, 1927.
The Indian Income-tax (Amendment) Act, 1927.
The Aden Civil and Criminal Justice (High Court Jurisdiction Amendment) Act, 1927.
The Indian Divorce (Second Amendment) Act, 1927.
The Assam Labour and Emigration (Amendment) Act, 1927.

DEATHS OF LALA SUKHBIR SINHA, SYED ALAY NABI AND DIWAN TEK CHAND.

THE HONOURABLE THE PRESIDENT: There will be no questions answered to-day. Two Members alone are responsible for the somewhat lengthy list on the paper before us, but I have just heard from the Honourable Mr. Kumar Sankar Ray Choudhury that, owing to a decision arrived at outside this House, he is not in a position to put his questions. The Honourable Sir Phiroze Sethna asked some days ago that his questions might be postponed till a later date.

Before we proceed to the legislative business of the day, the Council will expect me to make some reference to the losses which it has sustained since it last met.

The hand of death has been very busy among our friends and colleagues, no fewer than three having passed away in the last few months. The Honourable Lala Sukhbir Sinha was one of that decreasing band of Members—a band, I am glad to say, which has dwindled very gradually—who had sat in this Chamber since the date of its inauguration. I knew him personally long before he came to this House, long before I came to Delhi or Simla. We belonged to the same province and even before he took to politics—and that was nearly 20 years ago—he was a personal friend of my own. He was an orthodox Hindu of the old type and the House will not need to be reminded that he prominently identified himself with all movements connected with his religion and that one of his greatest activities was in connection with the preservation of the cattle of India. This interest of his was engendered not only by his religious beliefs but also by the fact that, being the most prominent landlord of his district in the United Provinces, he always associated himself with any movement for the improvement of agriculture or the uplift of the agricultural classes. His views, as we all know, were always expressed with great sobriety and tolerance and were listened to with respect from all sides of this House. Honourable Members, I know, will agree with me that we shall miss him sadly.

The Honourable Syed Alay Nabi also came from the same province and he was also a personal friend of my own long before we met in this arena. He came to the second Council of State after the general election and after having served for a long time in the Legislative Council of his own province. His views, like those of our colleague to whom I have just referred, were sober and moderate and he only spoke on those subjects in which he took a deep interest. Him, too, we shall miss.

The Honourable Diwan Tek Chand, who was the last of the three to die, had been here at intervals almost since the inauguration of the Council. He had a long and honourable service of 32 years in his own province. He was one of the first—I believe I am right in saying the first—resident of the Punjab to enter the Indian Civil Service by open competition, and in his province he rose to high administrative rank. The fact that again and again the authorities of his province recommended to the Governor General that he should be nominated to represent the province in this House is, I think, sufficient evidence of the esteem in which he was held.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): Sir, I rise not in any official capacity but to pay a brief personal tribute to the memory of one whom I had known and known well for 20 years. It was in 1907 that I first came into close connection with the Honourable Syed Alay Nabi. For three years he and I were the two Vice-Chairmen of the Agra Municipality in the days

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when the municipality was under an official Chairman : in that capacity I was naturally very closely associated with him. I was very much impressed in those days not only by the whole-hearted way in which he threw himself into his important public duties, but by the remarkable degree of support that he received from all members of the Municipal Board. When I returned to Agra 12 years later, the official Chairman had disappeared and I found in his place Syed Alay Nabi occupying the position of Chairman of the Agra Municipal Board—a position which he continued to fill until his lamented death a few months ago. I think I am right in saying that during the whole of that 20 years or practically throughout that period through many vicissitudes Syed Alay Nabi occupied the chief position that a non-official could occupy in the Agra Municipality either as Vice-Chairman, when the Chairman was an official, or as Chairman, when the official Chairman had been done away with. That, Sir, in itself is a remarkable record. But in these days that record perhaps seems more remarkable when we reflect that he was a Muslim in a city and on a Board predominantly Hindu. The explanation—and it is one on which we may perhaps dwell for a moment—was that he was generally regarded not as a member of any particular community but as a citizen of Agra, a city which by his labours he served so well ; and it is as a citizen of Agra that I pay to him this last tribute of respect.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : I rise, Sir, to endorse every word that has fallen from you and would like to add a word or two on behalf of my personal friend, the late Diwan Tek Chand, who belonged to the Western Punjab, the part of the province from which I also come. I had known him for the last 20 years ; he was a very able man and a great linguist. Though he was an official, he was very much liked by the non-officials of every place to which he was posted. He was a man of exceptional qualifications and was never unfriendly to any person.

As to Lala Sukhbir Sinha, he was my personal friend, as he had particular connection with the Punjab, being a relation of our illustrious Chief Justice of the High Court. Some times he was so friendly to me that when he was not present, even in the case of certain subjects where he and I did not see eye to eye, he asked me to ask questions on his behalf. He had been ailing for a long time and died in the Punjab which is our province.

As to Alay Nabi, he was one of our ablest colleagues, and we all feel very much for him.

On behalf of the entire Punjab I offer condolences to their relations.

THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN (United Provinces West : Muhammadan) : Sir, I very much regret to say that on the first day of my standing as an elected Member of the Council, I have to say things which are full of grief and sorrow. I will speak about my very, very old friend, the Honourable Lala Sukhb'r Sinha. I knew him since 1897—rather I knew his illustrious father, the Honourable Lala Nihal Chand, who was in the United Provinces Council. In those days there was a great struggle going on about the Rent Bill in Lord MacDonnell's time. I was a young man in those days and was the Joint Secretary of the " Zamindars' Association " of which the Honourable Lala Nihal Chand was the Secretary and we both were trying desperately to safeguard the Zamindars' interests. After the death of his father, the Honourable Lala Sukhbir Sinha took up all the duties which his illustrious father was doing, and in furthering these duties he

took up all the things connected with India, and especially with our province. He had a very great interest in all living things in the world, and was a great friend of his country and community, and was a great friend even of cattle and of all poor animals who are suffering so much at the hands of human beings. He was a great friend of the late and lamented Grand Old Man of India, Hakim Ajmal Khan, and was a great supporter of Vedic and Unani medicines. I knew him, as I have said, since 1897. We both were colleagues for many years in the United Provinces Legislative Council and for the full five years' term in this Honourable House and I always found him very sincere in anything he spoke or thought of. In his capacity as Secretary of the Mozuffernagar Zamindars' Association, he never lost any time in protesting against or supporting anything in connection with agriculture. His memorials and addresses and criticisms about all things connected with agriculture may be said to be written in letters of gold in the history of agriculture.

With these few words, I endorse what you, Sir, have said about him, and about the late lamented and distinguished Member of this Honourable Chamber, the Honourable Syed Alay Nabi of blessed memory.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, I rise to associate myself with all that has fallen from your lips, and all that has been said by the Honourable Members of this Council about Lala Sukhbir Sinha and Syed Alay Nabi. I had the honour to be a colleague of theirs in the local Legislative Council for many years, and I knew what solid work they were responsible for. The interest that Lala Sukhbir Sinha took among other things in Hindu religious endowments is now bearing fruit, and our local Government has now appointed a Committee to enquire into that question. He was very anxious that Hindu endowments should be placed on a sound footing, and all the abuses in connection with this subject removed. He had been a Member of the local Legislative Council for many years, and his work there as recorded has made him illustrious.

As to Syed Alay Nabi, I cannot speak without a feeling of deep regret. He was my intimate friend. We were together at college and also at the Bar in the Agra courts. We were also co-workers in the Agra Municipal Board, about which the Honourable Mr. Haig has spoken. I have to endorse all that he said and I propose that a vote of condolence be passed and sent to the heirs of the deceased.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member) : Sir, it is to be noted with the utmost regret that since the Council last met it has lost three of its Honourable Members, who died in the month of November, within a few days of one another. When the Council dispersed at the end of September, they looked in the best of health, and the grief which I am sure we all feel at their death has been accentuated by the suddenness with which the end came. The Honourable Lala Sukhbir Singh had a long and illustrious association with the public life of the province which he represented, as well as that of India. His father, the late Rai Nihal Chand Bahadur, was a member of the Legislative Council of the United Provinces. On his death the late Lala Sukhbir Sinha took his place, and when the present bi-cameral Central Legislature was created, he got elected successively to the first and the second Council of State. He was thus one of our senior members. To his profound and natural interest in agriculture, and in the prosperity of the class which is most intimately concerned

in agriculture—I mean the landholders of India—he added a liberal patriotism and unquestioned and unfaltering loyalty to the Crown. Socially his great courtesy and charm of manner endeared him to everyone who had the privilege of meeting or knowing him. We shall all miss his ripe experience, sound judgment and warm geniality. On my own behalf and on behalf of Government I wish to express our deep regret at his death and our sympathy with his bereaved family.

Diwan Tek Chand joined the Indian Civil Service in 1894, and after a long, varied and distinguished record of service in his own province came to the Council of State as a nominated Member. Except, I think, for the period he was away on leave, he was a Member both of the first and the present Council of State. He was a man of many interests, especially distinguished in the knowledge of languages, and had an exceptional capacity for making and retaining the friendship of those with whom he once came into touch. I am sure the House will mourn his loss which, when it is remembered that he was only 54 at the time of his death, was as premature as it was unexpected. I wish to express on behalf of myself and of Government our sorrow at his death and our sympathy with his family.

The late Syed Alay Nabi was elected to the present Council at the last election. He was, however, not new to public life as he had served a distinguished Parliamentary apprenticeship in the Legislative Council of his province. Even during the short time that he was with us he impressed us all with the moderation and soundness of his views and with the earnestness and honesty of his patriotism. Though a zealous guardian of the interests of his own community he did not suffer from a narrow sectarian outlook but, as I can testify from my personal experience, was animated by a spirit of broad tolerance and a genuine desire to bring the two great communities in India together. I had the privilege of enjoying his friendship, and apart from the sense of loss which I feel at the death of a colleague I am affected by the feeling that I have lost a dear personal friend. To his bereaved family go out the sympathy and grief of myself and of Government.

THE HONOURABLE THE PRESIDENT: The remarks made by Honourable Members will be communicated to the relatives of our deceased colleagues with an expression of the Council's deep sympathy in their loss.

INDIAN TERRITORIAL FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I beg to move for leave to introduce a Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes.

This Bill proposes to effect legislation necessary to carry out the recommendations of the Auxiliary and Territorial Forces Committee as accepted by the Government in so far as concerns the Indian Territorial Force. The Statement of Objects and Reasons shows the general nature and scope of the proposals in this Bill. The most important of them is the establishment and classification of urban units as a distinct section of the Indian Territorial Force with terms and conditions of service assimilated as nearly as possible to those of the Auxiliary Force. There are other minor points with which I shall deal at the consideration stage. To-day I will do no more than move formally for leave to introduce this Bill.

Sir, I move.

The motion was adopted.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I beg to introduce the Bill.

AUXILIARY FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I beg to move for leave to introduce a Bill further to amend the Auxiliary Force Act, 1920, for certain purposes.

In a Resolution, dated the 20th August 1927, Government stated their intention of introducing during this present Delhi Session such legislation as was necessary to give effect to the recommendations of the Auxiliary and Territorial Forces Committee as accepted by the Government of India and His Majesty's Government. This Bill is in fulfilment of that undertaking so far as the Auxiliary Force is concerned. The notes on the clauses printed with the Statement of Objects and Reasons show the amendments proposed in the Auxiliary Force Act of 1920. I will deal with these at the consideration stage of the Bill, but there is no important point of policy involved.

Sir, I move.

The motion was adopted.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I beg to introduce the Bill.

BURMA SALT (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary) : Sir, I move for leave to introduce a Bill to amend the Burma Salt Act, 1917, for a certain purpose.

The Bill, Sir, is a simple and straightforward measure, the nature and purpose of which are fully explained in the Statement of Objects and Reasons. The purpose is to apply to the Salt Department in Burma the arrangements for administration which are in force elsewhere,—in other words, to bring it under the direct control of the Government of India whose concern and responsibility the Salt Department is. The House will not, I think, require any further explanation from me at this stage.

Sir, I move.

The motion was adopted.

THE HONOURABLE MR. E. BURDON : Sir, I introduce the Bill.

CONGRATULATIONS TO THE HONOURABLE RAI BAHADUR PANDIT SHYAM BIHARI MISRA.

THE HONOURABLE THE PRESIDENT : Before I adjourn the House I have to ask Honourable Members to join me in tendering our hearty congratulations to the Honourable Rai Bahadur Pandit Shyam Bihari Misra on the honour conferred upon him on New Year's Day. The Honourable Pandit has been with us for some time and we all know him well. He has been in Government service for over 30 years, and served with such merit that after a time his promotion became very rapid. Having been selected to fill a post ordinarily reserved for members of the Indian Civil Service, he was

appointed to be Registrar of Co-operative Societies in the United Provinces, a post which he filled with such distinction that we are in a position to-day of being able to congratulate him on his honour. Honourable Members, I am sure, will join with me in congratulating him and in hoping that he may yet, before his service terminates, rise to still greater honours.

THE HONOURABLE RAI BAHADUR PANDIT SHYAM BIHARI MISRA (United Provinces: Nominated Official): With your permission, Sir, I beg to tender my grateful thanks to you and to the House for congratulating me on the honour which the Government have thought fit to confer upon me. I am very thankful to the Government and to the Council for its conferment and for the good wishes of this House.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, the List of Business for Monday, the 6th, which day has been fixed for our next meeting, will reach Honourable Members in the course of the week. The business on that day will include a motion by the Honourable Sir Geoffrey Corbett for leave to introduce a Bill further to amend the Chittagong Port Act, 1914, for certain purposes, and motions for the re-committal of the Indian Limitation (Amendment) Bill, which was circulated for opinion by direction of the Council in September last, to Select Committee, and for the further consideration and passing of the Hindu Family Transactions Bill, discussion on which was postponed during the Simla Session.

Thereafter the next meeting will be held on Wednesday, the 8th, for non-official business and on Thursday, the 9th, for official business, on which latter day motions will be made to consider and pass the Territorial Force (Amendment) Bill and the Auxiliary Force (Amendment) Bill which were introduced to-day.

THE HONOURABLE THE PRESIDENT: The Council will now adjourn till to-morrow morning at 11 o'clock, when it will assemble in the Chamber of the other House to hear an address by His Excellency the Governor General, and thereafter till the 6th February at 11 o'clock in this place.

The Council then adjourned till Eleven of the Clock on Thursday, the 2nd February 1928.

COUNCIL OF STATE.

Thursday, 2nd February, 1928.

ADDRESS BY HIS EXCELLENCY THE VICEROY TO THE MEMBERS OF THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY.

H. E. THE VICEROY: Gentlemen, with the exception of one topic to which I will return later in my speech, I do not propose to-day to deal with all the various important subjects which are likely to come before you for consideration this session. But there are one or two matters to which I think it is proper that I should make brief reference.

Our relations with Foreign States along our great land frontier, from Persia in the west to Siam in the east, continue, I rejoice to say, very cordial in character. India has been honoured by a public visit from His Majesty the King of Afghanistan on his way to Europe, and the warmth of his welcome by Government and people alike was evidence of the links of friendship and common interest that bind the two countries together. It was a matter of much disappointment to me that indisposition debarred me from active participation in the welcome to His Majesty. My disappointment was no less great that indisposition should have robbed me of the pleasure of making the personal acquaintance of that sagacious statesman His Highness the Prime Minister of Nepal, now in Calcutta on a visit which only the state of his health precluded from being a public visit and which I trust will soon lead to a complete restoration of his normal vigour.

I pass from the subject of India's external relations with her territorial neighbours to mention recent events affecting the position of Indians overseas. Honourable Members will have observed with great satisfaction the cordial spirit in which the appointment of the Right Honourable Srinivasa Sastri, as our Agent in South Africa, has been from the first received both by the Union Government and by the various sections of the public, both European and Indian, in that country. Since his arrival our Agent has performed invaluable work in consolidating the friendly relations between the two countries, in stimulating among the Indian settlers the desire for self-help, and in promoting between Europeans and Indians in South Africa a clearer perception of mutual obligations. He has realised the highest expectations of those who, appreciating his capacity and gifts, expected most from him, and there is therefore every reason to hope that questions which are still outstanding or may arise in the future will be harmoniously adjusted.

Indians in East Africa have also recently claimed the special attention of my Government and of Honourable Members. Acting on a suggestion of a representative deputation of the Legislature which waited on me in Simla last September, my Government have recently sent Kunwar Maharaj Singh and Mr. Ewbank to assist the Indian communities concerned in connection with the Commission, which has been deputed by His Majesty's Government to examine locally certain aspects of future policy. Our

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representatives have already made a rapid tour of the territories in which Indian interests are important, and are now working there in close relations with the accredited leaders of Indian opinion. Honourable Members may feel confident that any case which the Indian settlers may desire to advance will be effectively presented, and can count upon careful consideration at the hands of the Commission.

I now turn to the major political question which it is necessary that I should ask you to examine in greater detail. Since I last addressed the Legislature, His Majesty's Government have, as Honourable Members are aware, taken certain decisions in connection with the Statutory Commission, which are of vital concern to India. Circumstances made it impossible for me to announce these decisions to the Legislature, as I should naturally have wished to do, and I therefore avail myself of this, the earliest convenient occasion, to make some observations in regard to them.

I need not recapitulate what I said in my statement of November 8th. That statement gave at length the reasons which had prompted His Majesty's Government to accelerate the date of the enquiry and to appoint a Parliamentary Commission. It outlined the proposed procedure at the various stages, and indicated broadly the lines on which His Majesty's Government hope to unite the best efforts of the chosen representatives of India and Great Britain in the wise ordering of India's future. Within the general framework as there described the Prime Minister made it plain in the course of the Parliamentary Debates that it was the considered intention of His Majesty's Government to leave to the Commission itself full discretion as to the methods by which they should approach their task. The Commission arrives in India to-morrow, not as yet on its more formal mission, but with the hardly less important object of enabling its members to acquaint themselves with the general working of the legislative and administrative machines, and hold informal consultations for the purpose of determining the most appropriate means of discharging the responsibility which Parliament has laid upon them. Considerable difference of opinion has become apparent as to the way in which India should receive these decisions of His Majesty's Government and of Parliament. On the one hand, those who speak for important sections of Indian political thought have been loud in their criticism and condemnation of the scheme approved by Parliament. On the other hand, many thoughtful and distinguished Indians, as well as large and powerful communities, have declared themselves in favour both of the Commission's constitution and of the general procedure that has been devised, and have expressed their readiness to give it all the assistance that they can.

I do not propose to enter far into the lists of controversy, but there are two points to which I think it right to refer. It has been freely said that His Majesty's Government have done Indians a real injustice, in denying to them adequate means by which Indian opinion may influence and affect these proceedings. Such charges as these arise in part from the genuine failure of some critics to appreciate features of the scheme which I thought had been sufficiently plainly stated. It has, for instance, been assumed that representatives of India would not confer with the Joint Parliamentary Committee in London, until after Parliament had reached main decisions of principle upon the second reading of a Bill. That this

is not the case is clear from my statement of 8th November, in which I said that it was not the intention of His Majesty's Government to ask Parliament to adopt any proposals which, as a result of the Commission's report, might be put forward, without first giving an opportunity for Indian opinion by personal contact to exert its full weight in shaping the view of the Joint Parliamentary Committee in regard to them. I was careful to point out that at this stage Parliament will not have been asked to express any opinion on particular proposals, and that therefore, so far as Parliament is concerned, the whole field will still be open.

Apart from such misapprehensions, I am free to admit that the question of whether or not better means could have been devised for associating Indian opinion with the enquiry which Parliament is bound to undertake is one on which every man is entitled to hold his own view. But though Indian leaders have the right, if they wish, to say that His Majesty's Government have chosen the wrong method of such association, they are not at liberty, if they desire to retain the character of true counsellors of the people or of honest controversialists, to say that His Majesty's Government have not sought means—and I would add very full and very unprecedented means—of placing Indians in a position to take an ample share with them in the evolution of their country's future. I cannot help thinking, if we may attempt to look beyond the present dust and turmoil of argument, assertion and debate, that there is real danger in some quarters of mistaking shadows for reality. I doubt whether those who criticise the broad framework of the plan approved by all parties in Parliament have reflected upon what is implicit in the idea of the Select Committees of the Central and Provincial Legislatures. In the earlier stages there is the association of these Committees with the Commission, through whatever procedure the Chairman and Members of the Commission, after placing themselves fully in touch with Indian opinion, may deem best calculated to enable them to discharge the duty entrusted to them. In due time the Commission will have completed its task and the matter will pass into other hands. At this moment as the Commission moves from the stage, the Central Legislature has, if it so desires, through chosen representatives of its own perhaps the greatest and most powerful means of influencing the further current of events. It is at this juncture invited, through some of its number, to sit with Parliament itself, acting in its turn through its own Joint Select Committee. Let us picture to ourselves the Joint Select Committee of Parliament and the Select Committee of this Legislature, sitting together in one of the Committee rooms of Westminster to consider the proposals of His Majesty's Government. These proposals will deal with a vast problem on which Parliament indeed has to decide, but where it is no more to the interest of Great Britain than it is to that of India that the issues should be clouded by avoidable difference or disagreement, and in regard to which therefore Parliament will naturally seek to reach decisions that command as great a measure as may be of reasoned Indian political support. Is it not fair to conclude that both the Joint Parliamentary Committee charged with the function of making final recommendations to Parliament, and earlier the Commission—each being masters within very wide limits of their own procedure—will desire to go to the furthest point that they deem possible, in order to carry along with them the convinced assent of the representatives of India, with whom they will under the plan proposed be

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working in close and intimate relations? To suggest that in these circumstances the effect of Indian opinion, if it avails itself freely of its opportunities, will be no greater than that which might be associated with the rôle of witnesses, and will not indeed be such as to influence the course of events throughout every stage, is to advance a proposition that no political experience can support, and that I should have thought no one who was versed in the process and management of public affairs would seriously maintain. Any such impression is as strangely at variance with the intentions of Parliament recorded in recent debates as it is with any such picture as I have sought to draw of the process in operation. It is surely obvious that what will be of supreme importance to India at both stages will be the quality of the men she has chosen to represent her, and it is difficult to conceive of any way in which Parliament could have given more clear indication of its desire both to give full weight to Indian opinion, and to recognise the dignity and position of the Indian Legislature. In such matters it is well to remember that constitutional forms are nothing but instruments in the hands of men, responding to the skill of the craftsman as the plain chisel in the hand of the expert sculptor. And as men are greater than the instruments they use, we gravely err if we suppose that complaint however loud of the tools, which circumstance has placed in our hands, will suffice to induce posterity to hold us guiltless, if in the result our workmanship whether through lack of will or of capacity is found wanting. Whatever men may be tempted to think at the present moment, I dare predict that the searching inquest of history will not fail to return judgment against those who sought to use their power to hinder when it was in their power to help.

The other main point to which I invite attention is the statement, which has been widely and repeatedly made, that His Majesty's Government have deliberately offered an affront to India by the exclusion of Indians from the *personnel* of the Commission. I have said enough to make it plain why I do not think it reasonable for any Indian to feel that he or his country has been slighted by the decision of His Majesty's Government. The relative merits of the various methods of associating India with this business are, as I have said, matters on which opinion may legitimately be divided. But to go further and say that His Majesty's Government deliberately intended to affront Indian feeling is a very much more serious charge to make, and the first duty of those who make it is to satisfy themselves that it is well founded. Let me make it very plain that I expect Indians, as I would myself, to be sensitive of their honour. None, whether individuals or nations, can afford to be otherwise, for honour and self-respect lie at the foundation of all social life. But honour and self-respect are not enhanced by creating affronts in our imagination, where none in fact exist. For the essence of any such offence, as of rudeness in private life, lies in the intention behind the act, and no reasonable person would dream of blaming the conduct of another where the intention of discourtesy was lacking.

In the present case British statesmen of all parties have stated in terms admitting of no misconception that the appointment of a Parliamentary Commission was in no way intended as any affront to India. Time and again this assertion has been repeated, and I would ask in all sincerity by what right do leaders of Indian opinion, who are as jealous as I am

of their own good faith, and would resent as sharply as I any refusal to believe their word, impugn the good faith and disbelieve the plain word of others? I would deny to no man the right to state freely and frankly his honest opinion, to condemn—if he wishes—the action of His Majesty's Government in this regard, or to say that they acted unwisely or in misapprehension of the true feeling that exists in India. That again is a matter of opinion. But what no man is entitled to say—for it is quite simply not true—is that His Majesty's Government sought to offer a deliberate affront to Indian honour and Indian pride.

I have thought it right to speak plainly on these misunderstandings because they have been widely represented as the justification of some at any rate of the counsels, which urge Indians to abstain from all part or lot in the enquiry now to be set on foot. I feel at the same time a profound and growing conviction that those who would argue that such abstention will do no harm to the cause of India are dangerously deluding themselves and others. There are of course some who would wholly deny the moral right of Parliament to be the tribunal in this cause, but as I have said more than once, however much I may respect many of those who take this view, I do not pretend to be able to reconcile it with the actual situation which we to-day have to consider. I have during the time that I have been in India been careful to avoid saying anything that might magnify differences that must inevitably exist, and have never invited any man to forego principles to which he felt in conscience bound to subscribe. But let nobody suppose that he is assisting the realisation of his ideals by reluctance to look on facts as they are. It is in no spirit of argument or lack of sympathy with Indian aspirations that I repeat that India, if she desires to secure Parliamentary approval to political change, must persuade Parliament that such change is wisely conceived, and likely to benefit those affected by it. She has now the opportunity of making her persuasion felt, through the means of the Commission statutorily established. The Commission has been established with the assent and co-operation of all British parties. They will carry through their enquiry with, it is hoped, the generous assistance of all shades of Indian opinion. But whether such assistance is offered or withheld, the enquiry will proceed, and a report will be presented to Parliament on which Parliament will take whatever action it deems appropriate. Anyone who has been able to read the full report of the debates in Parliament on the motions to appoint the Commission must have been impressed by the evidence of spontaneous good-will towards India, with which the speeches of responsible spokesmen of all parties were instinct. This good-will would naturally be a factor of immense importance in determining the attitude of Parliament towards these questions, and I would very earnestly hope that it might not be lightly cast aside. And yet it is certain that an agitation, fostered and promoted by methods which have led to grave occurrences in the past, is bound to breed serious misgivings in the mind of the British Parliament, with whom at present lies the final decision in Indian political affairs.

What then in India or Great Britain is to be gained by a policy of boycott? Neither I nor anyone else can predict the effect upon the Commission's report, or later upon the mind of Parliament, if many of those who claim to speak for India decide at every stage to stand wholly aloof

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from a task in which Parliament has solicited their assistance and collaboration. It is clearly possible for people to stand aside, and withhold their contribution, just as it will be possible for the Commission to prosecute its enquiry, and with the assistance at its disposal reach conclusions in spite of such abstention. But at the least it would seem certain that such an attitude must interpose yet further obstacles to the discovery of that more excellent way of mutual understanding, which the best friends of India, of every race, well know to be requisite for her orderly evolution to nationhood. And meanwhile, in order to mobilise national resentment at an alleged deliberate affront, that has never been more than the fiction of men's imaginations, appeal will have been made, under guise of vindicating national self-respect which there has been no attempt to impair, to all the lowest and worst elements of suspicion, bitterness and hostility. Those were wise words of one of India's most distinguished sons a few weeks ago, which repeated the lesson—taught more than once of recent years—that it is easier to arouse than to allay such forces, which too readily pass beyond the control of those who invoke their aid.

I do not know whether I am sanguine in hoping that even at this hour it may be that words of mine might induce some of those, who aspire to guide their fellow-countrymen in India, to desist from a line of action, which at the best can only lead to negative results and disappointment, and may at the worst bring consequences of which India is unhappily not without experience. But in any case I feel it to be not less incumbent upon me now to state what I believe to be the truth in this matter than I lately judged it to be my duty to direct the attention of India to the communal antagonisms, that threatened the destruction of any attempts to build an Indian nation. The counsel I then gave was, I am glad to think, regarded as that of a well-wisher, sincerely desirous of assisting India. But the counsel of a friend must be independent of what at any particular moment some of those whom he addresses may desire to hear, and if that which I now give is less universally certain of acceptance, it is not less dictated by my desire to dissuade India, as I verily believe, from mistaking the path at one of the cross roads of her destiny.

COUNCIL OF STATE.

Monday, 6th February, 1928.

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

MEMBER SWORN.

The Honourable Mr. H. A. B. Vernon (Madras : Nominated Official).

QUESTIONS AND ANSWERS.

FINAL ORDERS OF HIS MAJESTY'S GOVERNMENT ON THE REPORT OF THE INDIAN SANDHURST COMMITTEE.

1. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please state whether they have received the final orders of His Majesty's Government on the report of the Indian Sandhurst Committee ? If not, when are they likely to be received ?

THE HONOURABLE MR. H. G. HAIG : His Excellency the Commander-in-Chief has been unavoidably detained elsewhere. With your permission, Sir, I will answer this question.

The final orders have not yet been received but are expected in time for Government to announce them during the present Session.

QUESTIONS CONSIDERED AT THE CONFERENCE OF MINISTERS HELD IN DELHI IN JANUARY LAST.

2. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please state what questions were considered at the Conference of Ministers held at Delhi on or about 9th January, 1928 ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : Questions connected with education and local self-government.

RECOMMENDATIONS OF THE INDIAN AUXILIARY AND TERRITORIAL FORCES COMMITTEE.

3. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please lay on the table a statement showing the progress made in each province in the matter of giving effect to those recommendations of the Indian Auxiliary and Territorial Forces Committee which have been accepted by His Majesty's Government ?

THE HONOURABLE MR. H. G. HAIG (on behalf of His Excellency the Commander-in-Chief) : In the Army Department resolution dated the 20th August last, Government stated that, as the present financial year was now

well advanced, it would not be possible to introduce the scheme as a whole before the 1st April 1928; but that they would endeavour to introduce portions of the scheme during the current year, if funds could be reappropriated for the purpose.

I am afraid that it has not been possible so far to allot any money towards these measures during the expiring financial year. They will therefore be taken in hand from the beginning of the financial year 1928-29, and full budget provision is being made for the purpose.

We are, however, proceeding with the necessary legislation and hope that it will be passed early in this Session.

CONSTRUCTION OF A RAILWAY BETWEEN MANMAD AND MALEGAON.

4. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state whether the Government of Bombay have recommended that a railway should be constructed between Manmad and Malegaon? If so, what action has been taken in the matter?

THE HONOURABLE SIR GEOFFREY CORBETT: The Government of Bombay recommended the construction of a line from Manmad *via* Malegaon to Satara, but this alignment was found to be unremunerative. A proposal for a line of railway from Manmad *via* Malegaon and Dhulia to Nardhana has now been received from the Agent and is at present being considered by the Railway Board.

CONSTRUCTION OF THE BELAPUR NASIK RAILWAY.

5. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state what progress has been made in the construction of the Belapur Nasik Railway?

THE HONOURABLE SIR GEOFFREY CORBETT: Engineering and Traffic reports have been received and are under consideration in the Railway Board's office.

THE STATUTORY COMMISSION.

6. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state if, in view of the movement for boycotting the Statutory Commission on Reforms, they have made any recommendations to the Secretary of State for India? If so, what are those recommendations?

THE HONOURABLE MR. H. G. HAIG: The answer is in the negative.

RECOMMENDATIONS OF THE TAXATION INQUIRY COMMITTEE.

7. THE HONOURABLE SIR PHIROZE SETHNA: Will Government please state what action has so far been taken on the recommendations of the Taxation Inquiry Committee?

THE HONOURABLE MR. E. BURDON: The attention of the Honourable Member is invited to Mr. McWatters' reply to the question asked in the Council of State by the Honourable Mr. Suhrawardy on the 30th August 1927. That reply gave a full account of the general position, and since then there has been no development of special importance to record.

THE POST OFFICE GUARANTEE FUND.

8. THE HONOURABLE MR. G. S. KHAPARDE : Will the Government be pleased to state :

(*a*) whether it is true that a fund called " The Post Office Guarantee Fund " was collected by annual contributions from all the employees of the Postal Department below the grade of Deputy Postmaster General ;

(*b*) whether Government were the custodians of the said Fund ;

(*c*) whether Government ceased taking contributions for the Fund since 1905 ;

(*d*) whether the Fund was abolished in 1926 ;

(*e*) if the answers to (*a*), (*b*), (*c*) and (*d*) are in the affirmative, what was the balance on account of the Fund at the date of its abolition ; and

(*f*) what became of the balance of the Fund ?

THE HONOURABLE MR. A. C. MCWATTERS :

(*a*) to (*d*) Yes.

(*e*) Rs. 10,75,654.

(*f*) The balance of the Fund was credited to the Capital Account of the Posts and Telegraphs Department.

NUMBER OF OFFICES IN A POSTAL INSPECTOR'S SUB-DIVISION.

9. THE HONOURABLE MR. G. S. KHAPARDE : Will the Government be pleased to state :

(*a*) whether there was a rule that one Postal Inspector's sub-division should not ordinarily consist of more than 40 offices ;

(*b*) whether this rule was observed for a number of years ;

(*c*) whether this rule was abrogated ; and

(*d*) if so, why ?

THE HONOURABLE MR. A. C. MCWATTERS : (*a*) This is substantially correct though the rule was worded differently.

(*b*) Yes, from 1889 to 1895.

(*c*) Yes, in 1906.

(*d*) The rule became obsolete in 1895 when a new standard was introduced based on the number of days' actual inspection which an Inspector was expected to carry out, but it was not formally cancelled until 1906.

DUTIES OF INSPECTORS OF POST OFFICES.

10. THE HONOURABLE MR. G. S. KHAPARDE : (*a*) Is it a fact that, with a view to extend and improve postal facilities in rural areas since the last 4 or 5 years, the number of new post offices, letter boxes, postmen, village postmen and runners, etc., is being increased every year ?

(*b*) Is it a fact that the Inspectors of Post Offices are now required to inspect each post office twice a year instead of only once a year ?

(*c*) Is it a fact that they are also required to pay as many surprise visits to post offices as possible ?

(*d*) Is it a fact that they are also required to take up investigation, inquiries and conduct prosecution cases relating to the Post Office ?

(*e*) Is it a fact that during recent years they were vested with full powers of transfers, appointments, punishments and dismissals of all officials of lower rank including postmen and village postmen, etc., etc. ?

(*f*) Will the Government be pleased to state the number of additional appointments of Inspector of Post Offices sanctioned throughout India and Burma during the years 1925, 1926, 1927 according to each Circle and also in the Central Circle separately for the same period ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Yes.

(*b*) Yes ; the second inspection, however, is not detailed.

(*c*) No, but when on tour Inspectors are required to pay unexpected visits to post offices at places through which they travel.

(*d*) Inspectors are required to take up investigations and inquiries, but do not conduct prosecutions in all cases.

(*e*) Yes.

(*f*) 3 in 1925, 2 in 1926 and 6 in 1927. 7 more appointments are being sanctioned. The sanctioned number includes 2, 1 and 1, respectively, for the Central Circle.

APPOINTMENT OF CLERKS FOR THE OFFICES OF INSPECTORS OF POST OFFICES.

11. THE HONOURABLE MR. G. S. KHAPARDE : (*a*) Is it a fact that no clerk is sanctioned for the office of the Inspector of Post Offices ?

(*b*) Is it a fact that they are in consequence required to do in addition to other legitimate duties correspondence, copying work, filing papers, pasting of correction slips, maintenance of records, preparation of due statements and returns and issuing of reminders ?

(*c*) Is it a fact that the All-India Postal Union and various Provincial associations have been pressing hard for the urgent necessity of sanctioning at least one clerk for the office of Inspector of Post Offices since the last several years ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Yes.

(*b*) Yes, but work of the nature described does not take up much of the Inspectors' time.

(*c*) Yes.

INCREASE OF THE TRAVELLING ALLOWANCE OF POSTAL OFFICIALS IN BERAR.

12. THE HONOURABLE MR. G. S. KHAPARDE : (*a*) Is it a fact that the Central Provinces Government have increased the travelling allowance of officials subordinate to it by over 100 per cent. ?

(*b*) Is it a fact that the travelling allowance of touring officials in the Postal Department in Berar has not been specially increased ?

(*c*) Are the Government aware that the postal officials in Berar have in consequence suffered serious loss and hardship since the last several years ?

(*d*) Do the Government propose to sanction a similar increase to postal officials at least with effect from 1st January, 1928, if not with retrospective effect ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) No.

(*b*) So far as mileage and halting allowances are concerned touring officials of the Post Office in Berar draw the same rates as those prescribed by the Central

Provinces Government for its own officials except that postal officials for whom special rates have been prescribed in the Civil Service Regulations are allowed the option of drawing those special rates, which have not been increased, if more advantageous to them.

(*c*) No.

(*d*) The question of the revision of the rates of travelling allowance admissible to Government servants in the Posts and Telegraphs Department for journeys on tour is under examination.

TIME-TESTS FOR SUB AND HEAD POST OFFICES, THE RAILWAY MAIL SERVICE, ETC.

13. THE HONOURABLE MR. G. S. KHAPARDE: Will the Government be pleased to lay on the table the old and the revised time-tests prescribed for the sub and the head post offices, the Railway Mail Service, Dead Letter Offices and Divisional Offices ?

THE HONOURABLE MR. A. C. McWATTERS: A copy of letter No. C. F.-4, dated the 15th August 1922, from the Director General of Posts and Telegraphs, to all Postmasters-General dealing with the old and revised time-tests for head and sub-post offices is laid on the table. A statement showing the time-test in force for the Railway Mail Service is also laid on the table. The question of revising it is under consideration. A statement showing the old and revised time-tests for Dead Letter Offices is laid on the table. A further revision of this time-test is under consideration. Owing to the difficulty in finding a suitable formula, there is no time-test for Divisional Offices.

LETTER FROM THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS, SIMLA, TO ALL POSTMASTERS GENERAL, AND DEPUTY POSTMASTER GENERAL, SIND AND BALUCHISTAN, NO. C. F.-4, DATED THE 15TH AUGUST 1922.

With reference to the Director-General's demi-official letter No. C. F.-4, dated the 21st September 1921, I am directed to say that the suitability of the time allowances for dealing with the various classes of work done by the Post Office was investigated by Messrs. Shout and Naidu, whose recommendations, as shown in the two accompanying statements, have been accepted by the Director General. This time-test will now replace the one hitherto in use.

2. Reductions have been effected in the time-allowances in respect of paid unregistered articles of the letter mail posted for despatch and received for delivery, the most marked instance being that applicable to paid articles received for delivery addressed in a *vernacular*, the time to be allowed for which has been nearly halved. The time allotted to a head office in respect of money orders issued by its sub-offices has also been considerably reduced, while the allowances for insured letters received in sorting and posted for despatch have been slightly curtailed. On the other hand, the allowances for value-payable registered articles of the letter mail received for delivery as well as for parcels in general have been increased and a small increase has been allowed for telegraphic and value-payable money orders paid. A head office will be allowed an extra 5 minutes for each sub-office in account with it and an additional 2 minutes will be given to the account office in respect of every one of its branch offices. Further, the period of 8 minutes credited to an office in respect of its dealings with each village postman on his return from his beat has been raised to 18 minutes, this allowance also being intended to cover the work on the day of departure of which no account has been taken hitherto. In addition, provision has now for the first time been made for work performed in connection with Cash Certificates and Government Securities.

3. The Director General has also been pleased to approve of the adoption of the following new principles in connection with the application of the time-test :

(1) Deputy and Assistant Postmasters are not to be reckoned as part of the clerical staff of a post office.

(2) A head clerk, who has been vested with the powers of a Postmaster in any branch or branches is to be taken as the equivalent of only *half* a clerk for purposes of the time-test.

(3) All offices with more than 15 clerks are to have a separate correspondence clerk.

(4) Every head office is to have an accountant outside the scope of the time-test.

(5) A separate treasurer in all 1st class head offices and in other offices if justified by the amount of treasury work.

4. Further, it has been decided that when as usually happens, the total staff of an office as justified by the time-test includes a fraction, an additional clerk should be sanctioned for the following fractions :

(*a*) in single-handed offices . . . . . 1/3 or more.

(*b*) in offices with 1 or 2 clerks in addition to the Postmaster ½ or more.

(*c*) in other offices . . . . . ¼ or more.

HEAD OFFICE.

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	SORTING.					
	Unregistered letter mail articles.					
1	Received in sorting .	..	·08	·08	..	..
	Posted for despatch at the office itself—					
2	Addressed in English .	..	·16	·12	..	..
3	Addressed in vernacular	..	·33	·3	..	..
	DELIVERY.					
	Received for delivery from the office itself—					
4	Paid articles addressed in English . .	..	·16	.12	..	..
5	Paid articles addressed in vernacular .	..	·33	·18	..	..
6	All unpaid articles .	..	·5	·5	..	..

HEAD OFFICE—*contd.*

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	REGISTRATION.					
	Ordinary registered letters.					
7	Received in sorting .	..	1	1	..	..
8	Posted for despatch .	..	3	3	..	..
9	Received for delivery .	..	2·5	2·5	..	..
	INSURED LETTERS.					
10	Received in sorting .	..	3	2·5	..	..
11	Posted for despatch .	..	9·5	8	..	..
12	Received for delivery .	..	6·5	6·5	..	
	V. P. Registered Articles of the letter mail.					
13	Received in sorting .	..	1·16	1·16	..	..
14	Posted for despatch .	..	3·5	3·5	..	..
15	Received for delivery .	..	4	5	..	..
	PARCEL.					
	Ordinary registered parcels.					
16	Received in sorting .	..	1·16	1·16	..	..
17	Posted for despatch .	..	3	3·25	..	..
18	Received for delivery .	..	2·5	3	..	..
	Insured parcels.					
19	Received in sorting .	..	3	3	..	..
20	Posted for despatch .	..	6·5	7	..	..
21	Received for delivery .	..	5·5	7	..	..

HEAD OFFICE—*contd.*

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	PARCEL—*contd.*					
	V. P. registered parcels.					
22	Received in sorting .	..	1·16	1·3	..	..
23	Posted for despatch .	..	3·5	3·75	..	..
24	Received for delivery .	..	4	5	..	..
	V. P. unregistered articles.					
25	Received in sorting .	..	·66	Abolished.		
26	Posted for despatch .	..	2·5			
27	Received for delivery .	..	3·5			
	Ordinary unregistered parcels.					
28	Received in sorting .	..	·3	·3	..	..
29	Posted for despatch .	..	1	1	..	..
30	Received for delivery .	..	·8	1	..	..
31	Receipts for inward foreign parcels and inland parcels charged with customs duty delivered by sub-offices .	..	·3	·3	..	..
	MONEY ORDER.					
	Ordinary and v. p. money orders (Inland and foreign.).					
32	Issued by h. o. . .	..	3·5	3·5	..	..
33	Issued by s. o. . .	..	·57	·35	..	..
34	Paid by h. o. Ordinary .	..	2·5	2·5	..	..
35	Paid by h. o. v. p. .	..	3	3·1	..	..
36	Paid by s. o. . .	..	·5	·5	..	..

HEAD OFFICE—*contd.*

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	MONEY ORDER—*contd.*					
	Telegraphic money order.					
37	Issued by h. o.	..	9	9	..	..
38	Issued by s. o.	..	1	1	..	..
39	Paid by h. o.	..	5·5	6	..	..
40	Paid by s. o.	..	1	1	..	..
	British Postal Orders.					
41	Sold	..	2·5	2·5	..	..
42	Paid	..	3	3	..	..
	SAVINGS BANK.					
43	H. O. deposits	..	5	5	..	..
44	S. O. deposits	..	4	4	..	..
45	H. O. withdrawals	..	8	8	..	..
46	S. O. withdrawals.		5	5		
	SUB-ACCOUNT.					
47	Dealing with each s. o.	..	25	30	..	..
48	Dealing with each b. o. direct account		11	13	..	..
49	Dealing with each village postman to cover both departure on and return from beat	..	8	18	..	..
	CASH CERTIFICATES.					
50	Issued by h. o. itself	..	..	6·25	..	..
51	Issued by s. o. in account with it	..	..	3·3	..	..
52	Discharged by h.o. itself	..	..	5·25	..	..
53	Discharged by s. o. in account with it	..	..	2·3	..	..
	GOVERNMENT SECURITIES.					
54	Bought	..	..	9	..	..
55	Sold	..	..	9	..	..

SUB-OFFICE.

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	SORTING.					
	Unregistered letter mail articles.					
1	Received in sorting .	..	·08	·08	..	..
	Posted for despatch at the office itself—					
2	Addressed in English .	..	·16	·12	..	..
3	Addressed in vernacular	..	·33	·3	..	..
	DELIVERY.					
	Received for delivery from the office itself—					
4	Paid articles addressed in English . .	..	·16	·12	..	..
5	Paid articles addressed in vernacular . .	..	·33	·18	..	..
6	All unpaid articles .	..	·5	·5	..	..
	REGISTRATION.					
	Ordinary registered letters.					
7	Received in sorting .	..	1	1	..	..
8	Posted for despatch .	..	3	3	..	..
9	Received for delivery .	..	2·5	2·5	..	..
	Insured letters.					
10	Received in sorting .	..	3	2·5	..	..
11	Posted for despatch .	..	9·5	8	..	..
12	Received for delivery .	..	6·5	6·5	..	..

SUB-OFFICE—*contd.*

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	REGISTRATION—*contd.*					
	V. P. registered articles of the letter mail.					
13	Received in sorting .	..	1·16	1·16	..	..
14	Posted for despatch .	..	3·5	3·5	..	..
15	Received for delivery .	..	4	5	..	..
	PARCELS.					
	Ordinary registered parcels.					
16	Received in sorting .	..	1·16	1.16	..	..
17	Posted for despatch .	..	3	3·25	..	..
18	Received for delivery .	..	2·5	3	..	..
	Insured parcels.					
19	Received in sorting .	..	3	3	..	..
20	Posted for despatch .	..	6·5	7	..	..
21	Received for delivery .	..	5·5	7	..	..
	V. P. registered parcels.					
22	Received in sorting .	..	1·16	1.3	..	..
23	Posted for despatch .	..	3·5	3·75	..	..
24	Received for delivery .	..	4	5	..	..
	V. P. unregistered articles.					
25	Received in sorting .	..	·66			
26	Posted for delivery .	..	2·5	Abolished	..	..
27	Received for delivery .	..	3·5			
	Ordinary unregistered parcels.					
28	Received in sorting .	..	·3	·3	..	..
29	Posted for despatch .	..	1	1	..	..
30	Received for delivery .	..	·8	1	..	..

SUB-OFFICE—*contd.*

No.	Class of work.	Daily average amount of work as per statistical statement.	Time allowance for each article or transaction.		Total time for work in column 3.	Grand total for each Department.
			Present.	As accepted by the D. G. on the recommendations of Messrs. Shout and Naidu on conditions existing before simplification.		
1	2	3	4	5	6	7
	MONEY ORDER.					
	Ordinary and V. P. money orders (Inland and Foreign).					
31	Issued . . .	..	3·5	3·5	..	..
32	Paid Ordinary . .	..	2·5	2·5	..	..
33	Paid V. P. . . .	..	3	3·1	..	..
	Telegraphic Money Orders.					
34	Issued . . .	..	9	9	..	..
35	Paid	..	5·5	6	..	..
	British Postal Orders.					
36	Sold	..	2·5	2·5	..	..
37	Paid	..	3	3	..	..
	SAVINGS BANK.					
38	Deposits . . .	..	4	4	..	..
39	Withdrawals . .	..	5	5	..	..
	SUB ACCOUNT.					
40	Dealing with each Branch Office . . .	..	11	13	..	..
41	Dealing with each village postman to cover both departure and return from beat . . .	..	8	18	..	..
42	Dealing with the Head Office . . .	..	80	80	..	..
	CASH CERTIFICATES.					
43	Issued . . .	..	..	5·75	..	..
44	Discharged . . .	..	..	5	..	..
	GOVERNMENT SECURITIES.					
45	Bought . . .	..	..	6·75	..	..
46	Sold	..	..	6·75	..	..

Introduction of a time-test for determining the strength of sorting sections and sorting mail offices.

TIME BASIS.

For computing the work of a Railway Mail Service sorting section or sorting mail office.

Department and class of work.	Time-basis.	
MAIL DEPARTMENT.		
	M. S.	
Bags received	0 10	each.
Bags despatched	0 10	,,
Transit bags opened	3 0	,,
Transit bags closed	3 0	,,
Mail lists received	0 30	,,
Mail lists despatched	3 20	,,
Mail bags opened	3 0	,,
Mail bags closed	3 0	,,
Return train bags opened	10 30	,,
Return train bags closed	10 30	,,
SORTING DEPARTMENT.		
Unregistered articles received	0 2½	,,
Unregistered articles despatched	0 2½	,,
REGISTRATION DEPARTMENT.		
Registered bags opened	1 5	,,
Registered bags closed	1 15	,,
Registered letter mail articles received	0 20	,,
Registered letter mail articles despatched	0 15	,,
PARCEL DEPARTMENT.		
Parcel bags opened	1 30	,,
Parcel bags closed	2 25	,,
Insured bags opened	4 15	,,
Insured bags closed	4 40	,,
Registered parcel mail articles received	0 40	,,
Registered parcel mail articles despatched	0 25	,,
Unregistered parcel mail articles received	0 20	,,
Unregistered parcel mail articles despatched	0 10	,,

TIME-TEST FOR DEAD LETTER OFFICE.

Old Time-Test.

(i) The total average number of articles to be disposed of daily by a disposing clerk should be 120 of all classes after excluding those transferred to other Dead Letter Offices and foreign countries.

(ii) This standard takes into account transcription work for which, therefore, no further allowance should be made.

(iii) In the calculation head clerks should be left out of account but deposit clerks included.

(iv) The staff of non-disposing clerks should be dependent on the number of disposing clerks, the existing ratio between the two being maintained.

New Time-Test.

(1) *Unregistered letters*—

1 disposing clerk for every 160 articles.

1 head clerk for a group of 10 clerks. He should deal with all irregularities noticed, supervise the work of the clerks under him and examine a certain percentage of work done by each disposing clerk.

1 *deposit clerk* for 30,000 articles.

(2) *Registration Branch*—

1 *disposing* clerk for every 45 registered letters.

1 *head clerk* for a group of 7 to 10 clerks. He should open the registered bags, check the articles received, note irregularities, etc., distribute the articles among the disposing clerks, keep undisposed of articles in his custody and check the books and records.

1 *Deposit clerk* for 1,000 to 1,500 registered letters in deposit.

(3) *Parcel Branch*—

1 *disposing clerk* for every 30 parcels.

1 *head clerk* for a group of 5 to 10 clerks. He should open the parcel bags, check the number of articles received, notice irregularities, weigh all damaged and insured articles and have them protected in the presence of the manager if they cannot readily be disposed of, distribute the articles among the disposing clerks and check the books and records.

1 *deposit clerk* for 600 to 1,000 parcels kept in deposit and in store.

(4) *Mail and sorting.*—The same standard as fixed for the post office. According to the revised time test of 1922, ·12, ·18 or ·5 minute is allowed to the sorting branch of a post office for each article posted for despatch according as it is a paid article addressed in English, a paid article addressed in vernacular, or an unpaid article, respectively.

(5) *Reference Branch.—1 reference clerk* for 35 references and enquiries.

(6) *Correspondence and Translation.*—It was considered to be difficult to fix any standard for this branch. Roughly speaking 1 clerk for 100 cases received and sent was considered to be necessary.

MINIMUM PAY OF THE CLERICAL CADRE OF THE POSTAL DEPARTMENT IN THE BERAR, WARDHA AND KHANDWA DISTRICTS OF THE CENTRAL PROVINCES.

14. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that the minimum pay of the clerical cadre of the Postal Department in the Berar, Wardha and Khandwa Districts of the Central Provinces has not been raised at all during the recent revision?

(*b*) Do the Government intend to grant similar relief to the postal and Railway Mail Service clerks in Berar, Wardha and Khandwa, etc., in the Central Circle by providing for an increase in the ensuing Budget?

(*c*) Did the head of the Circle recommend any special pay for the officials of these places?

THE HONOURABLE MR. A. C. McWATTERS:

(*a*) Yes.

(*b*) and (*c*) No.

GRANT OF HOUSE RENT ALLOWANCE TO POSTMEN AND OTHER LOWER GRADE OFFICIALS IN THE BERAR, KHANDWA AND WARDHA DISTRICTS OF THE CENTRAL PROVINCES.

15. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that no house rent allowance is sanctioned for postmen and other lower grade officials in the Berar, Khandwa and Wardha Districts of the Central Provinces?

(*b*) Is it a fact that the officials of the class mentioned in (*a*) serving in Nagpur and Jubbulpore head offices have been given a small house rent allowance ?

(*c*) Will the Government be pleased to make provision for the grant of house rent allowance mentioned above in the ensuing Budget ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Yes.

(*b*) Yes.

(*c*) Provision is being made in the ensuing Budget to remove any grievances of this nature that may be found on further investigation to require action.

TOTALS OF THE FACE VALUES OF SECURITIES OF THE GOVERNMENT OF INDIA HELD IN THE CURRENCY RESERVE.

16. THE HONOURABLE SIR PHIROZE SETHNA : Will Government be pleased to give :

(*a*) a list showing the totals of the face values of the different securities of the Government of India held in the Currency Reserve (excluding Indian Treasury Bills) on 1st April 1927 and also on 31st December 1927 ?

(*b*) the average price paid for each different class of securities ?

(*c*) information if the amount of such securities held on 31st December 1927 was smaller than that held on 1st April 1927 and, if so, when and which class of securities were sold and at what average prices ?

(*d*) information if the Currency Reserve suffered any loss by reason of sales referred to in (*c*) above and, if so, the total amount of such loss ?

(*e*) information if the amount of loss, if any, on sale of securities was made up by the creation of Treasury Bills ?

THE HONOURABLE MR. E. BURDON : I would refer the Honourable Member to the Report of the Controller of the Currency for 1926-27, which gives the face values and cost price of the different securities of the Government of India held in the Reserve on the 31st March, 1927. Similar information regarding the securities held on the 31st March 1928 will be given in the Report for 1927-28. I regret that I cannot give the further information for which the Honourable Member asks or indeed any information beyond that which is contained in the annual reports of the Controller of the Currency and in the published weekly accounts of the Paper Currency Reserve. It would not be in the public interest to do so.

PROVISION AGAINST DEPRECIATION IN SECURITIES HELD IN THE CURRENCY RESERVE.

17. THE HONOURABLE SIR PHIROZE SETHNA : Have Government considered the advisability of starting an investment Reserve Account to provide against depreciation in securities held in the Currency Reserve on the lines of a similar account maintained in England in relation to the Currency Notes ?

THE HONOURABLE MR. E. BURDON : I invite the attention of the Honourable Member to clause 25 of the Gold Standard and Reserve Bank of India Bill as approved by the Joint Committee which provides for the gold and rupee securities in the Reserve being valued at the market rate from time to time instead of at cost price as now provided in the Paper Currency Act.

RE-INTRODUCTION OF ONE-RUPEE NOTES.

18. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state if they propose to accept the recommendations for the re-introduction of one-rupee notes made in paragraph 72 of the Royal Currency Commission's Report? If so, from when? If not, why not?

THE HONOURABLE MR. E. BURDON: I invite the attention of the Honourable Member to the note on clause 21 in the Statement of Objects and Reasons appended to the Gold Standard and Reserve Bank of India Bill, 1927.

GOLD HELD IN THE GOLD STANDARD RESERVE.

19. THE HONOURABLE SIR PHIROZE SETHNA: Will Government be pleased to state:

(*a*) what was the amount of gold held in the Gold Standard Reserve on the last day of each month during the calendar year 1927?

(*b*) if they propose to give effect to the recommendations made in the Royal Currency Commission's report to fortify the gold holding in the Reserves?

(*c*) if not, why not?

THE HONOURABLE MR. E. BURDON: (*a*) This information is contained in the monthly communiques issued by the Controller of the Currency. The amount of gold held on the last day of each month during the year 1927 was as follows:

	£
January	*Nil*
February	424,083
March	1,730,134
April to December	2,152,334

(*b*) Yes.

(*c*) Does not arise.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE RAILWAY BUDGET.

THE HONOURABLE THE PRESIDENT: I have a message to the Council from His Excellency the Governor General. The Message is in the form of the following order:

"*For the purposes of sub-section (1) of section 67A of the Government of India Act, and in pursuance of Rules 43, 46 and 47 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Edward Frederick Lindley, Baron Irwin, hereby appoint the following days for the presentation to the Council of State and to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways and for the subsequent stages in respect thereof in the Council of State and in the Legislative Assembly, namely:*

Monday, 20th February	*Presentation in both Chambers.*
Wednesday, 22nd February	*General discussion in the Legislative Assembly.*
Thursday, 23rd February	*General discussion in the Council of State.*
Friday, 24th February	*Voting of demands for grants in the Legislative Assembly.*
Saturday, 25th February	
Monday, 27th February	
Tuesday, 28th February	

IRWIN,
Viceroy and Governor General."

Delhi;
The 26th January 1928.

(The Message was received by the Members of the Council standing.)

CHITTAGONG PORT (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move for leave to introduce a Bill further to amend the Chittagong Port Act, 1914, for certain purposes.

This Bill, Sir, is mainly of local interest. It has for some years been desired to develop and improve the port of Chittagong so as to make it an adequate outlet to the sea for the eastern part of Bengal and the Province of Assam. At present the port is a minor port, and is therefore a provincial subject under the Devolution Rules. The Government of India have been requested by the Government of Bengal, with the concurrence of local interests, to declare it to be a major port and to become responsible for its future development and administration. The Government of India have agreed to do this, and the object of this Bill is to give statutory effect to this undertaking. Its main provisions are a formal transfer of statutory powers from the Local Government to the Governor General in Council. At the same time, provision is made to reconstitute the Board of Commissioners for the port so as to give more effective representation to local interests.

Sir, I move.

The motion was adopted.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, I introduce the Bill.

INDIAN LIMITATION (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I move that the Bill further to amend the Indian Limitation Act, 1908, as reported by the Select Committee, be re-committed to the Select Committee.

Honourable Members will remember that this Bill was introduced with a view to amend section 10 of the Indian Limitation Act and Articles 133 and 134, both of which relate to action against trustees. In the Select Committee considerable alterations were made in the Bill, and it was suggested that the Bill should be re-circulated. It has since been re-circulated and a variety of opinions have been received. I therefore now move that the Bill be re-committed to the Select Committee with a view to consider the views which have been expressed with regard to the new amendments."

Sir, I move.

The motion was adopted.

HINDU FAMILY TRANSACTIONS BILL.

THE HONOURABLE THE PRESIDENT: The Council will now resume consideration of the Hindu Family Transactions Bill, of which they began consideration in the Simla Session. The position is not entirely clear as to what happened in Simla. The Honourable the Law Member moved that the Bill, as reported by the Select Committee, be taken into consideration. There was a motion then that the consideration of the Bill be adjourned. The House, as a matter of fact, had not yet decided to take the Report of the Select Committee into consideration, and I think, if the House is now prepared to do so, I should put a motion to that effect so that we may proceed with the Bill and the amendments of which notice has been given.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): I want to oppose the consideration of the Bill, Sir.

THE HONOURABLE THE PRESIDENT : The Honourable Member made one speech in Simla and he then entered into a good deal of detail. But I understand that his chief object then was to obtain the postponement of the consideration of the Bill. I hope if I call him that he will not repeat what he has already said on the Bill.

THE HONOURABLE MR. P. C. DESIKA CHARI : Sir, I shall be very brief. Here I do not want to quote from Mayne's Hindu Law which I quoted on the last occasion to show that this measure, though it appears to be a small measure, proposes to take away the substantive right of a vast section of the people, that is, the Hindus. Under the Hindu law it is now well settled by decisions of Courts which are re-affirmed in the Privy Council that partitions need not be evidenced by writing nor need they be registered. They can be evidenced by overt acts of all or any of the individual members forming the coparcenery, or they may be left to be inferred by a course of conduct. That was the position that I took up then, and I do not think it is necessary to labour this point. Proceeding from this what I state is that this is a substantive right which the people have been enjoying for ages. Now, the object of the present Bill is to simplify the work of the Courts ; that is, on the grounds of public convenience or inconvenience the substantive rights of the people are proposed to be affected and curtailed. I say, Sir, on principle that such a thing ought not to be allowed in a Bill which has got a humbler object in view, and that is to minimise the work of the Courts. It may no doubt be inconvenient to have a large number of cases and to have some complications in those cases ; but after all, the Bill affects properties of joint undivided families of the value of one thousand rupees. If Honourable Members will give their support to this measure they will see that if a Hindu has a small dilapidated house in a small village and an acre of land, that property will come under the mischief of this section. Most of our people are illiterate and ignorant, and I think it will be a great hardship upon these small landed proprietors or labourers who have some income from these properties to be put to trouble by compelling them to reduce all their partitions to writing. If all their partitions are to be reduced to writing, to make them suffer the penalty of paying stamp duty and registration fee would be a further hardship. Sir, when questions of substantive rights are involved, I submit considerations of public expediency and convenience of Courts ought not to override substantive rights. That is my position, and I do not see any reason why the Government should introduce a measure of taxation in the shape of stamp duty and try to penalise this section of the Hindu public. Why do not the Government introduce a measure like this for the other communities as well ? Why take hold of the Hindu community alone ? Is it because the Government think that they will tamely submit to these measures, even though it may be a great hardship to them ? I submit, Sir, that this measure should not be considered especially when it is not understood by the people at large. I further submit that Government should not hasten with this measure which will cause untold hardship to the small zemindars in the villages.

Sir, I oppose this motion.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, being new to the Council, I do not know through what previous stages the Bill has passed, and if I say anything which does not conform to the regulations I hope, Sir, you will correct me. I oppose the consideration of the Bill on the ground that it goes to affect the personal law of the Hindus. The very cherished rights that the Hindus have, namely, of a unilateral declaration to sever the status of the joint Hindu family, is being affected by this Bill and the opinions that have been expressed

from various quarters, including the opinion of an eminent Chief Justice, the only Hindu Chief Justice in the whole of India, those opinions expressly say that the measure is not one suited to the requirements of the Hindus. All other opinions that have been collected, mostly of Hindu judges and of Hindu lawyers, also go to oppose the Bill. I would place the opposition on the ground that, inasmuch as it is not a question of procedure but of the personal law of the Hindus, it should not be legislated in this manner. The effect of legislation of this sort would be that the poor families of Hindus would be prejudicially affected ; they will have not only to pay the stamp duty and registration fees, but they will also have to consult a lawyer or some clever draftsman for the purpose of drafting a partition deed or drafting other instruments of this sort. I think that legislation of this sort which is highly controversial should have proceeded from the popular Chamber, and in my opinion the Civil Justice Committee exceeded their jurisdiction in going about affecting the personal law instead of the procedure of the Courts.

Sir, I oppose the consideration of the Bill.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, there are always two sides of the shield, and naturally where a thing prejudicially affects one society or set of people it is good for the other. We, Sir, the zemindars do feel that, though we have to pay on every biggah or every half a biggah of land, the society which is the wealthiest do not pay till they get an income of Rs. 2,000 : and I think everybody in India does feel that. Now, of course, when the wealthy people have to pay, they naturally do not like it, and I do feel, Sir, that really where the money lies, that is the place to tackle for the Government revenues.

THE HONOURABLE THE PRESIDENT : The Honourable Member seems to misunderstand the Bill. It is not a fiscal measure.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : I am for the consideration of the Bill and not against it ; that is what I want to say.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to oppose the Bill and fully endorse what my Honourable friend, Mr. Narayan Prasad Ashthana, has said in this respect. In my opinion Government ought not to intervene in the religious law of the Hindus.

THE HONOURABLE MR. S. R. DAS (Law Member) : Sir, I do think there is considerable misapprehension and misunderstanding of the Bill on the part of the Honourable Members who have spoken. No attempt whatever is made in this Bill to affect the rights of any Hindu to partition his property. All that it attempts to do is that in the case of partition of immoveable property of the value of more than one thousand rupees, it should be in writing. Now, Hindus like any other communities have the right to sell properties, but the Registration Act says if they are to sell properties, immoveable properties, it has got to be registered. All that it does is to make a similar condition. It does not prevent any Hindu from partitioning his property in any manner he likes. Every lawyer knows that nothing gives rise to so much litigation and uncertainty as these cases of partition ; whether a certain property has been partitioned or not generally comes into question years after the partition has taken place, and if there is nothing in writing it is very often difficult to prove whether there has been a partition or there has not been a partition. We know many instances in which joint brothers have lived separately and at the same time the properties have been kept together. But years afterwards a question is raised that there has been a partition, and evidence is given that

[Mr. S. R. DAS.]

so and so lived separately and so and so messed separately and all sorts of questions are gone into with a view to ascertaining whether there has been a partition or not. A simple writing would prevent all that, and if the Honourable Members have read the Bill they will find that this Bill is to come into operation only after the Registration Act has provided a very small fee for the purpose of registration; so that it is not intended for the purpose of raising revenue in any manner. The sole object of the Bill is not to take away the existing rights of the Hindus but merely to see that those rights are made definite in writing. Therefore, I am sorry that Honourable Members have opposed it. I think if they will reconsider the matter they will find that there has been some misapprehension. So far as this part of the Bill is concerned the Hindu Members of the Select Committee, such as Sir Sankaran Nair, Mr. Ramadas Pantulu, Mr. Kumar Sankar Ray Chaudhury, and Sir Manmohandas Ramji, have no objection. They have put up a minute of dissent on other points in regard to which there is a notice of amendments, but so far as the main framework of the Bill is concerned, that is to say that the partition of immoveable property over a thousand rupees should be registered, no objection was taken and they felt that it was a very useful provision.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide that partitions and separations of interest among the members of Hindu undivided families and other transactions among persons governed by Hindu Law shall, in certain cases, be effected by written and registered instruments, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 2 do stand part of the Bill."

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I beg to move the amendment that stands in my name and which runs as follows:

"(*a*) That the following words be added at the end of the proviso to sub-clause (*1*) of clause 2, namely:—

'or in any written notice claiming partition'."

(*b*)....

THE HONOURABLE THE PRESIDENT: I think we had better take the amendments one at a time.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, this is only a simple amendment. Under the present law notice in writing claiming partition effects the severance of status of a member of a joint Hindu family, and I do not think it is necessary for me to quote any authority in support of this position. Since the object of the present measure is to have something in writing to show that there has been a partition, I think the old law as regards the giving of a written notice may be allowed to stand as it is because the notice will be in writing and unless this amendment is made it will be necessary to have the notice also registered. I find the Select Committee was also anxious that it should not affect the right of any member of a Hindu family to effect a partition by giving written notice claiming partition. That is the general trend of opinion among the members of the Select Committee, and various opinions have been expressed with a view to keep intact the rights which people have of claiming partition by written notice also.

Sir, I move my amendment.

THE HONOURABLE MR. S. R. DAS: Sir, I oppose this amendment. This matter was very fully considered in the Select Committee. I would point out to Honourable Members that section 2 after requiring that partition should be by a written and registered document further provides that if there is any unilateral declaration or expression of intention to separate that should also be in writing. Now it was necessary according to the Select Committee to consider what sort of unilateral declaration or expression of intention should be in writing and what should not. They felt that so far as that declaration or expression of intention was embodied in a public document, that is a document of which people may be said to have notice, or of which proof can be easily given, or of which copies can be obtained, that a declaration made in such a document should not require registration, and the proviso therefore provided:

"Provided that a unilateral declaration or expression of intention to separate shall not require to be registered if it is contained in a public document, or in a plaint or written statement of defence presented in a suit before a Civil or Revenue Court, or in any written submission of any matter to arbitration."

That is to say, according to the opinion of the Select Committee, if it was in a document, either a public document, or a document like a plaint, or a written statement, or a submission to arbitration, which has to be in writing, and of which copies can be obtained, and of which notice has to be given to the other side, then there was no necessity for registering it, but all other documents of which other parties may not have notice should be registered. Now, a notice claiming partition may be merely a private notice which may not reach the other side at all, and therefore, if you do not require registration of that notice, it puts the other side in a difficulty, and questions may arise whether as a matter of fact there has been a notice or not. Therefore, this matter of excluding notice was considered by the Select Committee and they felt that that should require registration so as to affect the other parties who are entitled to the property with notice and that registration should be excluded only in the case of public documents of the sort I have mentioned. I accordingly oppose this amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 2 do stand part of the Bill."

To which an amendment has been moved:

"That the following words be added at the end of the proviso to sub-clause (*1*), namely, 'or in any written notice claiming partition'."

The question that I have to put is that that amendment be made.

The motion was negatived.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I beg to move the other amendment which stands in my name and which runs as follows:

"That the following words be added as an additional proviso to sub-clause (*1*), namely:

'And provided further that nothing contained in this section shall preclude the acquisition of separate status by a member of a Hindu undivided family in respect of the whole or part of the family properties by conduct other than the execution of an instrument evidencing an intention to acquire it'."

I find considerable support for this amendment by the apprehension expressed by very many members of the Select Committee who have agreed to the principle of the Bill.

THE HONOURABLE MR. S. R. DAS : Two members.

THE HONOURABLE MR. P. C. DESIKA CHARI : This is what the report of the Select Committee says :

" Many of the opinions express apprehension that this clause would abrogate the right of a member of a Hindu undivided family which has been specifically recognised by Their Lordships of the Privy Council to separate himself from the other members by a mere declaration or expression of intention to do so. We think that this apprehension is clearly unfounded."

Later on, they say :

" All that sub-clause (*1*) of this clause does is to require that such a unilateral declaration must be made in writing and registered. After a careful consideration, however, of the provision contained in the last part of this sub-clause, we have come to the conclusion that considerable hardship would be caused to the Hindu community by a provision which precluded the acquisition of separate status by conduct other than the execution of an instrument evidencing an intention to acquire it."

THE HONOURABLE MR. S. R. DAS : Will the Honourable Member kindly read the next sentence ?

THE HONOURABLE MR. P. C. DESIKA CHARI :

" We have accordingly limited the operation of this part of the sub-clause to the case of an unilateral declaration or expression of intention to separate which we agree should invariably be reduced to writing and registered."

That is on another portion of the clause. I find fortunately two members at least of the Select Committee have been careful enough to put it in writing that this ought to have been embodied in an amendment to the provisions of Clause 2. This is what the Honourable Mr. Ramadas Pantulu and the Honourable Sir Manmohandas Ramji say in their Minute of Dissent :

" I feel that the intention of the Committee to exclude from the operations of the Bill transactions whereby a family can become divided in status, such as conduct, partial alienations of joint interest by one or more members of a coparcenary, business transactions between the coparceners, and so forth, has not been given effect to by the Bill even as amended. The right to become partially divided, either in respect of the members of the coparcenary property, leaving the family joint in respect of the other members and the undivided property is now recognised by the decisions. It is desirable to insert a proviso to clause 2 to make the intention of the Committee clear in respect of these matters."

Sir, a careful perusal of the opinions will make this point clear. The section as it stands is far too wide, and having regard to the language of the section, the section will bring within its mischief all those cases which the Select Committee wants to exclude, and unless a proviso to this effect is put in specifically excluding from the operation of the measure those cases which we are all agreed ought to be excluded, there is the danger of an interpretation bringing all those other cases under the mischief of the section. There is nothing lost by putting in a proviso because it merely carries into effect the intention which we have. I know the Honourable the Law Member will presently get up and say, it does carry out the intention. Unfortunately he will not be in all the Courts to decide, and after all, we cannot go into the speeches and other proceedings of the Legislature to help us in interpreting an Act. Again, there are judges and judges, and when I think—and also a large number of other people think—that it is quite possible to bring all those other cases within the mischief of this section, it is necessary to have the proviso ; there is nothing wrong in it. I am only asking for the exclusion of those cases which the Honourable the Law Member, the Select Committee and all of us are interested in excluding from the operation of this present measure.

Sir, this is a very reasonable amendment and I do not know if the Government will hurry the Bill through without an amendment of this kind which is considered necessary. If they do it, I leave it to the other House to deal with it. With these words I move my amendment.

THE HONOURABLE MR. S. R. DAS : Sir, I think I can make this quite clear to the House in a very few words. Now, separate status under the Hindu Law can be acquired by a written declaration or expression of intention to separate as well as by conduct, by partial alienations of joint interest by one or more members and by business transactions between a coparcener and so forth in various ways. Now, the section as drafted by the Select Committee requires only that if there is a separation of interest by a declaration or expression of intention to separate, that should be in writing and registered. The learned Mover of the amendment suggests that it should be made clear that separation of interest acquired by conduct should not require to be registered. The section itself does not suggest that separation by conduct should be registered. As a matter of fact, I do not know how acquisition of separate status by conduct can be registered. Conduct is something which is not in writing. However, the Honourable Member suggests that the section should be made clear and that a provision should be put in to suggest that if such separate interest is acquired by conduct, no registration or written document should be necessary. The Select Committee considered this point carefully. They were of opinion that the section as drafted by them did not deal with acquisition of separate interest by any other means than that of declaration or expression of intention.....

THE HONOURABLE MR. P. C. DESIKA CHARI : The language is not quite clear.

THE HONOURABLE MR. S. R. DAS : The language is quite clear because it says :

" After the commencement of this Act, no partition of the whole or any part of the immoveable property of any Hindu undivided family and no unilateral declaration or expression of intention....."

THE HONOURABLE MR. P. C. DESIKA CHARI : No partition agreement ; it merely says partition.

THE HONOURABLE MR. S. R. DAS : Perfectly correct ; no partition. It does not require an agreement to be registered at all. It says :

" No partition of the whole or any part of the immoveable property and no unilateral declaration shall be effected otherwise than by a written and registered instrument."

It does not deal with conduct at all. Now, my learned friend says : " But why not make it clear by putting in a proviso that acquisition of separate interest by conduct should also not require to be registered ?"

THE HONOURABLE MR. P. C. DESIKA CHARI : Not intended to be affected by this Act. That is what I meant.

THE HONOURABLE MR. S. R. DAS : I take it that not intended to be affected by this Act means that it need not be registered. My friend suggests to make it quite clear that there should be a proviso that acquisition of separate interest by conduct should not require registration or be effected under this Act. Now, the danger of a proviso of this description is that if you provide for exclusion of one manner of acquiring separate interest, such as conduct, you thereby under a very well known rule of law include others ; that is to say, if you put down here merely the amendment that my friend suggests,

[Mr. S. R. Das.]

which refers only to acquisition by conduct, you do not thereby exclude separation by partial alienations of joint interest, by business transactions and the numerous other ways by which the Privy Council has suggested a person can acquire separate status. That is the reason why the Select Committee would not have this provision, because you cannot provide for all manner of means by which separate interest can be acquired. Therefore, we thought it was safer to confine this section to particular methods of acquiring separate interest which should be in writing registered and we entirely left aside other methods which would not be affected by this section. I therefore submit there is no reason whatever for this amendment.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA: Sir, I rise to support the amendment which has been moved. It has been said that section 2 of this Act only provides for the registration of a partition or of a unilateral declaration for partition or for separation. But I think that this will be interpreted to mean that the partition of a joint Hindu family or acquiring separate status can only be done by means of a registered document; and if it is made clear in the section that separation by conduct or by any other means will not be affected by this section, I think the object of the Select Committee will be made clear. The Honourable the Law Member has already said that the object of the Select Committee was that separation by conduct or other means could not be registered. Of course it could not be registered. But there will be no harm done if it is made clear in the section itself. I think that the ambiguity which will arise by the operation of this section, namely, that the separation or partition can only be effected by a registered instrument, will be removed. The difficulty will arise in this way that even where there have been dealings between the different members of the same family, it will be contended that there has been no separation of the joint Hindu family because there is no registered instrument in existence. It will also be said that though a man has been living separately for so many years and has been dealing separately with his properties, it still remains a joint Hindu family because there is no registered deed in existence. That being so, and to remove this difficulty and to meet this contention, it is necessary that the proviso that has been proposed by my Honourable friend, Mr. Chari, should be embodied in the section itself. The Hindu joint family can be looked at from two sides, from the inside as well as from the outside; from the inside, namely, with respect to the members themselves; and from outside by their dealings with other people. In both respects this provision would be useful, because a man who deals with a member of a Hindu family will come to know that there has been such conduct in the past between the members of the family that he can safely deal with one member in the hope that the family is separate, while among the members themselves it would be quite clear that one is separated from the others. But if the proviso is not added, there will still remain a doubt that inasmuch as there is no registered instrument in existence the family still continues to be joint and as such a member who, by conduct, has shown that he is separate, might suffer. I therefore support the amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 2 do stand part of the Bill,"

Since which an amendment has been moved:

"That the following be added as an additional proviso to sub-clause (*1*), namely:

'And provided further that nothing contained in this section shall preclude the acquisition of separate status by a member of a Hindu undivided family in respect of the whole or part of the family properties by conduct other than the execution of an instrument evidencing an intention to acquire it'."

The question I have to put is that that amendment be made.

The Council divided :

AYES—5.

Ashthana, The Honourable Mr. Narayan Prasad.
Desika Chari, The Honourable Mr. P. C.
Khaparde, The Honourable Mr. G. S.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rampal Singh, The Honourable Raja Sir.

NOES—18.

Akram Hussain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Vernon, The Honourable Mr. H. A. B.
Wacha, The Honourable Sir Dinshaw.
Weston, The Honourable Mr. D.

The motion was negatived.

Clauses 2, 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS : Sir, I move that the Bill, as amended by the Select Committee, be passed.

THE HONOURABLE MR. P. C. DESIKA CHARI : Sir, though I realise the weakness of my position in this House, I feel it is my duty to oppose this measure at the third reading. Sir, I consider, as I have already stated on the motion for consideration that though this Bill was originally intended to alter the procedure of Courts or to simplify the procedure, it is attempted to take away the substantive rights of the people. It brings in taxation in an indirect way. Those are the grounds, Sir, on which I mainly oppose this Bill. After all, what will be the percentage of litigation out of the separations that are effected that will come into the Courts ? Perhaps very much less than one per cent, and it is only the rich who will fight their battles in the Courts, and the poor people, most of whom would want to separate their interests—there will be thousands of them all over India—will have to pay registration fee and stamp duty. The Honourable the Law Member has been saying that attempts will be made to take steps to put on a nominal fee.

12 NOON.

I do not know what that nominal fee is going to be and whatever assurances they may give, if it is a source of revenue—it may be in dribs and drabs, it comes to a pretty large figure,—we know very well Government is not going to give up this source of income, and after all the poor people and the villagers will suffer. They may not be aware of it now, but when the Act is put into operation the significance of these provisions will be felt. But, however hard we may try, it will not be possible afterwards for us to relieve the sufferings of these people because Government will not budge an inch when it is a question of revenue.

[Mr. P. C. Desika Chari.]

Sir, I hope that the Government will take note of the non-official view, however weak it may be in this House, and will be chivalrous enough to heed the feeble voice of protest of non-officials, but I have not very much hopes and I find that after all they are out to have one more love set, to use an expression used on a former occasion in this House by an official Member, and we are out to give them the pleasure of having one more game and it is after all a very poor pleasure in having to fight such a weak body of non-officials. The Government may be obsessed by the strength of their position here, but they must remember they will have to face in a different corner the non-officials under altered conditions. The tables will be turned and I know full well they will give a knock-out blow to this Bill and this Bill well deserves it. And I have this consolation, and though I have not very much hope of having my object achieved by opposing it, I feel it my duty to oppose it.

Sir, I have one word more to say. I would appeal to Honourable Members belonging to other communities who are not affected by this measure to come to our rescue at this juncture. We have done so on other occasions for people belonging to other communities, and I think in fairness to us they will come to our rescue in order to defeat the Government. And I make one appeal to the Government Benches, and it is this. There is no question of policy involved in this Bill and it is after all a simple measure affecting the partition of property in which no question of Government policy is involved. I therefore hope and trust that the official block will not be brought into operation and the individual official Members will be given the freedom of voting as they like. With these words, Sir, I oppose the passage of this Bill.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide that partitions and separations of interest among the members of Hindu undivided families and other transactions among persons governed by Hindu Law shall, in certain cases, be effected by written and registered instruments, as amended by the Select Committee, be passed."

The Council divided:

AYES—18.

Akram Husain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Vernon, The Honourable Mr. H. A. B.
Wacha, The Honourable Sir Dinshaw.
Weston, The Honourable Mr. D.

NOES—6.

Ashthana, The Honourable Mr. Narayan Prasad.
Desika Chari, The Honourable Mr. P. C.
Khaparde, The Honourable Mr. G. S.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rampal Singh, The Honourable Raja Sir.
Suhrawardy, The Honourable Mr. M.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 8th February, 1928.

COUNCIL OF STATE.

Wednesday, 8th February, 1928.

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

QUESTIONS AND ANSWERS.

ARTICLE IN THE *Indian Railway Magazine* HEADED " A CHAPTER OF ACCIDENTS."

20. THE HONOURABLE SIR MANMOHANDAS RAMJI: (*a*) Whether the attention of the Government has been drawn to a passage appearing in the *Indian Railway Magazine*, Vol. III, No. 8, August, 1927, at page 160, under the heading " A Chapter of Accidents "?

(*b*) If so, what action has been taken in the matter ?

THE HONOURABLE SIR GEOFFREY CORBETT:

(*a*) Yes.

(*b*) In connection with the accident at Parli in which the embankment fell on coolies, the promotion of the Engineer-in-charge of the work has been put back for 12 months. The Railway were not responsible for the accident at Thirumathikunnam which was a case of a train running into trespassers on the line. As regards the accident near Nilambar when some boulders fell on women coolies, careful enquiries have been made into the case, and it is found that the slip which occurred was entirely accidental and was due in part to the formation of the rock and in part to the percolation of water over the top of the rock surface. The derailment of the Express at Chotpet was due to defective switch key of which the wards had worn away enabling the key to be fitted into the wrong points lock. This matter has received urgent attention and the keys have been altered so that the occurrence cannot be repeated. Regarding the accident to a motor car run into by a train at a level crossing at Tenmalai, this was not due to neglect on the part of the railway, but to the want of caution on the part of the driver of the motor car.

QUALIFICATIONS OF ENGINEERS AND SUBORDINATES IN THE PUBLIC WORKS DEPARTMENT, DELHI.

21. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that many Indian engineers and subordinates serving in the Delhi P. W. Department have no recognised degrees or certificates for professional training ? Will Government kindly lay on the table a statement showing the names of (Civil, Electrical and Mechanical) Assistant Engineers, Temporary Engineers, Sub-engineers and subordinates (both temporary and work-charged) serving in the Delhi P. W. Department with the following information against each name :

1. Age up to 1st January, 1928 ;
2. Date of joining Public Works Department, Delhi ;
3. Rank and pay, at the time of joining, whether regular or work charged ;

4. Present rank and pay ;
5. Degree or certificate obtained from any recognised technical institute ;
6. General education, examination passed ;
7. Date of holding charge of Sub-division ;
8. Religion and either belonging to agricultural tribe or not ;
9. War services, if any, and where and when ;
10. Permanent residence, village, tehsil and district ;
11. Actual rank and pay of substantive post, if on deputation ?

QUALIFICATIONS OF CLERKS OF THE PUBLIC WORKS DEPARTMENT AND THE CENTRAL ACCOUNTS OFFICE, DELHI.

22. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that many non-matriculate clerks are serving in the Delhi Public Works Department and in the Central Accounts Office, Delhi ? Will Government kindly lay on the table a list of such clerks, both temporary and work-charged, serving in the above offices with the following information against each name :

1. Age up to 1st January, 1928 ;
2. Date of joining Public Works Department, Delhi ;
3. Rank and pay, at the time of joining, whether regular or work-charged ;
4. Present rank and pay ;
5. Examination passed ;
6. School and year in which passed ;
7. If Accountancy examination passed in case of Head Clerks and Accountants and accounts clerks ;
8. Religion and either belonging to agricultural tribe or not ;
9. War services, if any, and where and when ;
10. Permanent residence, village, tehsil and district ;
11. Actual rank and pay of substantive post, if on deputation ?

THE HONOURABLE MR. A. C. MCWATTERS : With your permission, Sir, I propose to answer Questions Nos. 21 and 22 together. Government regret that they cannot undertake to collect all the information asked for in these questions as it would involve a disproportionate amount of time and labour.

RESTRICTIONS ON THE PROMOTION OF ENGINEERING SUBORDINATES TO THE POST OF EXECUTIVE ENGINEERS.

23. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that there is restriction against engineering subordinates being promoted to the post of Executive Engineers, and onwards ?

THE HONOURABLE MR. A. C. MCWATTERS : There is no rule in Delhi debarring engineering subordinates from promotion to the post of Executive Engineers. As a matter of fact, two engineers holding charge of divisions commenced their career in other Provinces as subordinates.

ASSISTANT ENGINEERS HOLDING CHARGE OF SUB-DIVISIONS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

24. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that in the Delhi Public Works Department the following Assistant Engineers were holding charge of sub-divisions and that they were subsequently removed from the Delhi Public Works Department : 1. Mr. Farman Ali, 2. Mr. Abdul Hamid Khan, 3. Mr. C. L. Kumhar, 4. Mr. Kewal Ramani, 5. Mr. Agyawami, 6. Mr. Palsule, 7. Mr. Diwan, 8. Mr. Sham Sunder Lal.

THE HONOURABLE MR. A. C. McWATTERS : All the gentlemen mentioned have held sub-divisions in the Delhi Public Works Department and have since left the Department.

APPOINTMENT OF SUBORDINATES IN THE PUBLIC WORKS DEPARTMENT, DELHI, TO HOLD CHARGE OF SUB-DIVISIONS.

25. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that now in the Delhi Public Works Department subordinates are holding charge of sub-divisions and that they are drawing Rs. 75 per mensem sub-division allowance ; if so, will Government kindly state the reasons for posting subordinates to responsible offices ?

THE HONOURABLE MR. A. C. McWATTERS: In the Delhi Province there is as yet no permanent cadre and no Provincial Engineering Service exists as in other Provinces. It is members of this Service who are intended to fill sub-divisions, and the ranks of this Service are filled by officers who are previously termed " subordinates ".

In the absence of this Provincial Service, sub-divisional posts in Delhi are largely filled by subordinates who are in receipt of a sub-divisional allowance of Rs. 75 per mensem.

RECRUITMENT BY ADVERTISEMENTS IN THE NEWSPAPERS OF ENGINEERS AND SUBORDINATES FOR THE PUBLIC WORKS DEPARTMENT, DELHI.

26. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the Delhi Public Works Department never attempted to get qualified engineers or subordinates by advertising in any of the newspapers from time to time as vacancies occurred ?

THE HONOURABLE MR. A. C. McWATTERS : Yes. Owing to the large number of applications for posts which are received and registered it has not been found necessary to advertise.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: In future do Government propose to advertise in the newspapers before a vacancy occurs ?

THE HONOURABLE MR. A. C. McWATTERS: No, Sir.

DISCHARGE OF MUHAMMADAN DRAFTSMEN IN THE PUBLIC WORKS DEPARTMENT, DELHI.

27. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the following Muhammadan draftsmen were brought under reduction this year :

1. Babu Amir Hasan ; 2. Babu Samin Hussain ; 3. Babu Sharif Ahmed ; 4. Babu Masud Ali ; 5. Babu Hamiduddin ; 6. Babu Amir Mirza ; 7. Babu Abdur Rashid ? If so, will Government kindly state the reason for reducing Muhammadans and not Hindus ?

THE HONOURABLE MR. A. C. McWATTERS: Yes. In dispensing with the services of Government employees the practice is to get rid of those whose records are less satisfactory than those of others.

I may mention that the number of draftsmen of different creeds is:

Muhammadans	34
Hindus	34
Sikhs	6
Christians	6

ABOLITION OF THE APPOINTMENT OF BABU AMIR MIRZA, DRAFTSMAN, HORTICULTURE DIVISION, DELHI.

28. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the post of Babu Amir Mirza, draftsman, Horticulture Division, was reduced from 16th January, 1928?

THE HONOURABLE MR. A. C. McWATTERS: Yes.

REPRESENTATION OF M. ZULFIQAR ALI BEG, FATHER OF BABU AMIR MIRZA.

29. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that on 5th December, 1927, one M. Zulfiqar Ali Beg, Rais of Delhi, father of the said Babu Amir Mirza, sent his representation to the Chief Commissioner, Delhi, and to the Chief Engineer, Delhi. If so, will Government kindly state what, if any, action has been taken on the various points raised in the representation?

THE HONOURABLE MR. A. C. McWATTERS: Government are informed that the Chief Commissioner has considered the representation received and sees no reason to interfere with the decision arrived at.

PREFERENTIAL TREATMENT IN THE MATTER OF CIVIL APPOINTMENTS TO PERSONS WITH APPROVED WAR SERVICES.

30. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the Government of India in the Home Department has issued a circular in regard to the preferential treatment to be accorded to candidates for civil employ on the score of war services?

THE HONOURABLE MR. H. G. HAIG: A Resolution on this subject was issued in 1919.

INDIAN CLERKS' QUARTERS IN NEW DELHI.

31. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the numerous Indian clerks' quarters, type "E," now called "D" are constructed under provision of estimates No. 97-108 (of 1917-18) sanctioned by the Chief Commissioner, Delhi, under his works No. 9-20 (of 1917-18); if so, will Government kindly state the total number of such quarters, and the total quantity of brick-work in mud in superstructure for each quarter?

THE HONOURABLE MR. A. C. McWATTERS: Yes. The total number of quarters is 320, and the total quantity of brick-work in mud in superstructure is 1,420 c. ft. per quarter.

PAYMENTS MADE TO CONTRACTORS FOR CLEARANCE OF DEBRIS IN CONNECTION WITH THE CONSTRUCTION OF LEGISLATIVE BUILDINGS IN DELHI.

32. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that in connection with the construction of legislative buildings, Delhi, debris cleaning has been paid to the contractors? If so, will Government kindly state the total quantity of debris and the total amount paid to contractors for this item?

THE HONOURABLE MR. A. C. McWATTERS: Yes. The quantity of debris was 18,620 cubic feet, and the amount paid to the contractor was Rs. 465.

LEVY OF AN INCREASED IMPORT DUTY ON FOREIGN YARN, ETC.

33. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will the Honourable Member in charge of the Commerce Department be pleased to state what action, if any, has been taken by Government to give greater protection to the Indian textile industry by the levy of an import duty on foreign yarn as recommended by the majority report of the Tariff Board?

(*b*) Will the Honourable Member be pleased to lay on the table a comparative table of the rate of duties on Indian and foreign yarns for the last three years and the current year?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) The majority of the Tariff Board did not recommend that protection to the textile industry should be given by means of an increase in the import duty on foreign yarn. The Honourable Member is, however, referred to the Indian Tariff (Cotton Yarn Amendment) Act, 1927, by which the import duty on cotton yarn was altered from 5 per cent. *ad valorem* to 5 per cent. *ad valorem* or 1½ annas per lb. whichever is higher, in order to protect the industry against competition in cotton yarn produced under industrial conditions which enable such yarn to be produced at a cost below that at which it can be produced in British India.

(*b*) The import duty on foreign cotton yarn was 5 per cent. *ad valorem* until it was altered as already stated with effect from the 22nd September 1927. There is no duty on Indian yarn nor was there any during the last three years.

ACTION TAKEN ON THE RECOMMENDATION OF THE TAXATION ENQUIRY COMMITTEE TO MAKE INDIA SELF-SUPPORTING IN THE MATTER OF SALT SUPPLY.

34. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will the Honourable Member in charge of the Finance Department be pleased to state whether the investigation referred to in his reply to question 67 (*a*) and (*b*) published in Volume IX, No. 4 of the Debates of 14th February, 1927, has been completed and whether he will make the result of the investigation available to the Honourable Members of this House before any action is taken by the Government?

(*b*) Will the Honourable Member be pleased to state whether the Government has arrived at any decision on the same?

(*c*) If the investigation be not completed, will the Honourable Member be pleased to state the date when the special officer was appointed and how long will he take to finish the investigation?

THE HONOURABLE MR. E. BURDON: The special officer completed his investigation recently. The matter is under the consideration of the Government, and I hope that a decision will be announced shortly.

PROVISION OF A SEPARATE INTERMEDIATE CLASS WAITING ROOM AT KHARAGPUR RAILWAY STATION.

35. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Honourable Member in charge of the Railway Department be pleased to state whether any action has been taken by the Bengal Nagpur Railway Company, Limited, to provide a separate intermediate class waiting room at Kharagpur railway station in the District of Midnapur, Bengal?

THE HONOURABLE SIR GEOFFREY CORBETT: It is not known what action has been taken by the Bengal Nagpur Railway in the matter. The Government have continually pressed on Railway Administrations the desirability for increasing amenities for passengers, and if the Honourable Member will refer to the Administration Reports he will see the progress made by the Bengal Nagpur Railway in this respect. But Government cannot undertake to decide on the relative urgency of such improvements as may be required.

CONSTRUCTION OF A RAILWAY BETWEEN CONTAI AND CONTAI ROAD STATION ON THE BENGAL NAGPUR RAILWAY.

36. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Honourable Member in charge of the Railway Department be pleased to state when the actual construction of the railway line between Contai in the Midnapur District, Bengal, and Contai Road station on the Bengal Nagpur Railway is expected to be commenced?

THE HONOURABLE SIR GEOFFREY CORBETT: The project estimate has only lately been received by the Railway Board, and they have not yet arrived at any decision on it.

CONSTRUCTION OF A RAILWAY BETWEEN SANITHIA AND BHERAMARA.

37. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Honourable Member in charge of the Railway Department be pleased to state when the construction of the sanctioned railway line between Sanithia and Bheramara in the District of Birbhum (Bengal) will be taken up?

THE HONOURABLE SIR GEOFFREY CORBETT: The survey of the line has recently been completed by the Eastern Bengal Railway Administration, and the estimates are expected shortly. It is not possible to say when or whether the construction will be taken up until the report and estimates have been examined.

HIGH COURT JUDGES.

38. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will the Government of India be pleased to state the number of Indian High Court Judges in British India, province by province, for the last 12 years? How many of them are Hindus and how many Muslims, Parsis and Sikhs?

(*b*) How many of them have been appointed from the rank of vakils and how many from that of barristers?

(*c*) Do the Government propose to consider the desirability of appointing suitable Muslim barristers or vakils to the provinces where no Muslim High Court Judge has yet been appointed?

(*d*) If suitable and efficient Muslim barristers or vakils are not available for the office of High Court Judges in any particular province, do the Government consider the desirability of appointing one from other provinces ?

THE HONOURABLE MR. H. G. HAIG : (*a*) and (*b*). I regret that Government have not got information for the last 12 years. Such information as is available is being placed in the Library.

(*c*) and (*d*). Permanent appointments to the High Courts are made by His Majesty under section 101 of the Government of India Act. The main consideration in filling up vacancies in high judicial appointments must always be that of efficiency : subject to this the claims of Muhammadans whether belonging to the particular province or not no less than those of members of other communities receive due consideration.

DISTRICT AND SESSIONS JUDGES.

39. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : How many District and Sessions Judges have been appointed, province by province, since the recommendations of the Lee Commission for the All-India services have been given effect to ? How many of them are, province by province, taken from the ranks of barristers, and how many of them are Hindus and Muslims, respectively ? Do the Government consider the desirability of increasing the number of Muslims in the judicial service in each province, where such appointments are few or have not been filled up by Muslim barristers ?

THE HONOURABLE MR. H. G. HAIG : I am placing in the Library a statement giving the information in respect of appointments to " listed " posts, to which I understand that the Honourable Member refers. The implication in the last sentence of his question is not altogether clear. The majority of these posts are filled by promotion from the Provincial Civil Service, and, as the Honourable Member is aware, it is not the policy of Government to take communal considerations into account in making promotions. So far as appointments from the Bar are concerned the matter is primarily one for Local Governments, who make these appointments in consultation with the Public Service Commission. But I must point out that the system of filling certain posts of District and Sessions Judge from the Bar was devised for reasons entirely unconnected with communal claims.

RESOLUTION *RE* IMPOSITION OF A PROHIBITIVE IMPORT DUTY ON ARTIFICIAL GHEE.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I beg to move the following Resolution which stands in my name :

" This Council recommends to the Governor General in Council that 150 per cent. *ad valorem* duty be levied on the import into this country of artificial ghee or any other similar vegetable products or compounds which have not been given a harmless permanent fast colouring excepting yellow shades to distinguish it from pure ghee and to avoid adulteration with it."

Sir, I have again ventured to bring this question of artificial ghee or vegetable fats before this Council. Two years back I had proposed to put 100 per cent. *ad valorem* duty on the import into this country of vegetable fats and similar vegetable products. Frankly speaking, my object then was to stop the import

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into this country of artificial ghee. My reasons for taking this drastic step were simple. Medical authorities have found out that the food value of vegetable ghee is very low. During the last two years further medical evidence has accumulated which goes to show that artificial ghee, which consists mainly of vegetable fats, is very deficient in food value. Some time back Captain D. R. Thomas, Chemical Examiner, Punjab, carried on an experiment to find out the food value of vegetable ghee popularly known as *vanaspati*. The sample selected for experiment was the " Lily " brand of *vanaspati*, which is the most costly and which is produced in Holland. It is considered to be the best of the solidified vegetable oils. The most apparent chemical difference in its composition as compared with good ghee was its Reichart-Meissel value of only 1·8. Good ghee has a Reichart-Meissel value of 24 to 32 in the Punjab. As to its food value when compared with good butter fat, an experiment was carried out on two female kittens of the same litter fairly near in size and weight. kitten " A " was put on fresh milk taken from a Government dairy and which contained a known percentage of 3·75 of butter fat. The other kitten " B " was put on skimmed milk containing ·25 per cent. of butter fat *plus* 3·50 per cent. of *vanaspati* fat. Kitten " A " put on weight, whereas kitten " B " lost weight. After one month the feeding was changed about, " B " getting fresh milk from the dairy farm whereas " A " was put on skimmed milk. Now " B " put on weight, but a little slowly, and " A " lost it. The effects on the kittens were very marked. The Chemical Examiner summarises his findings from the experiment thus :

1. That whenever a cat was fed on *vanaspati* mixture it declined in weight, while the cat on fresh milk thrived.

2. That the signs and symptoms apparent were those of starvation. The cat took the *vanaspati* mixture yet declined in weight rapidly.

3. That the cat after being put on *vanaspati* mixture for three weeks declined 168 grammes in weight and had partly lost her power of recuperation when put back on fresh milk. The damage done to her during the three weeks of retarded growth was very evident.

The Chemical Examiner reports :

" The above experiment is conclusive proof that there is something missing in *vanaspati* which is present in ghee, something which is necessary for growth and good health."

This something, he says, is undoubtedly a vitamin, and a vitamin identified with butter fat is vitamin " A ". In his opinion the accessory food factor seems to have its own indispensable function by stimulating some secretion in the metabolism of fat. Its absence causes cessation of growth and wasting and consequently is very essential during the period of childhood. The younger the animal the greater the necessity for this food factor. The Chemical Examiner, Punjab, thinks the deficiency in vitamin " A " is responsible for such deficiency diseases as rickets. According to another medical expert, Dr. Plimmer, vegetable ghee is really a source of danger to the public and especially to the younger and growing section of the population. This is particularly applicable to the poor classes whose straitened circumstances compel them to consume the cheapest variety. According to Dr. Plimmer the danger of rickets and of stunted growth and bad teeth will increase if the people rely for their fat on vegetable ghee. Sore throat and lung diseases are also due to this.

Sir, I have given these long extracts from the opinions of medical experts to show how dangerous these vegetable fats are to the health of the people.

India is an agricultural country and the vast bulk of the population are pure vegetarians. The only animal food to which they are accustomed is ghee and milk. If pure ghee is also displaced by vegetable fats, the consequences are bound to be most disastrous. It is sometimes said that a similar problem arose in Europe when margarine displaced butter ; but, Sir, even margarine contains a high percentage of undoctored animal fat, and although inferior to butter it possesses a good food value in vitamins. Moreover, in Europe people are generally meat eaters and they can get vitamins otherwise as well. The manufacturers of vegetable fats or *vanaspati*, on the other hand, taking into consideration Hindu and Muslim sentiment, put on the market an article which is entirely free from animal fat. But this absence of animal fat deprives the *vanaspati* of all vitamins, which are essential for growth and health. The problem in India, therefore, Sir, where people are mostly vegetarians, is somewhat different from what it was in Europe. Pure vegetable fats are more injurious to us than margarine is to Europeans. The injurious nature of the vegetable fats is now not only admitted by medical authorities, but this opinion is now followed by the Army Department in India as well, who are the biggest purchasers of ghee. In answer to my question on the subject on the 23rd August 1926 His Excellency the Commander-in-Chief said :

" As a result of exhaustive experiments it has been found that metabolism is effected by the presence or absence not only of the normal protein carbo-hydrates and fat contents of a diet but also by accessory food factors popularly known as vitamins. Vitamin " A " contains the anti-racheitic element which is essential to physical growth. Ghee contains this vitamin in considerable quantities. Vegetable oils such as Cocogem do not contain it except perhaps in traces negligible for practical purposes. It is not thought desirable to deprive the Indian soldier of an article which contains substances essential to his growth and physical fitness in favour of one which does not and which would probably be much less acceptable to him than the article to which he has been accustomed from childhood."

Sir, if the Commander-in-Chief considers it undesirable to give vegetable fats to the Indian soldier because they do not contain vitamins, may I ask, whether it is desirable to allow pure ghee, an article of ordinary food for the masses in this country, to be displaced by a cheap preparation like that of *vanaspati*. In the interests of the general health of the people, it is essential that they, while purchasing ghee, should not be deceived. Taking the habits and sentiments of the people into consideration, I am sure very few Indians would with open eyes care to purchase vegetable fats. The importers of this stuff import it knowing full well that this, adulterated with genuine ghee, would pass off as good ghee. The ignorant people are very easily deceived. In fact it is almost impossible even for intelligent men to distinguish vegetable fats from pure ghee. This can be done only by an expert medical analyst. No wonder then, Sir, that vegetable fats which can be had so cheap should have become very popular with the importers and ghee merchants. The Government of India have begun to keep separate figures for the import of vegetable compounds from 1st April last. I have got figures up to the end of December last. Sir, this Council will be surprised to learn that the import figures for vegetable compounds which stood at 13,069 cwts. in April last were 61,175 cwts. in December last. Within a period of nine months the import of this article has increased by 468 per cent. We have imported during this period 320,069 cwts. or 432,000 maunds of vegetable compounds valued at Rs. 1,40,04,839. The average import price therefore comes to Rs. 32 per railway maund. A big importing firm in this line in Karachi is, I believe, importing more than 8,000 maunds of one particular brand into the Punjab. The price of this brand, I understand, is Rs. 22-8-0 per maund c.i.f. Karachi, and it can be put on the Punjab market at about Rs. 27-8-0 per maund. This price includes the middleman's profits and is sold as pure ghee, although mixed

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with the genuine article, which sells at between Rs. 70 to Rs. 80 per maund. If pure ghee and vegetable fats are mixed even half and half with *vanaspati* at Rs. 32 per maund, a ghee merchant can make 43 per cent. profit. With *vanaspati* at Rs. 27-8-0, he can make a profit of Rs. 49 per cent. In the Punjab, where ghee consumed per head of population is the largest, the situation has become very serious. *Vanaspati* is imported by rail into small stations. It is mixed with good ghee in the villages and then imported as pure ghee into towns and cities. The Municipal Boards have no power to prevent the adulteration carried on in the rural areas, and they cannot all of them for lack of funds afford to appoint and employ public analysts for analysing ghee brought into municipal areas. Many municipalities in the Punjab have now levied or are proposing to levy cent. per cent. or more than cent. per cent. duty on the import of artificial ghee. But the difficulty will still remain how to find out whether a particular sample is or is not adulterated. And yet the people continue to be induced under false pretences to purchase the counterfeit article, for nowhere, at least in the Punjab, is *vanaspati* sold as *vanaspati*. Unless the evil is checked at once and immediate steps are taken to cut the evil at the root, the health of the people, especially in Upper India, is bound to suffer very much, for in these parts of the country people do not consume oil in their food to a great extent. Under the present circumstances when ghee merchants are making such huge profits, the imports of *vanaspati* are bound to go up by leaps and bounds as the import figures of the last nine months already show.

Sir, I do not propose in this Resolution to prohibit altogether the import of vegetable compounds into this country. If people wish to buy and consume it in their food, they may do so. What I want is that there should be no chance of the people being made victims of fraud and deception. As I have already said, under the present circumstances it is impossible for laymen to distinguish vegetable fats from pure ghee. I therefore propose that if *vanaspati* is to be imported, it must be coloured with such a permanent deep colour, excepting yellowish shades, that it should be readily distinguishable from the genuine article and that adulteration should become impossible. I believe the Punjab Government has already addressed the Government of India on this subject. This was in pursuance of a Resolution moved in the local Council, and it shows how strong the feeling on this subject is in that province. If the dealers in vegetable compounds do not agree to permanently colour this stuff with harmless, fast, deep colours excepting yellowish shades, then an import duty of at least 150 per cent. *ad valorem* should be put on it. The average import price of *vanaspati* is Rs. 32 per maund, and an *ad valorem* duty of 150 per cent. would mean a duty of Rs. 48 per maund, thus making its import price equal to Rs. 80 per maund, which is the price of pure ghee. If the dealers in *vanaspati* wish to avoid this prohibitive import duty and retain the duty at the present rate of 15 per cent. *ad valorem*, they must compel the manufacturers to give it a fast, deep colour, so that no fraud may be practised on the people.

I hope, Sir, the Government will see their way to accept this Resolution, and I am sure this House will join me in supporting it.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, I rise to support this Resolution. It is only of recent years that we have had imports of vegetable products in this country, but these imports are increasing at an amazing rate and much to the detriment of the health of the poor of this country and also to the detriment of some of our trades and industries as I hope to show. In the first eight months of the official year 1927-28 ending 30th November 1927, the imports in weight amounted to 258,894

cwts. and in value to Rs. 1,13,43,487. This item is not stated separately in the trade returns for previous years, but if we eliminate the other items by basing their imports on the average of past years, we arrive at the value of 70 to 75 lakhs of vegetable products in 1925-26 and of 90 to 95 lakhs in 1926-27, or roughly an increase of 25%. I have given you the value of imports in the first eight months of the current year at 113½ lakhs. If imports continue at the same rate in the remaining four months of the year, the increase in 1927-28 over the preceding twelve months will amount to 75% and to 125% over the figures of two years back.

These vegetable products which are imported under different labels are merely oils. They contain no vitamin and they are not in the same class for feeding purposes as cocoanut and other oils made locally and are therefore inferior. The Honourable the Mover has given the opinions of certain experts. I may be allowed to quote the opinion of Colonel F. P. Mackie, I.M.S., Director, Bombay Bacteriological Laboratory at Parel, Bombay, given in 1924. He says :—

"I am dead against the substitution of animal fats by vegetable oils, and consider that it should be vetoed at once at any rate until the vitamin content of such substitution has been proved to be as high or nearly as high, as ghee. This, as far as I am aware, is not the case in any vegetable fat and most of them contain none at all. I am sorry to see these substitution products put on the market at all and think the Municipal authorities should prohibit their sale unless they can be proved to contain a fair quantity of fat soluble vitamin. Otherwise the requirements of economy will result in children being brought up on those oils—a procedure which may have a disastrous effect on public health. I say all this on the presumption that these vegetable oils are deficient in vitamin. As to the question of giving them to the hospital patients, I should forbid it absolutely."

The Honourable the Mover has quoted the opinion of the expert of the Punjab Government. Captain D. R. Thomas, I.M.S., Chemical Analyser to the Punjab Government, conducted experiments on two kittens with the object of roughly estimating the food value of *vanaspati* (vegetable ghee) as compared with butter fat (genuine ghee). He found "that whenever a cat was fed on *vanaspati* mixture, it declined in weight whilst the cat on fresh milk thrived. That the signs and symptoms apparent were those of starvation."

Another authority Dr. Plimmer says :

"That the present day popularity of vegetable ghees, which we owe to the skill of the manufacturer in rendering them palatable, is really a source of danger to the public and especially to the growing section of the population. This is particularly applicable to the poor whose straitened circumstances compel them to eat the cheapest variety. There is a danger of rickets and of stunted growth, and bad teeth will increase if they rely for their fat on the vegetable ghees."

Quite recently Dr. Thomas was engaged in an investigation of this brand of vegetable product imported under the name of *vanaspati*. We find in '*Capital*' of as recent a date as 26th January 1928 that in the opinion of this expert the samples analysed were very clean and pure, but entirely lacking in the very important fat-soluble vitamin and he warns the consumers of the grave risk they are running in substituting this vegetable product for ghee.

These vegetable products are very little used for cooking purposes in the condition in which they arrive. This is so on the Bombay side. I do not know if it is any different elsewhere. In Bombay they are adulterated with locally made ghee and the public are cheated into paying the prices of ghee for an adulterated product which is by no means as good as ghee. In Bombay city alone there are some 20 or 25 large factories whose regular business is to adulterate ghee with imported vegetable products, and there are several

[Sir Phiroze Sethna].

hundred small concerns which carry on the same illicit trade. The adulteration is done so universally that it may safely be said that in Bombay genuine ghee is practically unprocurable in the bazaars except when the Ghee Merchants' Association are able to supervise the shops directly. In other centres it is said to be worse, and the Honourable Mover has told us of the conditions in the Punjab where perhaps ghee is more used for cooking purposes than in the other provinces.

These vegetable products come mostly or almost exclusively from Holland which country does not produce oilseeds and they come to India which is the greatest oilseed producing country in the world. It follows therefore that Holland purchases the oilseeds from India, carries them to Holland, then extracts the oil and there are further the costs of manufacture of the vegetable product itself to be added to those of extraction *plus* the freight to India and the middleman's profit. It is very probable therefore that some cheap and valueless ingredients are added to reduce the cost to a sufficiently low level to enable the products to be sold so cheaply as even to compete with locally made seedoils which are also used for cooking purposes.

I have heard the argument advanced that why need we interfere if the poorer people cannot afford to buy ghee and are content to use the imported article for cooking purposes? I have already quoted the opinion of experts that the imported article is injurious to health, and from that point of view alone Government should take steps to see that we do not get these imports; and such imports will cease if the duty on them is raised from 15% which it is to-day to at least 100%, if not to 150% as recommended in the Resolution, for otherwise it is bound to compete with locally made oils.

There is also the argument used that these vegetable products are imported because enough ghee is not made in the country. Enough ghee was made in the past, why should it not be so now? The fact however is that it is the imports of these vegetable products which has financially ruined ghee manufacturers who cannot make ghee and sell it at a profit. This is our experience in the Bombay Presidency. Before the import of these vegetable products, 15 members of the Bombay Ghee Merchants' Association used to sell per day about 2,500 tins of ghee for local consumption, but to-day this daily sale has come down to 400 to 500 tins only. In Kathiawar, Gujarat and other places of India, there is a special class of farmers called the Maldharis whose ancestral business is to breed milch cattle and to produce milk and ghee. But now, these Maldharis are not in a position to maintain their cattle as they do not find a proper market for their produce under the changed conditions. Many such Maldharis have actually given up their business of cattle breeding and others may be tempted to do the same if the prospects of the ghee-trade are not improved. The result of this will be that our milch cattle in herds will be abandoned. The most expensive vegetable product known as the "Lily brand" costs about Rs. 43 per Bengal maund in Lahore, while the price of good ghee is about Rs. 80 or nearly double.

This will convince the Council that real harm is being done to the cattle breeding and dairy farming industries of this country. The growing children and the young cattle of India already suffer from the lack of a proper supply of milk. Dairy farming depends for its success not merely on the sale of milk, but also on the sale of milk products, such as ghee, butter, etc. This industry is passing through critical times and is now being threatened with ruin by the

action of the unscrupulous mixers. Government should come to their rescue. Government desire improvements in cattle breeding in this country. If means are not adopted to check the imports of vegetable products, cattle breeding and dairy farming will suffer greater losses than what they are doing to-day.

In September of last year a Conference was held at Poona for the consideration of the steps necessary for the improvement of cattle breeding, etc., of the Bombay Presidency. Two important resolutions were passed thereat, and with your permission, Sir, I propose to read them. The first reads :

" As this Conference is convinced that the improvement of cattle breeding will depend to a great extent, on the improvement of the indigenous butter and ghee trade, as both are so closely interdependent that if the latter is given the required protection, the former will automatically be improved and as at present the butter and ghee trade of this Presidency is in danger of being entirely ruined by the heavy imports of the imitations of butter and ghee, the otherwise so called " vegetable products " and consequent extensive adulteration which they serve to be practised owing to their deceiving resemblance to genuine butter or ghee, this Conference urges the authorities either —

(*a*) to immediately put a complete stop to this adulteration of butter and ghee throughout the Bombay Presidency by more stringent and more effective measures than the existing measures (namely, the Bombay Prevention of Adulteration Act, 1925 ; the City of Bombay Municipal Act, 1899, and the Bombay District Municipal Act, 1901, etc.) ; or

(*b*) to entirely prohibit the imports themselves of these imitations of butter and ghee and thus save the butter and ghee business of this Presidency from ruin."

The second resolution shows what some parts of India have already done in this matter. It reads :

" This Conference congratulates the following States and Municipalities who have prohibited the imports, into their boundary, the so-called " vegetable products " and who have taken severe and exemplary steps against adulteration of butter and ghee.

They are (1) Porebunder, (2) Navanagar, (3) Junagad Municipality, (4) Junagad, (5) Maharaja Thakore Saheb Shri Lakhdiraj, (6) Vadhwan, (7) Palitana, (8) Dhroll, (9) Sayla, (10) Rajkot Municipality, (11) Edar State, and (12) the Baranagar Municipality."

My remarks are based mostly on the information we have in the Bombay Presidency, but it appears conditions are the same in other Presidencies as well and it is necessary therefore that the Central Government should take action in the matter, and I trust that Government will not only accept the Resolution but will do all in its power to prevent the imports of these vegetable products as much in the interest of the health of the poor of this country as also in the interest of local industries.

THE HONOURABLE MAJOR-GENERAL T. H. SYMONS (Director General, Indian Medical Service) : Sir, my predecessor in March 1926 found it necessary to enlighten the House on the subject of vitamins. I think Honourable Members will agree with me that, after the speeches we have heard from the Honourable Mover and the Honourable Sir Phiroze Sethna, it is not necessary for me to repeat the statements made by General MacWatt. We have learnt all that is necessary on the subject. They have told us nothing new about vitamins. We, in the medical profession, are perfectly well aware that pure ghee, which as you know is clarified butter, does contain a large element of vitamin A, whereas these vegetable oils contain practically no vitamin. As a medical man I rather object to the term " artificial ghee ". The word ghee should not be applied to an oil which has been solidified. Now, there is not a sufficient quantity of pure ghee to meet the demands of the Indian market. My predecessor told the House in March 1926 that the ordinary ghee was always adulterated with oils, which were sold in the bazars of this country. These

[Major-General T. H. Symons.]

vegetable ghees or vegetable oils found a demand and they were imported into the country. As Sir Phiroze Sethna pointed out there are various kinds of oils. The seeds are sent from the Indian market to the European market. There the oil is manufactured by a process of hydrogenation and the pure oil is sent back to this country, and that pure oil is used by a large number of Indians in which to cook their food. They find it a pure oil and they find it much cheaper than the ordinary pure ghee. Now, I maintain that if the public wish to use the cheaper product and that cheaper product is pure, we have no right to step in and try to dictate to them what articles they should cook their food with. What I do maintain is that they should know the product they are using. If they like to use the pure ghee, let them do so : but if they like to use the artificial oils, let them do so.

THE HONOURABLE SIR PHIROZE SETHNA : Even it if is injurious, as some medical experts have said ?

THE HONOURABLE MAJOR-GENERAL T. H. SYMONS : I disagree with that. I think it is a pure product. Let the public know that they are buying either pure ghee or pure oil. The Public Health Acts of Great Britain have this clause :

" No person shall sell to the prejudice of the purchaser any article, food or any drug which is not of the nature, substance and quality of the article demanded by such purchaser save under a penalty not exceeding £20 ; Provided that no offence shall be committed under this section in the following cases." etc.

In England that law exists and we can do the same thing here. The public can know whether they are buying pure ghee or whether they are buying vegetable oils. The vegetable oil is a wholesome product. It contains no vitamins and if the public wish to buy vegetable oils we have no right to stop them. Sir Phiroze Sethna in the course of his speech said that the oils which were manufactured in Europe and imported into this country were not of the same quality as those manufactured in this country. I quite agree, because the products manufactured in Europe and sent out to this country are of purer quality than those manufactured here. These so-called artificial ghees are made up with pure vegetable oils. There has not been a sufficient quantity of ghee in this country to meet the demands of the public. Now, those who can afford to do so buy ghee, and those who cannot afford to buy ghee, buy the pure oil, and between the two we have various degrees of adulteration. In previous days we had adulteration of pure ghee with bad oils, such as castor oil and rape oil. Now, we are told there is an adulteration in varying degrees with artificial oils. If the artificial oil or vegetable oil be mixed, then it will give a definite colouring tint to the adulterated mixture. As regards this process of colouring, as far as we know there is no reason why some fixed colour should not be adopted. It has never been tried and it would have to be experimented with to ascertain the amount of colouring matter necessary to give a permanent colouring. There is no objection at all to this so-called artificial ghee—though that is a term I object to—being coloured with some distinctive colour. The public would then know whether they were buying vegetable oil or ghee, and if they do buy vegetable oil with a colour tint in it they will be buying it with their eyes open.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, the subject has been dealt with so fully by previous speakers that I need hardly add anything to the debate except that I strongly support the Resolution. We people in the Punjab generally enter the Army and we feel that our young ones should have good food, so that the

material which is used in looking after the country and its safety should be as strong as possible. Also an able-bodied man who works hard naturally requires good stuff to eat, food which is both good and wholesome. I therefore support the Resolution.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I do not pretend to be an expert on this question of ghee, but I have listened very attentively to the debate so far as it has gone, and it appears to me out of the debate two questions arise. One is, if this import duty of 150 per cent. is placed on artificial ghee, would the result be a material increase in the manufacture of pure ghee or a material increase in the manufacture of vegetable oils in this country? My next question, which I hope will be answered during the course of the debate, is whether the vegetable oils in this country are better than the imported artificial ghee or oils? Those are the two questions and I should like a reply to them from some one with a qualified knowledge of the subject if he will be good enough to give one.

THE HONOURABLE MAJOR-GENERAL T. H. SYMONS: As regards the quality, the vegetable oils imported from Europe are of a better quality than those manufactured in this country, simply because the manufacturing process is a better one. The oil manufactured in Europe is made principally, I should say almost entirely, from seeds sent from India. Therefore it is simply a question of manufacture.

THE HONOURABLE SIR ARTHUR FROOM: In mentioning quality does the Honourable Member mean it is better for health?

THE HONOURABLE MAJOR-GENERAL T. H. SYMONS: It is simply a question of the purity of the oil. The quality from the food point of view is the same in both cases.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): Sir, years ago, about 1890 or 1892, this ghee question came up in the Bombay Municipality. After months and months of deliberation and discussion the late Sir Vithaldas Thackersey's father, another gentleman, and myself brought in a Ghee Bill and the Bombay Municipal Ghee Act was passed. A good deal of adulteration of ghee was going on in different parts of the city but the Act was not exactly a restraint on such adulteration, because it enacted that dealers may sell pure ghee, but if they wished to sell adulterated ghee they could only do so by putting a ticket on the jar stating that it was adulterated ghee, and it was left to the consumer to buy the pure ghee or the adulterated ghee. That was the solution then found, but unfortunately soon afterwards it was discovered that even adulterated ghee was risky as the ingredient mixed was a kind of vegetable oil of a deleterious character imported from Germany. And when the Municipality eventually took up the question and caused the ingredient to be analysed the Health Officer reported that that particular oil which came from Germany was a little poisonous. And so after the experiments made by the Municipal Health Officer it was pronounced to be injurious to health. Ample publicity was given which afterwards led to a decline of the imported oil. Now the question really before us is, whether this proposed 150 per cent. duty if at all levied would put an end to other kinds of adulteration which may go on from use of ingredients found in India itself? My friend Sir Arthur Froom has said that if the imports of such oils are stopped, what guarantee is there that the oils may not be manufactured and substituted in India just the same. For some years past there has been a kind of ghee or vegetable oil introduced into Bombay which is broadcasted by the Tata Company. It is called Cocogem. Many people do not like it and say it is injurious to health. How far the statement is correct I cannot say. I do not

[Sir Dinshaw Wacha.]

want to attack it but in the opinion of several consumers in Bombay it is considered injurious. Perhaps other people hold a different opinion. It is therefore a difficult subject to legislate on. But generally speaking I am very glad that my two Honourable friends have given a good deal of publicity to the injurious character of the imported vegetable ghees. Let me congratulate them on having brought this matter to our notice, so that the public can themselves try to bring about some solution whereby the health of the population may be benefited. Already influenza, malaria and other diseases are annually carrying off thousands and thousands of people, and here we have another danger—a kind of peril. I do not know whether it is a white peril or a black peril—but still there it is, and it is possible that the population will suffer if imports of these vegetable oils into India are more largely increased.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): The subject-matter of this Resolution has been before this House once or twice before in different forms, and it is a matter which obviously excites a good deal of public interest, not only in the Punjab and in Bombay, but elsewhere. It may help the House to come to a conclusion if I try to analyse to some extent the objects which underlie the Resolution, as interpreted by different speakers to-day.

The first object, I think that we have heard is that it is actually desirable to prevent the use of *vanaspati* on the ground of health, that is, that it is actually injurious to health. My Honourable friend Major-General Symons has refuted that. He says there is nothing injurious in *vanaspati*. It is merely lacking in certain qualities, in vitamins that ghee has, but there is nothing actively injurious. Unless you should think that that is merely a case of my Honourable friend stating his opinion against that of another, a case of doctors disagreeing, I will read to you what Captain Thomas actually said himself, the officer who has been quoted by the Honourable Mr. Ram Saran Das, and on whose experiments with kittens Mr. Ram Saran Das' case is partly based. Captain Thomas said in the same report in which he refers to his experiment with kittens:

"The fact remains that these vegetable ghees fulfil the requirements of India except that they are deficient in vitamins. They are without doubt prepared in scrupulously clean factories and are not exposed to various forms of contamination that beset the preparation of ghee in Indian bazaars. Previous to its importation, bazaar ghees were adulterated with all sorts of objectionable fats, accounting for their rancidity and offensive smell. I have noted of late that *vanaspati* is now generally used as an adulterant of ghee. It is without doubt a great improvement on the old-fashioned adulterants. Mixed with ghee or alone it makes a very good cooking fat."

That is the opinion given by Captain Thomas,—his considered opinion, in the same report in which he describes his experiments on
12 NOON. kittens on which my Honourable friend, Lala Ram Saran Das, relies. And the Punjab Government, through their official representative in the debate in the Punjab Legislative Council last November, to which my Honourable friend referred, gave their opinion as follows:

"Captain Thomas has shown that this Banaspati *ghi* and other similar *ghis* are lacking in one very essential constituent, but he has also shown that in themselves they are exceedingly pure and healthy foodstuffs which if supplemented by other substances containing the essential vitamin can only be beneficial to people who consume them. Now the position as it presents itself to Government is this. Here we have an excellent food being made available more cheaply than natural *ghi*. We admit that for infants and nursing mothers this food is not suitable on account of the defect in its constituents, but it is suitable for adults in many circumstances if supplemented by other food. If we in any way succeed in checking the import of this new product, the result must be to force up the price of natural *ghi*."

To go a little further, my Honourable friend, Sir Phiroze Sethna, has suggested that the import of *vanaspati* and its increased use is leading to increased adulteration and consequently has a bad effect on the cattle industry. Now of course everybody must admit that adulteration is no new thing, and it is very easy to prove that it is no new thing. In the debate in 1926 one of the speakers quoted the written opinion of Sir George Watt, given as long ago as 1885. His was a name well known in Bombay I think from which my Honourable friend comes. Speaking about the adulteration of *ghee* he said :

" The chief articles used in the adulteration of ghee are vegetable oils such as cocoanut, ground-nut, cotton, safflower, poppy, sesamum, niger and *kokum*. These are all harmless enough, though cheaper than ghee ; but injurious oils are also used, especially *mahua*, Salvadora and castor-oil. Other animal fats, especially mutton, are largely utilised . . . . One of the most valuable papers on the adulteration of ghee is that written by Mr. Shroff, who states that the Bombay ghee trade is in the hands of a dozen merchants, and that adulteration is effected, not by the dairymen, but by the traders. The fats used are often most offensive and deleterious substances, at times even obtained from the carcasses of diseased animals."

Later, in 1914, Mr. Sampson, Deputy Director of Agriculture, Madras, made an inquiry there and reported that " the petty dealer, it is usually stated, makes six tins out of four of the ghee which he collects. This is done by adding safflower oil or animal fat, which latter is obtained from the Malas, who melt it down from the carcasses of dead animals."

The question therefore is, not whether ghee is to be adulterated or not before it is sold to the Indian public, but with what it is to be adulterated. I think this House must agree that it is better that it should be mixed with pure and carefully prepared vegetable oils rather than with the very unpleasant substances with which it was adulterated before this import of *vanaspati* began.

So much for the first issue which is raised in this Resolution. The second is that it is desirable to protect the production of indigenous articles in India. This of course is inconsistent with the first object of the Resolution, for, if it is true that these oils are really injurious to health, it clearly cannot be advantageous to encourage their further production in India by a heavy measure of protection. From that point of view, I think my Honourable friend, Sir Phiroze Sethna, who laid some stress on the dislocation to Indian trade and industry, is rather on the horns of a dilemma. He cannot have it both ways. He cannot say that this is injurious to health and therefore ought not to be consumed, and at the same time that the indigenous industry of vegetable oil-making is being damaged by the import of a better article from Holland. As my Honourable friend, Major General Symons, has said, all the raw materials of this *vanaspati* exist in India and in fact are very largely exported from India to Holland, are manufactured there and come back again. From that point of view it is obviously desirable, assuming this to be a satisfactory product which is going to be eaten in largely increasing quantities, that its manufacture in India should be encouraged. We already have in India a product to which my Honourable friend, Sir Dinshaw Wacha has referred, namely, Cocogem, which some people consider to be very nice and some people not so nice. I myself was entertained once by a friend who was interested in this Cocogem, when the whole dinner was cooked in Cocogem, and he asked me afterwards if I had noticed anything, and I said " no ", and he told me that it was a very satisfactory certificate of the fact that Cocogem was just as good a cooking oil as any other. There is no reason to suppose that my friend, who was a great personal friend of mine, had any desire to give me anything which would be injurious to my health. Looking at it from this point of view—that it is desirable to increase the production of this vegetable oil, *vanaspati*, in India from

[Sir Geoffrey Corbett.]

the large range of raw materials that we have—I think the correct course would be—everyone will agree with this I think—not to place a prohibitive duty of 150 per cent., but that the industry concerned should go through the ordinary process that every industry has to go through which desires protection, that is, to make an application for an inquiry by the Tariff Board. Obviously, the Government could not agree offhand to put this very high duty on an import which is admittedly a foodstuff of the poorer class of people.

That disposes of the second issue. The third issue is that it is desirable to prevent cheating, that is, that *vanaspati* is sold as ghee and, as my Honourable friend, Major General Symons has said, it is not ghee at all. It is something quite different from ghee, which is the product of the milk of cows or buffaloes, while *vanaspati* is a product of vegetable oilseeds. From that point of view, the sale of *vanaspati* as ghee appears *prima facie* to amount to a false trade description. If this is to be the real object of the Resolution,—and it appears to be its original object, for although my Honourable friend, Lala Ram Saran Das, has strayed a good deal from the wording of the Resolution, if one interprets it literally—it is clear that he has no objection to the import of *vanaspati* as such, but he only wants it coloured with a harmless colour so that people should know what they are buying. If the Resolution is limited to that issue, I admit at once it has considerable force behind it. We have been given to understand that the administration of Adulteration of Foods Acts has not been effective in the past to prevent *vanaspati* being sold as ghee either alone or mixed with pure ghee. But where I join issue with my Honourable friend is in the remedies that he proposes. In the first place, we object rather strongly to the suggestion of prohibitive duty. If a thing is to be prohibited, it should be prohibited as such on good grounds, and we do not like the idea of camouflaging the prohibition by putting on a prohibitive duty. It only gets us into trouble with other countries, which would say that we are doing something that we have no justification for doing under this cloak. Secondly, it is obviously no use putting this high duty on imported *vanaspati* unless it has this colouring, unless we also make provision that *vanaspati* manufactured in India should be similarly coloured. The practical effect of my Honourable friend's Resolution, if it is adopted, would merely be to transfer from Holland to India the manufacture of this vegetable oil. And however desirable that may be from the industrial point of view, it would clearly defeat the object of the Resolution if a large production of vegetable oil in India is allowed to go out into the market without any distinctive mark and could be sold as ghee as it stood or mixed with ghee. I think my Honourable friend will admit that his Resolution as worded would not effect the object which he himself has in mind.

These objections have been met, however, by a very interesting letter which we have recently received from the Punjab Government arising out of the debate to which my Honourable friend referred, which took place in the Punjab Council last November. The Punjab Government deal with the question entirely from the point of view of cheating,—false trade description,—and they say that they are convinced that cheating on a large scale is being practised and that these products are being sold, mixed or unmixed with natural ghee as natural ghee. They say that their Adulteration of Foods Act has not effected a solution and they conclude by saying that the only effective method of preventing this form of wholesale cheating would be to prohibit the import of such products into, or manufacture within, British India, unless they are coloured in such a way that they could not be mixed with or passed off as natural ghee without immediate detection. That puts my Honourable

friend's Resolution on a practical basis, if I may say so ; and we in the Government of India are prepared to consider further—we intend to consider it quite apart from this Resolution—to consider further this proposal which the Punjab Government has put forward. Clearly it has very far-reaching implications ; it may interfere a good deal with trade and so on. It might, if it is coloured with an offensive colour,—aesthetically offensive,—discourage *vanaspati* ghee. We might be thrown back again on these very unpleasant substitutes which I described, and the indigenous industry would not be in any way assisted. What we propose to do is to follow our usual practice of consulting Local Governments on the proposal of the Punjab Government, and ask them to consult commercial and trade interests and all others who are interested or concerned in the matter. We shall get their replies in due course, and I hope that meanwhile the Honourable Member will not wish to proceed or push further this Resolution, which, for the reason stated I could not accept, because, in my opinion, it would defeat the Honourable Mover's own object.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : Nominated Non-Official) : Sir, I have very carefully and very attentively followed the debate on this Resolution and have listened with considerable interest to the very valuable speeches made on both sides. I feel that the Honourable the Mover of the Resolution was perfectly justified in bringing forward this Resolution pointedly to the notice of the Council, the Government and the general public. The arguments which he has urged and which were also ably supported in Sir Phiroze Sethna's speech are of a very convincing character. At the same time we cannot lose sight of the fact that the views placed on behalf of the Government by Major General Symons as well as Sir Geoffrey Corbett are entitled to our serious consideration. The matter needs a very careful, impartial and immediate investigation, and the investigation ought to be made on certain definite lines. I have great sympathy with the Resolution which has been proposed by the Honourable Lala Ram Saran Das. But I cannot agree with him that it is judicious and even desirable to levy such a heavy import duty of 150 per cent. The imposition of such a duty in my opinion might lead to disastrous results. Some other method may be found out by traders in this country of evading the duty and probably the remedy that may be adopted might be more disastrous than the remedy suggested by my friend Lala Ram Saran Das to prevent the import of vegetable oils. At the same time I think that an inquiry is very appropriate and necessary, and I therefore suggest that the matter should be immediately inquired into by Government either with the aid of the Tariff Board or by the appointment of a Committee. I therefore beg to propose a slight amendment to this Resolution, which I hope the Honourable the Mover of the Resolution will accept. I suggest that for the words " that 150 per cent. *ad valorem* duty be levied " after the word " Council " the following words be substituted, " the desirability of considering the question of levying a duty ". The effect of my amendment will enable Government to start the inquiry immediately and on the other hand it will satisfy the Honourable the Mover who desires that steps should immediately be taken for the purpose of stopping the undesirable adulteration to which he has referred to. The way in which I have worded my amendment—I have substituted the words " the desirability of considering the question of levying a duty "—does not necessarily mean that Government must levy a duty, but the Government will have ample scope and will have an unrestricted hand in devising methods which may satisfy all people and lead to some suitable measure which will not only satisfy the general public but will prevent this undesirable adulteration.

THE HONOURABLE SIR PHIROZE SETHNA: Is the Mover of the amendment aware of the fact that there is a duty of 15 per cent. at present? His amendment would therefore require some change.

THE HONOURABLE SIR MANECKJI DADABHOY: I am thankful to the Honourable Member for pointing this out. I think the word "additional" may be added before the word "duty."

THE HONOURABLE MR. G. A. NATESAN (*Madras: Nominated Non-Official*): If the Government only considers the desirability of considering the question, they may come to a decision which may not be quite welcome to some of the Members.

THE HONOURABLE SIR MANECKJI DADABHOY: I do not want to tie the hands of Government in any way. I want to leave them ample scope to do what they think proper in the matter. It is undesirable that we should indicate anything definitely at this juncture, and it is for this reason that I want Government to inquire fully and exhaustively into this question.

THE HONOURABLE MR. G. A. NATESAN: Sir, if the object of the Honourable Sir Maneckji Dadabhoy's amendment is to make an inquiry, I cannot understand why he asks Government to consider the desirability of considering the question of levying a duty, and personally I would not be so willing to vote for it on those terms. The discussion that has taken place has presumed that every man in this country is using ghee as an article of food. Those who have had anything to do with the administration of municipal corporations in some shape or other are constantly asked to give attention to this question. Every year during the discussion on the annual report this question of adulteration of ghee comes up. I think most people here have forgotten the fact that this artificial ghee which is being imported is now largely used not only by private people and the poor but in large quantities by restaurants, tea shops where considerable quantities of vegetable oil are used for frying. Now, you have to decide once and for all whether in your opinion and in the opinion of the medical authorities this artificial ghee that is imported is really deleterious to health or not. You must satisfy yourself upon that point. If you are not, I submit you will be going from the frying pan into the fire. I know there are large numbers of young men who visit these restaurants and use the articles fried in the vegetable oils that are imported. I may tell you that I have tried marvo which was recently largely brought in the market in considerable quantities and several friends and I have tried it on big occasions such as marriages. Pure ghee is very costly. Oil at the same time is not good and is not liked by the people and marvo has been found to be a good substitute for either of these for frying. If the object of my Honourable friend Lala Ram Saran Das and my friend Sir Phiroze Sethna is to prevent the import of this adulterated ghee, because it is deleterious I can understand it. In a sense I think they were blowing both hot and cold. If you want to protect the indigenous industry, then the case must be stated on entirely different grounds. It is no use forgetting the fact mentioned in the report from an officer in Madras, which was quoted by my friend Sir Geoffrey Corbett. If you prevent this adulteration of ghee with the imported vegetable oil, the possibilities are that ghee would be adulterated with all sorts of stuff of inferior quality and more deleterious to health. I beg therefore my Honourable friends to consider very carefully what exactly they are asking this House to consider. In any case I for one will not be a party to ask this Council to vote straight away for an *ad valorem* duty of 150 per cent. without knowing exactly what the situation is. I do hope, in view of what has fallen from the Honourable Sir Geoffrey Corbett,

that Government will take up this matter and will institute an inquiry in proper form but will not ask this House to consider the desirability of an *ad valorem* duty. That will make the situation worse.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I am grateful for the support which the non-official members have given to my Resolution and I am particularly grateful to the Honourable Sir Phiroze Sethna for the active support given. I might for the information of this Council state that my figures have been taken from the same source as those of Sir Phiroze Sethna and I find from the figures that he has given that the import of vegetable compounds this year are 61,175 cwts. of the value of Rs. 26,61,352. If my Honourable friend adds this quantity and this amount to his eight months' total he will find that it exactly agrees with the total I have given.

General Symons in speaking on my Resolution has said that there has been improvement in the adulteration methods and in the substances of adulteration. He said that pure stuff is being adulterated in place of the bad stuff. In that connection I want to say that the admixture of these bad things could be easily distinguished by smell or taste. Owing to hydrogenation it is very difficult to discern the present vegetable compound when adulterated with ghee and there is more chance of cheating the consumers of pure ghee than has been the case hitherto. General Symons also says that the vegetable product is a pure product. I do not quarrel with that. What I say is that this vegetable product has no food value. It will not give one vigour or strength.

THE HONOURABLE SIR GEOFFREY CORBETT: On a point of order, Sir, may I ask whether the Honourable Member is speaking on the amendment ?

THE HONOURABLE THE PRESIDENT: I understand he is replying to the Resolution as a whole.

THE HONOURABLE SIR GEOFFREY CORBETT: I presume I shall have an opportunity of speaking on the amendment.

THE HONOURABLE THE PRESIDENT: The Honourable Member will have an opportunity of speaking on it in any case.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: General Symons also said that the appointment of medical analysts will put a stop to adulteration. I fear it will be a very difficult thing to do. In the Punjab, as in other provinces, the vegetable compound is mixed in producing centres. It is mixed with milk when it is being churned, and it is impossible for a layman to find out whether the ghee coming into his hands is pure or adulterated. As I have already said in my opening speech, the employment of medical analysts at every centre of consumption is impossible.

My friend the Honourable Sir Arthur Froom observed that the manufacture of such products will increase in India as a consequence if this Resolution is passed. I would say in reply that in the event of the manufacture of these products being transferred from Holland to India the Government here can easily put on a sort of excise duty or take some other suitable measures to prevent it. The Honourable the Commerce Secretary has also observed that in case vegetable oils are manufactured in this country on a large scale the object which I have in view in this Resolution will be defeated. I agree with him there, but when such a time comes legislation may be passed to the effect that all vegetable oils manufactured in India should also be coloured fast so that they may not be adulterated with ghee.

I am obliged to Sir Dinshaw Wacha, who from his experience in the past has endorsed the principle which I have put forward. He stated that at that

[Lala Ram Saran Das.]

time white ghee used to come from Germany and it was found to be poisonous to a certain extent. In this connection, Sir, I might say that the artificial ghee.....

THE HONOURABLE THE PRESIDENT: The Honourable Member in replying should not try to reinforce arguments used in the course of the debate which supported his Resolution. The opportunity given to him of replying is to enable him to refute the arguments which were addressed against the merits of his Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The Honourable the Commerce Secretary dwelt on some other part of the report of Captain Thomas. I have that report before me and I find that the Honourable Sir Geoffrey has not read the whole of the summary but has taken only an extract from it. Captain Thomas says:

"*Vanaspati* cannot be used as a substitute for genuine ghee. It must not be given to infants and lactating mothers."

Captain Thomas has also said that the cat with which he experimented looked as if she was just recovering from a severe fever, and in his opinion would have died had her food not been changed. I have not gone into the full report. I should like my colleagues to look into it in detail and they will find that Captain Thomas is very much against the consumption of this vegetable compound and its adulteration with ghee. Sir Geoffrey also said that this vegetable compound is one of the chief foodstuffs of the poor. But in the interests of the poor I beg to represent to him, how will he protect their health if he allows this foodstuff, artificial ghee, to be used and allows the poor man to be deceived and cheated? I think it will not be in the interests of the public. I would rather prohibit its import altogether if the Government thinks that a measure like this will not be quite effective.

I am glad the Honourable Sir Maneckji Dadabhoy has also supported me to a certain extent. The amendment which he has proposed means that instead of putting on a prohibitive duty all at once he recommends that the imposition of such a duty and such other measures as may be necessary to accomplish my object should be the subject of further consideration. I agree and accept the amendment which he proposes. I think that Sir Geoffrey Corbett will have no objection to accepting that amendment.

THE HONOURABLE SIR GEOFFREY CORBETT: With your permission, Sir, I will first say a few words upon the Honourable Sir Maneckji Dadabhoy's amendment. I am afraid, Sir, that it really does not go very far to help me to accept this Resolution. I am afraid I failed when I spoke before to make my point clear in objecting to the form of the Honourable Lala Ram Saran Das' Resolution. The point is this, that the Resolution recommends that 150 per cent. *ad valorem* duty should be imposed on the import into this country of all artificial ghee which has not got a harmless permanent colouring. The actual amount of the duty really does not affect my objection at all. My objection was this, that if you impose an import duty on uncoloured *vanaspati* and do not impose a corresponding restriction on the manufacture of vegetable products in this country, you merely defeat the object which the Honourable Mover has in mind. He has himself recognised that any import duty on uncoloured *vanaspati* must be accompanied by a corresponding restriction on the manufacture of *vanaspati* in this country. That is clear. And I understand that the meaning of the Resolution, as interpreted by Sir Maneckji Dadabhoy, is that it does not indicate that the inquiry should be limited to this question of duty, or that it should even show a bias in favour of a duty.

Prima facie this is undoubtedly a wrong way of setting about the matter. The Punjab Government have themselves made out a *prima facie* case for inquiry, and that is that it should not be a question of a duty at all, but that it should be a definite prohibition. Either it is a bad thing or it is not. If it is bad, it ought to be stopped altogether and there is no need of a duty of 150 per cent. I object very strongly to prohibitive duties on principle. Our position is this, that we are prepared to address Local Governments on the question of making an inquiry into this proposal of the Punjab Government as to whether an effective method of preventing this form of wholesale cheating would be to prohibit the import of such products into India, or the manufacture in India of such products, unless they are fast coloured. I have no objection to extending the scope of the inquiry by asking them to report generally on what should be done. But I object very strongly to suggesting to them that we have any bias in favour of this proposal of a high import duty or a conditional import duty in preference to prohibition which I think would be the correct thing to do. For this reason I find it impossible to accept the Resolution or the amendment, which, it seems to me, would convey a definite bias that this is a *prima facie* suitable way of dealing with the matter. I cannot see what meaning a Resolution of this House would have unless it is suggested that in the opinion of this House the most suitable way, or at any rate a suitable way, of dealing with this matter was to put on this additional duty. I do not consider it a suitable way at all, and I regret I am quite unable to accept the Resolution or the amendment.

(The Honourable Sir Phiroze Sethna rose).

THE HONOURABLE THE PRESIDENT: Does the Honourable Member wish to make a personal explanation?

THE HONOURABLE SIR PHIROZE SETHNA: I should like to ask the Honourable Member if, in the inquiry he proposes to make of the Provincial Governments, he will also ask whether in the opinion of those Provincial Governments the use of these vegetable oils is injurious to health or not.

THE HONOURABLE SIR GEOFFREY CORBETT: Certainly, I am quite prepared to do that.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council that 150 per cent. *ad valorem* duty be levied on the import into this country of artificial ghee or any other similar vegetable products or compounds which have not been given a harmless permanent, fast colouring excepting yellow shades to distinguish it from pure ghee and to avoid adulteration with it'."

Since which an amendment has been moved—

"That for the words '150 per cent. *ad valorem* duty be levied' the words 'the desirability of considering the question of levying an additional duty' be substituted."

The Council divided:

AYES—14.

Ashthana, The Honourable Mr. Narayan Prasad.
Dadabhoy, The Honourable Sir Maneckji
Desika Chari, The Honourable Mr. P. C.
Khaparde, The Honourable Mr. G. S.
Manmohandas Ramji, The Honourable Sir.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rampal Singh, The Honourable Raja Sir.
Sankaran Nair, The Honourable Sir.
Sethna, The Honourable Sir Phiroze.
Singh, The Honourable Raja Sir Harnam.
Suhrawardy, The Honourable Mr. M.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—21.

Akram Husain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Froom, The Honourable Sir Arthur.
Gray, The Honourable Mr. W. A.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Natesan, The Honourable Mr. G. A.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Vernon, The Honourable Mr. H. A. B.
Wacha, The Honourable Sir Dinshaw.
Watson, The Honourable Mr. C. C.
Weston, The Honourable Mr. D.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question is:

"That the original Resolution be adopted.

The Council divided:

AYES—12.

Ashthana, The Honourable Mr. Narayan Prasad.
Desika Chari, The Honourable Mr. P. C.
Khaparde, The Honourable Mr. G. S.
Manmohandas Ramji, The Honourable Sir.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rampal Singh, The Honourable Raja Sir.
Sankaran Nair, The Honourable Sir.
Sethna, The Honourable Sir Phiroze.
Suhrawardy, The Honourable Mr. M.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

Akram Husain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Froom, The Honourable Sir Arthur.
Gray, The Honourable Mr. W. A.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Natesan, The Honourable Mr. G. A.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Vernon, The Honourable Mr. H. A. B.
Wacha, The Honourable Sir Dinshaw.
Watson, The Honourable Mr. C. C.
Weston, The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE* PUBLICATION OF THE CORRESPONDENCE ON THE SUBJECT OF THE STATUTORY COMMISSION.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that the correspondence that has passed between Government and the Secretary of State for India on the subject of the Statutory Commission under the Government of India Act should be published for information of the Indian Legislature and the general public."

I am asking Government to lay on the table the correspondence that has passed between them and the Home Government on the all-important subject of the Statutory Commission.

I am not using the language of hyperbole when I say that this is the most absorbing question of the hour in India to-day. I do not wish on this motion to speak on the grave wrong and injustice done to India by the exclusion of Indians from the Commission, as it is not germane to the purpose of my Resolution. The correspondence that must have passed between Government and the present Secretary of State on the subject of the Commission cannot fail to be of absorbing interest, and naturally we are anxious to know the attitude of the Government of India in this important matter. From the speeches made in the Houses of Parliament on the motion to constitute the Commission, it is clear that the question of the appointment of the Commission and of its composition has engaged the attention of the Secretary of State and of Government for some years past and the decision was not arrived at in a hurry. Lord Birkenhead has told us that it has engaged his earnest thought ever since he undertook the responsibilities of his high office. I would quote his exact words to the House. His Lordship said :

"The correspondence which has taken place between myself and two successive Viceroys with whom I have been associated on this subject, would certainly fill several volumes. I claim that with the advantage of advice in the earlier years, of my noble friend Lord Reading, and later years, of Lord Irwin, that this whole matter has been most carefully considered, that every alternative for the proposal which I put forward has been examined, and sincere attempts have been made to appraise the advantages and disadvantages of each course which has been recommended and pressed upon me."

It is clear therefore that voluminous and highly important correspondence has passed between Lord Birkenhead on the one hand and Lord Reading and Lord Irwin on the other. We cannot guess what is the exact nature of this correspondence, and whether it has passed under the eyes of all the members of the Executive Government. This House will remember that a former Secretary of State, no less than that great Liberal Statesman, Lord Morley, initiated the system of having a sort of private correspondence with the Viceroy on every important and interesting Indian question. We knew much later that the Members of Lord Minto's Executive Council were ignorant of the exchange of ideas and thoughts that passed between Lord Morley and Lord Minto. We do not know whether Lord Birkenhead has been imitating the illustrious Radical literary statesman and following the same system, and whether the members of the Executive Council have had any opportunity of seeing the correspondence and expressing their own views on the proposals that may have formed the subject-matter of the discussion. When we think of the whole matter we feel impelled to make one observation. The methods of secrecy which Government adopt in matters of such great moment are to be deeply deprecated, and indeed they generally result in undesirable consequences. So well was the secret kept in the present case that the decision to appoint the Commission in 1927 came to most people as a great surprise. After the decision had been taken and was about to be announced, His Excellency the Viceroy took it upon himself to interest several leading representatives of the people in the question and to get them to see eye to eye with him in the decision arrived at.

1 P.M.

This was like shutting the stable door after the horse had bolted. I cannot help thinking that it would have been much better if some care had been taken to take the leaders of the people into confidence and to ascertain their views and feelings before the scheme and other alternative proposals had been actually considered and before the final decision was taken. In the

[Sir Phiroze Sethna]

multitude of counsellors there is wisdom. Perhaps in that case, it would have been possible to evolve a scheme which would not have resulted in the exclusion of Indians from the Commission and aroused such bitter opposition as has been manifested and which would prove acceptable to us in India and to the authorities at Home.

I am reminded in this connection of what was done by Lord Chelmsford when he took up the question of constitutional reform in 1916. The House is aware that the present dyarchical constitution is really an elaboration of a scheme first formulated by the Round Table group in London in a Memorandum, known as the Duke Memorandum. In that memorandum, the principle of dyarchy was, for the first time, enunciated and a concrete scheme based on it was formulated. Lord Chelmsford, who was in sympathy with the Round Table school of politics, asked for the memorandum when he was appointed Viceroy of India and he circulated copies of that memorandum to Local Governments and invited their opinions thereon. But so profoundly had the secret been kept that no Indian leader had been taken into their confidence, and nobody knew of it until many years later when Mr. Lionel Curtis disclosed the whole affair in his book on Dyarchy. Evidently in the matter of constitutional reform, the old methods still hold sway. One only hopes that there is no repetition of the incident of the Duke Memorandum on the present occasion.

Sir, the Indian Legislature has a right to know what views were expressed, and what proposals made, by the Government of India with regard to this important matter. In the first place, we wish to know what attitude they took in the matter of appointing Indians on the Commission. We should know whether the idea of excluding Indians emanated from them or from the Secretary of State. I am aware that the Government of India is responsible to the British Government and not to the Indian people. That is, no doubt, the constitutional position, considered strictly. But the historic announcement made on 20th August 1917 by the Secretary of State on behalf of the Coalition Government which was representative of all parties, and on behalf of the British Government and which embodies a new policy to which Great Britain has solemnly pledged herself, makes the Government of India a co-sharer with the British Government in the responsibility for the welfare and advancement of the Indian people and for judging the time and measure of each advance. The exact words of the declaration are :

" The British Government and the Government of India, on whom the responsibility lies for the welfare and advancement of the Indian peoples, must be judges of the time and measure of each advance."

Thus the responsibility for the welfare and advancement of the Indian people, and for determining the time and measure of her advance towards responsible government is not an exclusive responsibility of the British Government, but a joint responsibility of that Government and the Government of India. It follows from this constitutional position that whatever may be the ultimate decision of Parliament and the British Government on any important matter affecting the welfare and advancement of the Indian people and their political progress, it is the duty of the Indian Government, the more so as there is a fair Indian element in that Government, to press the Indian point of view, to voice the feelings, the wishes, the aspirations and the demands of the Indian people. The Government of India must stand up for the Indian people, and urge their view point and claims as strongly as possible. This is the new duty cast upon the Government of India by the character and implications of

the reformed constitution under which they and this Council are functioning. The Government of India must, no doubt, loyally accept the final decision of the British Government. But the consciousness that the ultimate decision rests, not with them, but with the British Government, ought not to deter them from placing themselves in the position of the Indian people and pressing their point of view, which we trust they have done. We want to know, therefore, in what manner and to what extent this responsibility has been discharged by them in this matter of the Statutory Commission. We want to know what view the Government of India took of the clause in the Government of India Act governing the appointment of the Commission, whether they accepted the position that under that clause the Commission must be a Parliamentary Commission. The Government of India are fortunate in having for their Law Member a distinguished member of the profession, and we should like to know what view the Honourable Mr. Das expressed on this point. We also want to know whether or not the Government of India urged the appointment of Indians on the Commission, and whether they were ruled out by that master mind, Lord Birkenhead. We want to know whether or not they anticipated the present situation, and urged that the exclusion of Indians from the Commission would lead to a very large measure of opposition to it. We want to know also what views they have expressed on the constitution of the Committees of the various Legislatures, their functions, powers, status, etc. We want to know what remedies, if any, they have suggested for removing the tension which we know does exist. All these things we have a right to know, and we wish to know. Therefore, I urge that the correspondence referred to in the Resolution should be laid on the table. Secrecy in a matter like this may breed suspicion, it may give rise to the feeling that the Government of India have not properly represented the Indian point of view and asserted themselves with sufficient strength and persuasiveness as against the able and forceful Secretary of State for India. I hope, for all these reasons, the Government will accede to the proposal contained in my Resolution.

THE HONOURABLE MR. H. G. HAIG : (Home Secretary) : Sir, my Honourable friend Sir Phiroze Sethna has confined his speech strictly to the limited point that the Government of India should publish certain conrrespondence. He has not been tempted to diverge into the wide field of discussion as to the merits of the scheme of the Statutory Commission which commended itself to His Majesty's Government, and I propose to follow his example. There have, of course, been great differences of opinion about the scheme which His Majesty's Government adopted. One contention on the Government side has been that much of the opposition was based on certain misunderstandings.

It is not my intention to say anything about the statement which has just been issued by the Chairman of the Indian Statutory Commission, except that it clearly calls for the most careful examination by those who have hitherto been opposed to what they conceived to be the scheme. In those circumstances I feel sure that it would be the desire of every one in this Council to review the position calmly and dispassionately and not to be hurried into any precipitate declaration. For that reason, Sir, I hope that the debate this morning will be confined to the particular point that has been raised by my Honourable friend Sir Phiroze Sethna. Coming, Sir, to this point I recognize that my Honourable friend has enlisted on his side one of the universal instincts of human nature. He has enumerated a large number of points on which he wants to know. Well, Sir, we all desire to know the contents of a sealed book. We are

[Mr. H. G. Haig.]

all inclined to suppose that whatever is not disclosed is something very remarkable or at least interesting, and though experience does not always bear out this idea we still go on believing and hoping. Against that instinct Governments have always sought to protect themselves. They have, not only in this country but I think everywhere, recognized that it is necessary that the processes—as a general practice I mean—by which Government arrive at their conclusions and the materials on which they work should ordinarily not be disclosed. They entrench themselves behind regulations such as the Government Servants' Conduct Rules and so on, and it is a well-recognized practice that it is only on special occasions and for special reasons that Government discloses anything in the nature of confidential correspondence. I think, Sir, that my Honourable friend will recognize the reasonableness of this position. He is himself a business man. I do not think he would consider it reasonable if it were suggested to him that the processes by which he reached his business conclusions should be revealed to his business friends or possibly his business rivals. And I think, Sir, he should concede a similar privilege to Government. It is true that there are occasions when the Government think that it is in the public interest that a certain correspondence should be published. It may be that they wish to promote discussion of some point which is still under consideration. That is clearly not the case here. It may be that having reached particular decisions they find that the most convenient way of presenting their reasons to the public is to publish certain documents. That again, Sir, is not the case here. The reasons for the decisions at which the Government have arrived have already been explained in the fullest detail. His Excellency the Viceroy took the unusual course of stating those reasons in a very full statement which was published on the 8th November. The reasons have been stated also in the fullest way in Parliament by the Secretary of State, by the Under Secretary of State and by the Prime Minister. It is clear that nothing further would be gained in the way of elucidating the position by acceding to my friend's request. He may reply that what he wishes to know is not so much the reasons which have led His Majesty's Government to come to this particular conclusion, but whether the Government of India were consulted, and, if so, what their opinion was. Well, Sir, I am sure that Honourable Members of this Council will recognize that that raises at once the question of the relations between the Government of India and the Secretary of State and will realize that that is a question which the Government of India are not in a position to discuss. That is settled practice. My friend may say that in certain cases it might be unembarrassing to give an answer on such points, but I should like to point out that when in a matter of this sort Government are not in position to discuss the relations between themselves and the Secretary of State they cannot pick and choose, they cannot on one occasion give an answer because they think it will not be embarrassing and on another occasion decline to give an answer because they think it will be embarrassing. They can adopt only one rule and that is to decline to give an answer on any occasion, and that, Sir, is the answer I must return to my Honourable friend's Resolution.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, I would like to add just one word to the speech which the Honourable the Home Secretary has made. We are now passing through a most critical and anxious time in the history of India. The destiny of India will very largely depend on the attitude which her sons take on this occasion and the united opinion and support they extend to Government at this most critical time. Any differences between the various political parties

in the country at this critical time would be extremely deplorable, and I should have thought that after what His Excellency the Viceroy stated on the 2nd of this month, when he made an appeal to all of us to avoid all that may magnify our differences, I fully expected my Honourable friend Sir Phiroze Sethna not to have proceeded with this Resolution. This is not the occasion for it. We men of different parties are sincerely endeavouring amongst ourselves to come to some proper and satisfactory understanding. We want to sink our political differences on this occasion, and I feel very strongly that a Resolution of this kind, even if Government supplied the information that my Honourable friend wants, would probably multiply our differences and would not result in any profitable conclusion and settlement. I think, Sir, that it is an occasion on which we should avoid, as far as possible, all questions of differences and all aggressive actions. It will not do any useful service to the country even if the whole of the correspondence that passed between the Government of India and His Majesty's Government is laid on the table and supplied for our perusal,—aye, it will probably make our differences more acute, our quarrels more poignant, and we shall not possibly be able to reconcile the conflicting differences. I appeal to every Member in this Council, I appeal to every Indian fellow-subject of mine to exercise forbearance and restraint and do his best to come to some understanding with our opponents who after all are our friends and countrymen with whom to-day unfortunately we are at variance, and that is in my opinion the only solution of the great problem that lies before us ; that is in my opinion the only path of sanity on our part to proceed on, that is, we should reconcile all our differences and every one of us should endeavour to do his best on this occasion to try and meet his opponent and come to such understanding as would lead to the advancement and progress of our motherland.

THE HONOURABLE MR. G. A. NATESAN (Madras : Nominated Non-Official) : Sir, I think the procedure which has been adopted by my Honourable friend, Sir Phiroze Sethna, is quite a Parliamentary procedure, such as would be adopted in England and elsewhere. At a time of public feeling and excitement such as the present it is but proper that the Honourable Member should seek to ask Government to place on the table the correspondence that has passed between His Majesty's Government and the Government of India. I quite admit that it is certainly the right of the Home Secretary who represents the Government to say that he cannot publish the correspondence. The simple question is whether in the present situation the tension that prevails will be eased by the publication of the correspondence. That is the only issue, and we ought not to confuse it with others purely of our own imagination. Sir, it has happened in the history of this Government that on many occasions when the Government of India and the people have felt alike and have given expression to their views without a dissentient voice, without making it appear that there were any differences of opinion, the Government of India's hands have been strengthened by the public opinion that has expressed itself, and that as this question of the method and the manner in which the Statutory Commission has been appointed, which has undoubtedly aroused indignation in the minds of many, it would certainly be to the interests of Government that the Government of India should publish the correspondence, unless they are prevented by any grave confidential reasons from publishing it. The Indian public would wish to know, at any rate so far as the Government of India are concerned, whether they were consulted, what exactly were the terms on which they were consulted, and if they did give their opinion, what exactly was the nature of the opinion. It is quite possible that the details of it may not be made available to the public or at least in the Council, but at any

[Mr. G. A. Natesan.]

rate the Council is entitled to ask for it, and if the situation warrants some inkling, some idea being given of what the Government of India felt in this matter and also of the views of the individual members of the Government of India, I undoubtedly think it would go a great way to lessen the tension that has been created. That is the simple issue my Honourable friend Sir Phiroze Sethna raises in asking that the correspondence be laid on the table, and I am sure that is his only object. The Home Secretary is quite within his rights to say, "I cannot answer the question", but I do not think any other Member here has a right to import other considerations and to discuss, on the merits or otherwise, a question which the Resolution does not attempt to discuss. If it were in the power of the Government of India to publish, if not the entire correspondence, at any rate as much of it as has passed between His Majesty's Government and the Government of India indicating exactly what has been the views of individual members, I feel certain that the publication of that might go a great way to lessen the tension that has been caused.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, the Honourable Mr. Haig has chosen to confine himself, as I did, just to the main point of my Resolution. In my reply, which will be brief, I will endeavour to do likewise. Mr. Haig has observed that I might have been prompted by the ordinary human instinct of curiosity, perhaps idle curiosity. That, Sir, is certainly not so. I have explained that I want to know, and the world wants to know, how far the Government of India have discharged the responsibility that has been laid on their shoulders ever since the declaration of the 20th August 1917. We want to know whether they put up a fight for India or that Lord Birkenhead had his own way right through as is not unlikely, knowing what a forceful personality he is. My Honourable friend appealed to me as a business man and asked if I would reveal the processes through which I may have arrived at a particular result and if I would hesitate to reveal them, how could I expect Government to do so. My reply is that if I have followed certain processes for the purpose of bringing about a certain result, and if there was no necessity for me to go through those processes again for a similar result in the future, then I should have no objection whatsoever to revealing those processes. The Government have finished with the appointment of the Statutory Commission. It is a settled fact according to them. Then where is the hesitation in revealing the processes through which they arrived at the decision they have come to? What we want to know, I repeat, is the part played by the Government of India. My Honourable friend, Sir Maneckji Dadabhoy, says that the placing of that correspondence on the table would multiply existing differences.

THE HONOURABLE SIR MANECKJI DADABHOY: I said "might", not "would".

THE HONOURABLE SIR PHIROZE SETHNA: I agree with my Honourable friend, Mr. Natesan, who said that on the contrary it will smooth matters. The Honourable Sir Maneckji Dadabhoy says that the differences will be more acute. If the Government of India have played their part, as the country has a right to expect, they have then I say that there will be no difficulty but on the contrary the people will uphold and support the Government of India. If they do not disclose this correspondence, it gives colour to the belief that the Government of India have not done what we have a right to expect them to do and for that reason alone they are withholding this correspondence. Sir, I have asked what part the Members of the Executive Council played in these discussions. I would also like to know what was the part played by the members of the India Council. If the story is correct, at any rate the three Indian

members were never consulted and the whole thing came upon them in the same way, as a surprise, as it came upon the general public or they only got to know two or three days earlier. That is the courtesy with which the present Secretary of State treats his colleagues, at any rate his Indian colleagues on the India Council. I will not delay the House. I know that any proposition that is brought forward in this Council because of its present constitution, will meet with the fate, not that which it deserves but which Government desire, and until the constitution is changed, it will continue the same. I would appeal, however, to Government. If they want to test the feeling of the public and of the representatives of the public, to leave the elected Members only to vote on this question, I challenge the Honourable Government Member to do so, for, if he agrees, he will know that the elected Members will vote in favour of the Resolution and it will be carried.

THE HONOURABLE MR. H. G. HAIG: Sir, I understand that the last proposition made by my Honourable friend is that the question whether certain documents should be published by Government should be left to the decision of the non-official members. I think I only have to state this proposition to make Honourable Members realise that it is quite impossible of acceptance.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council that the correspondence that has passed between Government and the present Secretary of State for India on the subject of the Statutory Commission under the Government of India Act should be published for information of the Indian Legislature and the general public'."

The Council divided:

Ashthana, The Honourable Mr. Narayan Prasad.	Natesan, The Honourable Mr. G. A.
Desika Chari, The Honourable Mr. P. C.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Khaparde, The Honourable Mr. G. S.	Sankaran Nair, The Honourable Sir.
Manmohandas Ramji, The Honourable Sir.	Sethna, The Honourable Sir Phiroze.
	Suhrawardy, The Honourable Mr. M.

NOES—21.

Akram Hussain, Bahadur, The Honourable Prince A. M. M.	Hatch, The Honourable Mr. G. W.
Burdon, The Honourable Mr. E.	Latifi, The Honourable Mr. A.
Commander-in-Chief, His Excellency the.	McWatters, The Honourable Mr. A. C.
Corbett, The Honourable Sir Geoffrey.	Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Dadabhoy, The Honourable Sir Maneckji.	Stow, The Honourable Mr. A. M.
De, The Honourable Mr. K. C.	Symons, The Honourable Major-General T. H.
Froom, The Honourable Sir Arthur.	Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Gray, The Honourable Mr. W. A.	Vernon, The Honourable Mr. H. A. B.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.	Wacha, The Honourable Sir Dinshaw.
Haig, The Honourable Mr. H. G.	Watson, The Honourable Mr. C. C.
	Weston, The Honourable Mr. D.

The motion was negatived.

The Council then adjourned till Eleven of the Clock on Thurdsay, the 9th February, 1928.

COUNCIL OF STATE.

Thursday, 9th February 1928.

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

INDIAN TERRITORIAL FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move that the Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes, be taken into consideration.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: As usual, I shall put the clauses of the Bill to the Council in groups. If any Honourable Member wishes to speak on any particular clause, I hope he will rise immediately when I mention the number of that clause.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): What about those Honourable Members, Sir, who wish to speak on the Bill as a whole?

THE HONOURABLE THE PRESIDENT: The Honourable Member had better wait for the next motion that the Bill be passed.

Clauses 2, 3, 4 and 5 were added to the Bill.

Clauses 6, 7, 8 and 9 were added to the Bill.

Clauses 10, 11, 12 and 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, as my friend the Honourable Colonel Nawab Sir Umar Hayat Khan wishes to make some remarks, perhaps I might explain shortly the salient features of this Bill. This Bill, Sir, as I explained when moving for leave to introduce it, is the outcome of those recommendations of the Auxiliary and Territorial Forces Committee which require legislation. It is thus merely the legal embodiment of proposals which have been before the Indian Legislature and the public for a considerable time. The Committee's report was published in January 1925 and the final decisions of His Majesty's Government and of the Government of India were published in a resolution in August last at the beginning of the Simla Session. Government have not received any criticism of the Committee's recommendations or of the decisions taken upon them from any quarter of the Legislature. The correspondence with Local Governments, which has been made public in the Gazette of India, will have shown Honourable Members that the proposals of the Committee were generally commended by Local Governments. I think I may assume therefore that the House will not desire me to deal now with broad questions of policy; and I will only touch upon one such question in which the Government of India disagreed with the Committee.

[H. E. the Commander-in-Chief.]

As explained in the Statement of Objects and Reasons, we are not providing that urban units of the Territorial Force should be liable to general military service, but are confining the liability to local service only. I think the main desire of the Committee was that the Auxiliary Force and urban units of the Territorial Force should be on the same level in this respect. The Government of India decided after consultation with the Local Governments that to impose upon either Force the liability for general service would tend to make membership unpopular, and might prejudice recruitment. Although we are rejecting the Committee's proposals in this matter, we are still maintaining what, as I have said, is one of their main objects, namely, complete equality as between the Auxiliary Force and the future urban units in the Indian Territorial Force.

Apart from this, there was only one recommendation of the Committee affecting the Territorial Force which the Government of India rejected, and that was a very minor one, relating to exemption from capitation tax in Burma. In this the Government of India followed the recommendation of the Local Government.

The notes on the various clauses I think explain sufficiently their respective purposes. Several of them are only drafting points. I will not delay the House further, but will now move that the Bill be passed.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes, be passed."

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, as I have been the President of the Territorial Forces Advisory Committee, I have had the opportunity of seeing their work nearly every year. One of the greatest demands of the soldiers in the units has invariably been their retaining fee. These soldiers are poor people and if they do not get any money, naturally when they leave the regiment and return to their homes, they find their work at home absolutely dislocated. It has been said again and again in our reports that the amount that is paid to them as their retaining fee is not sufficient. We know, Sir, that urban units will not undergo the same amount of liability as the rural ones, and therefore it is but natural for the members of the rural units to think that, although they are asked to defend the country and go outside their province, they are not shown the same kindness as is shown to the members of urban units who have not to go even far from their homes for their training. Now, Sir, most of the members of these urban units are the very men who create troubles by making the innocent people observe *hartal* and also take prominent part in riots, as the House would have observed in the recent events that took place in Calcutta. Is this a bait to be given to those harmful men? Are we justified in giving them arms when we know that they are creating so much trouble without arms? During the troublous times in the Punjab I happened to know a Company which was composed of such classes and lots of facts came to light against these people. When some of the cities were being burnt, some of these soldiers were heard to remark: "Wait, let me patrol a little further up and then you can burn the things." Sir, it had been known on the civil side that if a man wanted the Judgeship of a High Court, all that he had to do was to criticise the Government and then he got it. I would strongly urge upon the Government that such a practice should not be allowed in the Army. It would certainly not be right if Government were to place arms in the custody of a man who was against it simply as a bait

so that he might desist from doing wrong. It would be much better if that money were spent on actual fighting material which, in case of need, would be a good second line of reserve and could, with a little better training, be good enough for the first line.

I think, Sir, all this money will be spent on the wrong material, and in the wrong direction, when it can be spent in the right direction.

I have only said this thing because if I did not, I would be lacking in my duty, and I have always been asked by these actual good soldiers about whom the reports of the British officers as well as the Committee have always been that they are the best material and can be used whenever needed. When they ask and we do not help them but help unruly people and all those who have hitherto stood against Government, I think we are not working in the right direction, but they call it the popular voice, though it is not the voice of the country and of the rural masses but only the voice of a few agitators who talk a lot, and the Committee which reports for such units have had to bow down to them. If the House wants it they can have it, but they will see I have protested against it.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, I welcome the Bill which has been introduced and which is, I hope, with the consent of the Council shortly to become law. The discordant note which has been sounded by my friend, the Honourable and gallant Tiwana, about the bad material upon which the Bill will work, I suppose will not find support in this Council. The Bill is the outcome of the deliberations of a very competent Committee, which was formed on the recommendation of the Legislature, and the correspondence which has been published lately in the Gazette of India shows to us how carefully the scheme propounded by that Committee has been examined by all the Local Governments and by the Central Government, and also by the Secretary of State, and that it has received the support of all the Governments so far as the present recommendations contained in the Bill are concerned. The Honourable Member, the gallant Tiwana, has referred to the material. I ask him the question how did his good material come out. Was it created ? Did it come out of a divine source, or was it the result of the training in arms ? If that material had come out of a divine source, that is quite a different thing but if it is the outcome and the result of military training, then I suppose the material upon which this Bill will work will also prove good material after a short time. I am particularly glad that the Bill will extend the functions and the scope of the University Corps. I being connected with two of the Universities in the United Provinces do welcome this Bill on behalf of those Universities, and I suppose more money will be spent upon the University Corps and urban corps which are now proposed to be formed under the provisions of this Act.

Sir, I support the Bill and hope that this Bill will be passed with unanimous consent by this Council.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I am afraid I do not altogether follow exactly what my friend the Honourable Colonel Nawab Sir Umar Hayat Khan wants. I think his chief point is that he wants a retaining fee to be given to all the men in the Territorial Forces throughout the year, even when they are not in training. As the House will realise, during the time they are called out they are paid at the rates which we pay our men in the regular army, and beyond that it is quite impossible to go. If we had to give them a retaining fee during the time they are not in training, the whole of our grant would be swallowed up.

[H. E. the Commander-in-Chief.]

The other point of my Honourable friend was the material on which we have to work. All that I need say is that we have the fullest confidence in the Local Governments. The Local Governments have made recommendations to us in regard to the urban and University Corps, and we are quite content to follow out those recommendations, and as the last speaker said, with training and experience we hope they will turn out useful and valuable corps to the country.

I move that the Bill be passed.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes, be passed."

The motion was adopted.

AUXILIARY FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move that the Bill further to amend the Auxiliary Force Act, 1920, for certain purposes, be taken into consideration.

I have already explained in detail, speaking on the Indian Territorial Force Bill, the one important matter of policy in which the Government of India disagreed with the recommendation of the Committee, namely, the question whether the Auxiliary Force should be liable to general service. After much consideration, and in deference to the opinions of the Local Governments who are most deeply concerned, the Government of India came to the conclusion that it would not be justifiable to extend the liability of the Auxiliary Force in the direction proposed by the Committee. The Force consists, in great part, of Government servants, who, at a time of general mobilization, would be required to carry on their ordinary official duties. Many of its non-official members, also, are individuals who are liable to frequent changes in their place of business, and whose stay altogether in India may not be a very long one. A Force composed of elements like these cannot to any real advantage be utilized as a second line army. It has been decided therefore to confine the liability of the Auxiliary Force, as at present, to local limits.

I do not think I need occupy the House with details of the clauses. There is one small point, however, on which I should like to touch, to avoid any misunderstanding hereafter. In one of their minor recommendations on page 54 of the report, the Committee recommended that units of the Auxiliary Force, provincial units of the Indian Territorial Force and, if and when formed, urban units of the Territorial Force, when embodied for training, should all be subject to military law, that is, to the Army Act in the case of the Auxiliary Force, and to the Indian Army Act in the case of the Indian Territorial Force. The position at present is this. The units of the Territorial Force, when embodied for training, are subject, for purposes of discipline, to the relevant sections of the Indian Army Act, as modified and adapted by statutory rules. Units of the Auxiliary Force are subject to disciplinary provisions which are incorporated in the Auxiliary Force Act. These provisions are, however, in themselves an adaptation of British military law. The Act has been in force for about 7 years, and its provisions are by this time clearly understood. We have not, therefore, thought it worth while, as a matter of drafting, to amend the Auxiliary Force Act so as to render units liable to the Army Act modified

by statutory rules, which we should have to frame for the purpose. In the matter of discipline, there are now no serious discrepancies in the treatment of members of the Auxiliary Force and those of the Territorial Force during periods of training. When on actual military service, the rank and file of both Forces are of course subject to military law ; and the officers of both Forces are always subject to military law whenever they are on duty, whether on active service or for training purposes.

In paragraph 21 of their Report, the Committee laid great stress on the necessity for the removal of racial distinction as between the Auxiliary Force and the Indian Territorial Force in regard to liability for service, the form of commission, facilities for training, and general treatment in the matter of pay and allowances. Their recommendations and the decisions of Government, including those which have been incorporated in these two Bills are all designed with that main object in view. I feel sure, Sir, that when these Bills have become law, and the recommendations of the Committee have been put into effect, there will no longer be any cause for complaint on the score of racial discrimination in the administration of the two Forces.

Sir, I move that the Bill be taken into consideration.

THE HONOURABLE THE PRESIDENT : The question is :

" That the Bill further to amend the Auxiliary Force Act, 1920, for certain purposes, be taken into consideration."

The motion was adopted.

Clauses 2, 3, 4 and 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Sir, I move that the Bill be passed.

The motion was adopted.

BODIES CORPORATE (JOINT OWNERSHIP) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member) : Sir, I move for leave to withdraw the Bill to enable bodies corporate to hold property in joint ownership.

This Bill was introduced in the Simla Session, with a view to introduce in this country the English law with reference to the succession of property held jointly by a body corporate and an individual. It was discovered after the Bill was introduced, due mainly to an amendment of which notice was given, that the Bill would introduce a good deal of confusion into the law here. In England it is practically a joint tenancy, whereas here it is a joint tenancy and a tenancy in common. Having regard to that it was decided that the Bill should not be proceeded with, and when it came on on the last occasion I asked the leave of the House not to move on that occasion. I now ask leave to withdraw the Bill.

THE HONOURABLE THE PRESIDENT : The question is :

" That leave be given to withdraw the Bill to enable bodies corporate to hold property in joint ownership ".

The motion was adopted.

THE HONOURABLE MR. S. R. DAS : Sir, I withdraw the Bill.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR MUHAMMAD HABIBULLAH (Leader of the House) : Sir, as Honourable Members are aware our next meeting will be held on Monday, the 13th, for non-official business. Thereafter meetings will be held on Tuesday, the 14th, Wednesday, the 15th and Thursday, the 16th. The business for the 14th will include motions for leave to introduce a Bill to amend the Indian Securities Act, 1920, for a certain purpose, and for the reference to a Select Committee of the Chittagong Port (Amendment) Bill, which was introduced on Monday last ; and on the 16th, so far as can be foreseen at present, the only business will be motions for the consideration and passing of the Burma Salt (Amendment) Bill, which was introduced on Wednesday, the 1st. Wednesday, the 15th, will be devoted to non-official business.

The Council then adjourned till Eleven of the Clock, on Monday, the 13th February, 1928.

COUNCIL OF STATE.

Monday, 13th February, 1928.

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

MEMBER SWORN.

Sir George Cockrane Godfrey, Kt. (Bengal Chamber of Commerce).

QUESTIONS AND ANSWERS.

THE HONOURABLE SIR MANMOHANDAS RAMJI : I do not propose to ask question No. 40, Sir.

POLICY OF PURCHASING STORES IN INDIA ON A SYSTEM OF TENDERS IN RUPEES.

41. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please inform the Council what progress, if any, has been made with regard to the adoption of the policy of Rupee Tenders in this country ?

THE HONOURABLE MR. A. C. McWATTERS : In reply to his question No. 83 I informed the Honourable Member on the 30th August last that the revision of the Stores Rules to give effect to the policy of purchasing stores in India on a system of tenders in rupees was engaging the attention of a Committee formed for the purpose. The Committee have since submitted the draft of a revised set of rules. These are at present under the consideration of the Government, and I hope that it will be possible to make a further announcement on the subject at an early date.

REPRESENTATION OF THE GOVERNMENT OF INDIA AT INTERNATIONAL AND IMPERIAL CONFERENCES IN 1927.

42. THE HONOURABLE SIR PHIROZE SETHNA : Will Government give the names of the International and Imperial Conferences at which the Government of India was represented during the course of the year 1927 and the names of the representatives on each one of them ?

THE HONOURABLE MR. H. G. HAIG : A statement giving the information desired by the Honourable Member has been placed in the Library of the House.

EMPLOYMENT OF SUITABLE INDIANS IN THE SECRETARIATS OF THE LEAGUE OF NATIONS AND OF THE INTERNATIONAL LABOUR OFFICE.

43. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please state if they have sent any representations to the League of Nations and to the International Labour Conferences urging the claims of suitable Indians for employment in their Secretariats ? If so, will a copy of such representation or copies of such representations be placed on the table ?

THE HONOURABLE MR. S. R. DAS: The Government of India have from time to time instructed their delegates to press India's claims in respect of the appointment of Indians both in the General Secretariat of the League and in the Secretariat of the International Labour Office. The Honourable Member's attention is requested to paragraph 70 of the interim report and to paragraph 43 of the final report of the Delegation to the Seventh Session of the Assembly.

ESTABLISHMENT OF THE ROYAL NAVY IN INDIA.

44. THE HONOURABLE SIR PHIROZE SETHNA: (*a*) Will Government please state what has been the progress made, if any, with regard to the establishment of the Royal Navy in India?

(*b*) Is it a fact that the cadets of the Training Ship S.S. "Dufferin" will be eligible for being taken up for the Royal Navy in India?

THE HONOURABLE MR. H. G. HAIG: With your permission, Sir, I will answer this question on behalf of His Excellency the Commander-in-Chief.

(*a*) The Royal Indian Marine ships "Clive", "Cornwallis" and "Lawrence" have been reconditioned as sloops of war, and the patrol craft boats and five trawlers have also been reconditioned. The Royal Indian Marine ship "Dalhousie" has also been converted into a depôt ship. To complete the squadron to its full strength, a new sloop will be built in England and negotiations for this are in progress. The requirements of the Indian Navy in respect of guns, mountings, ammunition, mine sweeping equipment, ordnance stores, etc., have been settled as far as it is possible to do so at present and orders have been placed for the supply of these articles. Details of organization, administration and finance have been settled, and next year's Budget has been framed as on the basis required for the Indian Navy. With very few and minor exceptions all questions relating to pay, pensions and conditions of service generally, of the personnel of the Indian Navy have been settled; and also the cadre of the different ranks. Final decisions have not yet been reached on all matters connected with the recruitment and training of cadets for the Indian Navy, both Europeans and Indians, and the Government of India are still in communication with the Secretary of State for India on certain points. The first entry of candidates under the new system of recruitment will, however, take place during this year. Candidates for the executive branch will be trained at naval establishments in England like similar recruits for the Royal Navy, and the Government of India will grant financial assistance during the period of training. I may mention that one Indian has already been recruited to the Engineer branch of the Service. The training of ratings in combatant duties is already in progress. The services of two specialist officers in gunnery and minesweeping have been obtained on loan from the Admiralty to supervise training in gunnery and minesweeping duties. The Government of India (Indian Navy) Act, 1927, has been passed in England to facilitate the provision of the Indian Navy. The Indian Navy (Discipline) Bill will be introduced in the Indian Legislature during the current Session.

(*b*) The question is under consideration.

INDIA'S CONTRIBUTION TO THE INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME.

45. THE HONOURABLE SIR PHIROZE SETHNA: (*a*) Will Government please state what is the amount of contributions made by different Governments to the upkeep of the International Institute of Agriculture at Rome, and what is the share of India in the same?

(*b*) What are the nationalities of the members of the staff employed in this Institute, and how many Indians are there on the staff of this Institute ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : (*a*) Governments contribute to the Institute in accordance with the group or class of membership to which they belong. India's contribution, on the basis of India's belonging to the II group, is at present Rs. 11,000.

(*b*) Government have no information.

APPOINTMENT OF AN ACCOUNTANT UNDER THE PORT COMMISSIONERS, CALCUTTA.

46. THE HONOURABLE SIR PHIROZE SETHNA : (*a*) Has the attention of Government been drawn to the advertisements by the Calcutta Port Trust for an Accountant in newspapers both in India and in England ?

(*b*) In view of Government's acceptance of a Resolution gradually to Indianise the Port Trust services, do Government propose to ask these bodies to select Indians for the position of Accountants ?

THE HONOURABLE SIR GEOFFREY CORBETT :

(*a*) Yes.

(*b*) Under the various Port Acts the Boards of Trustees exercise statutory power to appoint their own officers, except in the case of the highest appointments. The Government, when accepting the Resolution to which the Honourable Member refers, stated that the Port Commissioners must be trusted to manage their own affairs and to make their own appointments, and that the adoption of the policy of appointing Indians must come from within the Port Trusts themselves. They concluded, therefore, that the most practical way of giving effect to the Resolution would be the amendment of the Port Acts, so as to increase the number of Indians on the Boards in which the power of appointment has been vested ; and the Port Acts of all the principal Ports have now been amended accordingly.

THE HONOURABLE SIR PHIROZE SETHNA : Do Government propose to amend the Acts whereby there will be a larger number of Indians on the Indian Port Trusts than at present ?

THE HONOURABLE SIR GEOFFREY CORBETT : The Acts have been amended.

THE HONOURABLE SIR PHIROZE SETHNA : Supplementary to (*a*), Sir. Has the appointment been made ?

THE HONOURABLE SIR GEOFFREY CORBETT : Not that I am aware of.

GRANT OF FURTHER PROTECTION TO THE COTTON TEXTILE INDUSTRY.

47. THE HONOURABLE SIR PHIROZE SETHNA : (*a*) Are Government aware of the continued depression in the state of the cotton textile industry in Bombay ; and

(*b*) do they propose to take any steps for referring the matter to a new Tariff Board or to a special Committee to suggest what further help might be extended to the industry ?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) The Government are aware that the position of the cotton textile industry in Bombay continues to be unsatisfactory.

(*b*) The Government have no such present intention.

PAY OF TOWN INSPECTORS OF POST OFFICES IN CALCUTTA.

48. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that—

(*a*) before the introduction of the time scale of pay, the starting pay in the case of a clerk in Calcutta post offices was on the Rs. 20 grade and that of a Town Inspector was on the Rs. 80 grade, and that of an Inspector in the Moffusil was on the Rs. 60 grade;

(*b*) with the introduction of the time scale in 1920, the pay of clerks was revised to the scale of Rs. 45—140 and that of Moffusil Inspectors to the scale of Rs. 100—5—2—170;

(*c*) no revision was made in the pay of the Town Inspectors of Calcutta; and

(*d*) the Government recognised the necessity of improving the pay of Town Inspectors and at last issued orders No. 11-P. T. E., dated the 5th August, 1927?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) No. The minimum pay of a postal clerk in Calcutta was Rs. 40, that of a Town Inspector in Calcutta Rs. 80, and that of an Inspector in the Moffusil Rs. 60.

(*b*) Yes, in respect of postal clerks in Calcutta; the scale of pay for Moffusil Inspectors was fixed at Rs. 100—5—175.

(*c*) The fact is not as stated by the Honourable Member. Town Inspectors in Calcutta belonged to the clerical cadre and were automatically placed in the time-scale of pay fixed for that cadre.

(*d*) Government recognised the necessity of improving the pay of the posts of Town Inspectors attached to first class head offices. The orders of the 5th August 1927 referred to in effect abolished the old posts of Town Inspectorships and substituted others bearing the same designation but carrying all the duties and the scale of pay attaching to sub-divisional Inspectorships.

NUMBER OF POSTAL INSPECTORS IN BENGAL, DISTRICT BY DISTRICT.

49. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government of India be pleased to state the number of Postal Inspectors in Bengal, district by district? How many of them are Muslims?

THE HONOURABLE MR. A. C. McWATTERS: A statement showing the number of Postal Inspectors in Bengal, district by district, will be given to the Honourable Member.

There are two Muslims.

NUMBER OF REGISTERED CANDIDATES FOR THE APPOINTMENTS OF SUPERINTENDENTS OF POST OFFICES.

50. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government of India be pleased to state the number of registered candidates

for the post of the Superintendent of Post Offices enlisted up to 31st of December, 1927 last? How many of them have been taken as probationers province by province? How many of them are Muslims?

THE HONOURABLE MR. A. C. McWATTERS: As the Honourable Member has not specified the date from which he wants the information, Government is not in a position to give a reply.

STATEMENT REGARDING THE LIQUOR BILL IN SOUTH AFRICA.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member): With your permission, Sir, I should like to make a brief statement to the House on a matter of public importance. As this Honourable Council is no doubt aware a Bill, known as the Liquor Bill, was recently introduced in the Legislative Assembly of the Union of South Africa. Clause 104 of this Bill purported to prohibit, subject to certain mitigating conditions, the employment of Indians on premises on which liquor is sold. It was estimated that, if this provision were enacted, approximately 3,000 Indians now employed in hotels, restaurants, etc., in the Union would lose their employment, and, for the future, an avenue of profitable occupation would be closed to the community. The Government of India made suitable representations on the subject to the Government of the Union of South Africa, and it is my privilege to announce to-day to the Council that the Union Government have decided to withdraw clause 104 of the Liquor Bill. The decision, I feel sure, will be received with great satisfaction. I should like to avail myself of this opportunity to express the appreciation of the Government of India of this fresh manifestation of the friendliness of the Union Government, and my personal gratitude to the members of the Union Government for the generous manner in which they have dealt with our representations. Their decision is a sure guarantee of the continuance between India and South Africa of the friendly understanding which was established on a firm basis by the Cape Town Conference. Before I finish my statement, Sir, I should also like to acknowledge the important part played in these negotiations by our Agent in South Africa, the Right Honourable Srinivasa Sastri, whose tact and persuasiveness have proved of the utmost value.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Desika Chari has informed me that he does not wish to be called upon to move the Resolution* which stands in his name on the paper. I think he would like me to explain to the House that the circumstances which led to this decision of his have arisen so recently that he was not in a position to give much longer notice of his intention not to move.

RESOLUTION *RE* APPOINTMENT OF TRADE COMMISSIONERS OR COMMERCIAL ATTACHÉS IN THE COLONIES AND IN EUROPE AND AMERICA.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, I ask for permission to amend slightly the wording of my Resolution. In the first line, in place of the words "to appoint" I would, Sir, with your permission, like to substitute the words "to consider the appointment of".

*"This Council recommends to the Governor General in Council to convene a Conference of representative non-officials to consider and suggest ways and means for giving effect to the Report of the Indian Mercantile Marine Committee."

THE HONOURABLE THE PRESIDENT: The Honourable Member may move it in that form.

THE HONOURABLE SIR PHIROZE SETHNA: There is another slight change. After the word "Colonies" in the second line, add the words "and other parts of".

THE HONOURABLE THE PRESIDENT: Yes.

THE HONOURABLE SIR PHIROZE SETHNA: I move, Sir:

"That this Council recommends to the Governor General in Council to consider the appointment of Trade Commissioners or Commercial Attachés in the Colonies and other parts of the British Empire and in the countries of Europe and America in order to develop Indian trade and commerce with those colonies and countries, and that these new posts should be thrown open to Indians in the first instance."

Sir, the underlying principle of the first part of my Resolution is the necessity and desirability of promoting and extending the trade and commerce of this country with other parts of the British Empire, with the continental countries of Europe and with America. The development of the trade and commerce of every country is bound up with its general prosperity. It helps to increase the revenues of the State, to raise the average income of its people, to diminish unemployment and to open up to promising and energetic young men fresh fields and pastures new for initiative and enterprise and for adding to the wealth of the country. These manifold advantages of trade and commerce are recognised by most countries, and consequently they devote very great attention to them. A Chinese Philosopher centuries ago uttered the profound truth that the well-being of a people is like that of a tree. Agriculture is its root, manufacture and commerce its branches and its life. If the root is injured the leaves fall off, the branches break away and the tree dies. We are gratified that Government recognise the force of this truth and have given evidence of taking care of the root by the appointment of the Royal Agricultural Commission. And we hope its report, when ready, will make recommendations of a kind which should prove most useful and help to improve and increase the agricultural conditions very greatly in this agricultural country. Government's next duty must be to take care of the leaves and branches which are the trade and commerce of the country, and the best way of doing that would be by some such means as I have recommended in my Resolution. Embassies, Legations and Consulates are opened by independent Governments in foreign lands mainly for the purpose of maintaining political relations but, as a side issue, also to explore the avenues of trade relations and commercial intercourse, which they seek to establish, develop and to promote. It is time now for the Government of India to see that our trade and commerce with the countries that I have named, in fact with the world at large, go on gradually improving. And we cannot do better than profit by the example of other countries by the appointment of a regular service of Trade Commissioners.

This question has not come up before Government for the first time. It has been before them very prominently for now nearly 15 years. Bodies like the Indian Merchants Chamber, like the Bombay Mill-owners' Association, the Indian Industrial Conference, the Indian Industrial and Commercial Congress and others have passed resolutions that have been duly conveyed to Government. I do not say for one moment that Government are unsympathetic to this request, and I take it that if Government have not made much progress, or any progress worth mentioning in this direction so far, it is because of want of funds. But I hope they will recognise that the time has arrived for

us, if we want to keep pace with other countries, not to shelve the question any longer. If we do so, India will lag still further behind. We have a Trade Commissioner in England, and the present incumbent of this office Mr. H. A. F. Lindsay, I know, is rendering excellent service. Mr. Lindsay in a recent lecture observed :

"It is not usually realised that India holds so important a place in the world's trade, having advanced from the sixth place in the list of the principal countries in 1913 to the fifth place in 1924."

There is, however, room for considerable expansion for India to rise from the fifth place to a still higher place. During the last three years, according to the Review of the Trade of India published by Dr. D. B. Meek, Director-General of Commercial Intelligence and Statistics, the volume of export trade has regained its pre-war level, but so far as the import trade is concerned, the recovery is still very far from complete.

Now, Sir, we are as much concerned with the import as with the export trade, and there will be development in both directions if we have Trade Commissioners at different centres carrying on propaganda work for the Government of India and its trade in the person of Trade Commissioners. Mr. Lindsay, and now that he is about to go on leave, his successor, cannot do much single-handed. I understand he is to be given a Deputy before long, but even the two between them can do but very little. We want our men right on the spot.

Our manufactured articles are not exported in large quantities from India because we have not yet reached that position. Notwithstanding this, it is a well-known fact that our Hessians go all the world over and our piece-goods and our yarns go to some countries not far remote from India. Our exports consist mostly of our raw materials, and also what is known as Indian art work and curios. In regard to the latter I am reminded of what I was told as far back as a quarter of a ceuntry ago by one of the largest dealers in this line of business in New York, that if our turn-over in Indian arts and curios is not large it is because the Indian artisans simply copy designs or patterns which were first introduced not by their fathers or their grandfathers but perhaps centuries ago, whereas in Japan, because they move with the times and introduce new things, their sales of their art work and curios have increased very considerably. This is a matter in regard to which I must blame the Government to some extent, for Government know that the class of people who attend to this kind of work require help and advice, and if these men were told what exactly was wanted, perhaps by now our trade in this particular line would have increased very considerably. It is not yet too late, for if we have Trade Commissioners, they will explain to the dealers here what exactly is wanted and we will do better in the future than what we have done till now.

As regards the export of our raw materials to distant lands, I regard that this work has been done in three stages. In the first place, all our exports to the Continent of Europe or to America were exclusively through the intervention of British merchants. During the second stage and particularly since a few years before the War, countries like Germany, America and others, sent out their representatives to India with the result that they have been able to establish a direct trade, but that direct trade is not as large as it might well be. Therefore, I contend that we have now entered on the third stage, namely, when our representatives should be sent out to different parts of the world to point out to the buyers there what we can sell, to point out to sellers here what the buyers want, to point out how sales can be increased and other details

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which would tend to promote the trade and commerce of this country. In doing so we shall be following what is done by other progressive countries. Take for example Great Britain herself. She is doing her best to consolidate the trade of the Empire by holding Empire Exhibitions, by forming an Empire Marketing Board, an Empire Fellowship League and other things of the same kind. Of course in all this, India comes in for a share, but so far that share is very limited and we want it to be greatly extended. Thus Indian merchants who went to Wembley in 1924 and in 1925 and others who in the following year 1926 went to the American International Exposition in Philadelphia were all able to sell their wares to great advantage and several of them introduced new lines. Unfortunately, after they returned and because there were no Trade Commissioners to bring together the buyers and the sellers, those lines which might have been greatly cultivated have perhaps been neglected and the trade in them is still very restricted.

Great Britain has a Department known as the Department of Overseas Trade, and in Mr. T. M. Ainscough they have an excellent Senior Trade Commissioner for India and Ceylon. His report was published only 5 weeks ago in which he points out that the United Kingdom's share has fallen by 10 per cent. in three years and is not nearly 48 per cent. of the total imports made by India compared with 63 per cent. before the War, while there is a corresponding increase in the trade from America, Germany, Japan, Belgium and Italy. In his report he suggests that British methods require most drastic overhauling, and urges that British manufacturers go to India to see the altered conditions for themselves and adapt themselves to the same. I am sure this advice of Mr. Ainscough will not be lost on the British manufacturer and that if they have lost 10 per cent. within the last three years, they will have gained 10 per cent. and more of this lost trade in the next three years. We also therefore want Trade Commissioners and we want them to help us in the same way by making suggestions from time to time from different countries which will enable us to go on increasing our exports as also our imports. In this connection I may mention what France is doing at the present moment. France is pushing the products of its African Colonies, particularly cotton, wool, hides and skins, by endeavouring to sell them in competition with us in European markets. Then again, in another component part of the British Empire we have another rival, namely, West and East Africa. They are beginning to sell their raw products particularly in the Continent of Europe. The position will get still worse unless we have qualified men to point out to us our defects and to see that we keep alive and progress in the lines that we are just now sending out of this country and also introduce new lines.

The suggestion I am making is by no means out of the common. The House knows fully well what the other parts of the Empire are doing. Canada, Australia and South Africa have trade agencies with beneficent results to themselves. Canada is foremost in this line. They established what is known as their Commercial Intelligence Service in the year 1906, and by now they have spread their ramifications so far that Canadian Trade Commissioners are helping their Government in the following countries : the Argentine Republic, Australia, Belgium, Brazil, the British West Indies, Cuba, China, France, Germany, Holland, India and Ceylon, the Irish Free State, Italy, Japan, Mexico, the Netherlands East Indies, New Zealand, South Africa, the United Kingdom, and the United States of America. I have given the names in their alphabetical order. Since the establishment of this Commercial Intelligence service, Canada recognises that its trade has increased and increased very considerably, and they admit that this is due in a large measure to the good

work done by their Trade Commissioners. The duties of the Trade Commissioners in the countries in which they are posted are to acquaint the people of those countries as to what they can profitably import from Canada and also to tell the people at Home what they can profitably import from the countries they have been sent to. Manufacturers in Canada have worked themselves into a profitable export trade due largely to the stimulation of the Commercial Intelligence Service and without which they would have had to remain satisfied with a purely domestic trade. The Canadian Manufacturers' Association is a very powerful body of merchants in that Dominion. They emphasise on their Government year after year to make no diminution in the grant they make for this Service, because they realise that every dollar they spend on it is well spent and brings back a very handsome return. To quote a few figures, in 1906 the foreign export trade of Canada was only 235½ million dollars which in 1927, after 21 years, increased to 1,252 million dollars, an increase of 540 per cent. Their imports in 1906 were only 283¾ million dollars which by 1927 rose to 1,031 million dollars, an increase of 360 per cent. I quite admit that in a country like Canada which is fast growing there is bound to be a substantial increase in these figures, but much of this phenomenal increase is due to the efforts of their Commercial Intelligence Service and their Trade Commissioners. I observed a little while ago that Canada was the first to establish a Commercial Intelligence Service in 1906. It was followed by Great Britain, and later by the United States of America. I am not quite sure about the date with regard to Great Britain—I believe it was in 1908—but I know that the United States copied the example of Canada as late as 1914. Its Trade Commissioner came out to India for the first time in 1922, and since his arrival, within only 5 years, they notice a very considerable expansion both of the export and of the import trade. America is now represented by Trade Commissioners in as many as 30 countries. As in Canada, the commercial community in the States full well recognise the benefit that this Service has rendered to them. While the Canadian Service is called the Canadian Intelligence Service, the Service in the United States is called the Bureau of Foreign and Domestic Service. Now, Mr. President, in America, as in India and anywhere else, every year there is an attempt to cut down expenditure under different headings when the budget is discussed, and this House will be surprised, and agreeably surprised, to know that so far as this particular Department is concerned there has never been a setback. Government have acknowledged its value and they have always gone on adding to the grant for this Bureau. But Government do not do so haphazardly. Government require the Bureau to furnish them with facts and figures to show that in the year just ended their Trade Commissioners have been able to increase the volume of trade of the country over the previous year by a substantial amount. This the Bureau has been able to show year by year, and that is the reason why America does not grudge spending what it does, and I believe it allots at present more than Rs. 50 lakhs to the Bureau. Here, therefore, is a guide to us as to what we may do, and I feel confident that every rupee we may spend in this way will bring back to the country a very adequate return.

The total trade to-day between India and the United States approximates Rs. 60 crores a year. The exports to America exceed Rs. 40 crores a year and imports approximate Rs. 20 crores. This is particularly true if we add to our direct trade figures the re-exports from the United Kingdom. The present trade between India and America has reached such proportions as to fully justify the appointment of an Indian Trade Commissioner. There is danger in assuming that India's present market in America is secure. America is a very important buyer of jute products, shellac, goatskins, mica, myrabolams,

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castor seed, drugs, manganese, cotton, wool, coir, tea, pepper, carpets, furs and bone meal. It is evident that India's trade is not confined to any one monopoly product but is dependent on America's purchases of many Indian products which must compete in a highly competitive international market. Considering the fact that America has been experiencing the greatest industrial activity and prosperity in her history, it is to be questioned whether India has secured as large a share of America's import requirements as could reasonably be expected. In fact, a comparison of the tonnage exports to America in 1914 with the tonnage exports in 1926 and 1927 would indicate that there has been some decline in our shipments to that country.

I referred a minute ago to re-exports of Indian goods from the United Kingdom to America. I have in mind the exports of wool. America takes about 12 million dollars worth of Indian wool, of which she buys about a fourth direct and the remaining three quarters through the Wool Brokers' Association of Liverpool. If we had a larger percentage of direct trade not merely would there be a direct gain to the country, but there would also be indirect gain in the shape of help to Indian banking, Indian shipping and Indian marine insurance companies, and otherwise. And here again, I am not suggesting anything which is new. Australia before the War like ourselves did its wool trade with America through Liverpool. Since the War it is doing it direct with greater gain to itself in the several directions to which I have just now referred.

Now, Sir, I have in my hand the August 13th, 1927, number of the Canadian Commercial Intelligence Journal issued by the Canadian Government. It gives under five headings what that Government expects its Trade Commissioners to do and what it expects the merchants of Canada to attend to when they have to deal with their Trade Commissioners. It is only a page of this journal, and because it contains very valuable information under five headings, with your permission, I propose to read the same. The first heading is Commercial Information. It says :—

"*Commercial Information.*

Manufacturers and exporters can receive up-to-date information through the Commercial Intelligence Journal or by direct correspondence with the Department or any of the Canadian Trade Commissioners as to—

(*a*) The present and prospective demand for their goods.

(*b*) Foreign and local competition.

(*c*) Details of best selling methods.

(*d*) Reports on foreign buyers.

(*e*) Specifications of articles in particular demand.

(*f*) Inquiries for goods, and by means of an efficient system for collecting such inquiries the names can be obtained from time to time from the Commercial Intelligence Branch of the Department at Ottawa.

Agents, Buyers and Distributors.

Trade Commissioners will also—

(*a*) Recommend to intending exporters the names of responsible parties in a position to act as agents or buyers and distributors.

(*b*) Give every possible assistance to such agents, etc., and will introduce them to influential individuals or associations who may be in a position to buy goods from Canada.

(c) Give confidential information, when so requested, as to the activities of agents approached by Canadian exporters, or firms to whom sales have been, or are being made.

Trade Commissioners can assist in advising Canadian exporters and manufacturers:

(a) As to the best media in which to place advertisements and the form which such advertisements should take.

(b) In the display of catalogues, price lists and samples where they can be seen by potential buyers.

(c) As to the distribution of trade literature and its probable cost.

General.

(a) Trade Commissioners will always be glad to receive visitors from Canada and introduce them to possible buyers or agents or put them in touch with such experts as legal advisers, interpreters, and shipping and banking representatives.

(b) The good offices of Trade Commissioners can always be invoked with a view to settling difficulties which may arise between Canadian exporters and buyers abroad.

(c) Trade Commissioners will, at any time, provide such information as may be available as to freight, rates, customs, port dues, etc., so as to enable Canadian firms to quote prices for delivery overseas.

Final arrangements.

Particulars can be obtained with regard to:

(a) Terms of credit which may be given to foreign buyers.

(b) Financial houses and banks who will discount bills or give credit.

(c) Regulations governing the recovery of debts in foreign countries.

(d) Disposal of goods abroad contracted for but not accepted by foreign buyers.

(e) Infringement of trade marks or patent rights, and advice on registration.

Information necessary to the Trade Commissioner.

When a Canadian exporter desires the assistance of a Trade Commissioner in marketing his goods abroad, he should in the first letter give that officer the very fullest information in regard to the commodity which he desires to sell as follows:

(a) Catalogues and best export prices, c. i. f. port of entry or failing that, f. o. b. Canadian port.

(b) Details regarding process of manufacture if convenient.

(c) If not bulky, samples of what the firms have to offer should be forwarded.

(d) Bankers' references.

(e) The proportion of output which is available for export, time required to ship from receipt or order, and the quantity for which orders will be accepted.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported and can then either place the exporter in communication with reliable importers or recommend suitable agents."

Now, Mr. President, this gives an outline of the work that is being done by the Canadian Trade Commissioners. Our men can do likewise with equally good results. We do not expect the Government of India to establish Trade Commissioners all at once in twenty countries as Canada has done or in thirty countries as the United States of America have done, but we want Government to make a beginning and do that as quickly as possible. A few months ago, Diwan Bahadur Rangachariar, who was sent as a delegate by the Government of India to Australia at the opening of the new capital there, made speeches in that Continent, as well as on his return to India urging the necessity of promoting trade relations between Australia and this country. Speaking for my colleagues and for myself who 15 months ago formed the Delegation from the Government of India to South Africa, I have no hesitation in saying that

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we found that there are possibilities of a far larger trade than exists at the moment between South Africa and India, and that could be taken in hand if, in addition to the Agent whom we have now in that country in the person of the Right Honourable Srinivasa Sastri and to whom such deservedly complimentary reference was made this morning by the Honourable the Leader of this House, we also have an efficient Trade Commissioner.

Finally, Sir, our Trade Commissioners must be efficient men; not only must they be well educated and energetic, but they must be inspired by boundless enthusiasm for the welfare of their country. All I recommend is that a fair start be made and that proper officers be selected for the purpose. It is very necessary that such officers are Indians and men with business experience before they are appointed. It is not necessary to dilate on this point. One advantage would be that a new career would be opened to Indians and a stimulus given to the employment of our young men in trade and commerce. I do not wish to make my Resolution a peg to hang a political discourse on. But our very inferior political status carries with it numerous disadvantages, one of which is that certain careers which are open to the citizens of an independent or a self-governing country are closed against us. These disadvantages must be minimised as far as possible. The appointment of Indians as Trade Commissioners or as Commercial Attachés will be a step in the right direction, and it will be highly appreciated by the Indian people. The presence of proper Indians in such capacities in foreign lands will not only be valuable for the main purpose we have in view, but will also serve to raise India in the estimation of other countries.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I am very glad that the Honourable Sir Phiroze Sethna has moved this Resolution. He has given the support of his informed advocacy to a matter which we in the Commerce Department have very much at heart,—and that is, the extension of the import and export trade of India, which may be said to be to a large extent the very reason for our Department's existence. I thank him particularly for his eloquent vindication of the value of foreign trade to a country. It might seem almost absurd that I should have to say this; but it is a fact that there is a school of economic thought in India which seems to be definitely hostile to foreign trade, and to regard export trade as a drain and import trade as exploitation. I am glad to take this opportunity for stating what our policy is, what we have done in the past, what we are doing now, and what, if we get sufficient support, we should like to do in the future. For a great many years now,—I think it is now 20 or more years,—there has been the Department of Commercial Intelligence in Calcutta, and it has been administered by very efficient officers who have done a great deal, I feel sure, to develop the export trade of India and, particularly, the export trade of Indian goods by Indian firms, and to bring them into direct contact with markets abroad. But it must be recognised that a Department of Commercial Intelligence in India is not sufficient for our purpose. As the Honourable Mover has very convincingly shown, the head of this Department must have his opposite number in the countries with which he is trying to create trade connections. That is, he requires Trade Commissioners overseas in the countries where we have important markets or markets which are capable of being made important.

I should, however, like to take this opportunity of paying a tribute to the work that has been done for India by His Majesty's Trade Commissioners in other parts of the Empire who have watched our interests as if they were their own, and also by the Commercial Attachés attached to the Embassies in foreign

countries. In our recent inquiries in regard to the position of the cotton industry, I think it is no exaggeration to say that no Indian Trade Commissioner, however keen, however able, however enthusiastic, could have done more for us than His Majesty's Commercial Attaché at the Embassy at Tokio.

Well, Sir, the first move in the direction of establishing Trade Commissioners overseas was the appointment of an Indian Trade Commissioner in London during the latter years of the war. At that time conditions in other countries of the world were really too disturbed for appointments elsewhere, but at the same time the first Indian Trade Commissioner, Sir David Chadwick, made some important investigations in various countries on the Continent of Europe before taking up his appointment as Indian Trade Commissioner in London. After the war proposals for appointments in various countries were considered. An Indian Trade Commissioner was actually appointed at Mombasa in the year 1922, I think, or at the end of 1921. And the Government of India prepared a large scheme for the organisation of a commercial service which would include recruitment for Trade Commissioners abroad. Then, however, came the Inchcape Committee,—the Retrenchment Committee,—and this not only stopped us from giving effect to our scheme for a commercial service, but as a result of its Report, the existing Indian Trade Commissioner at Mombasa was abolished, and the activities of our Trade Commissioner in London were seriously curtailed and maimed, not only by a reduction of the staff, but still worse perhaps, by the closing of his office in the City and the removal of it to the High Commissioner's office in Grosvenor Gardens which, to any one who knows London, is of course an absurd locality for a Trade Commissioner's office to be established in. I should like to note here that this was no bureaucratic shortsightedness, but the Inchcape Committee was a committee of business men, and from that time onwards we were always up against the fact that it suggested that even the modest sum that we were spending might be retrenched; and I have no doubt that this decision has discouraged to some extent the revival of our schemes.

In 1926, however, a Publicity Officer was appointed to assist Mr. Lindsay in London, particularly in participating in exhibitions and fairs abroad as well as in England. As an instance of the manner in which the extension of these activities were still regarded, I may say that the total expenditure which only amounted to £1,100 in that year, including the Publicity Officer's salary and all provision for office staff, exhibits and travelling allowance, and for the purpose of hiring space and so on, was only agreed to by the Standing Finance Committee as an experimental measure for one year only, subject to a report being made at the end of that period. Now, this House will appreciate how very hampering such a condition was. The business men in this House will realise that it is extremely difficult to plan a campaign of advertisement or publicity when you are limited to one year, and it is equally difficult to get a suitable man to undertake the task on a very modest salary for one year only. We were, however, extremely fortunate in securing the services of Mr. Asli, who had previous experience at Wembley, and he did very well and his post has been continued by the Standing Finance Committee and the Assembly, and recently, a week or two ago, the Standing Finance Committee agreed to make it permanent. I think indeed that we may say that in recent years, in the last year or two, the value of trade agents overseas has become better appreciated, and that there are more people now in India who share the enlightened views of the Honourable Mover in this matter. This is due partly to Wembley, I think, and the obvious need which arose from Wembley of the existence of some sort of an organisation to carry on the connections that were then created, and expand them, and it is still more perhaps due to the energy and enthusiasm

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of our present High Commissioner, Sir Atul Chatterjee, and his very capable Trade Commissioner, Mr. Lindsay, to whom the Honourable Mover has paid a well deserved tribute.

The first stage in this new programme, as we may call it, was the plan which Sir Atul put forward for the construction of an India House in Aldwych, in which also the Honourable Mover was much interested and to which he gave much valued support. The advantages of the new India House from the trade point of view are firstly that it gives accommodation for exhibits, not only for inquiries from London, but also as a nucleus for exhibitions and fairs in other parts of the United Kingdom and on the Continent and America, and also, still more important, that it is near the city and it again restores the connection between the Indian Trade Commissioner and the city which was severed so rudely by the Inchcape axe.

From this stage we go on naturally to the participation in exhibitions and fairs, which is only one branch, of course, of the Trade Commissioner's activities, but is perhaps the most spectacular branch and is a matter of particular importance, especially on the Continent where, as the Honourable Mover has pointed out, not only are our manufactures not receiving due attention, but there is even a serious risk of severe competition against our raw materials, particularly in those Continental countries which have Colonies overseas and, as the Honourable Mover pointed out, are trying to push, quite naturally, the products of their own Colonies in their own countries in competition with raw materials exported from India.

In order that this House may not think we have been entirely idle in this matter, even with the small staff at our disposal, I should like just to give them an abstract of Mr. Asli's report on his work for 8 months only, that is between the 1st April and the 30th November last year, which was prepared to place before the Standing Finance Committee in accordance with their requirement that he must justify his appointment before it was continued. The exhibitions and fairs in which India participated in Europe fall into two classes. The first are those that are organised and conducted entirely at the expense of the Indian Trade Commissioner's Office, and the second those in which the Empire Marketing Board, to which the Honourable Mover has referred, provides space and stores at their own expense, and our Trade Commissioner's Office has only to do with the rest, that is with the supply of exhibits and the staff. In the first class, the following exhibitions were undertaken. We participated in the Leipzig International Fair, which ran from the 6th to the 12th of March 1927. I should like to explain that our funds are so small that we can only afford to participate in the Trade fairs which run for a very short period, for about a week or so, and not in the more important exhibitions which run for months on end and are more costly. Our resources are only a few hundred pounds. Well, Sir, we participated in the Leipzig International Fair at a cost of £146.16.9*d*. We put up our show for that. In the Milan International Fair we participated from the 12th to the 27th April at a cost of £356. Again in the International Tobacco Trades Exhibition, from the 30th April to the 7th May, at which the cost of our exhibits was only £86-7-10*d*. But it was such a good one that the Indian stall was awarded a silver medal. At the Railway Employers' Exhibition, at Manchester, from the 24th to the 30th September, at a cost of £26-4-6*d*. And, again, at the Prague International Fair, from the 18th to the 25th September, at a cost of £250.

So I think from the extent of our activities it will be seen that we have not at any rate thrown money away. In addition, we have the exhibitions of

the second class, in which space has been provided by the Empire Marketing Board. I need not detail them. Most of them are in the United Kingdom. There were 7 exhibitions, of which the most important were the British Industries Fair and the Ideal Home Exhibition ; and, thanks to the assistance and co-operation of the Empire Marketing Board, the cost to us varied from one pound only for one exhibition to a maximum of only £14. In addition to this, we have provided exhibits for Indian stalls at 21 different exhibitions in different parts of the United Kingdom and also for one in Canada.

To give the House some idea of what we do when we participate in these trade exhibitions and fairs, I should like just to give you some extracts from the report on our stall at the Prague International Fair last September, which lasted from the 18th to the 25th September. Its importance is indicated by the fact that no less than 37 different countries participated in it, including America, France, Brazil and Switzerland. And India's first appearance at this exhibition was given a special welcome. We were given a very good position in the exhibition grounds and our stall was nicely decorated. I have seen a photograph of it ; it looked very nice indeed. The scope of our exhibits was as follows. There were 11 different groups. One of them was foodstuffs. We showed 14 different kinds of foodstuffs, and several of spices and condiments. The second group was oils and oilseeds. We exhibited 15 different kinds of them. The third group was essential oils. The fourth group was drugs and medicines, the fifth group dyeing and tanning substances, the sixth group gums and resins, the seventh group minerals, the eighth group textiles, the ninth group leather and skins, the tenth group timber and the eleventh group art ware and fancy textiles in which branch, as the Honourable Mover has pointed out, there is great scope for expansion, particularly in North America. It was also arranged to draw special attention to India's participation on the fair, and that His Excellency the British Ambassador at Prague should formally open the Indian Pavillion. There was a very good attendance at the formal opening including the Foreign Minister of Czecho-Slovakia, the Minister for Commerce, the Burgomaster of Prague and the President and Directors of the Fair. An account of the ceremonial opening appeared in all the local papers in Czec, German and French, and the Ambassador's opening speech was also broadcasted all over Europe. Our Publicity Officer reports that the Indian Pavillion became a centre of attraction and was crowded with visitors all through the period of the Exhibition. Over 100,000 people visited our exhibits on the first day, and the total number of visitors on all the eight days was 375,000. That, I think, Sir, was a very good show for £250. It only illustrates what can be done if we can get money. We do not waste our money. The Publicity Officer at the same time pointed out that, owing to lack of funds and the failure of export traders in India to provide him with exhibits free, some of the exhibits were not as good as they should be.

12 NOON.

Now, Sir, that takes us on quite naturally to the third stage, which is the strengthening of the Indian Trade Commissioner's Office in London in order to organise and control this wider work on the Continent and in America, and secondly,—the point on which the Honourable Mover has laid stress,—the appointment of Trade Commissioners in countries in Europe and America where these exhibitions and fairs are held and in which we participate, in order to follow the inquiries and the trade connections which they may establish. At Prague, for instance, there were some 100 inquiries made relating to various Indian products entirely from the trade. These were not from private individuals or retail dealers but from wholesale dealers, and our camp office at the fair gave such information as it could. But when they went back to London, there was no one left on the spot to follow things up and nobody to establish personal contact,

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which as businessmen know is so important in these matters : correspondence is far less effective. Well, Sir, in order to provide for our needs, the High Commissioner is framing proposals. He has recently put before the Standing Committee a proposal, which has been accepted by them, to make the Indian Trade Commissioner's Office in London permanent : up to now it has only been on a temporary basis. And he has also made proposals for strengthening it, including the appointment of a Deputy Trade Commissioner in London, with two objects, first, to give Mr. Lindsay the assistance he needs in his wider activities and, secondly, to train a man for appointment as Trade Commissioner elsewhere on the Continent or in America. The detailed proposals on which Sir Atul Chatterjee is now engaged were foreshadowed in a recent memorandum which was placed before the Standing Finance Committee, including the possibility of appointments in Europe and America.

So far as the West is concerned we are awaiting those proposals which will be dealt with as sympathetically as possible. At the same time it is necessary to make provision for countries in the East, and particularly in countries bordering on the Indian Ocean, for which India provides a natural trade centre. I have already mentioned that we once had a Trade Agent at Mombasa, but this was unfortunately abolished in 1923. The matter, however, has been given a fresh stimulus by the recommendation of the Tariff Board which inquired into the cotton industry, and which recommended that inquiry should be made for suitable places to appoint Trade Agents in the Near East and in East Africa. In accordance with that recommendation a mission has recently, only a week or two ago, left India, consisting of Dr. Meek, our Director-General of Commercial Intelligence, and the Secretary of the Bombay Millowners' Association and Mr. Dutia, an expert in textiles, in order to inquire into the possibilities of expanding the export trade in cotton textiles, and of appointing Trade Commissioners in the Near East and in North and East Africa, and also to report to us in which countries the appointment of Trade Commissioners would be most paying. It may be explained that our provisional idea of organisation is that the Trade Commissioners on the Indian Ocean and in the East would be based on the office of the Director General of Commercial Intelligence in Calcutta, while the Commissionerships in the Continent of Europe and in America would be based on the office of the High Commissioner and the Indian Trade Commissioner in London.

That, Sir, is briefly the plan we have in view, which, subject to the financial position of the Government of India and the vote of the Assembly, we hope to be able to pursue as soon as we have received more concrete proposals from Sir Atul Chatterjee and from Dr. Meek's mission. I should, however, like to point out that full value will not be obtained from any move of this kind unless a corresponding effort is made by the trades in India to provide for a marketing organisation which will take full advantage of the markets opened up to them by Trade Commissioners. Trade Commissioners cannot develop trade. They can only point out opportunities for development, and the necessity for marketing organisations of the trade themselves will become more and more insistent every year. I may mention that when we had a Trade Commissioner at Mombasa he made considerable complaints that he did not get very much response from Trade Associations and others in India to whom he sent information. It may also be recalled by those who have studied the report of the Tariff Board on the cotton textile inquiry, that the Tariff Board in recommending the appointment of Trade Commissioners made this proviso :

" We are strongly of opinion that the appointment of Trade Commissioners should be made conditional on the acceptance by the Millowners' Associations of our recommend-

ation that strong sub-committees of the Associations should be constituted whose sole function it would be to deal with matters connected with the export trade and with which the Trade Commissioners would be in close touch."

I am very glad to say that I understand that the Bombay Millowners' Association has already formed an export sub-committee and I know that they are taking a very lively interest in this mission in which they are co-operating.

But one must go a good deal further than that. I had rather an interesting letter from Mr. Lindsay on this subject which, with your permission, Sir, I should like to read to the House, because it puts the matter very clearly from the point of view of an expert. He was speaking generally of the difficulties which Indian products, particularly our raw materials, met in foreign countries owing to the bad condition in which they were exported, and also the inability of the Indian seller to combine against the foreign buyer. Mr. Lindsay wrote as follows :

" To my mind, the remedy, and the only real and lasting remedy, for the existing state of affairs lies in efficient organisation—organisation aimed at maintaining quality and therefore also value and price. I am firmly convinced that by means of organisation we can do much to improve the standard of Indian produce, the quality of which is at present so widely and justly condemned in foreign markets. I am equally convinced that India would benefit enormously by the higher prices which her goods would command abroad. This applies certainly to hides and skins. It applies to hemp and tobacco. It applied to wheat until a year or two ago when the London wheat importers insisted on a clean basis. It applies to oil-seeds and vegetable oils and oil-cakes. It applies to cotton pending further reforms by the Indian Central Cotton Committee. It applies to some extent to jute.

The form of organisation must naturally vary with the particular commodity concerned. The underlying principles should in all cases be the same :

(i) The development of some corporate body in India capable of negotiating on equal terms with foreign associations of importers of the particular class of goods ;

(ii) The provision of funds to enable that body to effect the necessary improvements, removal of adulteration and so forth.

The existence of the corporate body is a necessary preliminary to progress in foreign markets. In the first place, it is necessary to maintain Indian interests in the terms of contracts for the sale of Indian goods abroad. Secondly, it will be able to bring corporate influence to bear on local methods of production. Thirdly, it will extend its influence abroad and will capture markets more effectively than individual traders can."

One of the difficulties in the organisation of a marketing association is usually lack of funds which are earmarked for this purpose. But this difficulty has been met very effectively in several instances by the imposition of cesses which are imposed by an Act of the Legislature at the request of the trade concerned and are then collected by the Collectors of Customs and handed over to the Association or Committee for expenditure on marketing. One of these cesses is the tea cess to which Mr. Lindsay in the same letter refers as the ideal system. Speaking of organisations in other countries, he says :

" Not one of them can even begin to compare in efficiency with the organisation of the Indian Tea Association. Here you have the ideal system. Production is in individual hands and yet central pressure is constantly exerted in regard to quality. The chain of middlemen is reduced to a minimum ; in fact, the tea, in most instances, remains the property of the producing company until finally auctioned to a wholesale dealer in London under conditions which ensure both the fullest information as to quality and the freest competition between purchasers. The success of the Association is due largely to the fact that for the last 25 years it has been able to count on regular funds, raised by itself with Government help and applied to scientific investigation and to propaganda."

Another cess of the same kind is the lac cess which is very well administered, and finally we have the Indian Central Cotton Committee which was formed

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a few years ago and has already effected very great improvements in the growing and marketing of cotton. Our policy in the Commerce Department is to extend these methods as far as possible. Recently, a few months ago, in connection with the abolition of the export duty on raw hides we issued a circular asking whether a cess might be substituted for it, which might be utilised in improving and extending our market for leather goods as well as raw hides and skins. Again, in the matter of coal it may be remembered that a few years ago we appointed an Indian Coal Committee to go into the question of the loss of our export trade, and since its report there has been a great recovery in the export trade in coal partly due to other circumstances in other countries, but largely due to the establishment, on the recommendation of the Committee, of the Coal Grading Board which gives a certificate of the quality of the exported coal. More recently we have had before us a proposal to put on a cess for the organisation and marketing of soft coke, and we have had discussions as to whether this cannot be extended in a wider manner to coal generally and not confined to soft coke. I mention all this to show what we have always in mind. Whenever any trade is willing to come to us, we respond at once, and we are indeed ready to exercise a good deal of pressure on a trade to organise itself and to raise funds in this way for improving its marketing and the condition of its goods.

There is only one point left and that is the last sentence of the Honourable Mover's Resolution ; that is, that these new posts should be thrown open to Indians in the first instance. Well, Sir, I think the Honourable Mover will agree with me that India has been well served by Sir David Chadwick and Mr. Lindsay as Trade Commissioners in London, and I do not think she could have been better served. But we agree that it is right and proper that Indians should undertake the task of increasing the sale of Indian goods overseas, and our policy, our desire is to appoint Indians to these posts. The difficulty is in finding suitable Indian candidates on the pay that we can offer.

THE HONOURABLE SIR PHIROZE SETHNA : What is the pay ?

THE HONOURABLE SIR GEOFFREY CORBETT: The pay of Mr. Lindsay at present is £1,350 a year *plus* a steadily diminishing cost of living allowance, and the Publicity Officer, Mr. Asli, who is an Indian, gets only £600 a year. The Honourable Mover laid great stress on the importance of having very efficient officers for this task, in which I entirely agree with him, and also of having men who have had previous business experience. The difficulty is in finding an Indian who has been successful in business,—and we do not want a man who has been a failure in business—it is rather difficult to get him to go on the salary for which we can get sanction. We have already told the Standing Finance Committee that we hope to be able to appoint an Indian officer to the new post of Deputy Indian Commissioner who is to assist Mr. Lindsay for the present and get the necessary training for a foreign appointment in the future when the Continental appointments are made. Our intention is to appoint to this post in all probability a service member, probably an Indian Member of the Indian Civil Service—I see the Honourable Mover is smiling—because that may assist us in overcoming the difficulty of the question of his salary. But we hope to be able to get Indians for these posts, and if the Honourable Mover would assist us in the matter, we should be very grateful to him.

Well, Sir, that is our general scheme which we have in mind. I am afraid I have kept the House for a very long time, but it was an opportunity to explain what we are doing and what we hope to do.

I will now conclude by referring to a point which I think the Honourable Mover has fully recognised, and that is, that we ought not to rush ahead with any very large scheme which might seem very spectacular and which might end in nothing. We ought to proceed steadily and satisfy ourselves that we are getting full value before we go on to make a fresh appointment; and that is also necessary from the point of view of training men for these posts. If we are unduly precipitate, there is a real danger that it may lead to failure somewhere and that the value of the whole organisation may be doubted and progress may be retarded.

The Honourable Mover has referred to the Department of Overseas Trade in England, and I think the House will remember that a few years ago that was very much boomed, perhaps over-boomed, and the effect has been that its value afterwards came to be somewhat doubted, to such an extent that last year the Chancellor of the Exchequer proposed to abolish it altogether.

Well, Sir, the Honourable Mover has in consultation with me made a slight verbal alteration in his Resolution, and with that verbal alteration I am prepared to accept it on behalf of Government.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay: Non-Muhammadan): Sir, I have great pleasure in supporting the Resolution that has been so ably moved by my Honourable friend Sir Phiroze Sethna, and I should like to supplement his remarks by a few observations in support of what he has just said. Sir, we all know what the value of Trade Commissioners is to the trade of a country. The Americans and other nations have fully appreciated the value of these organisations and they have developed these departments to such a remarkable extent that they are helping and fostering the trade of their countries very considerably. I may cite one instance here. An Indian merchant imported some goods from America on certain samples, but the goods supplied were so different and consisted of such rubbish that the importer was about to lose the value of the whole consignment. Fortunately, however, he referred the matter to their Trade Commissioner here. This gentleman took so much interest in this matter that he suggested a survey of the goods. I happened to survey the goods, and the Trade Commissioner was also present and assisted me considerably in surveying the goods. He obtained a full report and succeeded in getting the full value to the importer of the goods. Not only did he succeed in getting the full value to the importer, but he took strong steps in his country to see that similar treatment was not accorded to foreign merchants in future. Sir, these organisations go to improve the trade of a country very considerably.

Sir, it was said that everything depends on the grant that we get. Quite right. But the Honourable Member who spoke on behalf of Government did not say what grant he was good enough to ask from Government and how much of it was refused. Of course, the Inchcape Committee came here at a time when retrenchments were bound to be made everywhere. But I should have liked the Honourable the Commerce Secretary to tell this House for what grant he asked year after year and how much of it was refused by the Standing Finance Committee. What we heard him say was that Government asked for a few hundred pounds here and there and they were spent on exhibitions, but when a country wishes to develop its trade and commerce in foreign countries, not hundreds but even thousands of pounds should not be grudged, and if the Commerce Department were to ask for more and point out the utility of spending more money in this direction, I am sure the Legislature would be prepared to help them. With these few remarks I strongly support the Resolution moved by my Honourable friend Sir Phiroze Sethna.

THE HONOURABLE SARDAR SHIVDEV SINGH OBEROI (Punjab: Sikh): Sir, as the Honourable Member for Government has given a very satisfactory reply that the Resolution so ably moved by my Honourable friend Sir Phiroze Sethna will be accepted by Government, there is nothing much to be said about it, and all that I wish to say is that the Honourable the Mover deserves the thanks of all those who have the interest and prosperity of India at heart. The long statement made by the Honourable Member on behalf of Government as to what Government has done in the past and what they propose to do to foster and promote Indian industry and to establish business relations with foreign countries is really very gratifying. Let us hope that by the acceptance of this Resolution, His Excellency the Governor General in Council will take steps to make appointments of Trade Commissioners in foreign countries.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, though I am not a businessman, I have been closely following the very illuminating observations made by my Honourable friend Sir Phiroze Sethna in the course of his interesting speech. I am glad, Sir, that the Honourable Sir Geoffrey Corbett with his usual sympathetic attitude has thought fit to accept the Resolution, at least in a somewhat modified form. I have listened with some interest to the speech the Honourable the Commerce Secretary made, and though the work so far done by the Commerce Department and by His Majesty's Trade Commissioners abroad appears to be quite satisfactory, and though we should all feel grateful to them for keeping the interests of India at heart to the same extent as Indians themselves would have kept them, I think that these Trade Commissioners have got multifarious duties to perform and that they cannot devote as much attention to India's cause as special Trade Commissioners appointed for the specific purpose can do in the interests of India. I think, Sir, that we must make a beginning in having the Commercial Intelligence Service soon recruited and in having an efficient service, and we should not be dependent always on the non-Indian element. Sir, I observe that towards the close of his remarks Sir Geoffrey Corbett was somewhat damping our hopes which we began to entertain by the first portion of his speech. In making a beginning there is always a difficulty, but if a beginning is made in right earnest and if you exploit the possibilities of getting hold of the proper men available at present, it may be possible to fill some of these posts of Trade Commissioners to be appointed in various places by Indians. And the Inchcape axe has been brought in as an excuse. I find in several departments of the Government, the blows intended to be dealt by the Inchcape axe have been warded off successfully, and I believe if the Government wants it, they can do it effectively in promoting the interests of Indian trade by giving effect to this Resolution if they are willing to provide funds. I do not think the Standing Finance Committee would refuse any grants for it, nor would the Legislature object to spending more on these departments if an earnest effort is made to train Indians in this sphere, to begin the scheme of having this Commercial Intelligence Service, provided it is Indianised from the start and attempts are made to make use of the available material for the purpose of making the first appointments.

With these words, Sir, I heartily support the Resolution which has been so ably moved by my friend, Sir Phiroze Sethna.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, my Honourable friend, Sir Geoffrey Corbett, need hardly have apologised to the House for the length at which he addressed us on this very important question. I am sure that,

if he had spoken for twice the length of time that he took the House would have listened to him with as rapt attention as they did during the course of the remarks that he made. He has told us what the Government of India have been doing in this connection, not to-day, not yesterday, but for some years past. We are glad to note that Government are alive to their responsibilities. This is as it should be. I think in my opening remarks I have satisfied the House that the appointment of Trade Commissioners by other countries has very amply repaid them, and there is no reason to believe that the same would not be the case if India followed in the wake of, say, Canada or the United States. I thank the Commerce Secretary very cordially for having accepted my Resolution. It is not often that a Resolution moved by a non-official Member is accepted as heartily in this House, or perhaps in another place, as Sir Geoffrey has done in the case of the Resolution that I have had the honour to move. I believe Government have done so because they must recognise that it is in their own interest and in the interests of the country that our trade and commerce should expand to a far greater extent than it is to-day. There are many details in Sir Geoffrey Corbett's speech upon which I do not propose to enlarge in the course of my reply, but, if the Honourable Member will permit me, I shall take up those points with him later on, such as for example the placing of the Trade Commissioners in countries near India under Calcutta, and the others under London, and various other similar points. The Honourable Sir Geoffrey Corbett read out a letter from Mr. Lindsay in which Mr. Lindsay points out, and rightly points out, that the Indian merchants are not alive to the fact that they should pay very close attention to their marks and various other details and endeavour to keep up to their standards. In regard to cotton, I may say that there are many Indian merchants who have marks which are as well known in Liverpool and on the Continent as the marks of some of the best known European firms. This may not be so in regard to other raw materials, and if that is so, it is because Indian merchants in other lines are perhaps not as far advanced as British and Indian Cotton merchants are on the Bombay side or as the British jute merchants in Calcutta. All this will come in time, but if there are Trade Commissioners in different places as I have suggested and as Government now want to appoint, it will be their business to point out to sellers here their defects and how best to remedy them. Mr. Lindsay says, and rightly, that there ought to be associations in the different lines of business in this country so that they would guide merchants along proper lines. That also, I repeat, will follow as a matter of course. If the Trade Commissioners will report what is wanted and how goods are to be sent, how packed, and all such details, individual merchants and associations will profit by such advice and the result will be larger exports.

My Honourable friend referred to the good work done by the two Trade Commissioners in London since this post was created. I am sorry in my opening speech I did not refer to Mr., now Sir David, Chadwick. Both he and Mr. Lindsay have rendered excellent service, but I contend it is not possible for them to do much from where they are in London. They must be given assistants at all important centres in the person of more Trade Commissioners in different parts of the Continent, in different parts of the Empire, and particularly in America. I say particularly in America because our volume of trade with that country is fast growing. Sir Geoffrey Corbett referred to our Trade Commissioner's office in London having been removed from the City where it was to 42 Grosvenor Gardens. That certainly was a mistake. It was a short-sighted policy, but I am very glad that the Trade Commissioner's office will now be located along with that of the High Commissioner in India House

[Sir Phiroze Sethna.]

in Aldwych which is near the City. That will undoubtedly prove of very great help.

Sir, my Honourable friend in answer to my last point said that Government have the desire and will appoint Indians as Trade Commissioners in different parts of the world. I am very glad to have this assurance from him and consequently there is no necessity for me to elaborate on that point. I certainly hold for very good reasons that the appointment of Indians to these positions will be of greater help to the country.

I now come to the point on which the Honourable Member laid great stress, namely, that he might not get suitable men for the pay that Government would be prepared to give. Sir, in answer to my query, Sir Geoffrey said that the salary they would offer would be something like £1,300 a year and £600 a year.

THE HONOURABLE SIR GEOFFREY CORBETT: £1.350 is Mr. Lindsay's pay, Sir. He has the same service that I have got.

THE HONOURABLE SIR PHIROZE SETHNA: May I know, Sir, from the Honourable Member what will be the Trade Commissioners' pay supposing they are. . . . .

THE HONOURABLE SIR GEOFFREY CORBETT: We have yet to see the High Commissioner's recommendations.

THE HONOURABLE SIR PHIROZE SETHNA: I see. In this connection, the Honourable Member also said that his idea is to send Indian Members of the Indian Civil Service of 8 or 10 years' standing. I do not agree with him in that view. It is not the business of the Indian Civil Servants to be Trade Commissioners. It is different if the early Trade Commissioner in London, as Sir David Chadwick was, or as Mr. Lindsay is, and as his successor will be within a few weeks, are Civil Servants, but even there, as years go on, it will be to the advantage of the country to have an Indian as the Trade Commissioner in London. For the other Trade Commissioners elsewhere, I would have them all Indians and drawn from the commercial community, not Indians from the Civil Service. The Honourable Member said, "You will not get suitable Indians on the pay that we will give." May I point out to the Honourable Member that if we adopt the practice they follow in the United States of America, there will be, as there are in America, 200 to 300 people on the waiting list to be appointed as Trade Commissioners? The manner in which they manage this is as follows. They ask different commercial associations or firms to make recommendations from their establishment in regard to the filling up of positions of Trade Commissioners. The American Government pay salaries which vary from 3,500 dollars to 10,000 dollars a year, which in our money equals Rs. 10,000 to Rs. 30,000 a year. It may be that for some Trade Commissioners even the higher scale, namely, Rs. 30,000 a year is not sufficient. In that case, in America when Government approaches Associations or firms, such associations or firms in the interests of their trade are prepared to supplement the pay which Government give by subsidies from themselves. For example, there may be a man interested in promoting the motor trade. Supposing a Motor Association recommended a particular man

and supposing Government offered only 10,000 dollars as salary and the man was already getting a pay of 15,000 dollars, the Association will only be too willing to add 5,000 dollars out of its own coffers. Many young men engaged in commerce jump at the opportunity of becoming Trade Commissioners. These appointments are made for the limited period of three years and some may be given an extension of three years. The young men who want these positions go out for the purpose of learning the trade and commerce of the country to which they are deputed with the idea of themselves starting in such lines of business later on or because of the experience they gain they are taken up in more responsible positions and on higher pay later after they cease to be Trade Commissioners. From my personal acquaintance with some Trade Commissioners I am able to inform the House that the Canadian Trade Commissioner Major Chisholm who worked at Calcutta for some years, was taken up by one of the largest concerns in Canada for a very responsible position and perhaps he gets to-day far more than what he earned as Trade Commissioner. I also know of another Canadian Trade Commissioner Mr. P. W. Ward who was in South Africa and later in Singapore. He too was taken up by the same concern, *viz.*, the Sun Life Assurance Company of Canada, one of the leading Life Offices in the world, and he now fills an important position at their Head Office in Montreal. Not only do the Trade Commissioners themselves profit, but by this system you get the pick of the men from Commercial Circles. You only put them there for 3 years, or if they choose, and if Government choose, for a further period of 3 years. You get very good men and because they want to work and because they want to train themselves and as they have the interests of their country at heart, they make most excellent Trade Commissioners, with the result that with their help trade and commerce are on the increase.

I explained in my opening speech that this was the only Department in the United States in which Government spent more year after year. Government allot more money every year because this is the only Department of Government which as they say, pays 'dividend on taxation'. Every dollar spent comes back to you, and comes back to you multiplied several times. My Honourable friend Sir Geoffrey has advised that we had better go slow. Go as slow as you like but make an effort to see that you get the right men, not from the Indian Civil Service with all deference to them, but from the trading classes. Send the right sort of men and go on expanding with the result that the country will benefit much faster than it has been doing in the past. It is not Trade Commissioners who benefit their country, but they must be good salesmen in their. different lines. I will give you one instance. Before the American Trade Commissioner came to India we imported no canvas footwear from America. Since then however, thanks also to good salesmanship, these imports now run into 500,000 dollars or Rs. 15 lakhs a year. Again, Sir, another instance I would like to quote is. . . . .

THE HONOURABLE THE PRESIDENT: The Honourable Member seems to be supplementing his original speech. I would suggest to him that that is somewhat unnecessary in view of the fact that the Resolution has been accepted by the Government.

THE HONOURABLE SIR PHIROZE SETHNA: I thought these particulars would interest the House. However, I will accept your advice, Sir, and not enlarge further. I would like to repeat that I am thankful to the Government for having accepted my Resolution and I sincerely hope that the Department concerned will not go at a snail's pace but will progress as best

[Sir Phiroze Sethna.]

they can so that the trade and commerce of the country is developed greatly not only with the other parts of the Empire, but also with the Continent of Europe, with America, Japan and other parts of the world.

THE HONOURABLE THE PRESIDENT: *The question is:*

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to consider the appointment of Trade Commissioners or Commercial Attachés in the Colonies and other parts of the British Empire and in the countries of Europe and America in order to develop Indian Trade and Commerce with those colonies and countries, and that these new posts should be thrown open to Indians in the first instance'."

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 14th February, 1928.

COUNCIL OF STATE.

Tuesday, 14th February, 1928.

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

INDIAN SECURITIES (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I beg to move for leave to introduce a Bill to amend the Indian Securities Act, 1920, for a certain purpose.

The purpose of this Bill has been briefly stated in the Statement of Objects and Reasons. It is, in effect, to remove a definite and ascertained inconvenience to the public. At this stage, I need say nothing more.

The motion was adopted.

THE HONOURABLE MR. E. BURDON: Sir, I introduce the Bill.

CHITTAGONG PORT (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): With your permission, Sir, I should like to make two small alterations in the motion on the paper that stands in my name. Firstly, I should like to substitute Sir George Godfrey for Sir Arthur Froom; and secondly, after the words "Mr. Chari", I should like to add "with instructions to report not later than the 1st March, 1928." It will be seen from the draft Bill that it is to come into force on the 1st day of April 1928 and, unless we report by this, it will not be possible to get the Bill through the Assembly, presuming that it is accepted by this House.

When I introduced this Bill, I said that it was mainly of local interest and I do not think I need add much to what was then said. The provinces concerned are represented on the Select Committee as well as is possible in the present political position, and all points of local interest and local detail will be fairly represented there. I think I need only explain how the need for this Bill has arisen. It is really largely a question of the necessary finance for the development of this port. Chittagong is a very old port with a very ancient history. It has been rather eclipsed by Calcutta in recent years, and the province of Bengal has not the same interest in it which it would have if the hinterland behind belonged to the same province. The importance of Chittagong at the present time is really as an outlet to the sea for the Assam-Bengal Railway and for the province of Assam, and it is perhaps scarcely reasonable to expect that the province of Bengal, which is not particularly prosperous financially, should undertake large financial liabilities for the development of a port which would mainly benefit a neighbouring province and a railway system which has no very close connection with Bengal. Chittagong is now a minor port. Its trade is relatively small and it is therefore a provincial subject. We have had a great deal of discussion on this matter both with the Government of Bengal and with the local interests concerned, and it was finally agreed

[Sir Geoffrey Corbett.]

that the Government of India should declare the port to be a major port and become responsible for its future development and administration when the average annual value of the trade for a period of three consecutive years reached 15 crores of rupees. Meanwhile the Government of Bengal was to take a loan of 50 lakhs from the Government of India for the improvement of the river approaches, and the Government of India were to become responsible for this loan if and when the port became a major port.

That agreement was thoroughly discussed in the Bengal Legislative Council on the 17th August 1925 on a Resolution moved by Maulvi Muhammad Nur-ul-Huq Chaudhuri, who moved the following Resolution :

" This Council recommends to Government that a loan of 50 lakhs of rupees be granted to the Port Trust of Chittagong for the development of the port of Chittagong."

Mr. Emerson, who was the Finance Member of the Bengal Government at the time, said in his speech that it had been agreed that " when the trade of the port has reached an average of Rs. 15 crores per annum for a period of three years, the port will become a major port, whereupon the payments of the Government of Bengal to the Government of India will cease and the principal, together with the interest, will be returned to the Bengal Government and the management of the port thereafter will be in the hands of the Government of India. The Government of Bengal consider these terms fair and just and recommend them for the acceptance of the Council."

The Resolution was put to the vote and was carried by 43 votes to 15. So I think it may be taken that this arrangement, to which we are now proposing to give legislative effect, has the strong support of people in Bengal. The 15 crore figure has now practically been reached. It has been just 15 crores for the last two years, and on the present figures it promises to become 17 crores this year. The time has therefore come for us to implement our undertaking. Last August His Excellency the Governor of Bengal paid a visit to Chittagong, and, with the permission of the Government of India, he announced that the Government of India would declare the port to be a major port and would amend the Act so as to transfer statutory authority from the Local Government to the Governor General in Council as soon as their legislative programme permitted. Our legislative programme has now permitted it, and I am therefore introducing the Bill in accordance with our undertaking to the Government of Bengal and to the Legislative Council of Bengal. I think therefore I need hardly say anything further. The proposal has for a long time been before the public in Bengal and has their general support and the support of all local interests. The actual draft of the Bill now before the Council has been referred to the Bengal Government and has been accepted by them as well as by the Port Commissioners of Chittagong.

The provisions of the Bill are mainly formal. It is generally limited to the substitution of the words " Governor General in Council " for " Local Government " wherever they occur. But there is one change of substance which we have made. We have taken the opportunity to reconstitute the Board of the Port Commissioners so as to give more effective representation to local interests and particularly to local Indian commercial interests. I do not think I need explain in detail the exact changes in the constitution that have been made. That will all be considered by the Select Committee. I may say, however, that I myself visited Chittagong last November and the constitution of the Board as it stands in this Bill was the result of numerous discussions which I had with the various local interests and local bodies concerned, and it represents the agreed conclusion of all.

Sir, I move.

THE HONOURABLE THE PRESIDENT: Will the Honourable Member kindly tell the House exactly what he moves.

THE HONOURABLE SIR GEOFFREY CORBETT: I am sorry, Sir. I move:

"That the Bill further to amend the Chittagong Port Act, 1914, for certain purposes, be referred to a Select Committee consisting of the Honourable Sir Phiroze Sethna, the Honourable Sir George Godfrey, the Honourable Mr. Suhrawardy, the Honourable Mr. Gray, the Honourable Mr. De and the Honourable Mr. P. C. D. Chari, with instructions to report not later than the 1st of March 1928; and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 15th February, 1928.

COUNCIL OF STATE.

Wednesday, 15th February, 1928.

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

RESOLUTION *re* UNEMPLOYMENT OF THE EDUCATED AND OTHER MIDDLE CLASSES.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General) : Sir, I move the Resolution which stands in my name and which runs as follows :

" This Council recommends to the Governor General in Council to appoint a Committee to make the necessary inquiries and devise ways and means for relieving unemployment of the educated and other middle classes."

Sir, I should like to preface my remarks by explaining what I mean by the middle classes of India. It is a term which is used in a much broader sense in India than in other parts of the world. I include in that expression all those people belonging to classes who have been engaged for ages in literary or quasi-literary or intellectual pursuits, and also those classes who have been engaged in some kind of work or other which is not actual physical manual labour. Sir, this problem of the educated middle classes is a very acute one. It is more acute in provinces like Madras and Bengal, but all the same this is a serious problem all over India in general.

Sir, I do not want to take up much time of the House, and I propose to be brief, because I find this question was discussed at great length in the other place. The reason for my bringing forward this motion again before this Council, is, I am sorry to say, that the Government, though they recognised the gravity of the situation, have not done anything to relieve the unemployment of this class. I think it is not necessary for me to prove that this unemployment is general throughout the country, and that it is very grave. I think I can state without fear of being challenged from any quarter of this House that the problem is assuming serious proportions, and unless you tackle it properly here and now, there is a grave political danger. The problem is one primarily economic, but it is threatening to assume a political aspect. It is this way. You find there are large classes of unemployed educated and other middle classes of people who have absolutely no means of subsistence. I wanted to preface my remarks by explaining what I mean by middle classes, because it may be misunderstood. What I mean by middle classes is a respectable class of people who may have or may not have some means of subsistence. It is well known that though this class has not got much property, it is regarded in India as a highly respectable class, and the people belonging to it have got a high degree of self-respect and honour, and they are not likely to take to the work of the labouring classes, whatever may be the circumstances they may be placed in. So we have to face this problem and tackle it and see if it is not possible to find out other avenues of employemnt for these people. If you let things stand as they are, the political situation will grow worse. It is this way. These people belonging to the educated and other middle classes command such a high degree of respect among the masses that it is bound to react upon the condition of the masses. If these people get more and more disaffected and discontented, the unrest that will be created among the ma will have serious and tremendous political possibilities.

[Mr. P. C. Desika Chari.]

Sir, I do not want to deal with this aspect of the question any longer, but I will only impress upon the House the fact that the problem is a very grave one, and all of us, officials as well as non-officials, must take interest and deal with the problem in a real spirit of earnestness. It will be quite clear to the gentlemen on the Treasury Benches how serious this problem is. In their every day routine work, I believe every one of the official Members sitting here will be impressed by the hosts of applications that are received, and that most of these applicants have got to go away disappointed because they cannot be provided with any job. I can illustrate the point. Recently some appointments were made in the Calcutta Municipal Corporation. There were 23 subordinate posts and applications were invited, and there were more than 4,500 applications, and all of the applicants were very well qualified for the posts. This is only an instance of what takes place whenever there is a vacancy, however small it may be, in the public services.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Is that in Calcutta ?

THE HONOURABLE MR. P. C. DESIKA CHARI: That is in the Municipal Corporation of Calcutta. It happened there only recently just before the commencement of this Council. That is only a typical instance as to how many people are without employment and how anxious they are to get hold of a job if they can get one. I can say from my own humble experience that, although I have no patronage myself and have so far approached no officials and have no influence with them, I am very often besieged by my people who are highly qualified in various respects. So, it is not necessary for me to labour this point and to make any further submissions to show that the problem is a very acute one.

That being so, what have we got to do ? Sir, it will serve no useful purpose to go to the root cause of this trouble so far as this Resolution is concerned, nor is it desirable to apportion the blame to anybody for bringing about this condition of affairs. Suffice it to say that the system of education in vogue in this country for a pretty long time has been a delusion and a snare and very many of these middle class families have lost all they had in educating their children. These young men having lost their patrimony are left at large and without any chance of relief or any hope of employment in the near future. Under these circumstances it was thought recently that if you could deflect these young men from the universities to technical, engineering, medical and other scientific courses, they might be able to find employment. Even there they failed, because these professions in course of time became overcrowded, and it is absolutely impossible for many people to get any sort of employment in these directions. Afterwards there was a tendency on the part of some people to send some of our young men abroad and get them trained in special industries or in some technical courses. Even these men, when they return after spending a lot of money and after wasting a good deal of their time, find that they cannot fully employ themselves. People who are highly trained in various walks of life do not know how to start their work here, because they have not got the facilities, and therefore their position is very much worse than that of those people who had not gone abroad for training in special industries. So far, the Central Government has not done anything effectively to tackle this problem. I find, Sir, that some of the Local Governments and also the public bodies in some of the provinces have been engaging themselves in trying to do something to relieve the unemployment of these

classes. In Madras, Bengal and the United Provinces Committees have been set up to find ways and means for the relief of the educated middle classes. Of course, the question is very acute in the Madras Presidency. I believe that in some of these provinces the Committees have reported to the Local Governments, but I should like the Honourable Member in charge of this Resolution on behalf of Government to tell us what progress has so far been made. At any rate, so far as we are concerned, we do not see signs of any progress in that direction even after the submission of those reports by the various Committees.

Sir, there have also been some attempts on the part of non-official bodies to tackle this problem. Honourable Members must be aware of the attempts made by Deshabandhu Das in this connection. He submitted a scheme to the Government of Bengal by means of which these unemployed middle class people could be usefully employed, but for reasons best known to themselves the Local Government turned down this scheme. They did not bring forward any alternative scheme. I also know, Sir, that Sir Ashutosh Mukherjee and some other non-official gentlemen had been directing their attention to this matter, but for one reason or other nothing has resulted from their activities. It therefore behoves the Central Government, which alone is in a position to tackle this problem effectively, to come forward and do what lies in their power to relieve this unemployment. Sir, it has often been said on behalf of Government that they have got a national outlook and that they are doing every thing which a national Government is expected to do. If that is so, then I ask them to act up to their professions and do something tangible to relieve this unemployment of the middle classes which is, to say the least, nothing short of a serious danger.

Sir, I am not in a position to suggest any cut and dried scheme, but it is quite possible to find remedies, remembering always the peculiar position of Indians. Sir, we are not in the happy position of people belonging to England and other European countries, who have got their own Colonies and Dependencies where they can find careers if they do not find employment at home. For our people there is practically no place in the Army, in the Navy and in the Mercantile Marine. No doubt there are some exceptions to this and my Honourable friend Sir Umar Hayat Khan may point his finger to himself. I am prepared to admit that there are one or two men who are fortunate enough to get some of these prize posts. But that is not the point. The fact remains that the Army and the Navy are absolutely blocked to Indians as such. Honourable Members are no doubt aware that some attempts have been made to find a place for the Indian element also in the Army and the Navy. We know the recommendations of the Skeen Committee and also how an attempt was made to arrive at a compromise. Sir, even the unanimous recommendations of the Skeen Committee have not met with the approval of the Government of India. I find, Sir, that in the spheres of commercial and industrial concerns and also in joint stock companies, our people have a very limited scope. Besides, these concerns are on a very small scale and therefore cannot absorb a large number of our people. I am however thankful to some of those English and European firms who have been employing a fairly large number of our educated youths. All these things, however, are not enough to solve the problem or even to touch the fringe of it.

Sir, I want a comprehensive inquiry to devise ways and means to tackle this problem effectively. Various remedies can be suggested. For instance you can take steps to encourage small new industries which require small capital.

[Mr. P. C. Desika Chari.]

You can improve cottage industries and make it worth while for many to take up. You can establish employment bureaus. You can absorb a good number of them in a scheme of colonization or by free grants of land in some of those areas where irrigation facilities have been created. I do not mean to say that you can absorb all of them, but I believe it will take a fairly good number of them, and you can provide other facilities and find out other avenues of employment. I cannot suggest any comprehensive scheme, because it requires very deep study of the methods employed in other countries, and there is no good of presenting a scheme with incomplete knowledge. It requires the assistance of experts, official as well as non-official, and, when a Committee is constituted, we will have plenty of material to be culled from the Government archives. On this account I do not wish to put forward a definite scheme, but will content myself with having a Committee where officials and non-officials can put their heads together and devise some scheme. I do not think it impossible. I know what attitude the Government took up in the other place. There was plenty of lip sympathy, and I believe there will be plenty of it here too, but what I found from the trend of the discussions there, was that the officials seemed to be perfectly satisfied with what they have done already, and they seemed to be quite contented with some sort of philosophical consolation. It is no good to tell us that you have got absolute sympathy, or to tell us, "Well, the function of Government does not extend so far." I do not want the Treasury Benches to tell us that the Government cannot provide for us in our necessities as they arise, and that the Government can do no positive good, in the words of Burke or some other great thinker. I want them to tackle this problem seriously, to feel, as we Indians feel, because it is a common danger threatening the entire body politic, and on the solution of this problem depends the solution of our various political problems.

With these words I place the Resolution before the House for its acceptance.

THE HONOURABLE MR. ALMA LATIFI (Punjab Nominated Official): Sir, I do not rise to oppose this Resolution as belonging to that class of officials whom the Honourable Mover described as being perfectly satisfied with the existing state of affairs. The problem of unemployment among educated people is one that confronts every man in this country, who counts educated young Indians among his friends. It also leaps to the eye of every Government servant who has some kind of patronage at his disposal. I oppose this Resolution simply and solely on the ground that the question raised is one that could more appropriately be dealt with not by the Central Government but by the Provincial Governments.

There are several reasons for this position ....

THE HONOURABLE MR. P. C. DESIKA CHARI: What about funds?

THE HONOURABLE MR. ALMA LATIFI: I will come to that if the Honourable Member will do me the honour of listening to what I have to say.

There are several reasons why this problem should be dealt with by Local Governments. In the first place, the questions it raises are intimately local. We have above all to deal with the racial characteristics of the population of India which vary from province to province. Then the provinces also differ from each other in the resources they can command.

But my main objection to this proposal, Sir, is that under our existing constitutional arrangements the various departments that would have to

attack this problem are not only provincial but also transferred, and depend on the votes of the local Councils. Take, for example, the Department of Industries. The Honourable Mover referred to the desirability of starting cottage industries suitable for young men. This is a matter to be taken up by the local Departments of Industries which are a transferred subject which could not under existing conditions be controlled by the Government of India.

Then again there is the question of coaxing educated men to the land. I do not mean to imply that agriculture—and more particularly its development—is not a subject to be dealt with by the Central Government. Indeed a Royal Commission is even now dealing with the problem of improving agriculture. But the improvement of agriculture generally is a very different matter from the problem of leading educated young men to the land as a means of livelihood. Here we are face to face with something that could be satisfactorily taken up only by Local Governments understanding local habits, local resources and local circumstances. In the Punjab, for example, we have our very special land laws, and they present peculiar difficulties in the way of advance in this direction, difficulties which do not exist in other provinces, as for example, Bombay.

Now both these lines of inquiry, the question of leading educated men to the workshop or to the land, converge on the problem of education. The Honourable Mover has been the reverse of complimentary to our present system of education, and I am inclined to agree with a good many of his strictures. Thoughtful inquirers might well ask whether our educational system at present is not too literary, and whether it does not, instead of training the rising generation in profitable directions, lead them astray and ruin a great many of them. Take for example, the case of the educated men who consider it beneath them to work with their hands, about whom the Honourable Mover has told us. One of the main objectives of our schools ought to be to develop in our people a sense of the dignity of labour. So far is it from doing this, that our present system of education is killing the industrial instinct even among the classes who have so far been the backbone of our industrial system. The carpenter's son, or the shoemaker's son who passes the Entrance Examination not only loses his hereditary occupation but also fails as a rule to get even the clerkship in the Collector's office which he covets.

The Honourable Mover has referred, in somewhat grudging terms, I am afraid to the work done by Local Governments in this regard. He has mentioned Madras, the United Provinces and Bengal. May I inform him, Sir, that the Punjab Government also is fully alive to the gravity of the problem and early in the last year appointed a committee to investigate it. This Committee includes distinguished officials and non-officials and having completed its labours will publish its report in a few weeks' time. I do not think that when Local Governments have already shown so much interest in the problem of educated unemployment, we need be in a hurry to take up the matter at our end. I am sure the only object the Honourable Mover had in view was to draw public attention to this problem, and I trust that he will be satisfied with having done so, and will not press his Resolution.

I am afraid, Sir, the appointment of a Committee of the sort he suggests would not find employment for anybody except for its own members.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, the Honourable Mr. Chari may have done well in drawing the attention of this House and through this House of the general public in regard to the state of unemployment amongst what he calls the educated and other middle classes. But for the reasons advanced by the Honourable Mr. Latifi,

[Sir Phiroze Sethna.]

I am not in favour of the Central Government appointing a Committee as the Honourable Mover has suggested. This is a purely provincial subject; and in addition to the reasons advanced by the Honourable Mr. Latifi, I would like to point out that if there is unemployment, it exists to a larger degree in some provinces than in others; and that is so because the people of those provinces are not sufficiently advanced to engage themselves in trade, commerce and industry. I believe that out of the different provinces in this country, unemployment does not perhaps prevail to the same extent in Bombay or the Punjab as in other provinces, because the inhabitants of these provinces take more kindly to technical and industrial pursuits. That is the reason why there is less unemployment there. If there is more of unemployment in Bengal, to which the Honourable Mover referred in particular, it may be because the well-to-do classes in Bengal are quite content to purchase government paper or buy land and not invest in industries, etc. Capital fights shy in that province and therefore in that fact is the answer to the instance which he quoted and which, if I heard him aright, was this: that the Calcutta Corporation had 27 vacancies for which there were 4,500 applications. I do not wonder at that. More than that, for another answer I may refer him to a speech delivered just the other day either by His Excellency Sir Stanley Jackson or by the Vice-Chancellor of the Calcutta University at the Convocation Address, where he gave the numbers of graduates as 30,000 in Bengal proper, leaving out Eastern Bengal. If they go on manufacturing graduates at that rate, is it any wonder that there is unemployment amongst what my friend, Mr. Chari, calls the educated and other middle classes? There is bound to be unemployment. My Honourable friend then cited the case of Indian students who go to Europe and America even for the purpose of prosecuting their studies further in technical lines and then when they return they do not find any employment. He did not say that he expected Government to employ them. Why should we always ask Government for help for that purpose? God helps those who help themselves. Our people do not care to help themselves and if they do so, there will be enough employment in India not only for our literary classes but also for those who are engaged in technical and other studies. The people in the provinces must themselves attend to these matters rather than depend on Government. I may only give you one instance. In Bengal, as we know, there is a very large Anglo-Indian community. When there was the big slump in trade after the boom years 1920 and 1921, there was very considerable unemployment amongst them. What did they do? They put their heads together and they sought the help of their European friends. Their European friends came to their rescue and much has been done. In fact so much has been done and unemployment has been so much reduced that the Committee has ceased to operate any further. Those ought to be the lines on which we should work, and we should not ask Government to appoint a Committee in the manner suggested by my Honourable friend.

It is not, Sir, as if unemployment was confined to India alone. It is the same everywhere. Even in Great Britain it is the same. I have not got with me this morning's *Pioneer*, but I believe I saw in it a telegram which gave the percentage of men turned down who applied to enter the Army in England, and the reason given for the percentage being much larger than before was that because of unemployment the youth of Great Britain to-day are not physically as strong as they might have been perhaps some years ago. Therefore there is unemployment everywhere, and it rests more with ourselves than with Government to improve the condition of affairs. I am glad at least that my friend, Mr. Chari, has not suggested the grant of a dole to the unemployed in this country as

is done in Great Britain, which is rightly condemned by many as one of the biggest mistakes that has been made in recent years in Great Britain. For these reasons, Sir, I do not think Government will be justified in appointing a Committee as the Honourable Mover has asked for.

THE HONOURABLE MR. H. A. B. VERNON (Madras : Nominated Official) : Sir, the two previous speakers who have opposed this Resolution have explained why it is a matter which is not a suitable one for a Committee of the Central Legislature. I entirely agree with those opinions and will deal no further with that point, except to say that a Committee appointed by the Central Legislature would either be so large as to be unwieldy or too small to be effective. Allusion has been made to the work on this question which has been done by Local Governments, and I believe that one of the few Local Governments which has published the report of its Committee on this question is Madras. It may interest you to have one or two points laid before you as to the conclusions arrived at by that Committee. Taking the bare figures of supply and demand, the Committee in Madras computed that the outturn every year from schools and colleges of persons suitable for employment, that is clerical employment, in the various Government offices was 14,000, and that the number of vacancies available in any one year was 7,000. That means that for every one appointment in each year there are two applicants, and the number of disappointed applicants must increase year by year and has been increasing. This was still further illustrated by an experiment which the Madras Committee carried out and which, with your permission, Sir, I will read :

"The Committee asked the Superintending Engineer, Mettur Project, to insert a test advertisement in the newspapers for a clerk's post carrying a salary of Rs. 35 per mensem, and the result was that 666 applications were received ; of these, 30 were from graduates, 61 from intermediates, 191 from S. S. L. C.'s and 381 from those not declared eligible for a University course. A similar advertisement for a clerk's post in a commercial firm in Madras on the same pay brought in 787 applications."

It is fairly certain that there is a great deal of unemployment, but what we want to find out is the real cause, and I think the Madras Committee have come to a fairly correct conclusion in saying that the cause of this unemployment is a complete misconception not only in the minds of the parents but of the pupils as to the real object of education. Education in their idea is merely a means to enter Government service, and the result is that many of the classes who have hitherto employed themselves in hereditary professions as artisans, carpenters and so forth have crowded into the clerical professions, with the result that there are far more candidates than there are places to offer them. This movement from the classes engaged in hereditary occupations to force themselves into the precincts hitherto reserved for the higher classes is due solely to social causes. These lower classses, if I may call them so, desire social advantages. They realise that Government service is a social advancement ; they realise that a Government servant commands a better price as a bridegroom. They realise that if they are low down in the social scale, they can raise themselves higher in that scale by entering Government service ; and as long as the social system in this country is what it is, I do not think that one should be surprised that the lower classes are trying to raise themselves by all means in their power. Moreover, while lower classes are pressing upwards into the precincts reserved for the higher classes, the higher classes themselves, whose hereditary occupation is clerical work, are rigid and do not give way ; they display an entire lack of fluidity and do not move into the other avenues of employment and so give relief. That again is entirely the result of social prejudice. The higher classes have a distinct dislike to any manual labour ; they consider it *infra dig.* Early marriages and the joint family system

[Mr. H. A. B. Vernon.]

also to a large extent tend to aggravate the situation. The most serious effect of the idea that manual labour is degrading is that it cuts off the best brains and best energies of this country from that occupation by which 70 per cent. of India's people live, and that is agriculture. But before dealing with that aspect of the matter, I think it might interest this House to know in what direction the Madras Committee discovered some glimmerings of hope for the future. They found that the engineering profession had become very much more popular, and I think I might read to the House a small extract from their report. The Committee said :

" On the whole the engineering profession which suffered on account of the retrenchment policy adopted by Government a few years ago is recovering lost ground by the relaxation of this retrenchment policy and the starting of large irrigation and hydro-electric schemes and railway extensions. In these circumstances the Committee is inclined to believe that the engineering profession will be able to absorb a greater number of qualified persons for some time to come."

That is one good point. Then in the domain of handicrafts ; it has only lately been realised in England how the practice of handicrafts is an extraordinarily valuable part of education, and I will read to the House another extract which illustrates the view which is now taken of adopting training in handicrafts as a part of the educational system in England. This speech or lecture was made at a conference of Educational Associations held in London in the last week of December 1927, and the statement is that of the Inspector of Handicrafts to the City of Birmingham Educational Association :

" Mr. A. F. Collins said that crafts were valuable educative factors. He did not want to turn out potential craftsmen for the market, but to give boys experience of one aspect of human life which had been rather neglected in education. The handicrafts satisfied one of the basic instincts of mankind the constructive instinct and represented an imperishable type of human activity. Art and craftsmanship should not be regarded as trivial extras, but should be given a place of honour in every school as in every other community, and should be recognised as definite instruments of intellectual and spiritual training."

That view is a comparatively recent view, and if the value of handicrafts has not been realised before in England, it is not surprising perhaps that India has lagged behind. But the Committee found that there is a distinct bent towards work in handicrafts by the educated classes, and I might mention an experience of my own in that connection. When I was going over the Textile Institute in Madras, they showed me a large number of warps prepared by the workmen in the Institute which were then sold to Brahmins and other educated boys who took them home and wove them in their own homes. This I was told was becoming very common. A large amount of interest is being taken now by educated boys in weaving in their own homes.

Another encouraging feature which the Committee have not alluded to is the growth of motor traffic and the motor trade, which in Madras is absorbing quite a large number of educated people not only as drivers but sons of well-to-do men are taking up the motor trade and are making very good incomes out of it. I might give the House figures for one district within my experience, just to show the extent of the growth of motor bus traffic in South India. In the district of which I was in charge in 1923, there were 40 motor buses ; in 1924 there were 70, and now there are something like 150. A great many fairly intelligent men are being employed in this industry and it is a great field for employment which the educated Indians should not disregard. For some obscure reason it is not regarded as derogatory to handle the oily parts of a motor car while it is degrading to till the clean soil.

The fourth direction in which the Committee found that there was some likelihood of the educated men being employed was found in the proposal of the Madras Government to encourage the creation of a class of country doctors. At present most of the medical students prefer to stay in the towns and practise there. The Madras Government, however, have a scheme for subsidizing medical practitioners on the condition that they work in the villages. This in course of time ought to create a regular service of country doctors who would absorb a good number of educated men. As regards the co-operative movement, I do not think it needs any words of mine to show that it is a very fine movement and is gaining strength in all parts of India and will ultimately tend to provide employment for the educated classes. But allowing these bright features such as they are, they do not really help us very much. They absorb an infinitesimal number of people compared with those who are unemployed. The dismal fact remains that the one profession which demands the best brains and best energy of India's young men does not get them : and that profession is agriculture. *The Committee remarked that 70 per cent. of the people are dependent on agriculture and will be for many years to come, and therefore it is clear that the brains of the people should be attracted there. That is a perfectly sound conclusion and it is no good coming to Government and asking them to effect what is really a social reform. Government cannot supply a remedy for the disinclination of the educated classes to do any manual labour. Public opinion and propaganda by the people amongst the people is the only remedy which can be efficacious. People should be made to realise* that manual labour is honourable and that the practice of agriculture is essential, and that the man who works on the land is morally, mentally and physically superior to a clerk who may sit in an office calculating the assessment of income-tax or finding out the value of stamps to be affixed to legal documents. They should be made to realise that to create a thing of beauty or even a thing of utility by the work of one's own hand and the exercise of one's intelligence is far better than to stand up in a court of law and try to make the worst cause appear the better. But the average man will not understand this point of view unless it is brought home to him by the precept and example of the leaders of his community. I do not think that the intellectual leaders of India can be held altogether free from blame for their failure to give this teaching to the people.

THE HONOURABLE THE PRESIDENT : Order, order. I regret to have to interrupt the Honourable Member in his first speech in this Council, but I must remind him that there is a time limit which he has already considerably exceeded.

THE HONOURABLE MR. H. A. B. VERNON : Thank you, Sir. I will soon bring my remarks to a close. These leaders have with singular unanimity avoided the strait gate and the narrow way which leads to social reform and have passed on through the wide gate and broad path which leads to political agitation. But it is not too late for them to retrace their steps, and I suggest that these superfluous politicians, who, I understand, have for a while withdrawn themselves from the Parliamentary limelight, should retire still further to their own homes and villages and teach the people where their true interests lie. By adopting this course they will cease for a while, it is true, to make history, but they will be helping to build on sure foundation a nation fit to deal with its own social problems, amongst which this problem of unemployment is not the least.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, I am very thankful that I have caught the eye

[Sir Umar Hayat Khan.]

of the Chair as I particularly wanted to speak on this subject. The first thing I wish to do is to thank the Mover for bringing this question before this House. I am not at all with those who think that this question of unemployment is a provincial one. Sir, this is a question which is threatening the very basis of India because the root cause of all the trouble that there is in India is the unemployment of these educated classes. We have to see who is responsible for it. Before I go into that question, I would like to say that the two official Members who have delivered their maiden speeches to-day on this subject have shown how little they know about this question. I am sorry to say so, but I cannot help it. The fact of the matter is that, unless we find employment for these people who leave their homes because of the bait of education that is offered to them and who, after receiving this education, become quite unfit for their own professions, we must court trouble. May I ask, Sir, whom should they approach for employment when they have qualified themselves by receiving the necessary education ? Another thing that I would like to bring to the notice of the Honourable Members is that the method of instruction imparted to our young men is the worst and it is a pity, indeed, that the very department which is responsible for the imparting of the so-called education does not know where the defect lies. England is a cold country and a man can work hard all day long and is fit for all sorts of work. In fact, he is capable of doing any kind of work to which he may be put. But that is not the case in India. India is a very hot country and you must educate the boys in such a way that they should be able to stand the heat of the country, otherwise they will not be fit enough to work in their own country. Now, Sir, educated people used to take to the army but they have now absolutely discarded it, for the simple reason that in the Army a man is expected with all his kit to walk 26 miles in any part of the day. But our educated men have been effeminated and demoralised and cannot do this hard work. So, they are neither capable of earning their livelihood by entering into civil avocations nor by defending their own country. My definition of education is not this that we should be able to read books, but that we should be able to look after ourselves in every walk of life. Sir, I live amidst the masses and I know people who have read up to the middle or primary standard and then they have left their homes. I have invariably asked them to follow the profession of their forefathers but they do not like it, because they have been in the habit of living in beautiful and comfortable rooms and sitting on benches under the fans in the hottest months of the year. So, naturally when they are asked to go to the field and plough it or sit in a little shop about six feet by six feet, they refuse to do it. My suggestion therefore is that Government ought either to train these boys in the profession of their forefathers or create some other suitable work for them. Now take the railways for instance. I am not attacking the Railways, but look at the proportion of Christians in them, how they get the appointments; I want Christians in the army, as they will always stick to the Government, but they should really be given appointments according to their numbers on the Railways. In the Railways they get a predominance of Anglo-Indians, and other educated people do not get a chance. Even the teachers whom you employ for educating the present generation, they are unfit to go and work in the hottest time of the year with their students, and naturally these students do not find chances of making themselves hardy enough to stand the climate. This to a European would not appear anything at all, because their country is not so. They have got their own ways of thinking. They have educated themselves in a different way. They want us simply to be educated as they are. But there is one thing they do forget and that is

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the climate. If a man who is educated is neither fit for his own work nor fit for the army nor for anything physically, I think those authorities who do demoralize them ought to find them a place, or to educate them so that all these sons of India should be able to stand their own climate. A boy ought to really go about in the hot sun doing his hard work. If you put him on a bench and have a fan over him in the hottest time, if from his childhood he is not acclimatised, how is he going to work? That is where you are going to spoil him.

Then, of course, if you try and ask the Department to teach him better agriculture and at the same time keep his physique right, he will go to his father's walk of life. It is the same with the trader. The reason why I have taken so long to put this matter before the House is because it has not hitherto been done, and people who live in cities do not know what hard work is. People who sit in the offices, as my two friends who have spoken, do not realise it, but we people who work hard in the sun we do realise it and, I think, that by taking part in this debate it may be of some use.

With these few remarks I will not take up further the time of the Council any more. I could have spoken on this point a little further, but I hope in the points I have put forward I have done a little good.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-Official): Sir, this question of unemployment is by no means confined to India. It is a world question, nor is it a new question. I recollect years ago when a college student reading one of Froude's works. I cannot recall to my memory the exact passage dealing with the matter, but he deplored how university men thirty years ago were clamouring for employment, and one particular idea which was put in a short sentence was that to him it was sad to see nearly a thousand applications for a place in the police somewhere in South Africa, and how sorry he was to see a graduate of an English university breaking stones in Australian roads.

I happened to get only last week a book by Sir Alfred Mond on Industries and Politics of which two chapters are devoted to the problem of unemployment. The people in England also seem to be trying to find a solution for this problem of unemployment.

I thought this discussion was getting fruitful of some ideas, but at a later stage I found it getting somewhat cynical, and several half truths have been uttered. I do not agree with my friend, Mr. Chari, that the Central Government should put themselves to the trouble of having a roving Committee to enquire into the question of unemployment. Even if Government were inclined to look at this question sympathetically, after all employment in various directions ought to be found only by the Local Governments, and the Central Government as such cannot tackle that problem. The proper authority is, therefore, the Local Government. I do not therefore sympathise with the Mover who asks the Government to appoint a Committee, but I should like to point out to those who have talked somewhat glibly of this problem that while I acknowledge very gratefully the observations made and taken in good spirit, that much of our suffering is due to ourselves. I would say that the fault is not exclusively ours, nor is it the fault of the universities. Having been connected with the work of universities for twenty years, I must point out that one of the problems which has been engaging the attention of the universities has been to see how best to effect a sort of gradual transfer from the exclusively literary education to the adoption of modern conditions, and how to make our education more practical and suitable to such conditions. That is the problem which has been engaging the attention of universities in all provinces. It is

[Mr. G. A. Natesan.]

not fair to attack Indian parents or Indian boys for clamouring to get posts. That is a desire which all parents have. I have known of English boys who have come from England to seek employment in this country. A European friend of mine thought it desirable to find a berth for his son in some of the commercial houses here, because it was difficult to get employment for him in England.

It seems to me, Sir, that having pointed out that the fault has been due purely to our literary education, every effort should now be made, as far as possible, to turn this education to a more practical account. I do believe that not only the Local but the Central Government is attempting to solve the problem in a sound way. One of the easiest means of solving the problem is the financing of vocation schools, but I must say from my own experience of university work, even European educationists who have taken a leading part in the advancement of education have very often expressed a disinclination to make the universities take any share in the department of commercial instruction.

I recollect very well a distinguished educationist almost looking aghast at a proposition that I brought forward in the Madras University about 17 years ago that the University should institute degrees in Commerce and Agriculture. I am very glad that I have lived to see the University of Madras institute a degree in Agriculture, and we are now trying our best to have Commerce degrees also. In this respect the Bombay University has made a greater advance.

I think this is a problem purely for Local Governments, but I do not mean to say by that that the Central Government has no responsibility. One want that I, in common with many others, have been feeling is the absence of a big central technological institute in India. Reference was made to this years ago and if I am not mistaken, our late countryman, Mr. Gokhale, one of the most distinguished sons India has produced, realised what the value of education was and that the first thing that should be done was to establish a technological institute ; and we cannot forget the fact that his plea for the establishment of such an institute was brushed aside by the Government of India. I am willing to concede that latterly the question has been attended to more sympathetically ; but I remember that even five years ago, when a suggestion was made in this very House that, something should be done for the creation of a technological institute, the problem was not taken up as sympathetically as it should have been.

It seems to me that though this body cannot perhaps help usefully in the appointment of a Committee, the object of the Resolution could be served by asking the Member in charge to see that this debate is forwarded to the various Local Governments, and those Governments which have already dealt with this problem might be asked to formulate definite schemes for relieving unemployment. But I would not be satisfied unless something is done. The Local Governments have a certain amount of responsibility ; they cannot possibly start a technological institute owing to financial and other considerations, but I do think that one way of solving this problem is to divert our exclusively literary education to one more real and more suited to the requirements of the country, and this can be done by starting a great central technological institute equipped with a first class laboratory. I do hope that after the very interesting debate we have had my Honourable friend will not press the matter further and will be satisfied that this discussion has not been unfruitful and that something will be done in the direction I have indicated.

One word more, Sir, and I have finished. I also deplore very deeply the absence of grit and enterprise on the part of our educated men. Some careers are open in the Federated Malay States and other places, but there is a desire in most of the parents that their boys should be near them, and our young men are not enterprising enough to go out. (*The Honourable Mr. P. C. Desika Chari*: "Question"?) My Honourable friend says "question"; but I speak from practical experience. I do not wish to waste the time of the House further, but I too have been requested by several young men for help and I have told them that if they only cared to step out of Madras there were careers as clerks, etc., open to them in commercial offices and the like. It may be that the Bar in Rangoon does not afford them facilities, but I am not thinking of that; I am thinking that a considerable number of our young men could find places in the Federated Malay States, Singapore and other places.

I have said that on the one hand Government has some measure of responsibility in this matter. But I should like to make this confession: I do wish that many of our rich men, particularly our *mirasidars*, who have educated sons would try and put at least one of their sons on the land after sending them up for agricultural degrees. There are many who make mints of money in their various professions, and I do wish that those people would send at least one of their sons to look after their lands, which they now ask somebody to look after on lease and from which naturally therefore they do not get as good results as they would otherwise get.

I do not wish to sit down, Sir, with a pessimistic note upon this question. I am very glad to note that recently in the agricultural Institute at Coimbatore are to be found the sons of well-known men, particularly members of the Bar who have acquired properties and who have sent their young men to this College. The outlook is not so dismal as some would have it, and if this problem is tackled by our own people it could be solved satisfactorily to a great extent; but I believe that Government also has its responsibility in the direction which I have indicated.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, in view of the general trend of the speeches to which we have listened, and in particular in view of the speeches made by the two official representatives from the Punjab and Madras who, if the Honourable and gallant Member will excuse me, by their long and experienced career have intimate knowledge of this subject—Mr. Vernon himself was Labour Commissioner in Madras—in view of these facts, it is only necessary for me to detain the House for a very short time in explaining the attitude of Government towards this Resolution. The subject is exceedingly complex and difficult but the issue before the House is a simple one. The issue is, whether it is desirable and necessary at the present time to superimpose a central Committee to co-ordinate the activities of Local Governments in this matter. No one will wish to deny that this evil exists and that it is a very serious evil. No one, least of all Government, will desire to minimise its importance. The fact that this is the third occasion in four years in which this subject has been debated in the Central Legislature is a proof of its importance, and I have no quarrel with my Honourable friend for having brought forward this subject again because it is a subject on which we need more light. If I differ from him at all, it is only as regards the choice of means towards the end.

I may take the House back to the debate of March 1926 in the Legislative Assembly. That debate covered somewhat wider grounds as it dealt with unemployment generally; but it is evident from a perusal of that debate that the subject which was uppermost in the minds of most Members was middle class

[Mr. A. C. McWatters.]

unemployment. As a result of that debate the Central Government undertook to address Provincial Governments on this question and they did so in May 1926. The Government of India's letter, which I have here, did not naturally attempt in the compass of a letter to analyse all the causes of, or suggest remedies for, the situation. They did mention certain temporary factors such as trade depression, but they pointed out that the real causes lay far deeper and were far more complex :

"The educational system, the state of industrial development, the changes that are being slowly wrought in the structure such as the gradual disintegration of the caste system, which at one time operated to prevent middle class unemployment by restricting admission to the clerical professions, and at the bottom psychological factors inherent in the habits and customs of the people are all contributary causes to a state of affairs for which from the nature of the case no Government can find a panacea. The people alone can produce a change, and the change must necessarily take time to accomplish."

They went on to say further :

"These considerations, however, must not stand in the way of the adoption of any measures which would tend to alleviate the situation, and the opposition of the Government of India to the Resolution in the Assembly was based not on these considerations, but on their conviction that the problem is one which must be tackled in the first instance by Local Governments and Local Bodies. It is not merely the case that the problem differs both in nature and extent in different parts of India, but it seems to the Government of India that such remedies as may be found practicable are remedies which only Local Governments and more particularly the Transferred sides of Local Governments, can apply...They can only for the present ask that the problem, the gravity of which they fully recognise, should receive the most careful consideration of the Local Governments."

That letter was sent in May 1926, and I do not say that it was merely as a result of that letter since some Local Governments had already taken action, but either shortly before or after that letter, Committees dealing with unemployment were set up in Bengal and in Madras, and their reports have been published. A statistical inquiry as to the extent and character of unemployment among the middle classes was undertaken in Bombay. The Punjab Government also set up a Committee, and as late as January last the United Provinces Government have appointed a Committee. I think, therefore, that the House will realise that the Local Governments are fully alive to the importance of this question and, so far as lies within their power, are taking the necessary action. It is very largely a matter which must rest with the Local Governments. As the Honourable Mr. Natesan pointed out, it is so far as Government action can help very largely a question of adaptation of education ; it is a question of the development of industries ; it is a question of the development of agriculture. I would have liked to deal at some length with the Madras Report, but my Honourable friend Mr. Vernon who had the advantage of being actually the President of that Committee when it was first appointed, has given the House a full account of it. I think however that he will agree with me when I say that the main value of the report, the credit shall I say for the report, rests largely with the late Sir George Paddison who succeeded him as Labour Commissioner and was Chairman of the Committee during the later stages of the inquiry. It was one of the last and not the least of the great services which the late Sir George Paddison has rendered to this country. (Applause). This Report quite rightly laid stress on various mistaken ideas regarding education, on the general prevalence of the idea that literary education is intended only for Government service or the Bar, and that agriculture cannot afford a career for an educated man. It also made many detailed suggestions for the improvement of education, particularly technical education. We have already learnt that the Local Government is taking those recommendations into early consideration. I feel very tempted, if you, Sir, will allow

me to do so, to read one short passage from the final summary of this report, because I think it condenses better than any other passage which I know of the salient facts of the situation. It runs as follows:

"In bringing its deliberations to a conclusion, the Committee would repeat that the problem of middle class unemployment is one not capable of immediate solution, It is fully conscious that it has suggested no drastic remedies. All it can hope is that the result of its labours will be that the people as a whole will realise the extent of the evil and the necessity for a change. The bringing about of that change lies in the hands of the public at large. Unemployment of whatever section of society is a complex evil which arises from many causes, social, economic, political and international. Being a widespread and deep-seated evil, which concerns not that section alone but the body politic as a whole—for the decay of any section of society will lead to the decline of national efficiency—its remedy will have to be comprehensive and all-embracing in scope, and will require a length of time to operate. If in any quarter the expectation was entertained that on the appointment of an Unemployment Committee posts would be provided for unemployed persons without effort or initiative or change of attitude on their own part, that expectation could not but meet with disappointment. But if there is a desire to alter the existing state of things so as to create more demand for the existing talent and greater supply of men who will assist in the development of the country, the Committee is confident that in its recommendations pointing to a change in the educational ideals, and a readjustment of educational programmes to meet practical ends, and to a reversion to the land as the chief producer of wealth, the public will find the way to a happier future in which middle class unemployment will be less acute, if it does not altogether disappear."

There is one further aspect of the question to which I am tempted to allude in view of the remark made by the Honourable the Mover of the Resolution that the Central Government had done nothing in the matter. The Central Government is of course the largest individual employer of labour in this country, and I think that we as an employer of labour have done a great deal, notably in the direction of the Indianization of the various services. We all know how far it has proceeded and quite rightly proceeded. To take one small instance, in the Meteorological Department, with which I am acquainted, apart from one specialist in solar physics, there remains one European only in the Department. I wish all success to the very able and talented young men who have joined that Department. It is the same in other departments; there are thus rapidly increasing avenues of employment in Government service for educated Indians. But this can only touch the fringe of the problem. Government employment cannot provide a solution of the problem to any material degree. What the Central Government can do however is to direct their attention to the economic development of the country in its widest sense, and I maintain that for a period of years a good deal has been done in this direction. For instance, in the year 1918, before the Reforms, an Industrial Commission was appointed. It is true that almost immediately after that Commission reported, there was a change in the constitution, and most of the recommendations of the Industrial Commission are matters for consideration in the provinces, but that Report still remains on record for the guidance of the provinces. Then there was the Fiscal Committee, and following on that, the appointment of the Tariff Board and a policy of discriminating protection for Indian industries. Then I may refer to the development by the Government of India of their stores purchase policy regarding which I gave an answer to my Honourable friend Sir Phiroze Sethna on Monday, and regarding which I hope to make a further announcement shortly. From the beginning that policy was recognised as one of the objects of Government purchases the assistance to a reasonable extent of the industries and manufactures of this country. Then again there is the whole field of research. There is the Forest Institute; there is the Institute at Pusa; there is the new School of Mines opened at Dhanbad; those are all departments in which the Government of India can help.

[Mr. A. C. McWatters.]

Last, but not least, there is the appointment of the Royal Agricultural Commission from which we hope that not merely new appointments but new wealth will be created in the country. Speaking generally, the whole trend of our financial policy has been to encourage economic development. Take for instance the Railways. A large amount of capital has been sunk in Railways. The Government of India's financial policy has also been directed to the elimination of the provincial contributions, with the object of placing more money at the disposal of the Local Governments. It has been directed to the rehabilitation of our credit, enabling capital to be raised at reasonable rates so that the large irrigation schemes and other schemes of development which Local Governments have in hand may be carried on. These are the things which create wealth and which therefore will give employment. I should have been glad to add the development and improvement of the banking system. Sir, these are the ways in which the Central Government can help, and I maintain is, so far as is possible, helping in this question of unemployment. Our position then is that the detailed enquiry is in the first instance at any rate a problem for the Provincial Governments and we are satisfied that they are very much alive to it and are dealing with it. So, for the present we do not see any need for a central Committee. No Local Government has asked for a central Committee. If they do so, the matter would, of course, be considered, but for the moment we think that it is a matter which is primarily for the Provincial Governments to deal with. I think that the Honourable Mover has probably served his purpose by raising this discussion, and I hope that he will not find it necessary to press his Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, though I cannot agree with all that the Honourable Mover of this Resolution has said, I cannot abstain from observing that ever since the inauguration of the Ministry of Education in the Central Government, our system of education has greatly deteriorated and which very badly needs revision now. Twenty-five years ago when I was a college student there were only three courses in science (Physics and Chemistry) for the Intermediate examination and now, I understand, there are about a dozen. In those days, Sir, there were very few students who used to wear glasses, whereas now the majority of students wear them. The physique of the students used to be much better in those days but now by the time they finish their college career they become very much deficient in vitality and eye-sight. I quite agree with the Honourable Mr. Latifi who says that the sons of artizans, agriculturists and the industrial classes instead of getting the training of their own parental professions go in for intellectual education and when they finish their school career many of them have to face unemployment. Instead of improving their own agricultural or industrial resources by getting education in their own particular lines, they become a burden to their parents. In this connection, my Honourable friend Sir Umar Hayat Khan has very rightly and whole-heartedly endorsed what has fallen from the lips of the Honourable Mr. Latifi. The boys of these artizans and agriculturists become accustomed to easy and sometimes luxurious life in their hostels while they live in big towns and cities. So, when they finish their school career and go back to their homes, they do not like their dwellings, surroundings and parental professions, and failing to get any employment they become bitterly discontented.

The Punjab Government, Sir, is quite alive to this question of unemployment and did appoint a Committee to inquire into this question. To the best of my knowledge I will lay before this House the abstract of this Committee's

report. They say that there is no unemployment in the engineering profession. In fact, there is, if anything, a shortage in the teaching profession. There is no overcrowding in the engineering or agricultural graduates. There is an overcrowding among the matriculates and even perhaps among the Intermediates but graduates are still in demand. As for the legal profession in 1917 there were 1,698 legal practitioners enrolled and in 1928 there were 3,613. On the other hand, the number of cases in 1926 was, if anything, less than in 1916. The medical profession, too, is much overcrowded. Between 1922 and 1926 our Lahore Medical College has turned out 256 graduates. Of these 32 have been provided with Government posts as Assistant Surgeons and 57 have accepted the posts of Sub-Assistant Surgeons. There are now 219 men on the waiting list of the Inspector General of Civil Hospitals, Punjab. The output of English educated men has been doubled during the last 5 years. There is no definite inclination shown by the well educated men to turn their energies towards agriculture or handicrafts. The Honourable Mr. Chari has observed that the educated classes feel averse to mechanical jobs. In that connection, I would like to enlighten him that as far as the Punjab and Bombay provinces are concerned . . . . .

THE HONOURABLE MR. P. C. DESIKA CHARI: I did not say that they were averse to the mechanical profession but that they cannot stand the physical strain.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I may inform the Honourable Member that in the Punjab all the students who take to the mechanical line do stand the strain all right and have given good account of themselves in the jobs on which they have been employed. I agree with my Honourable friend Sir Phiroze Sethna that certain provinces are backward in taking up industrial enterprise. If this was not the case in the United Provinces, and particularly in Bengal, it would go a great way to solve the problem of unemployment. As regards the sentiment that the sons of well-to-do people do not care to take up mechanical jobs, I think this House will be glad to know that our popular Commissioner of the Amballa Division, the Honourable Mr. Latifi, has put his son into the industrial school in preference to an academic school. This shows that there is a great change in mentality, and that both educated as well as well-to-do people now wish to realise the advantages of mechanical education.

The Punjab Government has also established a Development Board which is tackling the various questions in connection with the development of the province and thus helping to solve the question of unemployment. Several sub-committees have also been appointed to study the various village and other industries and I hope that in the very near future something very useful will have been done.

The Honourable Mr. McWatters has suggested to the Honourable Mover that he has now laid all his points before the House, and if the Honourable Member also gives a promise to the Council that he will draw the attention to the object underlying this Resolution of those Local Governments who have not yet done much in this direction, I think the Honourable Mover will be well advised to withdraw his Resolution.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I am glad that, though many of the Honourable Members do not support me in the idea of having a Central Committee, there seems to be a sort of unanimity of opinion that we must do something to relieve the unemployment of the educated middle classes. I should like however to deal with one or two points which

[Mr. P. C. Desika Chari.]

have come up in the course of the discussion. I can understand the difficulty of some of those Honourable Members who oppose this idea of a Central Committee, because the Local Governments would be in a better position to deal with the problem ; but I cannot understand the mentality of those gentlemen who want to find employment for the Devolution Rules and not for middle classes with a view to prevent the Resolution being discussed, or to stand in the way of the Central Legislature taking action. This is not the first time I have noticed such a tendency on the part of the Treasury Benches, and this time it is a new Member of the House who perhaps is not getting satiated with this idea of bringing in the Devolution Rules as an answer to the Resolution. I leave it at that.

There seems to be an idea that our educated middle classes are not conscious of the dignity of labour. No doubt they may not be quite as strong as other people. They are, however, not averse to physical or manual labour as such, but they expect a greater place for their intellectual ability, and they do not mind if there is some amount of physical labour.

In moving the Resolution I wanted to point out that the educated people do not like purely physical and manual labour, and if opportunities are available, where they have to exert themselves to the extent which their constitution can stand, they are prepared to take advantage of the opportunity.

A good deal has been said by Honourable Members like Mr. Vernon from Madras that it is a purely social question and it can be better tackled by the people themselves. The Honourable Member has not developed that argument, and I do not know what is at the back of his mind. Here various non-officials tried to tackle this problem. For instance, I have given you one instance of Deshabundu Das who evolved a system of village reconstruction to give employment to the middle classes. The scheme has to be put into effect, and can only be done with the willing co-operation of officials. He put it to the Government of Bengal, who turned it down and would not look at it. You may preach to these people who want bread and butter. You may say this is a social question, a moral question, or any other question. Those people are anxious to find some way out of the difficulty, to get some job or other to eke out a meagre subsistence, and I want you to face facts and not to preach sermons. It is all very well to say that the blame is on this side, the blame is on that side. I was anxious, as I pointed out in my opening speech, to find a solution. I do not want blame to be apportioned to anyone. Is it not the duty of officials and non-officials to evolve a scheme by which we can come to some solution ? It is a tremendous problem, and it is only the more necessary that officials and non-officials should unite in tackling a problem like that.

Sir, some people like my friend Mr. Natesan are simply under the impression that if only our people, the parents of some of these educated young men, think of sending their sons to the Federated Malay States, or some of these places, they can readily find employment. Rangoon though a part of British India is practically beyond the continent of India, and people do not make much difference between the Federated Malay States and Rangoon. As a matter of fact I have come in contact with a large number of people who have been to the Federated Malay States for employment and could not find any. They have come on to Rangoon and have found it impossible to get employment there, and then they have gone on to Calcutta which leads to Delhi. That is the way in which our people, these educated middle classes, are anxious to find some means of subsistence. The whole thing is due, to use an economic

phrase, to the pressure of population on the means of subsistence, and do you expect these Local Governments with their limited resources to be in a position to tackle the problem ? I am not blaming the Local Governments. They have been doing what they can, but the resources at their disposal are limited, and some of these Local Governments have already taken the matter in hand and published their reports. Is it not the duty of the Central Government to have all these reports co-ordinated and to see what solution can be found? It is on this ground, and this ground alone, that I ask the Central Government to appoint a Committee. I am not anxious that non-officials should come in. If you so please they can have an official Committee to consider these things, an expert Committee or whatever you choose. I do not mind if it is a Committee of two, of course you must have two people at least to form a Commitee. I only want that the various reports of the Local Governments should be co-ordinated and should be considered by the central body, so that the Central Government, which will be in a financial position to give effect to these recommendations, should solve the problem and not these Local Governments whose financial resources are very restricted.

Sir, I have been asked to withdraw my Resolution. I see no chance of my winning, but whether I withdraw or not—or even if I succeed on the Resolution it is merely a recommendation, merely an expression of opinion which does not carry any sanction behind it—whether I withdraw or not it does not matter, and as I do not see any magic in withdrawing the Resolution, I press it for the acceptance of the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to appoint a Committee to make the necessary enquiries and devise ways and means for relieving unemployment of the educated and other middle classes'."

The motion was negatived.

RESOLUTION *re* ELIGIBILITY OF HIGH COURT PLEADERS FOR THE OFFICE OF CHIEF JUSTICE OF A HIGH COURT.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council to take steps for such amendment of section 101 of the Government of India Act as would enable a High Court pleader to be appointed Chief Justice of a High Court."

The object of my Resolution is to remove the bar which exists at present to the appointment of a qualified High Court pleader as Chief Justice of a High Court. The position at present is that a person who has been a pleader of a High Court for not less than ten years may be appointed a High Court Judge, but a High Court Judge appointed from among the ranks of qualified pleaders cannot be appointed Chief Justice of a High Court, much less can a High Court pleader of not less than ten years' standing be appointed Chief Justice at once. There is thus a bar against High Court pleaders that they can never hope to rise to the position of a Chief Justice. It is a statutory bar existing under the Government of India Act. The removal of the bar by the necessary amendment of the Act is the object which I have in view in moving this Resolution.

[Sir Phiroze Sethna.]

A Resolution with the same object was moved in the Legislative Assembly by Diwan Bahadur T. Rangachariar on the 19th February 1924. That Resolution also covered another matter besides this, *viz.*, that the number of civilian Judges in a High Court should not be more than one-fourth of the total number of High Court Judges, with the eventual object that the Civil Service element should be entirely eliminated and the High Court Judges fully recruited from the bar. My Resolution is not so wide; it does not raise that other point; it is confined to the single issue that those High Court pleaders who can be appointed as High Court Judges may be eligible for appointment as Chief Justices either directly or in the course of time after having been first appointed as High Court Judges. In speaking on Diwan Bahadur Rangachariar's Resolution, and in dealing with this particular point, the Honourable Sir Malcolm Hailey, who was then Home Member, on behalf of the Government agreed with the Mover of the Resolution and said:

"On one point, I am certainly at one with him, namely, that since the reading of the section (that is section 101 of the Government of India Act) does, as he says, appear to exclude the possibility of appointing a pleader as permanent Chief Justice of the High Court, that distinction ought to be removed, and the Act ought to be amended in order that it may be possible to appoint a pleader to the position of permanent Chief Justice of a High Court, just as it is possible for him under section 105 to be appointed as officiating Chief Justice."

Thus Government accepted the view that the Government of India Act must be amended in order to make High Court pleaders eligible for the office of permanent Chief Justice, and in view of this and of the general assurance given by Sir Malcolm Hailey that all the questions raised by Diwan Bahadur Rangachariar in his Resolution were receiving the consideration of the Government, he withdrew the Resolution.

Now, four years have passed since then, but the Act has not been amended and the position remains the same. High Court pleaders still labour under the disability that though they may become High Court Judges, though further they may rise to the position of an Acting Chief Justice, they can never hope to fill the office of the Chief Justice permanently.

In order to vividly realise the anomalous and unjust character of the existing arrangement, let me point out that under section 101 of the Government of India Act, a barrister from England or Ireland or a member of the Faculty of Advocates in Scotland, of not less than five years' standing, can become a Chief Justice, and in law he can become so, all at once, even without first becoming a High Court Judge, though I am not aware of cases of such men being at once appointed as Chief Justices. But a pleader High Court Judge, whatever may be his legal attainments, however competent he may be, though he may have been the Sir John Simon of the Bar, is for ever debarred from becoming permanent Chief Justice.

I have nothing whatever to say against English Barristers, or Scotch Advocates, nor do I suggest that such barristers or advocates, when appointed as High Court Judges or Chief Justices have not acquitted themselves well in the discharge of their duties. But one fails to understand why Indian High Court pleaders should be permanently branded with the inferiority complex and be considered disqualified for performing the duties of Chief Justices. The House knows very well that we have had, and we have, some very able and distinguished High Court pleaders and that their front ranks have furnished some of the best High Court Judges who have adorned the Bench. I need not mention their names as I do not think anybody will dispute what I have

said. I feel, however, that I must give at least one instance, the late Honourable Justice Sir Lallubhai Shah. He was a prominent pleader with a large practice, and was appointed a Judge of the Bombay High Court when the late Justice Sir Narayan Chandavarkar retired. He proved an extremely able judge ; it will be no exaggeration to say that he was an ideal Judge, possessing all those qualities intellectual and moral, and also of temperament which are pre-eminently calculated to make one an ideal Judge. His knowledge of law was extensive, deep and profound, he was extremely painstaking, he possessed judicial patience and a highly cultivated and balanced judgment. His administrative capacity also was of a high order. All these qualities, so rare in combination endeared him to the Bar and to his colleagues on the Bench and made him an exceptionally esteemed and successful Judge. And yet because he was a High Court pleader, the statutory bar came in his way and he could not be appointed permanent Chief Justice of the High Court, though he officiated as such more than once. A distinction that can lead to such striking injustice stands self-condemned and must be removed at once.

Diwan Bahadur Rangachariar's Resolution was moved as far back as four years in the other place. In this House, my Honourable colleague Mr. Ramadas Pantulu moved a similar Resolution to mine twelve months ago yesterday. Replying on behalf of Government the Honourable Mr. Haig then observed as follows :

> " The Secretary of State is prepared to give favourable consideration to the recommendation but there is one caution which I must make. The proposal involves an amendment of the Government of India Act and it is clear that the Secretary of State cannot commit himself to any date for this. The exigencies of Parliamentary business preclude any such commitment."

We quite realise this but at the same time there is a limit to one's patience. What we want to impress upon Government is that already four years have elapsed and the Secretary of State must now do all he can to get the Act amended by Parliament as early as possible. I have therefore brought forward this motion in the hope that it will serve as a reminder, and that before this time next year this bar against High Court pleaders will be removed for certain and thereby a wrong to which we have had to draw Government's attention so frequently is redressed once for all.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): Sir, as my Honourable friend Sir Phiroze Sethna has explained, a Resolution substantially in the same terms was moved in this Council this time last year. I was able on that occasion to give an assurance that the Secretary of State was prepared to give favourable consideration to the recommendation that this anomaly should be removed from the law. On the merits of the question, Sir, I do not think that there is any difference of opinion between anybody. But the removal of this anomaly involves an amendment of the Government of India Act. As my Honourable friend has explained, his Resolution this morning is something in the nature of a proceeding with which we are very familiar in Government offices, namely, a reminder. There are various types of answers which are usually given to official reminders. One type is that the matter is under consideration. Another is that it is hoped that it will be expedited. A third, which is generally considered perhaps the most satisfactory, is that it is hoped that an answer will be given by a particular date. Well, Sir, I hope that my reply this morning will be found by the Council to be of the more satisfactory type. The Secretary of State has recently informed us that he hopes to introduce this Session a Bill to amend section 101 of the Government

1 P.M.

[Mr. H. G. Haig.]

of India Act. Honourable Members must not of course conclude that the Bill will necessarily go through this Session. We hope it will, but Governments are not always entirely able to control their programme of legislative business. As Honourable Members are aware, from time to time incidents occur which unexpectedly upset their programmes. But subject to this caution, I trust that before very long the Council will no longer be faced with the necessity of sending reminders on this subject to Government and that they will be able to see this very desirable reform embodied in the Statute. The actual terms of my Honourable friend's Resolution are that the Governor General in Council should take steps for such amendment of section 101 of the Government of India Act. As he realises, this is a matter which is within the competence, not of the Government of India but of the Secretary of State. He will also, I think, realise that the Government of India have done all that they can in the matter and that the Secretary of State is also doing all that he can in the matter. I would therefore suggest for my Honourable friend's consideration that he may not consider it necessary to press his Resolution.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, in view of the assurance given by the Honourable the Home Secretary, I shall not press my Resolution, and I beg your leave to withdraw it.

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

The Council then adjourned till Eleven of the Clock on Thursday, the 16th February, 1928.

COUNCIL OF STATE.

Thursday, 16th February, 1928.

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

BURMA SALT (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill to amend the Burma Salt Act, 1917, for a certain purpose, be taken into consideration. As I explained to the Council when introducing the Bill, this is a very simple and straightforward measure. The administration of the salt revenue and the activities connected with it is, under the present constitution, the responsibility of the Central Government but, except in Northern India, the subject had till recently been administered by Local Governments as agents of the Government of India. The administration of the Madras and Bombay Salt Departments was taken over by the Government of India on 1st January 1926, and it is now proposed, with the consent of the Burma Government, to take over the administration of the Department in Burma also with effect from 1st April 1928. The step now proposed is merely one of the changes of system which flow from the Reforms and from the policy of the Government of India to separate, as far as possible, central and provincial functions. Apart from this, the present arrangements in Burma are not satisfactory, even from the point of view of administrative efficiency. A special feature of these present arrangements is that in Burma the Salt Department merely consists of a number of subordinates working under the ordinary provincial revenue administration. There is no supervising staff with exclusive technical experience of salt administration, and an officer of the Indian Civil Service, with considerable experience of Salt administration, who was recently employed on special duty under the Central Board of Revenue to investigate various problems connected with Salt administration, and who spent some time in studying salt problems in Burma, has unhesitatingly recommended in particular that the administration of salt revenue by the ordinary district staff, which had been abandoned several decades ago in other parts of India, should be abandoned in Burma also. Under the existing arrangements, as I have just indicated, the responsibility for administering the Department in Burma falls largely on the district officer and the sub-divisional officers. These officers are far too much occupied with magisterial, land-revenue and other duties to be able to give salt work the attention that it requires. The consequence has been not only that the methods of manufacture are inefficient and wasteful, but also, it is feared, that illicit manufacture is widely prevalent and salt is finding its way into consumption without paying duty.

It is proposed to place the new Department under a Collector of Salt Revenue, who will be a junior officer with experience in the Salt Department, and will work under the general supervision of the Commissioner of Income-tax in Burma. This arrangement has been adopted partly as a matter of economy, as otherwise it would be necessary to have a senior officer as Collector of Salt Revenue. Another important reason is that it is necessary to have an appellate

[Mr. E. Burdon.]

authority on the spot to deal with appeals against the orders of the Collector, since otherwise everyone aggrieved by an order of the Collector of Salt Revenue would have to approach the Central Board of Revenue in Delhi or Simla.

As regards the financial aspect of the measure, there is reason to believe that the new arrangements will result in some economy. At present the arrangement is that the Government of Burma, in return for the work which they do as agents of the Government of India, receive from central revenues a contribution of 8 per cent. of the total expenditure under the provincial head "6—Excise", exclusive of the cost of opium supplied to the Local Government. On this 8 per cent. basis, the contribution amounted in 1925-26 to Rs. 1,47,348, and in 1926-27 to Rs. 1½ lakhs roundly; the figure for 1927-28 (Budget) is also about 1½ lakhs, and that estimated for 1928-29 is roughly Rs. 1,55,000.

The estimated average cost of the new system of direct administration is Rs. 1,87,000. Accordingly there is, as will be seen, a certain small increase in direct expenditure, but it is confidently anticipated that this will be more than recouped by the suppression of illicit manufacture and the stoppage of issues without payment of duty. This aspect of the matter, that is to say, the cost of the proposals, has been reviewed by the Standing Finance Committee to whom the Government of India have referred the proposals in order that, if the legislation is successfully carried out, there may be no delay of procedure to prevent the scheme from being carried into effect from the 1st of April next. The Standing Finance Committee have made no criticism of the proposals for expenditure.

The Bill itself merely sets out in detail what officers under the new dispensation will perform the functions now performed by the Local Government and its officers respectively. Broadly speaking, the functions now performed by the Local Government will be performed in future either by the Central Board of Revenue or by the Commissioner of Income-tax. Similarly, the functions performed by the authorities below the Financial Commissioner will be performed by the Collector of Salt Revenue and his subordinates.

As I have said at the outset, the Government of Burma, who have been consulted, acquiesce in the proposals, and I have nothing further to add except to express the hope that this Council will also agree.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to amend the Burma Salt Act, 1917, for a certain purpose, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON: Sir, I move that the Bill be passed.

The motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, our next meeting will be held on Monday, the

20th, on which day, as Honourable Members are already aware, the Railway Budget will be presented. Thereafter the House will meet on Tuesday, the 21st, Wednesday, the 22nd and Thursday, the 23rd. The business for the 21st will include a motion for the election of a panel for the Standing Committee to advise on questions relating to Emigration in the Department of Education, Health and Lands, and motions for the consideration and passing of the Bill further to amend the Indian Securities Act, 1920, for a certain purpose, which was introduced on Tuesday last. Further business will depend on events elsewhere. Wednesday, the 22nd, will be devoted to non-official business, and the general discussion of the Railway Budget will take place on Thursday, the 23rd.

The Council then adjourned till Eleven of the Clock on Monday, the 20th February, 1928.

COUNCIL OF STATE.

Monday, 20th February, 1928.

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

MEMBER SWORN.

The Honourable Sir Austen Hadow, Kt., C.V.O. (Chief Commissioner, Railways).

QUESTIONS AND ANSWERS.

SUPERSESSION OF SYED SHUJAAT ALI, A SUBORDINATE OF THE PUBLIC WORKS DEPARTMENT, DELHI.

51. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that—

(i) B. Gurdit Singh, B. Nand Lal Sharma, B. Din Dayal, B. Man Singh, temporary subordinates, and S. Bahadur Singh, Officiating Executive Engineer, Public Works Department, Delhi, are junior in service to one Syed Shujaat Ali, subordinate, Public Works Department, Delhi;

(ii) The said temporary subordinates B. Gurdit Singh, B. Nand Lal Sharma, B. Din Dayal, B. Man Singh were given charge of Sub-divisions with the benefit of the sub-divisional allowance of Rs. 75 per mensem;

(iii) If the answer to (i) is in the affirmative, is the said Syed Shujaat Ali, subordinate, Public Works Department, Delhi, debarred of his rights by the Delhi Public Works Department in raising them over him?

THE HONOURABLE MR. A. C. McWATTERS: (i) The lengths of service of the men are:

Name.	Y.	M.	D.
B. Gurdit Singh	9	7	19
B. Nand Lal Sharma	11	7	19
D. Din Dayal	8	10	11
B. Man Singh	14	9	1
S. Bahadur Singh	14	8	7
Syed Shujaat Ali	14	8	27

(ii) B. Gurdit Singh has never held charge of a Sub-division, but the other three have, the last two mentioned as a purely temporary measure. Any subordinate placed in such charge is granted a sub-divisional allowance of Rs. 75 per mensem.

(iii) The answer is in the negative.

REVERSION OF MR. H. J. BELL, EXECUTIVE ENGINEER, 9TH PROJECT DIVISION, NEW DELHI, TO THE CENTRAL PROVINCES.

52. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state—

(i) the reason for reverting Mr. H. J. Bell, Executive Engineer, 9th Project Division, New Delhi, to his post in the Central Provinces;

(ii) Whether it is a fact that the reversion of the said Mr. H. J. Bell w not due to the abolition of the Division;

(iii) Whether it is a fact that one S. Bahadur Singh was promoted to th post of Executive Engineer on the reversion of Mr. H. J. Bell?

THE HONOURABLE MR. A. C. McWATTERS: (i) Mr. Bell's reversion was due to reduction of establishment.

(ii) The Honourable Member is referred to the answer to the first part of this question.

(iii) The answer is in the negative.

THE LEGISLATIVE BUILDING, NEW DELHI.

53. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Was 1/9 Sub-division only for the construction of legislative building, New Delhi?

(*b*) If so, will the Government be pleased to state the name of the Sub-divisional Officer in charge of the construction of the legislative building, New Delhi?

(*c*) Will the Government be pleased to state what action has been taken against the contractor and the Sub-divisional Officer in charge of the construction of legislative buildings, New Delhi, in connection with the fall of a brick near His Excellency the Commander in Chief in India last year?

(*d*) Did the roof portions of the State sector and the Assembly sector of the legislative building (1st floor) fall down in the summer and the rainy season in 1924?

(*e*) Was the payment of rebuilding them given to the contractor?

(*f*) Was Seth Lachhman Dass, contractor, awarded a title for constructing the legislative building, New Delhi?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) During construction the 1/9th Sub-division was only for the construction of the legislative building.

(*b*) S. Bahadur Singh was in charge of this Sub-division during the greater part of the period of construction.

(*c*) After a careful investigation into the cause of the fall of an acoustic tile, Government decided that no action was called for against the Sub-divisional Officer and contractor.

(*d*) No. During construction there was an accident to a short length of the corridor roof in 1924, and possibly this is what the Honourable Member is referring to.

(*e*) Yes.

(*f*) Yes.

CASE OF MR. MOHAMED SOLEMAN, RECENTLY EXECUTIVE ENGINEER IN THE 5TH DIVISION, NEW DELHI.

54. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Was one Mr. Mohamed Soleman recently Executive Engineer in the 5th Division, New Delhi?

(*b*) Is the said Mr. Mohamed Soleman now working as a Sub-divisional Officer ?

(*c*) Has S. Bahadur Singh a certificate of passing any of the examinations prescribed for Engineers, Overseers or Sub-overseers ?

(*d*) Has the said S. Bahadur Singh again been given a chance in the Executive Engineer's post in a leave vacancy ?

(*e*) Is Mr. Mohamed Soleman a qualified Civil Engineer of Roorkee College ?

(*f*) Is S. Bahadur Singh on deputation from the Assam Province ?

(*g*) Is S. Bahadur Singh a Sub-overseer in the Assam Province ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Yes.

(*b*) Yes.

(*c*) He has passed the Departmental test for Sub-overseers in his own province.

(*d*) S. Bahadur Singh is officiating as Executive Engineer as a purely temporary measure.

(*e*) Yes.

(*f*) He is on deputation from Bengal

(*g*) He is an " Overseer " in Bengal.

CASE OF MR. MOHAMED SOLEMAN, RECENTLY EXECUTIVE ENGINEER IN THE 5TH DIVISION, NEW DELHI.

55. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that the said Mr. Mohamed Soleman is on deputation from Bihar and Orissa and holds the post of Assistant Executive Engineer ?

THE HONOURABLE MR. A. C. McWATTERS : Yes.

PROMOTION OF S. BAHADUR SINGH TO THE POST OF EXECUTIVE ENGINEER IN THE 5TH DIVISION, NEW DELHI.

56. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government be pleased to state the reason for promoting S. Bahadur Singh instead of Mr. Mohamed Soleman to the post of Executive Engineer ?

THE HONOURABLE MR. A. C. McWATTERS : S. Bahadur Singh's appointment to a Division as a temporary measure is in the interests of Government. It was not possible to transfer the officers named from the works with which they had been connected for a long period during the closing stages of those works.

PAYMENTS TO SIKH, HINDU AND MUSLIM CONTRACTORS BY THE PUBLIC WORKS DEPARTMENT, DELHI, IN THE LAST SEVEN YEARS.

57. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government be pleased to state (*a*) the number of Sikh, Hindu and Muslim contractors in the Delhi Public Works Department ?

(*b*) How much money has been paid to Sikh contractors, how much to Hindu contractors, and how much to Muslim contractors in the last seven years by the Delhi Public Works Department ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Sikhs 39, Hindus 109, Muslims 61.

(*b*) The Government is not prepared to undertake the compilation of the information owing to the amount of labour involved.

MUSLIM ENGINEERS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

58. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : What is the number of qualified Muslim candidates registered for the post of Engineer in the Delhi Public Works Department after the Great War, and how many of them have been appointed up to now ?

THE HONOURABLE MR. A. C. McWATTERS : Registers are only available from 1921 and contain the names of twelve qualified Muslim candidates for the posts of Engineers. The number of Muslim Engineers appointed since 1921 is three.

ISSUE OF LICENCES TO VENDORS IN NEW DELHI, ETC.

59. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Is it a fact that within the area of New Delhi licences are issued to vendors by the Public Health Office ?

(*b*) If so, will the Government be pleased to state how many licences were issued to non-Muslim vendors and how many to Muslim vendors within the last three years ?

(*c*) Is there any Muslim clerk or Doctor in the Public Health Office of New Delhi ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH :

(*a*) Not now.

(*b*) Information is not available.

(*c*) No.

NUMBER OF VACCINATORS IN THE PUBLIC HEALTH DEPARTMENT, NEW DELHI.

60. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Will the Government be pleased to state the number of vaccinators working in the Public Health Department, New Delhi ?

(*b*) Is the strength of vaccinators according to the medical manual ?

(*c*) Are they all qualified ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : (*a*) Two permanently and a third when occasion requires.

(*b*) No strength for the vaccination establishment of New Delhi has been prescribed.

(*c*) Yes.

MUSLIM AND NON-MUSLIM EMPLOYEES OF THE PUBLIC WORKS DEPARTMENT, DELHI.

61. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state the number of non-Muslims and Muslims respectively working in the Delhi Public Works Department in the following capacities :—

Civil, Mechanical and Electrical.—(1) Executive Engineers, (2) Assistant Executive Engineers, (3) Assistant Engineers, (4) Temporary Engineers, (5) Temporary Sub-Engineers, (6) Subordinates, (7) Clerks, (8) Draftsmen ?

THE HONOURABLE MR. A. C. McWATTERS:

	Non-Muslims.	Muslim
Executive Engineers . .	2	..
Assistant Executive Engineer	..	1
Assistant Engineers . .	2	..
Temporary Engineers .	8	..
Temporary Sub-Engineers .	5	1
Subordinates . . .	76	16
Clerks . . .	123	40
Draftsmen . . .	46	34

MUSLIM SUPERINTENDENTS AND CLERKS IN THE INDIAN STORES DEPARTMENT.

62. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state the number of Superintendents and clerks working in the Indian Stores Department, Government of India. How many of them are Muslims ?

THE HONOURABLE MR. A. C. McWATTERS: The following statement shows the total number of Superintendents and clerks working in the Headquarters office of the Indian Stores Department, to which presumably the Honourable Member refers, and the numbers of Muslims in each class :—

	Total Number.	Number of Muslims.
Superintendents (including a Chief Superintendent)		1
Assistants, clerks and stenographers . .	143	26

EMPLOYMENT OF CLERKS WHO HAVE NOT PASSED THE MATRICULATION EXAMINATION IN THE INDIAN STORES DEPARTMENT.

63. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Are non-matriculate clerks appointed in the Indian Stores Department ?

(*b*) If so, will the Government be pleased to state their names and pay ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) No clerks who have not passed the Matriculation or an equivalent examination are now appointed to the clerical establishment of the Headquarters office of the Indian Stores Department, unless nominated by the Public Service Commission.

(*b*) A statement showing the names and present rates of pay of such clerks serving in the office of the Chief Controller of Stores will be sent to the Honourable Member.

NUMBER OF SUPERINTENDENTS AND CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

64. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will the Government be pleased to state the number of Superintendents and clerks in the Clearing Office of Accounts, North Western Railway, Delhi?

(*b*) How many of them are Muslims?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) The present sanctioned cadre of the subordinate establishment of the Railway Clearing Accounts Office is 827, including 11 accountants and 57 sub-heads.

(*b*) The information is not available.

PAY OF TOWN INSPECTORS OF POST OFFICES IN CALCUTTA AND MUFFASIL INSPECTORS.

65. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Had the 8 Town Inspectors of Post Offices in Calcutta before 1920 distinct superior grades of Rs. 80 and Rs. 100 as contrasted with the inferior grades of Rs. 60, 70, 80 and 100 for Muffasil Inspectors of Post Offices?

(*b*) Is it a fact that by the revision recommended in 1921 by the Heseltine Committee, the Muffasil Inspectors of Post Offices were placed on a new scale of Rs. 100—5/2—170, and all the then permanent Inspectors (passed or unpassed) were automatically brought on to that scale in preference to the seniors in the clerical line in the grades of Rs. 60, 70, 80, and Rs. 90?

THE HONOURABLE MR. A. C. MCWATTERS: (*a*) Before 1920 the grades for Mofussil Inspectors of Post Offices were Rs. 60, 80, 100 and 100—150 which were superior to the grades for Town Inspectors in Calcutta.

(*b*) No. The new scale sanctioned in 1920 for Inspectors of Post Offices was Rs. 100—5—175. As the Inspectors and the Head Clerks of Superintendents formed a separate cadre, their automatic admission to this scale did not constitute preferential treatment over their seniors in the clerical line.

REVISION OF THE PAY OF INSPECTORS OF THE RAILWAY MAIL SERVICE, CALCUTTA.

66. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Were the Inspectors attached to the Calcutta Railway Mail Service under the same Presidency Postmaster automatically brought on to the revised grade in preference to their seniors for the reason that they were holding the appointments substantively?

THE HONOURABLE MR. A. C. MCWATTERS: Those holding substantively the posts of Inspectors in the Calcutta Railway Mail Service which are borne on a separate cadre were automatically brought on to the new scale of pay on the revision of the old scale. No question arose of their being given preference to others outside the cadre and therefore unaffected by the revision.

WANT OF A RAILWAY IN THE SATKHIRA SUB-DIVISION, BENGAL.

67. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Has the attention of Government been drawn to the miserable condition of the people

of Satkhira, a sub-division in the district of Khulna (Bengal), for the want of a railway line? Are they considering the desirability of connecting Satkhira with the Khulna line or any other Railway?

(*b*) Will the Honourable Member in charge of the Railway Department be pleased to state if any project of a railway line has been sanctioned? If so, when is it going to be expedited?

THE HONOURABLE SIR GEOFFREY CORBETT: The proposal was last examined in 1924, and found to be unremunerative.

The Agent, Eastern Bengal Railway, has now been asked to look into the matter again.

THE RAILWAY BUDGET FOR 1928-29.

Introductory.

THE HONOURABLE SIR AUSTEN HADOW (Chief Commissioner, Railways): Sir, I rise to present to the Council a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1928-29 in respect of railways.

2. As an introduction to a more detailed explanation of the budget, I think it is desirable that I should give a brief description of our railway property in order to present a more comprehensive picture to the Council and will quote a few figures. At the commencement of this financial year, *i.e.*, on April 1st, 1927, our mileage of railways opened to public traffic was 39,049, which means that in the year 1926-27, 421 miles of new lines were added to our previous total. Of this total the State owned 28,004 miles, Companies and District Boards 6,001, and Indian States 5,044 miles. The capital at charge of the State-owned railways on the same date was 701 crores out of a total capital of 789 crores. There was a reduction in the mileage of railways owned by Companies and District Boards in that year, this being due to the purchase by the State of the Delhi-Umbala-Kalka Railway, which was effected in the year 1926-27. By the end of March next, that is the end of this financial year, it seems likely that the total mileage of railways in India will have risen to close on 40,000; I shall deal more at length with our new construction programme presently.

3. I would remind the Council that, although the State-owned mileage amounted to 28,004 miles, four only of the big railway systems, namely, the North Western, East Indian, Great Indian Peninsula and Eastern Bengal Railways are managed directly by the State; six others in which the State is the predominant partner are worked by Companies under contract with the Secretary of State, and there are others worked by Companies in which distinct parts are owned by the Government and the Company. The Budget figures are arrived at, therefore, not only from the earnings and working expenses of the four State-managed lines mentioned above, but also from the results obtained on those railways in which Government is a part owner. Moreover, there are yet other lines owned by Companies, etc., on which Government has guaranteed a certain return to the owners and is entitled to a share of surplus profits, when earned; many such lines also are worked by the big railway administrations on behalf of the owners for a fixed proportion of the gross receipts; the results of all these affect the Budget in some measure. It

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is hardly possible to enter into a more specific definition of the varied contractual relations between the Secretary of State and such owners without wearying the Council with details, and my object is merely to show that there is a very small mileage of railways in India which does not affect the Budget figures in some degree, and the calculation of these figures is consequently a somewhat complicated business.

4. It must also be realised, as was pointed out by Sir Clement Hindley last year, that the responsibilities of the Railway Department are not limited to the administrative and financial control, the extent of which is illustrated by the Budget figures, but are largely augmented by their obligations in regard to the safe and efficient working of all railways and by questions of a technical nature which require a reference to the Government of India.

5. The members of this Council will shortly have in their hands a mass of information about the Budget and the financial position of the railways at the present time, but I will now proceed to explain briefly the main features of our revised estimates for the current year, so far as they are available up to date, and our anticipations for the year 1928-29. I may add that we have a considerable mileage of strategic lines on the North West Frontier of India, which form a part of the North Western Railway system and are treated distinctly in the accounts, as the interest on the capital cost of them and the loss on their working are met from the General Revenues. The distinction between the commercial lines and strategic lines is followed throughout the Budget papers, and for the purpose of my explanatory remarks I shall deal generally with the commercial lines only.

6. As a preliminary, I will refer to the final results for the year 1926-27. A year ago, when the Budget for the current year was put forward, it was anticipated that it would be necessary to withdraw 7 lakhs from the reserve in order to pay the contribution to General Revenues. The last few weeks of the financial year 1926-27, however, gave us unexpectedly good earnings; as a result of this, and of a large saving in working expenses, as compared with our revised estimate, we were able not only to fulfil our obligations to the General Revenues without drawing upon our reserves, but were able to add to our reserve fund about 1½ crores of rupees, bringing that fund up to a total of well over 11 crores. I should like to invite the attention of the members of this House to the Report on Indian Railways for the year 1926-27 which has lately been published, which contains much matter for thought and study by those who have leisure and desire to understand something of the activities of the Railway Board apart from the intricacies of the Budget.

Revised Estimate, 1927-28.

7. After a disappointing year in 1926-27 which, in spite of a bright finish, yielded total gross receipts about half a crore less than the previous year, the current year has shown very much improved results. Throughout the year, so far, except for four weeks in July and August, when the railways in Guzerat and Orissa were seriously affected by floods, our earnings have been consistently higher than last year, and all descriptions of traffic have contributed to the improved results. We still have a few weeks of the current financial year to run, but on the latest information available, it is anticipated that our gross receipts from commercial lines will amount to nearly 103⅓ crores as compared with 100 crores, the figure anticipated in the Budget for the current year which was prepared twelve months ago. This figure of 103½ crores for gross receipts

from commercial lines compares with a figure of 98½ crores for the year 1926-27, an increase of 5 crores, and is a considerably higher figure than our previous record year Rs. 99·96 crores in 1924-25.

8. As already stated the increase is well spread over all descriptions of traffic, and it is, moreover, shown in the results of almost every individual railway, in fact there is only one railway, the Bombay, Baroda and Central India Railway, which does not show an appreciable development of traffic. For the first seven months of the year, that is up to the end of October last, we carried 361 million passengers, or 7½ million more than in the same period of the previous year; the corresponding figure for passenger miles, 12,050 millions, is an increase of 6 per cent. on the previous year. This increase can no doubt be partly attributed to the stimulus given by certain reductions in fares in the last 2 years. Under goods traffic there was an increase of nearly 400 million ton miles in these first seven months, and for the full year it is anticipated that the increase will be 700 million ton miles over 1926-27. The improvement appears under nearly all commodities as shown by the figures of wagons loaded, some particulars of which will be found in the Budget Memorandum.

9. Turning to working expenses, it will be seen that our working expenses are expected to exceed those of 1926-27 by Rs. 8 lakhs only in spite of the large increase of traffic. Now one of the items which make up the working expenses total is the annual contribution to the Depreciation Fund, and this contribution gradually rises with the increasing capital value of the railway property, so that in 1927-28 it will be 49 lakhs higher than it was in the previous year. If, therefore, our revised estimate works out as we anticipate, we shall be carrying the large increased traffic of the current year for an actual expenditure, apart from the increased provision for depreciation, 41 lakhs less than the carriage of the smaller traffic of 1926-27 cost us, a result from which we are, I submit, entitled to derive a good deal of satisfaction. In two directions the detailed figures will, I hope, be of much interest to the Council. With the better equipment, and more particularly with the better methods, which have been introduced in our workshops, our bill for the repair and maintenance of rolling stock of all descriptions is showing a most gratifying decrease. In the current year arrears of repairs have been caught up on a larger number of our important railways, and we are able to suggest in the revised estimates that the cost of repairing and maintaining locomotives will be over 25 lakhs less than in 1926-27 and about 33 lakhs less than we budgetted for, the repair and maintenance of coaching vehicles will be 7 lakhs less than the previous year and 21 lakhs less than we expected last February, and the repair and maintenance of goods vehicles will be 15 lakhs less than last year and 37 lakhs less than the Budget figure. These reductions represent a real improvement in the cost of keeping our rolling stock in good order, and I hope the Council will agree with me that they reflect very great credit on the Mechanical Departments of the various railways who deserve to be congratulated on the success of their strenuous efforts. We have an equally welcome reduction in operating costs to show. Here I think it is sufficient to mention a reduction of nearly half a crore in the cost of fuel. This is of course to a considerable extent due to the fall in the price of coal, but it is also to be attributed to the effect of the measures which we have taken in recent years to secure more economical coal consumption. Of our other charges I need only mention in this brief review a rise of 152 lakhs in interest, due of course to the large capital expenditure which we are now incurring on the improvement and expansion of Indian State Railways.

[Sir Austen Hadow.]

10. We arrive then at an anticipated total of 90 crores 67 lakhs for the total charges, and in the result the Revised Estimate shows that the difference between the gross receipts and total expenditure on commercial lines for the whole year 1927-28 is expected to yield a net gain of $12\frac{3}{4}$ crores, or nearly 4 crores in excess of the Budget, and that, after deducting the loss on working strategic lines and paying the required contribution of Rs. 6·36 crores to General Revenues, we shall be able to add a sum of nearly $4\frac{3}{4}$ crores to our Reserve Fund. If these anticipations are realised, we shall have a total of over 16 crores in our Reserve Fund at the end of this financial year, as well as a total of 9 crores or so in our Depreciation Fund, and we, therefore, considered it incumbent on us to take stock of our position. In connection with the question of our Reserve Fund, I should like to invite the attention of members of this Council to the remarks made by Sir Clement Hindley a year ago. He remarked that we have to learn by experience what amount we require in our reserve and pointed out that in that year 1926-27 we had to face a set-back in earnings. Now the set-back experienced in 1926-27 was not a serious one; it could not be classed as a really bad year for Indian Railways, and the possibility of having to meet a series of really bad years must always be borne in mind. Nevertheless, after a careful examination of our position, not forgetting that our contribution to General Revenues will increase with our capital expenditure at the rate of about Rs. 25 lakhs a year, and remembering that on a good deal of our capital expenditure we cannot expect an immediate adequate return, we consider we can face an appreciable reduction of some of our rates and fares.

11. We anticipated some months ago that we might be able to face the initial loss of making some reductions in rates and fares, and consequently the ground had been prepared by making a preliminary investigation last August in order to determine the general lines that should be followed. More recently the matter has been examined in more detail, and our conclusions will be found in the Budget memorandum. It will be recognised that discrimination was necessary because we could not at once afford an all round reduction and had to determine in what directions the first benefit should be given. I will now mention briefly the reductions we are making. First, there is our friend and good client the third class passenger; he will be saved $\frac{1}{2}$ a pie per mile on journeys of over 50 miles on the East Indian, North Western and Great Indian Peninsula Railways. There are certain Company-worked railways also, which we hope may be prepared to effect some reductions in fares, but the negotiations with them will at any rate delay their introduction somewhat. This, with the abolition of the distinction in Intermediate and Third class fares between mail and ordinary train, which will be effected on the East Indian and Great Indian Peninsula Railways, is estimated to cost us 122 lakhs on a full year with the existing traffic, but I hope a large increase in travelling will be the response to this reduction. Next, affecting our receipts from other coaching traffic, we propose to take in hand the present parcels and luggage rates, which are very much higher than they were at the end of the war. These are to be reduced by about 15 per cent., and the method of charging is also to be changed to the advantage of the trade, and we hope particularly of the retail trader. A revised scale for horses, live stock and motor cars is worth mentioning, especially as the big Delhi Horse Show is fresh in all our minds; as an example of the effect of this I may say, that, whereas it would cost Rs. 118 to bring a horse to Delhi from Sargoda under the existing scale, it will only cost Rs. 88-8-0 under the new scale. Then there are very substantial reductions of rates for kerosine oil, manures and oil cake, jaggree, petrol, as well as certain reductions on the East Indian and North Western

railways for grains, pulses and seeds, and the removal of certain anomalies in rates, which have existed on the enlarged East Indian Railway system since the old Oudh and Rohilkhand Railway was made a part of it. The commodities mentioned are those selected as most likely to respond quickly to a reduction in rates ; it is clear that this is the criterion from which to judge whether present rates tend to hinder the development of traffic, and our first aim has been to reduce such rates. The most important of these are the reduction on kerosine oil and the removal of anomalies in rates on the enlarged East Indian Railway system ; *the latter is estimated to take away 33 lakhs from our earnings, but is clearly the right thing to do. It has been calculated that these reductions in* rates and fares taken together would cost us over 3 crores on a full year's working if we failed to obtain from them the increased business which we confidently expect.

Budget Estimate, 1928-29.

12. If we turn now to our anticipations for next financial year, it will be seen from the tabular statement in paragraph 26 of the Memorandum that, as compared with our estimated total receipts of just under 103½ crores in 1927-28, we have assumed receipts of under 103¼ crores next year. That figure is arrived at as follows. It has been estimated that, if we were not to reduce rates and fares as we propose, these total receipts in 1928-29 might amount to 105·19 crores, calculating on a rather smaller increase of earnings than the average because 1927-28 has been such a favourable year. From this total then we must deduct a figure representing the effect which the reductions I have just mentioned will have on our earnings of next year. I have said that on a full year the reduction of earnings would amount to 3 crores, if no immediate development followed on them, but, although some of the reductions can be introduced with immediate effect, there are others of which due notice will have to be given, and they can hardly come into force before June next. Allowing for this and for the expectation that some of the loss will be quickly made good by the stimulus that will be afforded to travelling and to trade, we have assumed that our net loss in 1928-29 will be about 2 crores. We have, therefore, estimated in the Budget for gross receipts from commercial lines of 103·19 crores.

13. Turning now to our estimate of expenditure next year, we have put this at a little over 92½ crores as compared with 90⅔ crores in the current year. Working expenses are practically identical in total with the current year, and the only important increase in expenditure over 1927-28 is under interest charges, which go up by 1½ crores owing to the expansion of capital. As regards working expenses it is worth mentioning that an increase of ½ crore in payments to the Depreciation Fund due to increased capital assets, and a small increase under Administration will, we hope, be both covered by further economies in repairs and maintenance. Although we expect to carry more traffic, we anticipate that the operation expenses of transportation can be kept down to slightly below our Revised Estimate for the current year.

As regards strategic lines, there is little to say ; we hope for a small increase in gross traffic receipts and anticipate that the net loss in working these lines, which has to be borne by General Revenues, will be slightly less than in the current year.

14. To sum up briefly then the Budget shows a drop of 24 lakhs in gross receipts as compared with our Revised Estimate for the current year, an increase in expenditure of 188 lakhs, nearly all due to expanding interest charges and a larger provision for depreciation, giving a surplus from commercial lines

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of rather more than 10½ crores. Out of this estimated surplus over 1½ crores will be used to meet an anticipated loss on strategic lines, our contribution to General Revenues will be about 5½ crores and, if our anticipations are approximately correct, there will be a balance of 3½ crores to credit to the railway reserve.

Capital Expenditure, 1927-28.

15. I turn now to our Capital Budget. Our capital expenditure during the current year is expected to amount to Rs. 30 crores, as compared with a Budget figure of 25 crores. Perhaps I ought to explain that, although twelve months ago it was estimated that the capital expenditure would be 25 crores, railway administrations were allowed to include works involving expenditure of 39¾ crores in 1927-28 in their approved programmes.

This latter figure was what they had asked for, but in the light of the experience of the previous years we believed that the spending capacity of our organisation would limit their progress to the Budget figure of 25 crores. Since the advantages to be expected from the works in question will not be realised until they are completed, it is satisfactory to be able to report that railway administrations now seem likely to make better progress than was anticipated. Of the total figure of 30 crores shown in the Revised Estimate, about 21¼ crores represent the probable amount to be spent on open line works and rolling stock, and 8¾ crores on new lines, the latter figure being nearly 2 crores over the amount spent on new lines in 1926-27.

16. As regards new lines, I have mentioned that by the end of March we expect our open mileage of railways in India to approach the figure of 40,000, that is, an increase of over 900 miles during the current year. But this new mileage is not entirely on the State Railways, as something like one-third of it will have been constructed at the cost of Indian States and others. The latter includes the important north to south connection in His Exalted Highness the Nizam's territory from Balharshah to Kazipet, which will shorten very appreciably the distance of the journey from Madras to Delhi and the north of India; some portions of this connection are already open, and it is hoped that the remainder will be opened by the end of this financial year.

Capital Expenditure, 1928-29.

17. Though Railway Administrations have, as I have said, made better progress this year than we anticipated, they have still a large number of works uncompleted, and we want them to spend next year very largely in pushing on with these works, so that the capital employed in them may quickly become productive. For this reason, that is to say, because a larger proportion of their programmes than in recent years will consist of schemes already in hand, the initial delays to the inception of which have been already overcome, we find it unnecessary to make so large an over-allotment of funds to them as in the last few years. We are estimating, therefore, in the coming year for an expenditure of 15 crores on the open lines, but are only allotting 2½ crores more than this figure, showing in the aggregate of the programmes 12¼ for works and 5¼ for rolling stock. A good deal of information in regard to open line works and rolling stock is given in the Budget Memorandum, and the details of allotments for all the larger works are given in the pink books which show the programme of each railway separately. For reasons I have given there are in our programme only a very few large schemes which we find it necessary to commence in 1928-29, the only individual new project which I think it necessary to mention here being the

reconstruction of Erode station on the South Indian Railway. Of other items I should like to point particularly to the provision of 3 crores for the improvement of track and strengthening of bridges, the object of this expenditure is the economical and efficient movement of increasing traffic in heavier train loads with more powerful locomotives, and it is clear that for this purpose the work on track and bridges has to be co-ordinated on the various sections of each railway in order that the best results may be obtained. The large electrification schemes in progress in the vicinity of Bombay are responsible for nearly all the expenditure, over 2 crores, allotted under the head electrification, but it has recently been decided to electrify the South Indian Railway suburban services in Madras, so a small provision is made for the commencement of that work. The anticipated expenditure on rolling stock amounts to nearly 9 crores, but about 3½ crores of this is a charge to the Depreciation Fund, so that the capital expenditure will be about 5¼ crores. This includes provision for 519 additional units of coaching stock, each bogie carriage being reckoned as 2 units, and 860 additional metre gauge wagons.

18. For our new construction projects, including those that are already in hand, we have distributed over 11 crores and have estimated that we shall actually spend about 9 crores. Although we have 50 projects already sanctioned, this number is expected to increase to 90 in 1928-29, and of these I hope that at least 20 will be opened in the course of the year. Taking a reasonably cautious view I think we may hope to add nearly 800 miles to our open mileage in the course of the next financial year.

19. Of these new lines which are already in progress, one of the most important, which has been known as the Central India Coalfields Railway and links up Daltonganj with the western end of the South Karanpura line at Barkakhana, is expected to be opened next year, and I hope also the branch from Anuppur to Karimati, which will eventually be linked up with the former, though this is not proposed immediately. Other lines of some importance which will, I hope, be opened throughout in 1928-29 are the Villupuram-Trichinopoly (108 miles) and the Dindigul-Pollachi (75 miles) in South India, and a part at least of the Kangra Valley Railway. The Assam Bengal, Eastern Bengal and other railways have been busy with short branches, and a number of these are likely to be opened next year. Other projects of major importance, which are in hand but will not progress quickly enough to be opened next year, are the Calcutta Chord Railway including the bridge over the Hooghly at Bally, the Lucknow-Sultanpur-Jaunpur, the Chiniot-Khushab cross connection in the Punjab, the Kalabagh Bridge at Mari Indus, the Raipur Vizianagram, the Sagaing Bridge and Minbu-Pakokku project in Burma both recently sanctioned, and the Trichinopoly-Manamadura Chord in South India.

20. A complete list of the new lines, some already in progress, which are included in next year's programme, is given in Appendix I of the Budget Memorandum. The more important of those which have not yet been commenced are the Dacca-Aricha and Sainthia-Berhampore-Halsa connections in Bengal, the Diva-Dasgaon and Nasik-Belapur-Sheogaon Railway in Bombay, the Lyallpur-Chananwala cross connection in the Punjab, Sind Left Bank Feeder Lines (163 miles) in Sind, the Megna Bridge at Bhairab in Eastern Bengal, and the Salem-Attur-Vridachallam Chord in South India. It must be remembered, however, that some of these new projects have not yet been sanctioned, and in one or two cases it may be found on completion of the survey investigations that the anticipated earnings will not justify construction. Last year Sir Clement Hindley explained at some length the steps we had been taking in organising a programme of new construction work, and I do

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not propose to go over this ground again. We are still actively pursuing the same policy, and the different large Railway Administrations are continuing their investigation into all possible schemes of development in collaboration with the Local Governments respectively concerned. I might mention that the procedure laid down for obtaining the assistance of the Local Governments in framing programmes for new construction in the various provinces was found to be defective in one particular, and steps have been taken to rectify this.

Recently we have found it advisable to depute one of our senior Civil Engineers to make a tour of inspection of the new lines which are being constructed in certain areas with the object of framing a report on costs and methods of construction in different parts of India. We think it probable that such a report will open up the possibility of effecting appreciable economies and will be of value to us in carrying on the large programme which we have on hand.

It may be of interest to some members of this Council to hear about the two main trunk routes, which were referred to a year ago, namely, the Bombay-Sind and Agra-Karachi connections. As regards the former, investigations are now well on towards completion, and we now have two senior officers working directly under us on a re-examination of the cost and prospects of the latter. Until we have arrived at a better appreciation of the advantages to be obtained from the construction of either of these links, we have considered it premature to enter them in our construction programme, for both of them are dependent for their financial justification on the development of long distance traffic, a large proportion of which will be taken from lines already in existence.

21. There is one very important figure in the Capital Budget to which I have not yet referred, namely, an item of 4 crores for the purchase of the Burma Railways. Notice has recently been given to the Burma Railways Company of the termination of their contract, and the system will come under State management from 1st January 1929. It has been estimated that, as a result of the purchase, we shall increase our net annual revenue by about half a crore.

General Remarks.

22. Before I close I should like to assure the Council that the activities to which Sir Clement Hindley referred in the concluding part of his speech, delivered 12 months ago, continue to receive our attention. Amongst these I may mention the prevention of fraudulent travelling, publicity, recruitment, the technical question of Bridge Design, and Workshop Reorganisation. As regards the latter, I have previously mentioned the economies which have been effected in our costs of repairs and maintenance of rolling stock, and we hope for yet further improvement in this direction. I refrain from dealing at length with any of these matters, as I think I have already taken up too much of the time of the Council.

23. I must, however, make a brief reference to our standardisation policy which is being energetically pushed on. The various Standing Committees have met at intervals during the past year, and satisfactory progress has been made. The standard designs of locomotives now comprise 8 types for the broad gauge and 6 for the metre gauge, but the work of designing all the details of these engines, which is being done by our Consulting Engineers in England, is taking longer than we expected, and the first consignment of new standard

engines has only recently been received. New standard designs of wagons and underframes are also being proceeded with. As regards wagons, I might mention that we have had under investigation for some time the possibility of introducing higher capacity stock with a view to reducing operating costs. The question of the supply of special wagons to meet the requirements of mechanical loading at the collieries is also being considered. Other Committees are dealing with the standardisation of permanent-way fittings, signalling and interlocking details and engineering structures of various kinds. We have also established recently a new Standing Committee to draw up and revise, where necessary, standard descriptions and specifications for the many classes of materials and stores in use on railways. This Committee, which is composed of the Controllers of Stores of the four State-worked Railways, has just held its first meeting.

24. As I explained at the beginning of my speech, four of the principal railway systems, including the two largest, are under direct State management, while the State owing to its financial interests has to take a considerable part in the control of all or practically all the other important lines. The results of that management during the year, which is coming to a close, and our forecast of what the result should be, if fortune is ordinarily kind to us, next year, are now before the Council. I hope the Council will admit that they prove Indian State Railways to be a live organisation, alive to the need for development of railway communications, alive in the introduction of modern improvements in their workshops, and ready to adopt any changes in operating methods or in standards which are likely to make for efficiency and economy both. They have been enabled and encouraged to follow this forward policy by the greater freedom which they now enjoy in managing their own finances; and for this greater freedom they have the separation of railway finances from general finances to thank.

The Council then adjourned till Eleven of the Clock on Tuesday, the 21st February, 1928.

COUNCIL OF STATE.

Tuesday, 21st February, 1928.

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

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

INDIAN INCOME-TAX (AMENDMENT) BILL—AMENDMENT OF SECTIONS 10, 14, ETC.

SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 20th February, 1928.

ELECTION OF A PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member): Sir, I move:

"That this Council do proceed to elect in the manner described in the Department of Education, Health and Lands Notification No. 114, dated the 7th February 1924, a panel of 8 members from which the members of the Standing Committee to advise on questions relating to emigration in the Department of Education, Health and Lands, will be nominated."

I consider it unnecessary, Sir, to explain the reasons for this motion. It comes up before this House annually since the issue of the Notification that I have just now referred to. The term of office of the members of this Committee, who were nominated as a result of the election of the panel by this House about this time last year, will terminate in the course of the next few days. It is, therefore, necessary to fill up their places and hence this motion.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the motion just adopted by the Council, I fix for the nominations to the panel Thursday, the 23rd February, up to the hour of noon. Nominations should be handed in to the Secretary of the Council by that hour. An election, if necessary, will be held on Monday, the 27th February, at the conclusion of the other business for that day.

INDIAN SECURITIES (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill further to amend the Indian Securities Act, 1920, for a certain purpose, be taken into consideration. The purpose of this small amending Bill is to enable a company to hold Government securities jointly with a private individual or a corporate body and to empower Government to pay the amount of the securities to the surviving joint holder in any case that may arise. There is at present a defect—an accidental defect—in the law which affects the capacity of companies to hold Government securities jointly. And the Council will see further from the Statement of Objects and Reasons that endorsements on Government promissory notes in favour of a company jointly with others are, in fact, executed, but that, owing to the defect in the law which has been mentioned, it has been necessary for the Public Debt Office to treat such endorsements as invalid. It is quite obvious that a defect of this kind must be removed. It is neither for the private interest nor for the public interest that the negotiability of Government securities should be affected in this manner. The House will not, I am sure, require any further explanation of the matter from me.

Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON: Sir, I move that the Bill be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Wednesday, the 22nd February, 1928.

COUNCIL OF STATE.

Wednesday, 22nd February, 1928.

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

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill further to amend the Inland Bonded Warehouses Act, 1896, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 21st February, 1928.

RESOLUTION *RE.* THE STATUTORY COMMISSION.

THE HONOURABLE SIR SANKARAN NAIR (Madras : Non-Muhammadan): Sir, in the agenda there is a Resolution following mine by the Honourable Mr. Desika Chari, which is more comprehensive than mine and deals with the same subject. I would therefore request you, Sir, to call upon the Honourable Mr. Chari to move his Resolution as I do not propose to move the one standing in my name. I shall withdraw the Resolution standing in my name.

THE HONOURABLE THE PRESIDENT: Then I understand the Honourable Member withdraws his Resolution ?

THE HONOURABLE SIR SANKARAN NAIR: Yes, Sir.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General): Sir, I beg to move the Resolution which stands in my name and which runs as follows :

"This Council recommends to the Governor General in Council to urge upon His Majesty's Government in connection with the Royal Commission on Reforms—

(1) to form a Committee from among the members of the Central Legislature, with authority to—

(*a*) carry on the preliminary work and to collect the materials to be placed before the Royal Commission ;

(*b*) co-operate with the Royal Commission in examining all the witnesses in all the provinces ;

(*c*) have access to all the records that may be placed before the Commission ;

(*d*) review and supplement such evidence by requiring other witnesses to be examined and other records to be sent for ; and

(*e*) report to the Central Legislature ;

(2) to place the Report of the Committee before Parliament for consideration along with the Report of the Royal Commission."

THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muhammadan) : Sir, I beg to rise to a point of order. The Resolution moved by my Honourable friend Mr. Chari is, to my mind, subject to two fatal objections. First of all, the Honourable Member asks this Council to recommend to the Governor General in Council to urge on His Majesty's Government in England to do certain things, like the appointment of a Committee of the Central Legislature of India. It is not for His Majesty's Government to form a Committee of our Central Legislature. Mr Chari is asking for a thing which, to my mind, is impossible, and subject to your ruling, Sir, I submit that a Resolution asking for an impossible thing is not in order.

Secondly, Sir, he asks for a Committee from among the Members of the Central Legislature. Now, this House is aware that the Legislative Assembly decided by 68 to 62 votes not to co-operate with the Royal Commission in any manner. That Resolution bars further steps for the formation of any Committee of the Central Legislature, as a whole, to co-operate with the Royal Commission. As the scheme of my Honourable friend Mr. Chari's Resolution contemplates the constitution of such a Committee, I submit it is out of order. Sir, I therefore submit these points for your decision.

THE HONOURABLE THE PRESIDENT : I have, in the first place, to thank the Honourable Member for his courtesy in giving me timely warning that he proposed to raise this point of order. *Prima facie*, perhaps there is some force in the remarks that he has made, but I think the answer to the points raised by him is not very far to seek.

His first point is that the Resolution recommends to the Governor General in Council to urge upon His Majesty's Government to do something that His Majesty's Government cannot do. That, I must confess, when I first saw the Resolution, struck me as somewhat surprising, but I do not see how I am able to hold that it is out of order. The admissibility of a Resolution is governed by the Rules and the Standing Orders of the House, and I find nothing in the Rules or the Standing Orders which prevents a Resolution being moved in that form. Anyhow, I think the Honourable Member's difficulty will be solved when, as I understand, the Honourable Sir Maneckji Dadabhoy moves the amendment which stands in his name on the paper. That asks the Government of India to take certain steps which are certainly within the power of the Government of India.

The Honourable Member's second point is that, inasmuch as certain action has been taken in another place, this House is barred from proceeding with the subject-matter of this Resolution. In other words, because one Chamber of the Legislature has passed a decision in favour of non-co-operation with the Indian Statutory Commission in connection with a Joint Committee of the two Houses, therefore this House is barred from considering the matter further. Of course, the answer to that is very simple. As I have explained to the House on more than one occasion, neither Chamber of the Indian Legislature is in any way bound by action taken by the other Chamber, whether the matter under discussion be a Bill or whether it be a Resolution. Each Chamber is entitled to its own opinion. The second answer to the Honourable Member's point is that a Resolution carried in either Chamber is no more than a recommendation to the Government of India. The other House has recommended to the Government of India that it should take no steps. That is a recommendation which the Government of India can follow or not as it chooses, but it is no more a bar to the Government of India taking steps to appoint a Joint Committee than a Resolution carried in the terms say of the Honourable

Sir Maneckji Dadabhoy's amendment would compel the Government of India to take steps to appoint a Joint Committee.

There is one further point, and that is, that I notice Sir Maneckji Dadabhoy's amendment confines itself to an election of a quota of Members from this House only. I think, therefore, that the Honourable Member's points of order fail and that the discussion should proceed on the Resolution moved by the Honourable Mr. Desika Chari which is as follows :

"This Council recommends to the Governor General in Council to urge upon His Majesty's Government in connection with the Royal Commission on Reforms—

(1) to form a Committee from among the members of the Central Legislature, with authority to—

(*a*) carry on the preliminary work and to collect the materials to be placed before the Royal Commission ;

(*b*) co-operate with the Royal Commission in examining all the witnesses in all the provinces ;

(*c*) have access to all the records that may be placed before the Commission ;

(*d*) review and supplement such evidence by requiring other witnesses to be examined and other records to be sent for ; and

(*e*) report to the Central Legislature :

(2) to place the Report of the Committee before Parliament for consideration along with the Report of the Royal Commission."

THE HONOURABLE MR. P. C. DESIKA CHARI : Sir, I shall briefly explain the reasons which prompted me to table this Resolution. As Honourable Members are all aware, India, or at any rate the vocal section of it who have enormous influence in the country, has been divided into two hostile camps with views diametrically opposed to each other. Both of them have the same objective and in pursuing that objective they have come to the parting of the ways. Sir, I do not for a moment deny the sincerity of views of people on both sides and no sensible or reasonable man would impute motives to people belonging to either side. Sir, there is a turning point in the history of nations as of individuals, and India has come to the point of the cross roads and it is the duty of everyone to take a definite line of action and not merely to sit on the fence. This line of action is taken from different view points by people. Some would prefer the sentimental or the emotional point of view to the rational point of view. Some would have the logical rather than the psychological aspect of things. Others, on the other hand, would like the practical as opposed to the ideal aspect of things. Sir, I am for viewing these things from a practical point of view keeping closely to the psychological aspect of things. The verdict, the counsel of despair, given by the other House by their decision, did not and does not appeal to me. The decision in favour of non-co-operation which the vote of the other House means is against my religious principles as contained in the Bhagavad Gita. There is a mandate in the Bhagavad Gita which declares in no unmistakable terms : "In action lies our privilege," and it enjoins upon us the necessity of doing our duty irrespective of consequences and sticking to our post of duty. Sir, taking this as my guide, I propose to examine our constitutional position with a practical aim. What is our constitutional position ? Before I come to that, Sir, I would like to say that history tells us that there are only two ways of achieving our objects, and our object, the object of every Indian is to do his utmost to secure for India that place which every nation is entitled to as of right to have absolute control of governmental and national activities. Sir, there are only two ways of achieving this object.

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One is revolution and the other is evolution. Without going into the moral aspect of it, I say without any fear of contradiction that revolution as a practical proposition is out of the question, circumstanced as we are. There is only the other alternative, orderly evolution, which is left to us to attain our objects. That being so, we have to examine closely the avenues which are left to us to follow that orderly evolution. This naturally brings me to the Preamble of the Government of India Act, which has been a battle-ground ever since the Act was on the Legislative anvil. No doubt, the Preamble offends against the principle of self-determination in the abstract, but I find the British statesmen who were responsible for the Government of India Act have been careful enough to concede the principle of self-determination to some extent. No doubt Parliament has got the ultimate right to decide, but they say they will decide only with the guidance and intelligent co-operation of Indians. Sir, we have to face facts and not go on theorising. All sections in the country, including the Swarajists, are agreed I believe that the only way to secure our national liberty is by Parliament setting the seal of approval on an Act liberating the Indian people. That being so, is it not our duty, our patriotic duty, to do our utmost to convince Parliament that it is high time that we should have our due ? Is it not our duty to explore all avenues to see that we make the best of the situation to influence Parliament and try to examine the avenues of self-expression open to us as given by the scheme which we have ? Sir, I want to face the real issue. The issue is one of co-operation or non-co-operation, and if you admit that unless you convince Parliament you cannot help forward this process of evolution, then I say by advocating non-co-operation you are standing in the path of the progress of this country. That is my position. Sir, having this in mind we have to see how best we can take advantage of this provision. Sir, there is one thing. My friend Mr. Ramadas Pantulu has been referring to the verdict in another place. I have been closely following the proceedings in the other place. I sat there with rapt attention and admiration hearing the impassioned eloquence of our leaders. And what does that show ? I have been thinking hard of the line of action which would best serve to further the interests of our country, taking all these things which our leaders have said in the other place. The verdict of the other place would seem to indicate something different from what it really is, but if you go into the reasons which prompted the leaders of three out of the four great groups which constituted the majority in the other place, I say these reasonings considerably help those people who like me are interested in taking a distinct line of action towards co-operation. Sir, Pandit Malaviyaji in his speech referred to the article which he wrote immediately after the announcement of the Statutory Commission in which he pointed out certain conditions on which he was willing to co-operate. He said, Sir, that the framing of the constitution of India should be left in Indian hands. He referred to the Despatch of 1833, the Proclamation of 1858, the speech of Sir Charles Wood in 1861, and the war speeches of British statesmen and, lastly, to the membership of the League of Nations. What do all these indicate ? They indicate that, in spite of the difficulties, equality of status for India has been recognised and British statesmen have been willingly or unwillingly forced to admit equality of status. That being the case, I am full of hopes that if you only do not give way to despair and press forward your claims for equality of status for the Indian Committee, I am sure you will succeed in the long run.

Then, coming to the speeches of the leaders of the two other groups, what does Mr. Jayakar say ? He says that if only Sir John will meet the Indian Committee on equal terms he has no objection to co-operation. He is no

quite anxious that Indians should be on the Commission itself. He is for substance and not for form. Mr. Jinnah also said that he is quite willing to have the Indian Committee provided it has got equal status and equal opportunities. Sir, having said all that, I am sorry that they did not press onward but gave way to despair and decided to join in the pursuit of non-co-operation. Sir, I am guided by the reasoning that these Honourable gentlemen gave in the other place, and that makes me more than ever convinced that our right course is to pursue the road of action, the road of co-operation, and press forward our claims, and I hope that before long all those facilities, all those rights which would indicate equality of status will be given to the Indian Committee. It is with this object that I have tabled this Resolution and I will deal with it item by item.

I first want that this Committee should be formed from among the Members of the Central Legislature with authority to carry on the preliminary work and to collect the materials to be placed before the Royal Commission. Honourable gentlemen are all aware that the Statutory Commission has already started its work after they came out to India, and I believe the officials are helping them to collect materials. Some people may regard this as a very unimportant item, but I attach very great importance to it. In this connection I would beg the leave of the House to refer to the statement of Lord Birkenhead contained on page 23 of the Parliamentary Debates relating to the Commission. He says :

> " It is contemplated that they (the Indian Committee) shall prepare in advance of the arrival of the Commission if they find themselves able to do it this next cold weather and, if they find themselves within that limited period unable to do it, a year later, their own proposals and come before the Commission and say : ' These are our suggestions '."

It is contemplated that the Indian Committee ought to function straightaway and that they should be in a position to state what their proposals are. That being so, it is necessary and essential that they should have the right to collect materials and to form their own basis for future discussion and place those materials before the Joint Conference. It is not enough that the Royal Commission alone does it with the help of officials and it would focus attention on these points if only the Indian Committee begins to function very soon and if it is in a position to collect the materials necessary to put forward the Indian view point. It will be all the easier to focus attention on these essentials which we Indians want to be carried out as a result of the deliberations of the Joint Conference.

I do not think it is necessary for me to labour this point any further and I shall proceed to the next item, *i.e.*,

> " to co-operate with the Royal Commission in examining all the witnesses in all the provinces."

Sir, after going through the letter of Sir John Simon detailing the procedure some of us in this House had some difficulty and some doubts. We thought from the wording of that letter that it was not intended that all the members of the Indian wing would be entitled to go to the provinces when provincial subjects were being discussed. In order that this Committee may be in a position to report at the end of the deliberations, it is necessary that they should have all the evidence in regard to the provinces placed before them. In the letter to Sir Sankaran Nair, dated the 10th February, I think the position has been cleared, but still there seems to be some doubt in the minds of some people that all that we ask for has not been conceded. It is this way. We want every member of the Indian wing to be entitled as of right not only to be present but also to take part in the Joint Conference as effectively as any member of the Commission. If, as I am told by some people, this right

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has been conceded, then there is no harm in accepting that portion of my Resolution. I fit has not been conceded, then it is necessary—it is a vital point to accept this part of the Resolution—to enable the Committee to function.

The next item is,

" to have access to all the records that may be placed before the Commission and to review and supplement such evidence by requiring other witnesses to be examined and other records to be sent for."

Sir, these are powers which are necessary to a Committee to arrive at conclusions if they act separately, and without these powers the Indian wing would be only a mere adjunct. They must be entitled as of right as any member of the Commission to call for any records which they want and to require any witnesses to be examined. Sir, I would refer to the last paragraph of the letter to Sir Sankaran Nair which deals with this question :

" We shall of course desire to hear evidence from all important points of view, including the view which the Indian wing wishes to be brought before us."

Sir, it is not specific. I believe that expresses the substance of what we want and if it does not, we must be careful to put forward that the Committee ought to have these powers.

We next come to clause (*c*) of the Resolution, that is, reporting to the Central Legislature. This is a function which I value more than any other function. Sir, with reference to the second point, I did not deal with the camera evidence on which Sir John Simon insists on rare occasions. It comes in with reference to clause (*b*),

" to co-operate with the Royal Commission in examining all the witnesses in all the provinces."

Sir, I find on page 2 of the letter of Sir John Simon that he says :

" Some of us have had considerable experience of the method of Joint Conference as applied both to industrial and political questions and it is quite clear to us that each side of the Conference will require, from time to time, to meet by itself."

Sir, I think that so far as the Indian Committee is concerned, it would not require any separate sitting, and if this is a privilege, the Indian Committee will have no occasion to use this as a privilege. Apart from that it has got serious political implications, and Sir John Simon lower down says :

" If a case arises when this general plan cannot be followed, I should make no secret of it, and should ask my colleagues in the Joint Free Conference, when, as I hope, they learn to have faith in my sense of fairness, to accept from me such account of the matter as I can give them on behalf of the Commission, with due regard to the reason why the testimony has been separately received. I imagine that the Indian side may find occasions when they would think it well to act in the same way."

He merely imagines that, and I believe that imagination will have no scope in practice so far as the Indian wing is concerned. I object to this separate sitting and secret evidence in camera being taken, not because I think there is an element of inferiority so far as Indians are concerned—no doubt it shows a certain element of distrust of the Indian people, but personally I attach no importance to this objection to camera evidence—but because it is regarded as a very vital matter, as a question of dignity, as a question of self-respect, and that being the view of the vast majority of my countrymen I think it is necessary to remove that objection on account of the political implications involved in it. I think that the disadvantage of this camera evidence is creating so much political tension that the advantage of removing it by not sitting

separately would be that you can create an atmosphere in the country which will be more favourable for co-operation and for joint deliberation. It is on that account that I do appeal that some steps should be taken to see that there are no separate sittings and that no evidence is taken in camera to the exclusion of the Indian wing. I have no objection to the camera evidence being taken by the Conference as a whole. But if camera evidence is insisted on as proposed, then it would directly support those non-co-operators by placing in their hands a very powerful weapon. I put a simple question to Government and it is this. Are you for co-operation or for non-co-operation ? Are you interested in strengthening the hands of co-operators or the hands of non-co-operators ? If you want to strengthen the hands of co-operators I appeal to you to take some definite action to see that camera evidence and separate sittings are not insisted on. If you want to strengthen the hands of non-co-operators, then by all means insist on this camera evidence. Personally I do not attach any importance to it except the political implication which is important. It is only on the ground of expediency that I want these separate sittings and camera evidence to go.

As regards the report to the Central Legislature, the right to report and to place it before the Parliament has been, more than anything else, the deciding factor in my coming to a decision as regards the desirability that the Indian Committee should co-operate with the Commission. Whether you have those powers or not, if only the Indian wing can make a report, and a proper report, and submit it to the Legislature for discussion and then place it before the Parliament, then we will have gained a good deal in impressing on the Parliament the desirability of a substantial advance as desired by us. Let us come to clause (2) which says,

" to place the report of the Committee before Parliament for consideration along with the report of the Royal Commission."

I am not asking that the report may be despatched by post or a cablegram be sent containing what the Report says. I am anxious that you should hit upon a device whereby the Indian Report as well as the Commission's Report may be given a fair hearing and discussion before their recommendations are embodied in a Bill, and it is not difficult to devise some means whereby the members of the Indian wing as well as the members of the Commission may be brought together to set forth their various points of difference so that they can be settled before the Bill is drafted. That is what I mean by clause (2) of my Resolution. In this connection I cannot refrain from making one passing remark and that is this. I wonder how the statesmen who form His Majesty's Government let slip this opportunity of their lives of winning the hearts of the Indian people by adding a clause at the end of the Royal Warrant that the Indian Committee may also join the members of the Commission in making a report. After all, what is the objection ? If British statesmen stand upon a constitutional propriety, then I say they are allowing constitutional propriety to override the dictates of political sagacity. I shall leave it at that. I am sorry that so far Government have not yet come out and that they are still sitting on the fence without taking any action. They must have been aware of the intentions of Parliament to create a Committee as early as possible so that it might start on its business before the Royal Commission came out to India, and even after the matter has been debated in the other place the Government have not come out with any concrete proposals. They have not stated what they propose to do. Of course, I know very well they are anxious to help us in forming the Committee, but if they are so, their attitude now is merely passive and they sit with folded hands to see the fun, saying " The Chairman

[Mr. Desika Chari.]

of the Commission has come out and sent a letter to the Viceroy. We shall see what the Legislatures do." Are the Government to remain passive like this ? Should they not come out and say, " You do form a Committee and these are the powers and functions of the Committee." Sir John Simon's Commission cannot give powers to the Committee ; that can only be done by His Majesty's Government or by the Government of India with the concurrence of the Legislature. The Government of India have got their duty towards the Commission and the Legislature. Have they discharged their duty, or are they still contemplating the desirability of beginning to think of bringing about a Committee of the Indian wing so that it may collaborate with the Parliamentary Commission ? They must come out and define the powers of the Committee. It will not do for them to take up a vacillating attitude without declaring what they propose doing. It is for them to set the ball rolling. They must have made up their minds by this time as to co-operation or non-co-operation, at least the Government of India must know their own mind whether they are going to co-operate or not. If they are for co-operation, as I am sure they are, it is their duty to do whatever lies in their power to see that those who are for co-operation are helped. Sir, by my Resolution I am only urging upon the Government of India to keep the door open. I am glad that the Honourable the Home Member is present here to-day. From the Council gallery in the other House I heard him say that if only Mr. Jayakar had held on and had not yielded to pressure he would have succeeded. His advice was to hold on in the march so that he may find that after all he would succeed. Of course, the Government of India cannot speak with two minds, one in the other place and one in this House, and if really they are anxious that the door should be kept open, I am asking them to submit our recommendation to His Majesty's Government, so that all that was asked for by Mr. Jayakar may be conceded. I am only asking that the door may not be shut. On the one hand, we find that the Swarajists are intent upon closing the door of co-operation.....

THE HONOURABLE RAJA NAWAB ALI KHAN (United Provinces : Nominated Non-official) : Will the Honourable Member make his own position clear to the House?

THE HONOURABLE MR. P. C. DESIKA CHARI : I will make my position quite clear by stating that I commit the House by my Resolution to definite co-operation on certain lines. I do not like the policy of sitting on the fence. I only want that in order that the hands of the co-operators may be strengthened, the Government should do all in their power to strengthen the hands of the co-operators by keeping the door open to allow people who may otherwise be misguided to join us and take this road to co-operation It is for this purpose that I have laid down specifically those functions which any Committee, if it is to carry out the intentions of the people and of Parliament, should have. I am not asking for anything more. There is nothing extraordinary about it. This matter has been before the Government for a long time, and I hope and trust that they will not smash us by keeping us wedged between the Government and Swarajists who are distinctly against co-operation. If only the Government would help us, and if they will assure us that they will do all that lies in their power to help us, the political tension would be relieved. All that I am asking the Government is that they should forward the decision of this Council embodying these particular powers for the Committee to His Majesty's Government. If they do it, and if they will be good enough to urge on His Majesty's Government to concede to us all these powers—if they think they have got all these powers they can give to us now, but if not, I

ask that the Government should forward the decision of this House in regard to this matter to His Majesty's Government—the door would be kept open. I am only interested in marching forward. Sir, under no circumstances are we willing to take up an attitude of non-co-operation. It is unfortunate that in the other place the three parties joined the Swarajists. But though we are exhausted, though we are feeble, we are still prepared to go forward on the road to co-operation, and I only want the Government to do all that lies in their power to help us in so marching forward.

Sir, I submit my Resolution puts forward the minimum demands, it asks for the minimum power which a Committee ought to have to function properly and to carry out the purposes for which it may be created. I am thankful to you, Sir, because you have made it quite clear that we are not precluded from asking for the formation of a Committee, because the other House by a majority decided against it. We are only recommending to the Governor General in Council to take a course committing this House to co-operate on certain lines, and it is for you, the Treasury Benches, to help us co-operators or the Swarajists the non-co-operators; it is for you to decide. Upon the attitude which the Government take in this matter the issue of co-operation and the respective strength of co-operation and non-co-operation will depend.

Before I conclude, Sir, I should like to urge upon this House the desirability of taking some effective steps to help forward co-operation. I happened to read in Reuter's telegram the view of a Paris Daily which deals with the attitude of the Indian people in this matter. This is what the telegram says :

"The *Temps* declares in a leader that the manner in which Indians oppose the British power leads to doubt whether Indians are really ready conscientiously to assume responsibilities which Britain has promised, namely, self-government within the Empire."

It concludes by saying that—

"Nationalists' hostility to the Statutory Commission is not calculated to induce Britain to place confidence in those who claim future direction of affairs of independent India."

I will only ask the House to see how our attitude towards co-operation or non-co-operation is being judged by impartial observers outside India. If we pursue the policy of non-co-operation there is the view of an independent onlooker who says that we are not fit for self-government. They are not interested in saying so, because they have no personal interest. Therefore, Sir, it is necessary for us to take a line of action which would give us in our struggle for liberty the sympathy and support of other nations. I therefore urge that we should do something to promote co-operation, and my personal view is that, unless you form a proper Committee with proper powers and remove those embarrassing restrictions, non-co-operation will progress and co-operators will not get any support. With these few words I commend this Resolution to the House.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : Nominated Non-official) : Sir, I beg to move the following amendment to the Resolution of my Honourable friend Mr. Desika Chari, namely :

"That for the words 'urge upon His Majesty's Government' to the end the following be substituted, namely :

'take steps for the election of representatives from the Council of State to participate in the joint conference according to the procedure set out by the Chairman of the Indian Statutory Commission in his letter of the 6th of February 1928 addressed to His Excellency the Viceroy and Governor General, and his letter dated the 10th February to the Honourable Sir Sankaran Nair'."

[Sir Maneckji Dadabhoy.]

Sir, I congratulate my Honourable friend Mr. Chari on the moderation and effectiveness with which he has placed his Resolution before the House. I have moved this amendment at this early stage in order to reach with him a substantial measure of agreement and with some of the conflicting interests in this House. Both he and I desire one end, that is co-operation with the Statutory Commission. In his Resolution he has prescribed certain conditions. I think it is prudent and advisable that we may at once begin our co-operation with the Statutory Commission by the appointment of representatives from this House and leave the further questions of details as regards the method and manner of working and how to influence our position on the Statutory Commission to a later date, when we shall have the privilege of sitting and confabulating with that body. With this difference I am certain that the Council will feel that there is no substantial disagreement between me and the Honourable Mr. Chari.

The unfortunate position is this, that, owing to the appointment of the Commission on which no Indians have been appointed, there has been aroused a great deal of indignation in this country and there has been a persistent and widespread refusal to co-operate with the Commission. I must at once make the matter clear by saying that I sympathise with the other side to a certain extent when they say that representative Indians have been excluded from the consideration of important problems and from the framing of a constitution which prescribes and solves the destiny of India. So far I extend to them my sympathy. But we have to look as practical men to what has preceded 8 years ago, and we must accept the judgment with equanimity, with firmness, and also with a desire to co-operate with the Commission at this stage. I must say that the misapprehension was not only created here, but also in England, because, when Lord Birkenhead delivered his historical speech, unfortunately His Lordship made a statement which to my mind is not absolutely correct...

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : On a point of order, Sir. May I submit, Sir, that the amendment sought to be introduced by the Honourable Sir Maneckji Dadabhoy is not an amendment at all because it takes away the whole of the Resolution, leaving only the words : " This Council recommends to the Governor General in Council to ".

THE HONOURABLE SIR MANECKJI DADABHOY : It is too late. Where was the Honourable Member sleeping all this time ?

THE HONOURABLE THE PRESIDENT : Order, order. The Honourable Sir Maneckji Dadaboy's amendment is quite in order. It must be within the Honourable Member's recollection that a Resolution is frequently by way of amendment substituted for another in this House. All he does is to preserve the words of the preamble of the Resolution : " This Council recommends to the Governor General in Council ". That is the ordinary way of amending a Resolution where some considerable change of substance has to be made in the wording of a Resolution.

At the same time, as the Honourable Member has given me the opportunity, I should like to remind the Honourable Mover of the amendment that he is now dealing with a subject which does not come within the terms of the original Resolution. If he looks at the Resolution he will see that it accepts the Indian Statutory Commission as an accomplished fact. In other words, it deals with the present and the future and not with the past. It is quite competent to this Council on a properly framed Resolution to deal with the whole

subject of the constitution, the appointment and the composition of the Indian Statutory Commission, but I have no doubt whatever that, in view of the Standing Order which lays down that a Resolution shall deal with substantially one issue, it is in my power to rule out of order any discussion which takes us back to the date of the appointment of the Commission. That is all I have to say because I am hoping Honourable Members will confine themselves to the Resolution which is before the Council, and the subject of that Resolution is whether this Council will co-operate and in what manner it will co-operate, or whether it will not.

THE HONOURABLE SIR MANECKJI DADABHOY: I accept your remarks, Sir. All that I am attempting to show is that there is no objection to co-operating at this stage, and I wish only to point out—I do not desire to dilate on this point at any length— that unfortunately on account of a certain vagueness of expression that has led to a misapprehension, there would have been unanimous readiness on the part of this House to entirely co-operate with the Commission. In this connection I will be very brief. I only wish to bring it to the notice of this House that it was distinctly understood originally that the Statutory Commission would be a Parliamentary one, and it is no use our raising now any opposition to that point and allowing our minds to be clouded with superfluous considerations and not co-operate with the Statutory Commission on this occasion. In paragraph 261....

THE HONOURABLE THE PRESIDENT: The Honourable Member promised the House that he would not labour the point.

THE HONOURABLE SIR MANECKJI DADABHOY: Well, Sir, I will take it then that the appointment of the Commission having become an accomplished fact, what is the position which we ought to adopt?—whether the interests of the country will be in any way advanced by non-co-operation and opposition or should we accept what we are in a position to get at this stage and leave our further demands for the future? In this connection, let me remind the Council of two events which long preceded us and which probably are not in the memory of this Council. When the reforms of 1892 were put into operation, Mr. Tilak then said, when there was much dissatisfaction and opposition to the reforms in this country: "Let us receive the reforms and fight again for further reforms." In the same way, when the Minto-Morley reforms came into operation and there was agitation in the Imperial Council and a disinclination to co-operate with the Government in a way, Mr. Gokhale distinctly said: "It would be folly on our part not to receive with thankfulness what we are getting and to press our claims for further consideration." It was Tilak's principle to take whatever was offered and then ask for more; it was Gokhale's principle to receive with thankfulness that which was conceded and clamour for further rights and privileges. Now, these two men occupied a predominant position in public life—one in the Imperial Council and the other in the Provincial Legislative Council, and I am sure their opinions to-day are worth as much consideration and respect as at that time when opposition is offered freely to our co-operating with the Commission. Sir, is there any other way by which we could secure our demands? It would be difficult for us to oppose this movement of co-operation altogether. And I say, in view of the statement which has now been so definitely made by Sir John Simon, that it would be suicidal on our part to refuse our co-operation with the Commission. What are the points which emanate from this important letter of Sir John Simon. I say there are a few points which emerge very clearly and I will refresh your memory and I consider they will appeal to you all.

[Sir Maneckji Dadabhoy.]

The first is the desire of the Simon Commission to dissipate all misunderstanding that may exist on the subject as to their position and as to their desire and willingness to frame a constitution for the country impartially. Secondly, they have said that we should work together on free and equal terms with them. So far as power is left with them the Commission is prepared to work with us on free and equal terms. We should not here, at this stage, go into the grievance about the non-appointment or non-inclusion of Indians on the Commission. So far as the Commission is concerned, they are prepared to meet us on free and equal terms and discuss administrative problems regarding the framing of a constitution with us on free and equal terms. The opportunities therefore, so far as I am able to see, of discussing the most important questions and framing a constitution for India are ample. They are ready and willing to establish immediately contact with a Committee appointed for that purpose by the Central Legislature. They have also made it distinctly clear that we shall have the same rights and privileges as the Commission has in hearing, recording and examining evidence. What do we want more than that ? I do not think we can ask for anything substantially greater than what has now been conceded. It is true that they have insisted on one condition and that is about recording certain evidence in camera. I do not think we ought to make much of that point. You are all aware that in the previous Commissions that have been appointed, evidence has often been recorded in camera. Sir John Simon has conceded us a similar privilege. If we like to hear some of the evidence in camera we are at liberty to do so. Why then cry, why then quarrel for a point which is not going substantially to help us and which will not lead us further on the path of progress ? They have also said that they will report to the Central Legislature and that two separate reports which will be written, one by them and one by us, and they will, if we so desire, include the two reports in one book which will be presented to His Majesty's Government. They have clearly stated that if the Indian Joint Committee preferred they would make their report an annexure to their own document. Not merely this. They have made it perfectly clear that the Committee of the Central Legislature will be presented to and heard by the Joint Parliamentary Committee on a status of equal footing. I think that here they have made a most substantial concession which is entitled to our serious consideration. So far as the Simon Commission are concerned, they have gone as far as possible. There were some points in the famous letter which I admit required elucidation and immediately, our friend Sir Sankaran Nair, President of the Parliamentary Party, approached him and had an interview with him for the purpose of discussing and clearing them. I must here congratulate Sir Sankaran Nair on the great sagacity and statesmanship with which he has led the Parliamentary Party in this Council. Naturally the Party were perfectly right in desiring to know the actual position, so far as the Central Committee is concerned, in the deliberations that will take place in the different provinces. The Simon Commission has distinctly said that the Central Committee can follow them to the provinces and even sit together with the Provincial Committees and press their point of view on the Commission. Is this not a most valuable concession so far as the Commission is concerned ? They have made the position perfectly clear, and I think our joint deliberations here as a central body with them and our co-operation with Provincial Committees eventually will lead us to some proper understanding and to an effective presentation of our case. Is there anybody in this Council who is in a position to state definitely or entertain any doubt that the influence, the position and the arguments of the Committee of the Central Legislature as well as the Provincial Committees

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will not be adequate to influence the final decision of the Statutory Commission ? I think he must be a fatalist or a man who is absolutely unconvincible if he says that we shall not be in a position to lay our part of the case before the Commission effectively, we shall not be able to influence them in framing a constitution for India which will be acceptable to all parties and to all interests in the country. If our Committees are not in a position to influence the Commission, may I ask how our position would in any way be improved by our inclusion in the Statutory Commission ? If we sit as a separate body and are not able to influence this Commission to arrive at a judgment which will be satisfactory and acceptable to all parties and to all conflicting interests, may I ask, why do you insist on the inclusion and appointment of Indians on the Statutory Commission ? Will the mere fact of our inclusion place us in a better position in any way to influence the Commission than by the medium of the opportunities now offered ! I say it is simply begging the question. You out of sheer feeling of resentment and indignation are spurning a great opportunity which Providence has just given to India. For God's sake do not spurn that opportunity. Do not allow your sound judgment to be warped and our case to go by default. If you have got any regard for the welfare of India, it is your solemn duty to-day to combine and co-operate with the Commission and bring them to your way of thinking. Place before them your facts, your arguments, your logic. Bring them to your sense of reasoning. Do not, like schoolboys sulk and refuse to co-operate. You are not going to help and advance the interests of the country in that way. Whether rightly or wrongly, we have been excluded from this Commission. It is another matter. But now this is an occasion when we all ought to combine and lay our part of the case before them. This is a rare opportunity, this is an unprecedented opportunity, as Lord Birkenhead put it in the House of Lords, and it will be a sad day for India if we allow our cases not to be properly represented and we are carried away by emotion and sensitiveness and discard this glorious opportunity which has been given to the country of framing a constitution and materially ameliorating the condition of the country. Sir, the Commission is advancing in collecting and surveying the situation at present. The Central Government, as well as the Imperial Government, are collecting materials for their perusal and consideration. When we get those materials we will be able, if not satisfied with those materials, to collect further materials that are relevant from our point of view. When the Committee of the Central Legislature and Provincial Councils' Committees have collected that material, we shall be in a position to ascertain on what matter we can accept that material and on what matter we shall ask for further information. Sir, all these opportunities which are given to us have been unceremoniously set aside in the other House on the ground of a calculated insult and indignity to India. Where is the insult ? In the speeches that were made in both the Houses of Parliament I discover nothing but extreme regard, deference and solicitude for the Indian people and a genuine desire to frame a constitution that will meet with the assent of all parties and communities and which will satisfy all interests. If we admit the principle of the Act of 1919, and as these reforms were started under that Act, and in all the provinces, Ministers were appointed and the reforms were being worked, are we not bound by the scope and character of that Act ? Where, then, does the question of insult come in ? Yet, leaders of ability, position and culture refuse to recognise what is the actual situation. It is sheer nonsense to say that we are at present enjoying equal status with the British people ; it is hypocrisy to assert that. As long as that Act is there and as long as India has not attained Dominion status, we are inferior in political status to other self-governing nations. Why then all this hypocrisy of saying that we are insulted and the British nation has excluded us from the

[Sir Maneckji Dadabhoy.]

Commission with the object of insulting this country ? You know our position. You know what constitutional status we occupy at present. India is simply a dependency, it has still to attain dominion status. Try and get that status as early as possible, and that should be our objective, our goal....

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan): How can we get Swaraj when we have a man like you ?

THE HONOURABLE SIR MANECKJI DADABHOY: I will answer you, Sir. I believe in obtaining Swaraj by evolution. I believe that we can obtain Swaraj by co-operating with the British Parliament and the British Government. I firmly believe, and every honest, intelligent man must believe that the salvation of this country lies by working in co-operation with the great British nation. (*The Honourable Rao Sahib Dr. U. Rama Rau:* ' Question '). How are you going to wrench reforms out of England by a policy, an obstinate and senseless policy of opposition, or a policy of revolution ? You will not succeed in causing a revolution. That is what the Swarajist Party is bent on doing. That is the mischief which that party contemplates. The Swarajist Party is misleading the country on this critical occasion, (*The Honourable Rao Sahib Dr. U. Rama Rau*: " No ") and will not allow India to go on the right path of progress and advancement. You people are on the war path at present. You do not think....

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Does boycott amount to revolution ?

THE HONOURABLE SIR MANECKJI DADABHOY: You do not think that by co-operation you are going to get your freedom. See what is your position now. The position is that three big Parliamentary parties in England have combined.....

THE HONOURABLE SIR PHIROZE SETHNA: What about the parties here ?

THE HONOURABLE SIR MANECKJI DADABHOY: Wait a minute. Even Mr. Ramsay MacDonald, the great Premier of the late Labour Government and leader of the Labour Party, has given you his decision in express terms. Are you going to get Swaraj (*The Honourable Rao Sahib Dr. U. Rama Rau:* " Yes ") by working in opposition to the three great Parliamentary parties in England ? Are you going to get Swaraj by making the British nation your enemy ? Don't rub them up the wrong way. I know that Englishmen have some faults. I know that they have not always acted tactfully and correctly, but if you desire on this occasion to fight in this injudicious way to obtain Swaraj, I must candidly say you are very sadly mistaken. This is the occasion when a little judgment and a little tactful move on our part will save the situation and lead us to progress and advancement. English politicians do not desire or expect Indians to abandon patriotism or to abdicate the cultivation of nationalism on well-defined and orderly lines, nor do they ask Indians to concede that the British Government is best and always infallible. No reforms, however generous, will have any chance to succeed in the face of ill will, bitterness and mistrust. This is the time when we should hold out our hand of fellowship to the British nation and to this Statutory Commission and arrive at some mutual understanding beneficial and profitable to both countries. Remember when you started the reforms in that atmosphere of disturbances you were not in a position to accomplish much.

For God's sake on this occasion avoid bad feeling between party and party, between Government and people. Many things have contributed to the failure of the reforms. The unfortunate disturbances, the bankrupt financial position of the country at the time the reforms were started, have contributed to our failure. Don't repeat that history again. On this occasion let us bury the hatchet and forget and forgive. I do not say that the English people have always ruled well and wisely, but they have done, so far as I can see, their very best. They are a well meaning people. If they have made mistakes, they have made the mistakes which India in the past and other nations have also made. Don't therefore be hard and unreasonable on this question, and if you love your country, if you have any regard for the interests and welfare of India, willingly co-operate, show a gesture at least of conciliation to them and you are sure to get....

THE HONOURABLE THE PRESIDENT: I must ask the Honourable Member to bring his remarks to a close.

THE HONOURABLE SIR MANECKJI DADABHOY: I will only add one word and I will appeal to my Honourable friend, Mr. Chari. You (turning to the Honourable Mr. Desika Chari) have come to help us.....

THE HONOURABLE THE PRESIDENT: The Honourable Member will please address the Chair.

THE HONOURABLE SIR MANECKJI DADABHOY: Very well, Sir. I only hope that he will accept my amendment on this occasion. We shall have our battles and our controversies with the Statutory Commission when we meet them in our parliamentary capacity and when we work hand and glove with them. This is not the occasion to lay our conditions and proposals. I do not ignore the importance of the points which the Honourable Mr. Chari has raised, but I think we can come to a better understanding and some solution by the acceptance of this amendment of mine and I hope—I feel confident—that this Council will pass it by a substantial majority.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That for the words 'urge upon His Majesty's Government' to the end the following be substituted, namely:

'take steps for the election of representatives from the Council of State to participate in the joint conference according to the procedure set out by the Chairman of the Indian Statutory Commission in his letter of the 6th of February 1928 addressed to His Excellency the Viceroy and Governor General, and his letter, dated the 10th February, to the Honourable Sir Sankaran Nair'."

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern: Non-Muhammadan): On a point of order, Sir. Your ruling just now was that we cannot discuss on this Resolution and the amendment the question of the principle of the Commission and its appointment. I know that the Resolution and the amendment as they stand take it for granted that the Commission has been appointed and they take it for granted that the principle of its appointment is correct. But those who are opposed to the Resolution and the amendment can only base their opposition on the ground that they are opposed to the Commission and therefore they cannot approve of it. So far as I understand, this Council has not on any previous occasion assented to the principle of the appointment. May I therefore take it that it is your final ruling that in discussing the Resolution and the amendment we cannot discuss the question of the principle of the appointment of the Commission?

THE HONOURABLE MR. V. RAMADAS PANTULU : Sir, when I asked my Honourable friend, Dr. Rama Rau, not to move the amendment that stood in his name, which raised the whole question about the appointment of the Commission I was under the impression that the Council would have an opportunity of discussing all matters connected with the appointment of the Commission and all objections thereto in the debate on the Honourable Mr. Chari's Resolution and the Honourable Sir Maneckji Dadabhoy's amendment thereto. But, Sir, if there is any doubt as to the scope of the debate and of our right to attack the Commission from every standpoint, I would request you to permit Dr. Rama Rau to move his amendment. Then I would speak on that amendment.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce) : May I say a word about this point, Sir ? I would respectfully suggest, Sir, that the amendment moved by my Honourable friend Sir Maneckji Dadabhoy is sufficiently wide, and if it is accepted by this House, it includes the approval of the appointment and composition of the Statutory Commission. I would suggest, Sir, that that is involved in the amendment moved by the Honourable Sir Maneckji Dadabhoy.

The second matter involved in the amendment is the approval of Sir John Simon's letter to His Excellency the Viceroy. I should like to have your ruling on those two points.

THE HONOURABLE THE PRESIDENT : I told the House just now that I should prefer not to have given a ruling on this particular point, and I made an appeal to the Honourable Member which I hope the House will take as an appeal to it as a whole, that it would confine the debate to the question of co-operation with the Commission from the present, going into the future and not delving into the past. The Honourable Mr. Ramadas Pantulu suggested that if I were to rule that a discussion on the question of the constitution of the Commission was out of order, he would ask that the Honourable Dr. Rama Rau might be permitted to move his amendment which raises that question. I would merely point out to him that if the discussion of the constitution of the Commission is out of order in this debate, equally then the Honourable Dr. Rama Rau's amendment would be out of order.

The point raised by Sir Arthur Froom and by the Honourable Mr. Narayan Prasad Asthana is a perfectly valid point. It is quite possible in regard to the Resolution as well as the amendment to deal with the constitution of the Commission and challenge that constitution as one ground for not co-operating with the Commission. I hoped that the House, as I said before, would confine itself to the question of co-operation from the present moment onwards. I am not prepared to rule that the discussion of the constitution is out of order, but I do again make an appeal to the House not to labour that point too much ; the Resolution as moved has not raised it ; the speech of the Honourable Mover has not raised it, and the Honourable the Mover of the amendment has touched very lightly upon it.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-official) : May I just add one word.....

THE HONOURABLE THE PRESIDENT : On what point does the Honourable Member wish to speak ?

THE HONOURABLE COLONAL NAWAB SIR UMAR HAYAT KHAN: I want to know if I can move an amendment to the amendment of the Honourable Sir Maneckji Dadabhoy by adding one word. I submit that the word " five " should be added to it....

THE HONOURABLE THE PRESIDENT: The Honourable Member will have his opportunity later.

THE HONOURABLE SIR C. SANKARAN NAIR (Madras: Non-Muhammadan): Sir, there are two important questions raised by the Resolution and by the amendment, *i.e.*, whether we are to appoint a Committee now to work with the Commission, or if not to work with it, to work on parallel lines and whether that committee now to be appointed may function with the rights, privileges and limitations now given and imposed or should it function only with certain additional powers which we have asked for and which may or may not be granted. I draw the attention of the House to this fact for Sir John Simon has said that he is open to a discussion in a conference about any matters of procedure which his statement does not adequately cover. Therefore, Sir, that question remains open.

Now, Sir, I may state my view. I am prepared to advocate the appointment of a Committee at once either of this House or of the two Houses in order to work with the Commission or on parallel lines. I would also say that I should like some further powers to be conferred upon them, and I feel confident that the Committee will get the privileges required to perform their duties.

Now, Sir, in deciding these questions there are two facts of primary importance which have to be borne in mind. One fact is—and I have not seen it denied anywhere, either in this House or in the other place or in the course of the discussion—that we have to go to the British Parliament in London for any Act to be passed to confer any further powers on us or to get Home Rule or to get any further instalment of Reforms. We cannot do it in any place, anywhere between the Himalayas and Cape Comorin. Nobody here can do it. Even His Excellency the Viceroy with his Executive Council, the Legislatures of this country or all the leading men put together cannot frame a constitution for this country which will have any validity unless the consent of the Imperial Parliament is obtained. It may be an automatic assent, as the Congress men would put it, it may be an assent given after Parliament is satisfied, as others would put it; but whatever it is, you have to go to the Imperial Parliament and get their assent. That is one important fact that has to be borne in mind; the House must always have in mind that broad fact.

Then the next thing we have to bear in mind and which has determined my attitude towards this Commission is this. Now it is accepted that the Joint Committee, if appointed, may submit their Report to the Government of India here or to the Central Legislature. We have the statement of Sir John Simon —and I accept it—that there are well-known constitutional means by which a document emanating from the Joint Committee and presented to the Central Legislature can be forwarded to and made available to the British Parliament. The Joint Committee can submit their Report to the Central Legislature, and that Report will go to England. Personally I would go further and say that it does not matter if the Report goes to Parliament or to anybody else, because that is a Report written for posterity in India to show that we of this generation in this Council have done our best for them. It is a Report which will go to America and to the whole of the civilized world to show what we think of our Government and the Government required by us. This is what we want. It does not matter even if the British Parliament does not take any notice of it, because our appeal is not merely to the British Parliament, but it is to the civilized world. However, as I said already, it will of course go before Parliament for their acceptance, and they will accept it, if they think fit. That is

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the other dominating fact. It is implied in the submission of the Report that you can frame your own scheme and that you can broadcast it all over the world for men to see and judge between you and between those who stand against you. Now, to throw away that weapon would be suicidal. It does not matter whether you are allowed to take evidence. It is not on evidence that we have been framing schemes hitherto. Why do we want the evidence which is going to be given before the Simon Commission ? Are not we able if necessary to get evidence ourselves ? I say it is criminal to give up this opportunity. I am prepared therefore to advocate the appointment of a Committee. (Hear, hear.)

Now, why should we not do that ? What is the argument against putting forward a scheme before the world ? What is the argument against putting forward a scheme before Parliament ? (Here an Honourable Member interrupted.) You need not be in a hurry: I am not going to run away. We will take then the arguments, one by one. I listened carefully, I listened with all respectful attention to the debates in the other place. I not only listened to the debates, but I read all the arguments that have been used against this view in the papers. Now, take the arguments one by one. I may tell the House at once that once the situation as I have stated it is realised, every argument without exception which has been used in the other place for boycotting becomes an argument for constituting a Joint Committee and for working with the Commission. Take the first argument. The first argument is that they don't believe in the *bona fides* of the men who have appointed this Commission. Very well, then, be candid, be manly, be straightforward. Let us form the Joint Committee. Let them go to the Simon Commission. Let them tell them straight to their face: "We do not believe in the *bona fides* of the men who have appointed you and our reasons are these ". They are the persons who are bound and able to reply to a charge like that. Is that a charge to be made behind the backs of the men who alone can answer that question ? Let the Committee go to them, and ask them : " What is your answer ? " And then, if they have not got any answer or if the answer is not satisfactory, let the Committee say so in the report which they submit to Parliament giving their reasons. " We do not believe in the *bona fides* of those persons that have appointed this Commission." The Viceroy has denied the charge ; but whether he denied the charge or not, it is only manly that the charge should be made in the presence of men who can answer it and should not be made elsewhere where there are no men to answer it. Because it is not the Government of India that can answer it. It is only the Simon Commission coming from London with credentials from those who have appointed them who can answer it. That is a reason therefore for the appointment of the Committee.

Take the next argument that is used. They say, they have no faith in this Commission because this Commission consist of men who do not know anything of India. Very well. Let the Committee go there, convict them of their ignorance of India. When they put forward a proposition, let them show that the scheme which they put forward is one which only ignorance could put forward, show them that every step they take is a step due to their ignorance, convict them of that, and if they will again persist in their course, say in their report these are the things which the Commission put forward and they put them forward because they know nothing about the conditions in India. Therefore this is a reason why the Committee should be appointed in order to convict the Commission of their ignorance. The Committee should proclaim to the world and to England that these are ignorant men whom you have sent to us, and therefore that is why we say we cannot usefully work with this Commission.

Then, I heard another argument. I am sorry they used that argument, but however, there it is. They say it is not a work for any Commission, because the Anglo-Indians can manufacture evidence and put forward any falsehood. Therefore on the results of that Commission we cannot rely. Very well, this is a strong reason for having a Joint Committee. As we go on, reasons accumulate for the appointment of a Committee. What are these Indians who form the Committee worth if they cannot dispose of these falsehoods; when false evidence comes, if they cannot point out that this is false evidence? Are not we accustomed to that sort of thing? Cannot they do that? And if they can do that, is not that a reason for our appointing a Committee because Englishmen are not as competent as ourselves to judge the evidence. If the Commission still accept that false evidence, the Committee can give in their Report reasons to show that the evidence is false. I say therefore all this is no reason for the non-appointment of the Committee—they are reasons for the appointment of the Committee. On the other hand, look at the result if we have no Committee. We cannot meet the scornful Anglo-Indian taunt, that we do not appoint a Committee, we object to a Joint Committee to work along with the Commission because we cannot submit a scheme which can stand scrutiny or investigation. Whether it is true or whether it is not true, I don't say now. Now, what is the use then of putting forward a scheme which some of us have framed or are preparing unless we are prepared to defend it? Is there any chance for any scheme if the Joint Committee are not there to defend the scheme before the Simon Commission? Won't they cut it into pieces? One witness after another will go before that Commission in order to show that the scheme is absurd and is ruinous to the people of this country. Is it not then our duty, I say, to appoint a Joint Committee to go there in order to put forward, and not only to put forward but defend the scheme before the Simon Commission? If they don't accept it, it does not matter a bit if the scheme is properly prepared. The Committee may put it forward in their report. Place it side by side with the Commission's Report. They can show why their own report, the Joint Committee's scheme is far superior to the other one. What will be the moral effect in India and in the eyes of the world when they find the Simon Commission has submitted a report which should not be accepted and that the Joint Committee have submitted a report which should be adopted.

Then take the Muhammadan position. Is there any reply given to the charge that is brought by the Muhammadans? There is a reply: I can conceive it, but no reply has yet been given to what the Muhammadans have said, that between the Hindus and the Muhammadans there is permanent hostility which has been going on for centuries and centuries and there will always be permanent hostility. Is it not then for the Joint Committee to come forward and maintain that the scheme which we put forward, if we have one, is a scheme which is compatible with the good government of the country, with Muhammadan aspirations, with Hindu aspirations? Are we to sit quiet here and listen to witness after witness say to the Simon Commission: "Between Hindus and Muhammadans there never will be harmony. We are fighting: if the British Government leave us, we will ruin one another." I do not at present say whether the charge is valid or whether the charge is not valid. There it is and it is our duty to appoint a Joint Committee to combat it. What is the use of saying in the Council that this is all nonsense? We will have to prove that the scheme which we put in is consistent with the genuine aspirations of both Muhammadans and Hindus and others, if not to the satisfaction of the Commission to the satisfaction of others. Then there is the case of the depressed classes, there is the case of the labouring population. They have, we know, been

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treated very badly. The Non-Brahman movement in Madras and elsewhere is itself testimony to that. They say. "We have no confidence in the class of men whom the reforms are likely to bring forward to protect our interests." I associate myself generally with the charge that the depressed classes' interests are not safe in the hands of those who are now influential in political life and who are likely to come into power according to the schemes that are now put forward for reforms by the Congress and other bodies. That is not a charge brought forward by them alone. The Right Honourable Colonel Wedgewood, the idol of the hour so far as the Congress men are concerned, did he not bring that forward? He said, if my memory may be trusted, that you cannot expect the Congress to stand by and protect these classes as long as the Congress is dependent upon the funds supplied by the capitalists and by the great Rajas and Maharajas. Has any reply been given to that charge? If it has been, I have not heard it yet. I was there in the Assembly listening to the passionate plea by Lala Lajpat Rai that for the last 25 years he has been labouring for these classes. All honour to him. But when I listened to that passionate plea the saying of the sacred prophet and founder of his faith, Guru Dayanand, came to my mind. He said that he was being hunted from door to door and was in fear of his life; that for a very long time to come, we must have the British Government here for freedom of speech and for the freedom of those who are like him striving for the uplift of women and of the depressed classes. He said that because he was in danger of his life and we know he was killed on account of his reforming tendencies. It is the followers of that class who have been doing good to the depressed classes. His followers Arya Samajists, men like Lala Lajpat Rai, are the exception who prove the rule of the Hindu faith and that Hindu faith has never been lenient or tolerant towards the depressed classes and there are men—at least one man who sits in this Council—who have said that Gandhi who has been fighting so much for the untouchables is a man to be lynched for that reason. This is in accordance with the spirit of Hinduism. This is not a thing which has only now been put forward by Dayanand and these classes. It was put forward by the men of the Punjab centuries ago. When Mohammad Ghori invaded India, the men from the Punjab, the outcastes, the depressed classes, the hill tribes, met him with drums and torches and invited him to come over to India in order to save them from the Brahmans and from Kshatriyas. I myself brought forward before this Council the draft of a scheme for reform for doing justice to them, but it did not commend itself to Congress men. Well, then, is it not our duty to appoint a Joint Committee to go before the Simon Commission and to put forward a scheme, if we can find one which will meet all these objections and which will save the lower classes from the hardship which they are now suffering from ? It is idle to say, it is crass folly to say, as these men have replied: "Have you been better off under the British Government ?" That is not the question before us. The question is, are these classes going to be better off, are they going to be benefited if these schemes are accepted ? We may be able to furnish an answer. But that is not the question now. The question is that the scheme that we put forward which would benefit all the parties in India, requires to be defended and defended strongly if we can. If we say we have no scheme to put forward, that is a different matter. But do not let us treat these things in the way in which it is being treated, without any attempt to meet these objections. That is so far as the extreme party is concerned.

Now, let me take the views of the other party, represented by Mr. Jayakar and Mr. Jinnah. They say that facilities have not been given to the Committee,

they are not placed on an equal footing, they may be excluded when evidence is taken and therefore they are not prepared to work with this Commission. But do we want the evidence that is being heard by the Simon Commission ? We who have been in political life for 30 or 40 years, we who have considered these questions for 30 or 40 years—do we want the evidence which may be taken or which may be discarded by the Simon Commission ? If he discards any useful evidence, so much the worse for him, because he cannot get at the truth. The Committee will be able to expose him easily, if on the Joint Committee there are good men appointed by the Congress Party, which has a majority in the other House. If they are proper men, I would say, as things now stand, if all the evidence which the Committee might place before the Commission is excluded by Sir John Simon, if all the evidence which Sir John Simon accepts is rubbish evidence, even then I say our Indian Members, who have been in political life for a long time and who do not want the assistance of Sir John Simon can put forward and support their scheme. This argument should never have been advanced that because Sir John Simon would not allow us to do this or do that, because we are not given an equal status— as if dignity and insult have a place when the interests of the country are concerned—we should not co-operate with the Commission. That is a very good reason why we should go there and say that the evidence which Sir John Simon has excluded would have given him the truth, and that the evidence which he has taken is false evidence or irrelevant evidence. Therefore, as things now stand, I am prepared to advocate the appointment of a Joint Committee in order to work with the Commission. But I do not stop there. I believe in harmonious relations between the Indian Committee and the English Committee. I therefore say that it is desirable that the Simon Commission should go further and I am quite sure—that is why I worded my Resolution in that form—that if the Government of India will ask Sir John Simon to do it, he will do it. I think it was a tactical mistake to say that certain evidence shall be open only to Englishmen and to the Simon Commission, and that such evidence will not be open to Indians. The reason is not its relevancy. The reason is that if Indian members are there, there is a certain class of evidence that will not come forward. The reason is that witnesses would not appear to make certain statements in the presence of an Indian (*An Honourable Member :* " Why ?") which they would make in the presence of others. You will find there were witnesses before Committees or Commissions who came forward and made many statements against Indians, but who said they would not give that evidence if Indians were present. That is the real evil. (*An Honourable Member :* " Don't rely on them ".) I do not ask you to rely on them. That is a very important argument for our Committee saying that the views of the Commission must not be accepted because that is the evidence of cowards who will not come forward in the light of day and make their charge against Indians. I concur with my friend fully. The right to take evidence excluded by Sir John Simon has not been expressly granted, but I have no doubt it will be granted, I have no doubt that that right will be given. It is only when that right is given that there is any hope of a unanimous report, of a common report. The Indian Committee must have the right to call for all kinds of evidence and have it placed before them. If you proceed upon evidence which is open to one and not open to the other, or upon two distinct sets of evidence, then there is no probability of joint, harmonious co-operation, and it is only if there is joint, harmonious co-operation that our case will be strengthened in England. That is a matter within the control of the Government of India, because even if Sir John Simon says that that evidence cannot be taken it is open to the Government of India to say, " Very well, we will allow it to be given ." The Viceroy has already written to Sir John that he will render all assistance

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and I have no doubt he will write to the Indian Committee when the occasion arises, that he will allow the Government officials to come before the Indian Committee to give evidence before them if Sir John Simon thinks that that is evidence which he would not take, and that he will give us the same facilities and access to Government records as are accorded to the Statutory Commission. I would ask the Government of India to bear this in mind. On the last occasion, when Mr. Montagu came out to India,—he had himself been the Under Secretary of State for India, and had studied Indian questions—he came with his Under-Secretary, Mr. Philips, with a member of the India Council, who had been Governor of this province, Sir William Duke, and there were also men of the India Office. With the Viceroy, Lord Chelmsford, and with an Indian politician who had only then been appointed to the India Office, that is, Mr. Bhupendra Nath Basu, with the Home Member, Sir William Vincent, he went about collecting evidence for their report. When it came back to the Government of India—I trust I may be excused for this personal reference—we sat in consultation, we discussed it at a round table conference and came to the conclusion that that evidence was not sufficient. Then we appointed two Committees, namely, the Feetham Committee and the Southborough Committee and we got the best Indians that were then available, I mean Mr. Srinivasa Sastri and Sir Surendra Nath Banerjee on one, and Sir Chimanlal Setalvad and Sir Tej Bahadur Sapru on the other. Their report came to us and again we found that the evidence was insufficient, and mark you, that evidence was found to be insufficient partly on account of a boycott. The boycott was then carried on by the non-Brahmins and by the depressed classes in Madras. When this Committee went to Madras Dr. Nair who was then the leader of the non-Brahmins and the depressed classes boycotted the Committee on the ground that there were Brahmins who sat on it and that the Englishmen would always follow the Brahmins, and that they had therefore no confidence in them either. Dr. Nair did not give evidence before them and he persuaded the other non-Brahmins and members of the depressed classes not to give evidence before that Committee. Do you know the result ? The result was that these depressed classes suffered, because no evidence in their favour was there and the Government of India had to accept the report of the Franchise Committee, and the depressed classes have therefore only a nominated Member in the Legislative Assembly which would not have been the case if they had not boycotted that Committee in the belief that the Englishmen were people who would only follow the Brahmin views. Therefore, beware of the consequences of boycott. The Government of India, as I said, found the evidence was insufficient in this and other respects but accepting it submitted their report to the India Office. At that time I happened to go to the India Office and I was a member of the Committee of the India Office appointed to revise all those arrangements. We found there too that the evidence was insufficient even though we referred the matter back to India, but we had to accept the recommendations of the Committee. I ask the Government of India, therefore, to give all facilities and to do what they can in order to allow evidence of all kinds to be taken. Irrelevant evidence would not do any harm, but the exclusion of evidence, especially before a Commission consisting of people who are ignorant of the conditions in India, would do a good deal of harm. The report of the Simon Commission will be waste-paper if the Government of India show that that report is founded on insufficient evidence, or incomplete or erroneous evidence. So, the Government of India's request will always be complied with. I say every facility should be given in order to ensure that the Indian Committee when appointed will have all the evidence that is asked

for and have all the assistance that is needed from the Government of India and from all others in order to come to a right conclusion. If those facilities are given, unless I have misjudged my countrymen, the members of the Committee appointed by this House and the Assembly will not be found wanting, and they will put forward India's case in a manner that will arrest attention throughout the world. If they succeed in persuading the Simon Commission to agree with them and if the Simon Commission are as impartial as it is pretended they are,—I think there is a great probability that they will agree with them and if they succeed in carrying the Simon Commission with them, then we will get what we want, and what a tremendous advance we would be making then ? If the Simon Commission do not agree with them, the situation will be more difficult, but we will have our case stated before the whole world as the Committee's report will be read with the Commission's Report. What harm has been done by one wretched book, Miss Mayo's book ? Those men who are now preaching non-co-operation are publishing replies simultaneously in England and America and India in order to get rid of the impression created by that book, fearing that ill-will might be aroused by that publication. Do you mean to say that if you--those who oppose the appointment of a Committee sit still and the Simon Commission submit a report saying that we are unfit for further progress—do you mean to say that that is not going to do us any harm ? Is it not the case that the only way of counteracting and meeting it is by electing the Indian Committee who will submit simultaneously a report exposing any statement made by Sir John Simon and his colleagues, which may be detrimental to our interests, and say, " This is what we want. " This is the reason why we claim self-determination because we cannot expect even from a Commission like this any justice." Will not your claim for self-determination then stand justified ? What is the use of whispering self-determination in the ears of people within the four walls of the Legislative Assembly, printed in a book which nobody cares to read. Do you think anybody cares to read all those voluminous things, the debates ? Therefore, Sir, I support the amendment that has been moved.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, after the decisive vote in the other place not to co-operate with the Statutory Commission as at present constituted at any stage or in any form, I regard it as the solemn duty of every elected Member of this House, if he is true to himself and to his electorate, that he must vote against the motion and the amendment we are now considering. Surely the Government cannot possibly bring forward a Resolution as contemplated for the election of a Joint Committee of the two Houses to assist the Commission, for the other House has given a clear indication that it will not agree to any such proposal. Sir, I very well understand that, constituted as this House is, Government can have everything their own way in this place..

1 P.M.

THE HONOURABLE SIR ARTHUR FROOM : No.

THE HONOURABLE SIR PHIROZE SETHNA : They can, Sir. And they do ; they have always done it.

THE HONOURABLE SIR DINSHAW WACHA (Bombay : Nominated Non-official) : It is prejudice, prejudice and nothing but prejudice.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, I can quote instances after instances to show that we can never carry anything in this House unless it is ended or mended. (*An Honourable Member :* " No, no ".)

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I will try to answer the point raised by my Honourable friend Mr. Chari. The same misunderstanding seems to prevail also outside this House. He inquired why if we who ordinarily co-operated with Government, will now become non-co-operators in all matters. My answer is that, whilst we will non-co-operate with the Statutory Commission, perhaps with the exception of our Swarajist friends, all others on our side certainly mean to co-operate with Government in all other matters as we are doing.

I admit that there were insistent demands for the acceleration of the date of the appointment of the Statutory Commission, and I was myself responsible for a Resolution to that effect in this House. The date has been accelerated, but I have reason to believe that this has been so not in answer to our demand, but because the Government at Home thought that this was an opportune moment, because of the existence of communal tension in this country at the present time, and from the point of view of the Conservative Government it was also opportune because they must recognise that their domination of home politics is likely to end before long. You have very kindly observed that you will not rule any observations which we may have to make on the appointment of the Commission out of order. We cannot but refer to the appointment of the Commission because otherwise we cannot explain why we are not in a position either to support the amendment or the Resolution. I shall however accept your advice and refer to the appointment as briefly as possible. When we asked for the earlier appointment of the Commission no one ever contemplated that Indians would be excluded from its personnel. This exclusion, no matter whatever has been said to the contrary by my Honourable friend Sir Maneckji Dadabhoy and others, is regarded by all India as a deliberate insult and an unwarranted affront to this country. May I point out to the House the inconsistency on the part of my Honourable friend who sympathised with us boycotters because Indians were excluded.....

THE HONOURABLE SIR MANECKJI DADABHOY: Excuse me, Sir, I sympathise with....

THE HONOURABLE SIR PHIROZE SETHNA: I am sorry I could not catch you. Is it consistent on his part if he sympathises with us, as he said he does, that yet he sees no harm in the exclusion of Indians? Now, Sir, the best proof of this lies in the fact that even the 300 individuals and associations, some of which associations are mere mushroom organisations not older than the Commission itself, whilst they are prepared to support the Commission are all or almost all against the exclusion of Indians from the personnel and condemn that attitude of Government. This exclusion of Indians means that we are to be deprived of the right of our citizenship in the British Empire and it lowers us to the position of no more than mere petitioners. Such humiliation we are not prepared to take lying down, because if we do so, it will mean that on similar occasions in future Government will adopt the same tactics again and again. Let me quote an instance of the harm that such exclusion has already done. The Right Honourable Srinivasa Sastri, to whom the Honourable the Leader of the House referred the other day in such eulogistic terms as Agent of the Government of India to South Africa, was doing his best to get two Indians nominated on the Education Commission recently appointed by the Natal Government. I am confident that our Agent would have "Sastricised" the Natal Government into doing so and in passing I may mention that this is a new word added to the English Dictionary and is already in frequent use in

the South African Press. But now can we expect the Natal Governme agree to Mr. Sastri's proposal when they could fling in his face the decision of the British Government excluding Indians from the Statutory Commission which has everything to do with Indians themselves ?

THE HONOURABLE MR. H. A. B. VERNON (Madras : Nominated Official) : Have they done so ?

THE HONOURABLE SIR PHIROZE SETHNA : If they have not, it is for the very simple reason that the Right Honourable Sastri has been careful not to press the point after what has happened.

Now, Sir, Lord Birkenhead relies upon the Act. I shall not enter into the details. All I can say is, that even the very heading of the section is called Statutory Commission. Lord Birkenhead seems to interpret the Government of India Act to mean that the Commission must be purely a Parliamentary one. This is an interpretation which we are by no means prepared to subscribe to, for it is neither warranted by the language of the section nor by a correct implication of the constitution. Lord Birkenhead, however, does not seem to be sure of his ground and he turns to the supposed intention of the framers of the Act and relies on the opinion expressed by Lord Chelmsford. It is true that Lord Chelmsford was intimately associated with the late lamented Mr. Montagu in the Reforms Scheme, but is it not equally true that in the framing of the Act Lord Chelmsford appeared to have no hand or share whatsoever, he being 6,000 miles away in India at the time ? That part of the work must have been attended to by Mr. Montagu in England, and unfortunately he is not alive to-day to state what was the intention in his mind. If Lord Chelmsford had such an intention it would not follow that Mr. Montagu thought likewise, for it is inconceivable that of all people Mr. Montagu should be the person to do anything to hurt the feelings of India and the Indians when we gratefully recognise that of about thirty statesmen who have filled the office of Secretary of State for India till now no one, not even Lord Morley, did as much to advance the cause of India as the late lamented Mr. Montagu. No truer words are uttered of that great man than what are inscribed on the tablet on his statue in Bombay which say :

> " He loved the people of India
> Had firm and full faith in them
> And strove for their freedom
> With rare courage and magnanimity."

He tried to bring about a change of heart and for a time the angle of vision had altered, but there is again a set-back and more so at present under the Great Moghul who to-day presides over the India Office.

When the Commission left England Lord Birkenhead said that the real measure of responsibility had passed from his office to be discharged jointly by Sir John Simon, his colleagues and the Viceroy. It was therefore that Sir John Simon's statement was awaited with interest. It was published on the 6th instant in the form of a letter from himself to His Excellency the Viceroy. Sir John insists, in the first place, that this statement was drawn up after his arrival in India. We do not dispute for a moment that it was actually drafted and written out after the Commission's arrival in India. What we do urge is that the statement contains nothing new beyond what was referred to in the suggestions and recommendations made by speakers in Parliament during the course of the debate on the Commission, and no one on the Government side has dared to deny it, and that is the reason why the Indian leaders were able to reply within four or five hours to the effect that Sir John's statement was most unsatisfactory and there was no reason to depart even a little

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bit from their original decision. It is tried to be made out that according to this statement the Indian colleagues of the so-called Joint Free Conference would be given equal status. All I can say is that no one but a man bereft of his senses can admit that there is equality. It is all a camouflage and nothing else. Sir John calls them his Indian colleagues. To call them colleagues is an absolute misnomer. Amongst other things, can it be called equality if the Indian Members are asked to walk out if some evidence is taken in camera ? Much evidence in the past has been taken in camera by Commissions and by Committees on every single one of which Indians were nominated, and have such Indian members ever disclosed such evidence or misused what information they had had ?

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (West Bengal : Muhammadan) : He (Sir Sankaran Nair) also stated the reason for the exclusion (taking of evidence in camera).

THE HONOURABLE SIR PHIROZE SETHNA : To say the least, it is most unsatisfactory, and if my Honourable friends think otherwise they are welcome to do so. Why has Sir John Simon chosen to impose such a humiliating restriction, unless there are ulterior motives behind, which Sir John Simon has not chosen to disclose but which we can of course guess. . .

THE HONOURABLE SIR MANECKJI DADABHOY : What are they ?

THE HONOURABLE SIR PHIROZE SETHNA : I will refer to them.

THE HONOURABLE SIR MANECKJI DADABHOY : Why not state them now ?

THE HONOURABLE SIR PHIROZE SETHNA : I am coming to them at the proper time. This morning's papers tell us that at the interview Sir John Simon gave at Calcutta yesterday to a representative of the *Englishman* he said that the narrow majority of six in the Assembly does not decide this issue for India for all time. He forgets that out of the 130 who voted there were as many as 25 officials on the other side, and if he leaves them out of count as he should, then the narrow majority of 6 swells to the very substantial majority of 31 amongst the remaining 105 or the result of the voting becomes 68 for the Resolution and only 37 against. Sir John should not lose sight of that very important fact. At the same time one welcomes the conciliatory tone of his last utterance which is in such direct contrast to the minatory and threatening language of Lord Birkenhead.

The proper course for Sir John would have been to have invited the very men whom His Excellency the Viceroy asked to see him in the first week of November and also some other leaders. Had he tried to meet them all at a Conference, I feel confident that they would have accepted his invitation and I feel equally confident that some satisfactory understanding would have been arrived at and existing differences removed. I contend it is not yet too late to do so if the Commission are prepared to accept this advice.

I would ask the House to consider who are the men and which are the associations which have ranked themselves on the opposite side in regard to co-operating or not with the Commission. The men who to-day are against the Government are the men who until yesterday were the strongest supporters of Government, in whom the Government themselves strongly relied, men like Sir Tej Bahadur Sapru, Sir Ali Imam, Sir Chimanlal Setalvad, Sir Sivaswamy Aiyer, the Maharaja of Mahmudabad, Sir Moropant Joshi and others, even

including Sir Sankaran Nair, who one and all of them were inside the Government and at one time or another had filled the responsible position of Executive Member of either the Viceroy's Council or of the Provincial Councils. I say even Sir Sankaran Nair advisedly, because, although he is prepared to support the Commission on his terms and made a very strong speech in support of co-operating with them, we know from the article which he recently contributed to the *Contemporary Review* that he is entirely against Government for having excluded Indians from the personnel of the Commission. I am sorry therefore that he did not refer to that point in the course of his remarks. If you turn to political and other bodies then such important bodies as the Congress, the National Liberal Federation, the Hindu Mahasabha, the Indian Moslem League of Calcutta, the leading Indian commercial bodies are all against. Can the individuals or associations responsible for sending the 300 letters and telegrams to Sir John Simon and sending them either of their own free will and accord or under command or compulsion, compare with them ? Government want to make out that an overwhelming majority of Muhammadans are in favour of the Commission. I hope Sir John Simon and his colleagues have by now discovered that, in spite of all the pressure that was put upon the elected Muhammadan Members by Government, the majority on Saturday last voted not with the Government but with those who will have nothing to do with the Commission. There are, I believe, 32 elected members from the Muhammadan community in the Assembly, of whom 5 were absent, 1 did not vote, 14 voted for Lala Lajpat Rai's Resolution and only 12 against it ; and of the 12, 5 came from the Punjab, 4 from Bengal, 2 from Sind, and one from the United Provinces. This is surely an eye-opener to both the Government and the Commission. All I can say is that it is a sorry day for England if her statesmen have to rely for their knowledge of India and their contact with educated Indians upon those whose friendship is due to personal interests or exaggerated communal feeling (*The Honourable Mr. J. Crerar* : " No, no.") and no one understands this better than the Government of India and the Government at Home, for otherwise they would not care two straws for the boycott of the Simon Commission. But they do care and they do smart under it. My friend Sir Arthur Froom may laugh but he did not laugh when Sir Sankaran Nair gave almost the same reason. I say Government smart under it because they realise they must suffer in the estimation of the civilised world and particularly of the English-speaking people, and most so of America who will no longer believe in the professions of England that she is carrying on the government of India for the benefit of Indians and for advancing them towards self-government. They will now realise that in reality it is the intention of the British to hold the reins tighter and for their own benefit to keep India under subjection as long as they possibly can.

Government will not see that by their attitude and the methods they follow they are allowing the ground to slip under their very feet. They are antagonising their best supporters, the very men who have helped them throughout and particularly in working the reforms. Government want Indians to co-operate. Has Lord Birkenhead co-operated with us ? Or is he not, at short intervals sending out threatening messages to India ? They revel in going counter to their feelings and their wishes. If they took the people with them in all they did they would have the strongest support of the country. Take two instances. Take the Reserve Bank Bill. I am sorry the Finance Member who was here a little while ago is not now present. I happened to be the Chairman of the Joint Committee to which was referred the Reserve Bank Bill, and I say that he tried to meet public opinion to the best of his ability, but unfortunately, as far as we can judge, he was overruled by the Secretary

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of State. Is that co-operation ? Take the Statutory Commission. Are they co-operating with us ? They deliberately flout our suggestion and can they therefore complain that India is not co-operating with them ? They are the losers thereby. Less than five years ago no one would have dared, even in the Congress meetings, to put forward a Resolution recommending independence. At the last meeting of the Congress two months back the Independence Resolution was passed I believe unanimously and persons of the eminence of Pandit Motilal Nehru and others openly supported this aim during the debate in the Assembly five days ago which they would never have done even as recently as two years back. If we have come to this pass Government must thank themselves for what has happened and what may yet happen hereafter. It is all Government's fault to my mind. Repressive measures will no longer avail and a conciliatory policy must be the order of the day. I certainly believe in an honourable association of England and India as equal partners. I believe that beneficent results are bound to accrue to India and England if they work in co-operation, provided England does not subordinate Indian interests to her own as she is doing. I also believe that India has certainly gained by her association with England just as much as I hold that England without India can never be a first-rate power in the world. I would therefore say, let both work with mutual good will and co-operation and if England makes promises let her not treat them as pie crusts. Let her live up to her professions and help to enable India to secure self-government within the Empire at the earliest possible moment ; otherwise the gulf will widen and " the little rift within the lute will by and by make the music mute."

Sir, before I sit down I should like to answer Sir Maneckji Dadabhoy in regard to his contention that the Labour Government was entirely in favour of the views of their leader, Mr. Ramsay MacDonald. May I refer him to the Free Press Bulletin issued this very morning at 9 o'clock in which it is said that

" the rank and file of Labour Party to whom speeches have been made available."—

There is the insinuation here that speeches made in the Assembly from our point of view have not been made available to the British public—

" . . . . to whom speeches have been made available are full of sympathy and regret autocratic outlook of their Party Leaders on Indian question. Only solace they are able to offer to Indian people is to say that they suffer themselves under autocracy of Tory as well as their own parties."

May I before resuming my seat also read from the same Free Press Bulletin another telegram which is pregnant with meaning ? I need make no comments on it ? It is dated London, 21st and reads :

" Commenting on Assembly debate on Statutory Commission *Liverpool Post* says verdict is highly regrettable. Commission quite inadvertently no doubt lent even appearance of ignoring popular Chamber. The argument that anti-Commission agitation is conducted by minute fraction of community ought not to obscure the fact which is of vital importance that it is this fraction which impresses the masses. What is achievable by resolute capable minority has been shown in Russia. It is questionable whether Indian extremists are men able to foment strife efficiently but can at any rate make things difficult for Indian Government, ultimately for Great Britain."

THE HONOURABLE SIR ARTHUR FROOM : Sir, I should like to congratulate my Honourable friend Sir Sankaran Nair on what I think I might rightly describe as one of the most statesmanlike speeches we have heard in this Chamber. He saw with a clear vision where the interests of India lie, and seeing that, he took his courage in both hands and advised Members of

this Council what in his opinion and in the opinion of most of us is in the best interests of India. I listened with interest to the speech of my Honourable friend who sits behind me, Sir Phiroze Sethna, and I can only say that speeches of this nature allied with speeches as reported in the Legislative Assembly are such as to stir up strife in this country. (*An Honourable Member*: "Question"). What is the whole crux of this matter? What is the whole crux of the opposition to the Simon Commission? It is merely the omission of Indians from that Commission.

THE HONOURABLE MR. V. RAMADAS PANTULU: No; more than that.

THE HONOURABLE SIR ARTHUR FROOM: Now let us take a practical view of this. How many Indians would you require on a Commission to represent every party, every community, every section, in this great country of India? How many Indians would you want on the Commission to represent all these interests? Then if you get Indians on the Commission, you have got to have the Anglo-Indians, you have got to have representatives of the Indian Civil Service, you have got to have representatives of men who have served their life in India. So what did the Parliament at Home do? They took the wise course of appointing a Commission selected from men who have never taken part in the administration of India, and who have never taken part in its politics.

Sir, another point in connection with a mixed Commission is this. You, Sir, and myself are the only Members in this Council now who sat on the Muddiman Committee. I have a very clear recollection of the work of that Committee. I have a very clear recollection of the impossibility of the work on that Committee. And why? Because from its very start it was divided into two camps. I am not laying the blame on either one camp or on the other camp. And why was it divided into two camps? Because that Committee was composed of men on both sides who had given voice publicly to their opinions on the political situation of India and they were not going to reverse those opinions in Committee. We had men of great influence in India come up and give evidence before us. But what happened? When, in reply to a question, the answer forthcoming was not in agreement with the opinion of the questioner, that answer was at once smothered and another question was put. That is my vivid recollection of the Muddiman Committee. And would you like a Commission which would of necessity be divided in a similar manner? Is it not better for the benefit of India to have a Commission of men selected by the British Parliament, men of a clear understanding but new to the difficulties of India?

Another point, Sir, in connection with the speech of my Honourable friend who sits behind me challenging the constitution of the Simon Commission and referring to the verdict of all English-speaking people. This House must not forget that that Commission is representative of the three great political parties in England and has been acquiesced in by the three great political parties of England, by the Conservative Party, by the Liberal Party and by the Labour Party. And what do you think the British Parliament is going to conclude? What lessons are they going to learn from the action of any party in this country which refuses to listen, to see, to welcome, to have any converse at all with a Commission that has been elected by the three great political parties of Great Britain?

I would now like to turn, Sir, for a moment to Sir John Simon's letter in which he set forth the procedure of his Commission. What, I ask this

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Council, could be fairer than a Joint Free Conference ? And what I want this Council to remember is that with a Joint Committee elected from the Indian Legislature, sitting side by side with the Commission, there is the opportunity of two reports. These reports need not be controlled by either side. I hope we will have a Committee elected from the Indian Legislature, which must have its influence on the report of the Simon Commission. What is the next step ? The Simon Commission issues its report. The report goes Home and it is laid before the Parliament in England. The report of the Indian Committee equally can go Home separately or jointly, according to Sir John Simon's suggestion, with the report of the Simon Commission. That can and will be considered at the same time as the report of the Simon Commission. But the Simon Commission at that stage is finished. What is the next stage ? These reports are handed over to a Joint Committee of the British Parliament for consideration : a delegation from India is to be invited to consider those two reports. In reply to those who say that the interests of India, that the opinions of India have not been adequately provided for, I say they are wrong and that they have no clear perception of the situation at all. But there is one particular point in Sir John's letter and that is to which I would like to refer---what I think was immediately seized upon as a point of objection,—the hearing of evidence in camera. Well, it is not a one-sided suggestion. The Indian Committee also would be entitled to hear evidence in camera. . . .

THE HONOURABLE SIR PHIROZE SETHNA : We do not want it.

THE HONOURABLE SIR ARTHUR FROOM : You may not want it. What do you think was at the back of Sir John's mind in making this reservation ? He was not making it in the interests of his Commission, but he was making it in the interests of certain people who otherwise might hesitate to come forward and give evidence. My Honourable friend, Sir Sankaran Nair, has already touched on that point. I do not know how many members in this Council recollect the Southborough Committee. It was a Committee on which sat two very eminent Indians, Mr. Srinivasa Sastri and Mr. Surendra Nath Bannerji. . . . .

THE HONOURABLE SIR PHIROZE SETHNA : It was not a Statutory Commission.

THE HONOURABLE SIR ARTHUR FROOM : When the Committee visited Madras the non-Brahmins refused to come and give evidence because these two gentlemen were members of the Committee. Let me read what Dr. Nair said :

" I further take exception to the constitution of the Committee, specially to the non-official Indians thereof, and I am not anxious to be sat on in judgment by my political opponents."

Also that Committee received a letter from a certain Madras Association saying :

" We would appear before the Franchise Committee provided the two persons, Messrs. Srinivasa Sastri and Surendra Nath Bannerji, to whose presence on the Committee we have already objected, are removed from your Committee before our appearance before it."

Now, Sir, is it unreasonable to think that some situation of that description might be in Sir John's mind when he reserved the right to examine witnesses

in camera, which right applies not only to the Commission but also to the Indian Committee. What was the result of the boycott of that Committee by the non-Brahmins ? What is the result of any boycott ? It never does anybody any good. Do you think this general boycott in India is going to do the would-be patriots of India any good ? (*An Honourable Member :* " Yes.") I have not heard from the speech of any Honourable Member how this boycott is going to do any good. I do not want to beat a big drum..

THE HONOURABLE SIR PHIROZE SETHNA : You will not have a repetition of exclusion of Indians hereafter.

THE HONOURABLE SIR ARTHUR FROOM : I do not want to beat a big drum, but I have never known the British Parliament frightened...

THE HONOURABLE MR. G. A. NATESAN : (Madras : Nominated Non-Official) : That is incorrect history.

THE HONOURABLE SIR ARTHUR FROOM : If you put the British Parliament's backs against their wall, there would be considerable delay in any advance towards self-government in India. What was the result of that small boycott in connection with the Southborough Committee ? The Southborough Committee could not report anything in favour of the non-Brahmins. The non-Brahmins went home and presented their case to the Joint Committee of the British Parliament. They would not present their case before the Southborough Committee because of the two Indians on it, but they went home and presented their case to the Joint Committee of the British Parliament. (*An Honourable Member :* ' Lord Sinha was there.") I wonder if any of these present boycotters would go home and give evidence before the Joint Committee.

One more reference and I have done. I am sorry to have heard a certain word used by the Honourable Member who sits behind me—the word I have heard used, the word I have heard freely bandied about in the other House, is " insult ". I wonder if Honourable Members remember the reference to this in the most excellent speech of His Excellency the Viceroy. He said :

" But honour and self-respect are not enhanced by creating affronts in our imagination, where none in fact exist. For the essence of any such offence, as of rudeness in private life, lies in the intention behind the act, and no reasonable person would dream of blaming the conduct of another where the intention of discourtesy was lacking."

Insult ! You have heard what the British Parliament has said about the suggestion that their action was an insult to India. Let me carry this word " insult " a bit further. Would you not rather describe the attitude of having nothing to do with the Simon Commission as an insult to the British Parliament ? What insults have the British Parliament offered to India ? The President of the Legislative Assembly was in England last year, and I was in England too. He received every courtesy at the hands of the Speaker of the House of Commons ; he received every courtesy there from the members of the House of Commons. I attended many luncheons and dinners at which Mr. Patel was the principal guest. Was that an insult ? I would suggest to Swarajist Members to be more careful before you use the word " insult " ; it may recoil upon themselves.

THE HONOURABLE MR. RAMADAS PANTULU : What is the threat ? How does it recoil ?

THE HONOURABLE SIR ARTHUR FROOM : This House will be judged by its decision to-day. It may or may not be judged by the Commission ;

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it may or may not be judged by the British Parliament; but it will be judged by public opinion not only in this country but in England and throughout the world.

The Council then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Council reassembled after Lunch at Twenty Minutes to Three of the Clock, the Honourable the President in the Chair.

UNVEILING OF THE PORTRAIT OF LORD READING.

THE HONOURABLE THE PRESIDENT: Most of the Honourable Members of this Council are aware that three or four years ago a public spirited gentleman of the province of Bihar and Orissa offered to the Council of State a portrait of His Excellency Lord Reading. That offer was accepted and the portrait has now arrived, and His Excellency the Viceroy has graciously consented to unveil it to-morrow morning. The ceremony will take place in the central domed hall or library at 10-30 A.M. to-morrow and I should be glad if as many as possible of the Honourable Members of this Council would make it convenient to be present there, and if they would arrive so as to take their seats at least 10 or 15 minutes before His Excellency the Viceroy is due to arrive.

RESOLUTION *RE* THE STATUTORY COMMISSION—*contd.*

THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (West Bengal: Non-Muhammadan): Sir, I rise to strongly oppose the amendment as well as the Resolution and in doing so I humbly ask the Council to express its completest want of confidence in the Parliamentary Commission that has been appointed to inquire into the working of the Reforms. Sir, considering the character and composition of the Commission and the wanton disregard of our known feelings and sentiments by the rigid exclusion of every single Indian from this body, none need wonder that I should ask a grave, sober and professedly moderate House like this to oppose both the amendment and also the Resolution. My reasons are broad and obvious. I take ground first of all upon the elementary political consideration that the nation for which a constitution is intended should have a dominant if not exclusive share in framing that constitution. It may be said—it has been said—that after all the Simon Commission will not actually frame the constitution for India, that that work first and last must be performed by the Imperial Parliament, that the Simon Commission will only collect data and submit a report in which they will only include a faithful account of the opinions and aspirations prevalent in India, and that therefore it does not very much matter whether the Simon Commission does or does not consist of a majority of Indian members. Granting that the facts assumed in this argument are correct, the argument itself, to my mind, only fortifies the position which we, Indians, have taken up in the matter of the Parliamentary Commission. Even if it is admitted that the British Parliament has an ultimate and definitive voice in shaping the political constitution of India, does it not stand to reason, all the more, that the work of preparing the preliminary and draft report, so to say, should have been entrusted to a body wholly, solely and exclusively Indian?

Sir, I fail to see what practical difficulty such a step could possibly have presented. Nay, I venture to think that it would have avoided the thousand and one difficulties and complexities that have arisen, now that we have got a

Commission exclusively British in its character and constitution. If the Commission had been wholly Indian instead of being wholly British, it would have had the inestimable advantage of presenting a purely Indian point of view before Parliament, and with that Indian point of view right before its eyes, Parliament would have been in a far better position to shape the Indian constitution than now it can ever be.

In the course of a highly disappointing speech delivered by the Secretary of State for India in connection with the Parliamentary debate on the Simon Commission, His Lordship gave us what evidently he was pleased to regard as reasons in support of the all-British character of the Commission and I hope the House will permit me to touch within the briefest compass upon some of these reasons. One of His Lordship's arguments was this—that Parliament could not disavow its ultimate responsibility for the governance of India. Sir, this is an impudent assertion which Lord Birkenhead would have us accept with meekness. India is not morally and spiritually dead and howsoever Lord Birkenhead may fret and fume and boil, India will stick to the boycott. We know that at the present moment Parliament's ultimate reserve of power as regards governing India is supreme and absolute and that power remains. What a considerable section of people therefore now want, is power and responsibility on a far lower plane, power to present their own case after their own fashion—power to draw up a constitution such as they think will be best suited to meet the complex, growing and manifold needs of their body politic.

Sir, another of His Lordship's arguments—and it is this which seems so peculiarly jejune and school-boyish—is that it would be impossible to get together a Commission which would be completely representative of India. I know—everybody knows—that you can never get together a representative body as regards which somebody may not get up to say that it does not represent him. But we are not dealing with childish trivialities: we are dealing with the realities of practical life. And does His Lordship want us to believe, as a sober and practical proposition, that it is impossible to get together a body which would be fairly and adequately representative of India? The reply of His Highness the Agha Khan would be conclusive on the point. Speaking to a press representative at Bombay, His Highness is reported to have said that he could, offhand, enumerate a score of names to whose representative character there would not be the least breath of objection in India.

Sir, so long all my objections to the Commission were based on the assumption, at least to a certain extent, that ultimate responsibility rests with the British Parliament. And this, Sir, is certainly one viewpoint. There is another viewpoint from which objections have been raised and rightly, against the Commission. The objection of Indians to the scheme of the Commission from this viewpoint is vital and fundamental. We Indians demand the full right of self-determination. We demand the right to govern ourselves and to determine the Government that will suit us best, unhampered by any foreign authority, untrammelled by any foreign interests. On this matter, Sir, to give the devil its due, I should say, Lord Birkenhead is more honest. In his speech in the House of Lords he stated his position clearly and plainly and in unequivocal terms. He said:

"But let it be plainly said, and it cannot be too plainly said, that Parliament cannot and will not repudiate its own duties, its own responsibility in this matter. If anybody seriously supposes either here or in India that we are mechanically to accept a constitution without our own primary and ultimate responsibility for judging upon it, they have no contact with the realities of the actual situation."

[Srijut Lokenath Mukherjee.]

But, Sir, it is this very responsibility of the British Parliament which every self-respecting Indian disowns. It is, I have no hesitation to submit, the inalienable right of Indians to frame their own constitution. The British Parliament, or for the matter of that, the outside world may buy peace with India by recognising and respecting the Indian-made constitution for India. The very idea that Britishers will dictate to us the law of our life has become repulsive, and in spite of hypocritical persuasions and covert threats from high quarters, India is determined not to be a party to her own humiliation. No sophistry will explain away the fact that the Commission does not come here in response to our own invitation, but has been thrust on us by outsiders who claim to be ultimately responsible for our destiny.

Sir, I shall now deal with the letter of Sir John Simon addressed through the Viceroy of India to the gentlemen of the Legislature. Sir, it has been observed in the other place, by the faithful ally of the Government, the leader of the European group, that we have dismissed the letter of Sir John Simon, to quote his own words, with 'indecent haste'. We have been told that the 'indecent haste' was due to our fear that there might be waverers in the country who might be caught in Sir John Simon's trap. If so, surely the leaders on our side are as intelligent and wary as Sir John Simon. If they did not want the country to listen to the Simon song, that is politics and high diplomacy—that is bearing our opponent with his weapons.

Sir John's was a plain, patent game—a game in which the Liberal and Conservative politicians of England have been notorious adepts. He came with prepossessed notions. He had knowledge of the atmosphere which was in store for him here. He knew that patriotic India possessed some waverers. And he thought —he whose name has been carefully advertised as one of our future Viceroys by the diplomatic press—he could throw a bait for these waverers, the bait of equality in words but inequality in reality. But in the splendid words of Acton, splendour of words cannot do duty for reality. If there was any reality in it, a prolonged consultation might have become necessary. There was not only no reality about what I may call the concession to India's weakness in that letter, there was no originality even, there was nothing new in it of which the ordinary newspaper reader was not aware. There was nothing new which the country had not known before and examined and rejected. There was nothing new in it to those who had cared to go through the speeches on the Parliamentary Commission debate last December. Sir, the phrase" Joint Free Conference ", we learn, was freely used in the lobbies of the House of Commons. It occurred in the message sent out to India blessing the Simon Commission and exhorting the Indian people—the message of the Chairman of the Labour Party. The Simon letter was also forestalled in an article published in a New York Journal and widely reprinted in India. Therefore, Sir, it is idle to pretend that the letter was not given adequate thought. We asked for good bread whereas the letter gives us chaff and plaster.

Is there anything new in that letter which we do not find in the statement of the Leader of His Majesty's opposition in the House of Commons—Mr. Ramsay MacDonald or in his article in the *Nation* of New York ?

Sir, I shall not encroach upon the time of the House by reading the statement and the article referred to above. I shall only say that there is nothing fresh, unknown and unpremeditated in Sir John's letter. Sir, let not therefore the charge of " indecent haste " be hurled at our door. Sir, it has been asked what is our reason for not accepting the terms of Sir John Simon ? Sir, we

carefully considered the points of procedure of which there had been disappointing disclosures on the other side of the ocean. The letter discloses the limits beyond which the Simon Commission cannot go. They have to act "within the framework of the Commission" as Mr. Baldwin and Lord Birkenhead have told us. And within the framework is a steel frame as Sir John has reminded us rather indirectly. If his object was to put into practice the Morleyan idea of "rallying the moderates" and not the few ever-rallied "*ex-officio* Loyalists", his letter to His Excellency the Viceroy has done everything to frustrate it.

Sir John was generous in agreeing to publish the Indian Report as an appendix to the Commission's main Report! British generosity could hardly go further! But Sir John in his mood of generosity has not altogether forgotten himself. There must be occasions, he knows fully well, when he will have to withhold certain evidence from the Indian Committee. He is ever conscious that his Indian colleagues cannot possibly share with the Commission the knowledge of the ugly secrets of the War Office, the conspiracies of the India Office or the currents or cross-currents in the gutters of the Secretariats.

Sir, I have already taken a good length of your time, but before I finish I hope the Chair will kindly allow me a few minutes more to make one or two general observations.

Lord Birkenhead has no doubt whatsoever that the framers of the Government of India Act of 1919, when they provided for a Commission, thought of a purely Parliamentary Commission. In the language of my Honourable and esteemed friend Mr. Jinnah, I should say "Surely Lord Birkenhead has not forgotten that elementary canon of construction that a statute is governed by its words and its words alone". In reply to Lord Birkenhead's remarks—"they did not so state it, because they thought it so obvious", Mr. Jinnah again says

"Apart from its illegality, this is a dangerous precedent to create. If in future statutory Acts are to be interpreted not according to the sense of the words therein, but by vague surmises as to what was presumably in the minds of its authors, it would be importing a possibility such as would permit of every existing Statute in the realm being travestied. And as a constitutional lawyer, Lord Birkenhead should be the first to realise the folly of taking his stand on such premises."

Sir, the Commission, we learn, had been sent to try our fitness for Swaraj after 175 years of British rule in India. It is indeed very strange! But, Sir, we want Swaraj and not a Commission to try our fitness to govern ourselves.

Sir, in this connection I cannot but help referring to a serious question put in the other place by my esteemed friend Pandit Madan Mohan Malaviya and which has gone unreplied. Sir, Panditji asked Government categorically, and I also again ask the Government, whether it was not true that the first suggestion of a Parliamentary Commission was made by the Government of India, that the legal opinion expressed by the Government of India's advisors stated that the Statute did not shut out Indians, that names of 5 or 6 Hindus were actually recommended for the membership of this Commission, that the Honourable the Law Member of the Government of India was in favour of the exclusion of Indians, and that it was to the credit of Sir Muhammad Habibullah that he opposed the exclusion of Indians and warned the Government of boycott?

Sir, if the above facts are true, I should say that the Honourable Mr. Das has not only injured the high honour and great prestige of the province of Bengal—the province to which I am sure the Honourable the Law Member is himself proud to belong,—but has also done the greatest disservice to the country as a whole.

[Srijut Lokenath Mukherjee.]

Sir, in bringing my remarks to a close, I need only say that the great camouflage of the Statutory Commission is only one of the many rude reminders of the fact that neither charity nor generosity, nor justice or fairplay rules Empires. Sir, those in India who go to sleep over the idea that the mutual relations of England and India can and will be adjusted by mutual "consultation" or will eventually be solved by England's generosity must shake off their intellectual laziness and spiritual lethargy and awake to the simple lessons of history and the warnings of common sense. The British Empire in India and Indian freedom are contradictory propositions and one can prevail only at the expense of the other.

Sir, the West knows of no liberty which is only claimed rather than asserted. It has been truly said "Conservative, Liberal or Labour—they wrangle and quarrel over non-essentials, but once they are challenged in a vital matter even the mealy-mouthed hypocrites of Labour creeds stow all their bundle of creeds away and show themselves as zealous imperialists as any that breathe." It is in the interest of India, therefore, in the interest of India's future destiny, in the interest of her life and freedom and all the sentiments and principles that she holds dear, to shun the Commission. In the scheme of Indian life, of Indian aspirations and of the struggles of the Indian people for full, free, unfettered existence, in the march of India towards progress and the achievement of Swaraj, Sir John, his Imperial Mission and his Royal Commission have no *locus standi*.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): Sir, I should like to preface my remarks by a few words about the actual terms of the Resolution and the amendment that are before the House. The Honourable Mr. Chari's Resolution recommends to the Governor General in Council to urge upon His Majesty's Government to form a Committee in connection with the Royal Commission on Reforms—a Committee which is to perform certain functions. The Honourable Mr. Ramadas Pantulu rising to a point of order suggested that in effect it was impossible for His Majesty's Government to take such action. I certainly would not go so far as my friend in saying that it would be impossible for His Majesty's Government to take any action. But, Sir, as a practical proposition I think that this House must recognise that it would not be consistent with anything that has hitherto been done for His Majesty's Government to form a Committee at this stage. We must remember that the decision of Parliament was to entrust this great inquiry to a Royal Commission. They indi-

3 P. M. cated the lines on which they hoped that the Royal Commission might be able to prosecute their inquiry, but, having indicated those hopes, they left the inquiry and the procedure, as they were bound to leave them, to the Royal Commission themselves to determine. The Commission have already issued a very clear statement explaining their procedure, and I think the House will recognise that from the practical point of view it is not possible for any recommendation of this sort to be made to His Majesty's Government. The Honourable Mr. Chari has mentioned certain matters in connection with the procedure which he thinks are not yet satisfactorily cleared up. It appears to me, Sir,—I think it is the experience of most persons who have had to deal with affairs—that at the beginning of any proceeding matters of form loom very large, but that, as soon as people begin to get down to work, these matters of form recede. If the work is done in the right spirit there is not likely to be any difficulty in matters of form, and I suggest, Sir, that we should leave the matter there. The amendment by the Honourable Sir

Maneckji Dadabhoy carries the matter one stage further. He asks the Government to take steps for the election of representatives to participate in the Joint Conference. In other words, the amendment accepts the principle of the suggestions put forward by the Commission and expresses the determination of this Council to utilise the machinery. Sir, I trust that this sane course of action will commend itself to this Council, and that thereby this Council will give a lead to a great body of opinion which lies in my judgment submerged at the moment under political clamour. The Honourable Mr. Chari approaches the subject from a definitely practical point of view, and in the powerful and arresting speech to which we listened this morning from the Honourable Sir Sankaran Nair it was explained in the most cogent manner how the action which is suggested to this House is entirely in the interests of this country. I know, Sir, that there are many who put about the doctrine that there is some natural antagonism between the interests of the Government and the interests of the country. That is a doctrine which I emphatically repudiate but, if for a moment one were to assume that there was any such distinction of interests, then I say that it is in the interests of this country that a Committee should be formed to co-operate with the Commission, to place before the Commission the views, the arguments, the aspirations of political India, or of India as a whole.

Sir, I do not propose to consider whether the particular scheme of the Commission which commended itself to the British Government was the best that could have been devised. Serious differences of opinion have existed on that point. But at any rate I do claim that the scheme was intended to provide, and in effect it has provided, for a very close participation of representative Indians in this vital inquiry. I shall assume, Sir, that in this Council it will not be disputed that an inquiry into the future constitution is necessary. It is true that some leaders would apparently suggest that it is sufficient for them to meet in casual conclave, to produce in a few days, or possibly in a few weeks, a scheme, a collection possibly of formulæ or of political catchwords, and to say that that is the solution and that no further inquiry is needed. But, Sir, I do not suppose that that is a contention which will be advanced in this Council. And if an inquiry is to take place, as surely it must take place, should it not be conducted with the most intelligent and sympathetic understanding, and should it not provide for the closest contact between different points of view ? That, Sir, I contend is precisely what the present scheme does provide. You have on one side the British element, representative of all parties in the British Parliament and thus an epitome of the British people. You have on the other side the element representing the Indian Legislatures who, so far as we can make such a claim at the present stage of political development, represent the interests of India. It is contemplated that those two elements should meet and deliberate day by day. Whoever may have to complain of such an arrangement, whereby the Indian element in this important conference is provided by the representatives of the various Legislatures, surely it should not be political India ? Unfortunately, Sir, the Legislative Assembly have recently declared themselves opposed to this scheme and announced their intention of having nothing to do with it. I listened to the debates in the Assembly with great interest and towards the close of the discussion when the Honourable Mover was summing up his case in an atmosphere of considerable excitement and in impassioned tones he declared that a vote given against his Resolution would be a vote against Swaraj. Well, Sir, I do not know whether it was supposed that a vote given in favour of his Resolution produced Swaraj. It is a matter which I have tried to reflect upon : what really did those who supported that Resolution and who carried it—those 68 gentlemen—what did they really think was going to follow as a result of that Resolution ?

[Mr. H. G. Haig.]

It seemed to me that there were possibly three lines of thought. I heard one Honourable Member hinting in no obscure terms that what would follow the Resolution would be the methods of the revolver and the bomb, an invitation to a foreign country to come in and take the place of the British. Well, Sir, I do not propose to insult the intelligence or the patriotism of this Council by dwelling on such a suggestion as that.

The second line of thought which I think may have been present in the minds of many was the idea that by insisting on a Resolution of this nature they would be able to bring such political pressure to bear on the British Government that even at this late moment they might revise their scheme. Well, Sir, there are many people in this country who believe and who are being taught day by day that nothing can be obtained from the British people except by methods of force, not necessarily physical but moral force, and that the British people can always be induced by such methods to change their mind. I do not myself, Sir, accept that reading of history. But in this case, surely the omens are very adverse to that view. I need hardly remind the Council that all three parties in the British Parliament have agreed in accepting this scheme. Within the last week or 10 days we have had the clearest reaffirmation of their position from the Leader of the Labour Party and from the Secretary of State speaking on behalf of the Government. I trust, Sir, that any persons who think that by maintaining a boycott and refusing to co-operate with the Commission they will be likely to change the scheme of the Commission will realise now that they have made a miscalculation and will discard a weapon that has broken in their hands.

But, Sir, I think there is probably a third line of thought. There are, I am convinced, those who recognise that the boycott is not likely to modify the decision which has already been taken, but who say nevertheless, "Our views have been disregarded; we will have nothing to do with it." Well, Sir, Indians are a proud people, a sensitive people, and I am prepared to believe that some Indians have been genuinely hurt by the decision that was taken. I think that their resentment was very largely caused by a certain misapprehension of the real functions which it was intended that the Committees of the Legislature should perform. Nevertheless, those ideas which I should have thought would have been very largely removed by the clear statement made in Sir John Simon's letter, those ideas have taken hold of a certain number of people. Their feelings are wounded. But, Sir, even in the individual relationships of life I think we realise as we grow older that it is unwise to let our conduct be dictated by our passions, and surely, when we are dealing not with individual relationships but with the most vital interests of a great country, we should hesitate before allowing our conduct to be directed by any feelings of resentment. I would urge each Member of this Council to ask himself the plain question, a question to which I have hitherto seen no adequate answer, "How am I going to advance the interests of my country by abstaining from participation in this inquiry?" As I said, Sir, I have heard no adequate answer to that question, but I did hear an answer interjected this morning by the Honourable Sir Phiroze Sethna. I do not know whether on further reflection he considered it was a good answer. It was to this effect, that at any rate the British Government would never do such a thing again. Well, Sir, here we have an inquiry of the most far-reaching and vital importance to the country. We have India, as has been said, at the cross-roads. It seems probable that the outcome of this inquiry may mark out the line of development in this country for many, many years to come, and my Honourable friend says that he will abstain from taking any part in this inquiry, abstain

at this crucial moment from throwing his influence into the scale, merely in order that if at some future time, which may never occur, there is another inquiry, his influence may be somewhat stronger. I do not know, Sir, whether really any of us contemplate an unending series of inquiries convulsing the country. I doubt whether such an idea is in the mind of the Government. I doubt whether such an idea is in the mind of the Government's opponents, for I seem to remember in connection with the Muddiman Committee that the Minority Report recommended that steps should be taken to place the constitution on a permanent basis, and that, Sir, if I may venture to say so seems to me a reasonable proposition. Therefore, my point is that here we are with this inquiry about to start which may possibly affect the future development of India for many years ahead, as far as we can foresee, and my Honourable friend says that he will not participate in it because he would like to influence the British Government next time. After the Resolution had been passed in the Assembly, I noticed that the leaders of the parties which had joined in passing it issued a statement to the Press which I studied with some care. Their final recommendation for action appeared to be to prepare a draft constitution with the maximum amount of agreement and to work for its establishment. Well, Sir, how do they propose, how do any Honourable Members who sympathise with them propose, to work for its establishment ? I put them a plain question, do they propose to work for its establishment constitutionally or unconstitutionally ? If they propose to work unconstitutionally I have no more to say, but if they propose to work constitutionally, how can they work otherwise than by putting their scheme before the great constitutional instrument which Parliament has devised and which is now in operation for the purpose of examining this very question. Do they realise that they are throwing away by their abstention something which is really of vital importance to the future of their own country ?

It seems to me, Sir, that there are three very definite positive advantages to be gained by taking advantage of the procedure which has been indicated. In the first place, surely no man with experience of affairs could doubt that by forming a Committee of this character which would collaborate in the manner indicated with the Royal Commission, you would have the opportunity of influencing, and influencing profoundly, the character of that report. I need not enlarge on this subject ; I could not equal the cogency with which this aspect has already been placed before the Council this morning by the Honourable Sir Sankaran Nair with all the wealth of his experience and the weight of his patriotism. But, surely, we must all realise that difficulties which may seem insuperable when we hurl opposite points of view at each other from different platforms are found very often to be susceptible of arrangement when men sitting round a common table realise, as I think they realise in no other way, the point of view of those who differ from them and thereby gradually arrive at a satisfactory decision which really represents not the original view of anybody, but a joint view which is acceptable to all. Well, Sir, those who do not wish to adopt this procedure are throwing away that chance. The second matter is one which represents my own view. I do not know whether it will commend itself to this Council. There is one question, perhaps the most difficult and important question now before the country, which is never absent from the minds of those in the Home Department and is a constant source of anxiety to them—I mean the relations between Hindus and Muslims. My own personal view is that the manifestations of hostility that we see at the present time have for the most part a political basis, and if that diagnosis is correct, it is not likely to yield to anything but political remedies. Now, I admit that from time to time efforts perfectly genuine and whole-hearted are

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made on both sides to arrive at some accommodation. But I believe that if this problem is soluble at all, the most hopeful method of approach is for the representatives of the Hindus and the representatives of the Muslims to sit round a table with the representatives of the British people and endeavour to arrive there at some scheme of accommodation which they will genuinely be prepared to accept and which the representatives of the British people consider will be a genuine arrangement. The British element would act as conciliators and arbitrators. Whether any such scheme is practical or not I do not know, but I feel that the best chance of getting out of this rut in which we are at present is by co-operation with the Royal Commission. And, finally, Sir, I think that by associating themselves with the scheme which has been laid down the people of India would secure the moral support of the British people. I would remind this House that the claim for self-government is in its essence a moral claim. It rests on a moral basis, and such progress as it has made in the past has been, I think I can assert confidently, very largely due to the moral appeal which it has made to the British people. I know that there are many who would contend that the reforms had their origin in a war-wearied people who were no longer able to withstand the pressure brought to bear on them. I believe that that is an entire misreading of history and the temper of the British people. I think, on the contrary, that the reason why the reforms took their origin at that particular time was that the ideas of the British people had been profoundly stirred by the war, that there was a vivified moral atmosphere, and it was in that vivified moral atmosphere that the idea of advancing the cause of self-government received such wide support in Great Britain. It has been said by some Indians who have recently visited England that there has been a stiffening of opinion in Great Britain against India. I do not know whether that is so or not, but if it is so, I would ask the House to reflect on its probable causes. Is it likely that the character of the British people has suffered a sudden and remarkable change, that the ideas which favoured self-government some years ago have suddenly disappeared ? Is it not more probable that if there is a change of opinion, it is not that the character or the essential views of the British people have changed, but that this represents a natural reaction to certain phenomena recently seen in India ? May it not be that when their overtures are rejected and scorned, when they are met by the language of menace or by the poison gas of distrust, that they naturally react in a manner unfavourable to Indian aspirations. It is, Sir, in the sincere and genuine hope that no such disaster will overtake the relations of the two peoples and the legitimate aspirations of many sane and patriotic Indians that I urge this Council to vote for the amendment.

*THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative) : This is an important occasion and I do not like to give a silent vote. I will therefore mention a few considerations which weigh with me and I believe weigh with many others of my friends here. I was sent to the Council by my people telling me to do the best thing I can for my country. Beyond that they gave me no further mandate. So I have been asking myself a question as to how I can do the utmost for my country. I have answered that question in my own way, and I shall indicate to the Council the considerations that weigh with me. The present situation has been described as menacing and desperate. For the sake of argument I concede that it is desperate and menacing. Then, if I keep away and do not attempt to bring things to the right pass, things will go wrong. If, on the other hand, I appear and say what representations

*Speech not corrected by the Honourable Member.

should be made it is possible things may change in my favour. Therefore, it is my duty to meet the situation as it arises and do my best to induce the Commission to grant us further instalments of reforms. If I keep away altogether, it may be misleading and they may do nothing. It is one of the maxims of Indian medicine that while the body and soul are together the doctor should go on prescribing, however desperate the case may be. (Here the Honourable Member quoted a Sanskrit sloka). So long as the pulse is beating, you had better go on giving the medicine. The man may survive. If you do not do this, the patient may pass away. Take another example. I am a lawyer by profession. I have seen a judge taking his seat in the Court say "Well, Mr. So and so. I have read the papers." Then I know I have something to fight against. It may be that the judge has conceived the case against me. In many a case I have succeeded in getting a verdict in my favour by merely arguing it. If, on the other hand, I was impressed with the idea that the judge has made up his mind and there is no use, arguing, the case would go against me. A pleader who retires prematurely in a huff because of a real or fancied insult is a bad pleader. In the same way a doctor should go on treating his patient as long as there is hope. So also a politician must be hopeful. In the present circumstances the conditions are not so bad as they have been painted. I have some experience in the matter. I was in England when the Morley Minto Reforms came in, and I was also in England when the 1919 Act was passed. I had something to do with both, though more in the latter than in the former case. Things appeared very difficult and yet we were able to approach certain statesmen in England and put a few ideas into them and they carried those ideas into effect. Now the position is much better. You do not go as an intruder but as an invited guest. You have a certain means of approach. In those days you could not argue. We could only make representations and they said, " We will take them into consideration ". Some of them condescended to argue but most of them said that they would do their best. If even in those circumstances we succeeded in doing something, I have great hopes that in the present circumstances if we argue our case we shall prevail and succeed in our efforts. Taking all these things together, seeing that the main proposition is good and the amendment is good, though the amendment is a little more comprehensive than the proposition, I am prepared to give my vote to whichever comes first to the vote.

THE HONOURABLE MR. RAMADAS PANTULU : Sir, whenever I rise to oppose my friend Sir Maneckji Dadabhoy, I have an innate feeling somehow that I must be right. I have yet to see my friend range himself on the popular side or aid the cause of his country. So I have not the least hesitation in opposing his amendment. As for my friend Mr. Chari, he tried to imitate the great patriot and leader who spoke in the other House, Mr. Jayakar, who was for keeping the door open for negotiation on honourable terms. The door of the official spider is wide open for Mr. Chari to enter. What does his Resolution as amended ask for ? It asks this Council to proceed to elect its quota of Members to co-operate with the Simon Commission. That is what Lord Birkenhead demands and that is what Sir John Simon asks for. Sir, the door is wide open for him and he may enter. There are, however, some refractory flies even in this House, which struggle hard not to enter the parlour of the official spider. There is no use of parodying the great leader of the Assembly, and it is ridiculous for Mr. Chari to speak of the door being wide open on Government's own terms.

There is one point which has been sought to be made much of by my friends Sir Sankaran Nair and the Honourable Mr. Haig. It is this. The constitution, whether it is framed by the Simon Commission or by anybody else, has got

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to be approved by the British Parliament. How are we going to work that constitution unless we go to the British Parliament? In their opinion it is a conclusive answer in favour of co-operation. My answer to both of them is that they are very much mistaken. A constitution can be framed by the British and the Indians by agreement and the Parliament, if it is a reasonable body, and if it, as it professes to do, really stands for the freedom of India ought to ratify that agreement automatically. Sir, India will have Swaraj within the British Empire, if possible. If the Parliament does not ratify the agreement India will have Swaraj outside the British Empire, if necessary. We are for legalising our own constitution through Parliament, if possible. The way for the British Parliament to make our constitution constitutional is by agreeing to an agreed settlement between the British and the Indians. Therefore, the responsibility of making our position either constitutional or unconstitutional, in our effort to achieve Swaraj, rests entirely with the British Parliament and the British nation. It does not rest with us. Let us once for all tell them that we are determined to have Swaraj, within the British Empire, if possible; if it is impossible or necessary, outside it. The fight may be a grim and long one. It will not deter us.

Then, Sir, with regard to the various arguments advanced on either side, I was convinced by closely following the debate in the Assembly that it is an absolutely futile task for us to try and convince the Treasury Benches when they have made up their minds not to listen to us. The fact of the matter is this, the political geometry of India has two sets of axioms and postulates. My friends on the other side have one set of axioms and postulates, while we on this side have another set of axioms and postulates. The right to determine the measure of constitutional advance of India and the stages by which that advance is to be made rests with the British Parliament exclusively. Therefore, the Parliament appointed the Commission. Therefore, it is but necessary for Indians to co-operate with the Commission, and therefore to boycott it is wrong. That is the argument on the other side. We say that the right to determine the constitution of India rests not only with the British Parliament but also with the Indians, Indians in a predominant degree or at least in an equal degree, and once you recognise that factor, any Commission appointed by the British Parliament in the assertion of its exclusive rights to determine our constitution violates the fundamental principle of self-determination, and therefore Indians cannot co-operate with the Commission, and therefore boycott is right. Under these conditions is there any good arguing unless one of us gives up our axioms?

However, I shall try to meet a few points raised in the course of the debate. One point that is made much of is that all the three Parliamentary parties have blessed this Commission with their approval, and therefore it is not right for Indians to boycott the Commission. Is it a new discovery, Sir, with the experience that we have had of Lord Birkenhead's predecessors in office who have repeatedly said that India is not a party question with the British House of Commons? Have not all parties in England, without any distinction, always co-operated in their schemes of exploitation, political and economic, of India, in their interests and to promote their selfish plots against this poor and helpless country? Therefore, what wonder is there that every party in England has co-operated with the scheme. The Labourites were up against Sir John Simon when he declared from his place in the House of Commons that a general strike was unconstitutional. I only ask my friends, in the House, to read the Commons debate on the Trade Unions Bill to see what opinion the

Labourites and the Socialists had for Sir John and his politics. But now they embrace Sir John Simon and they say he is the brightest flower of the Empire and therefore they are in love with him. It is no wonder that the Labourites, Liberals and Conservatives all agree in exploiting the situation in India by taking hold of this opportunity for appointing this Commission. There is no new argument in this. Everybody knows all about it. What did Mr. Ramsay MacDonald say a few days ago about Sir John Simon when the latter was against labour strikes? What does he say now? It is futile to say that all parties agreed in the appointment of this Commission. Mr. Ramsay MacDonald is as much an Imperialist as Sir John Simon or Lord Birkenhead. Of course, all parties will agree when it is a question of perpetuating the subjection of India in the interests of England.

Then, Sir, the second point which is very much stressed is that it is impossible to have a representative Indian body on the Commission. Lord Birkenhead tells us that as many as 16 people will have to be chosen if the Commission is to be representative of Indian opinion. That is His Lordship's opinion. If Indian opinion cannot be ascertained without going to 16 people in this country, that is essentially an emphasis upon the supposed divided, weak and disorganised condition of this country. That statement is intended to lay emphasis upon the point that India is so disorganised that there is really no organised opinion in this country, and that it was no good asking Indians to frame a constitution. It is obvious that the implication of the statement is that 16 people with divergent interests can never agree to a scheme of Swaraj. That may be the mentality of His Lordship. If that is so, I cannot but characterise it as absolutely dishonest. If our differences are in political principles, may I ask His Lordship whether even his small Commission of seven is not a Commission of all political talents? There are Labourites on it who fundamentally differ from the Conservatives, who again differ from the Aristocrats who claim to govern and to sit in judgment over others by hereditary birthright. Then there is a Liberal in the Chairman. If on a Commission composed of 7 there are members belonging to four different schools of thought, is it impossible for His Lordship to put a few Hindus and Muhammadans who are partly Congressmen and partly Liberal politicians and other representatives on the Commission and reconcile Indian opinion? Why should he think that they will not agree to frame a constitution for their own country? It is being actually attempted. It is impossible to believe in the sincerity of the arguments of the British politicians who appointed the Simon seven.

Then there is the statement often repeated that Sir John and his colleagues are very honourable and impartial men, and that India should trust them. Have they given any proof of their impartiality? Their honesty and impartiality have yet to be proved. For ought we know, no British Imperialist is impartial in the sense that he will protect the rights of India as against the rights of England. We have yet to see instances of such impartiality and sincerity. There were none in the past. How can Sir John Simon and his colleagues be accepted as exceptions to the general rule? I really cannot understand it. Even the Anglo-Indian Press has already become somewhat anxious about the methods Sir John Simon is pursuing in this country. The *Pioneer* alluded in a leading article the other day to the "Hush hush" methods which Sir John Simon is following in going to the villages and manufacturing opinion evidently against constitutional advance, although the *Pioneer* does not say so. His attempt to belittle the boycott by his boast of 300 telegrams of welcome and cablegrams to England that he is getting an exceedingly good reception in India have given a rude shock even to such a champion of

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Anglo-Indian opinion as the *Times of India*. I only read yesterday in the *Times of India* something to this effect. This is what it says :

" It is surely far more to the point to appreciate the fact that the boycott is a reality and although it will complete its labours, the Commission will not complete them as was originally intended."

But Sir John Simon wishes to hide even that fact.

Then, Sir, Sir John Simon has also belittled the vote of the Assembly saying that the Resolution was carried with a majority vote of only 6. An experienced Parliamentarian like him ought to know that out of 100 elected Members who had taken part, so many as 67 voted for the proposition and only 33 elected members voted against it. He knows that there are 26 official automatons who have no conscience of their own, who have sold their souls to the Government of India that voted for co-operation with the Commission. How can they vote against the Commission ? They are part of the machinery which has created this Commission. Sir, I say that the vote of the Assembly is a clear indication of Indian public opinion against the Commission. It may be that it may go on with its labours because it has the weight of the British arms and Parliament behind it. Nevertheless he ought not to belittle the vote of the Assembly in the manner he did. Therefore, Sir, if any indication is forthcoming, it is, to my mind, in the direction of Sir John Simon being hand in glove with my bureaucratic friends in this country.

It is said by Lord Birkenhead and by some people in this country that those who are differing from the Simon scheme are merely a small minority, a " small fringe " as they call it of the great masses and that there are millions of Mussalmans, millions of the depressed classes, millions of business men, Anglo-Indians and others who really have abiding confidence and faith in the Simon Commission. If so, may I put a simple question to Lord Birkenhead ? If these people constitute such a negligible factor, why did His Lordship allow himself to be betrayed into an unseemly temper as he did the other day when he tried to vindicate British trusteeship by a bellicose speech ? And has Lord Birkenhead recognised the fact, and has Sir John Simon considered the fact, that this negligible minority is largely to be found among the elected representatives in the Legislatures which the authors of the Montagu-Chelmsford reforms all along claimed to be representative of all classes, communities and interests ? Such are the elected representatives in the Central Legislature, 66 per cent. of whom voted against the Commission. Will he not recognise the meaning and significance of that vote ? A man who does not do that cannot, I think, be considered impartial.

Then there is this fact, that the people who have ranged themselves against the Commission, people like Pandit Nehru, Sir Tej Bahadur Sapru, Sir Sivaswamy Aiyer, Sir Chimanlal Setalvad, and Sir Phiroze Sethna, are men who have themselves profited by foreign domination in this country. There are millions who are ruined by that foreign domination. Go to them, they will tell you what the facts are. But why are men who are profiting by foreign domination, people like us, against the Commission,—people who are attached to British institutions ? To tell us that we are all perverse and that you are the trustees of the people and that a small wicked minority alone is against the Commission, is to mislead the English people. To fool the Secretary of State and to put the British public opinion on the wrong scent, in the interests of the perpetuation of the bureaucratic rule in India is not at all an honest method.

Then if the vote of these people in the Legislatures is not representative, may I ask, in all humility, why Lord Birkenhead, Mr. Baldwin, and Sir John Simon have asked the Central Legislature to set up an Indian Committee to collaborate with the English Commission? Can these unrepresentative legislators properly elect seven men from among themselves to collaborate with the British seven and can the Indian wing so constituted be said to represent the Indian view? Can there be any meaning in that? If the Legislature is an unrepresentative body, how can 7 men taken from it claim a representative character if the idea is to get a representative Indian Committee which will collaborate on equal terms, on terms of equal status, with the Simon Commission? How can a body whom Sir John Simon belittles as unrepresentative and composed of men whom Lord Birkenhead in his speech contemptuously brushes aside as a small fringe constitute a Committee which is representative? What is this paradox? There is something wrong somewhere. He cannot argue both ways. Therefore I feel, Sir, that the plea that the opinion against the boycott is not representative is not an honest one, and so long as Sir John Simon is a party to it, I say we cannot have faith in him. And look at the tour programme of Sir John Simon who visits Madras and the Punjab first. Madras, apparently because there was communal strife there between certain communities and the Punjab for the same reason. The Government no doubt will say: "Look here, these are among the most advanced provinces. There diarchy worked well: the party system has developed. In these provinces there is some justification for the inauguration of further reforms, or a more progressive measure of advance. But see how little can be given even in these provinces with safety. And then judge about the rest of India"? It is for such window-dressing that the Commission is taken to these two provinces to begin with. Therefore to say that Sir John is free from the influence of His Majesty's Government at Home and also the Indian Government is mere camouflage. I do not believe a word of it. Sir, I do not wish to take up more of the time of the House by attempting to answer various other reasons urged in favour of co-operating with the Commission. But let me tell you that Indians are in no mood to be tempted. Self-respecting Indians are in no mood to be tempted. India prefers to follow Christ in this matter. Jesus Christ was taken by a certain well-known individual to the summit of a hill and shown the vast expanse of the world around, and told by the tempter "Co-operate with me and have faith in my methods and I will make you a monarch of all that lies before you". Christ was in no mood to be tempted. India is in no mood to be tempted by the Satan of British Imperialism which is out to kill the soul of the nation in the name of trusteeship. Let me assure you, Sir, that people in India are not in a mood to co-operate with this Commission. We cannot look upon this Commission with friendly feelings. We do not want this Commission. We do not like it. We are better without it. And as for our reasons, they were set forth by the tribunes of the people in the other place. They can be summed up in three words. *Firstly*, the nation has no faith in the *bona fides* of those who appointed the Commission. *Secondly*, the nation has no faith in the Commission itself, because in the present circumstances it cannot but be a gramaphone of the bureaucracy of India and of the Secretary of State. *Thirdly*, the nation has no faith in any inquiry by a Commission, because the problem of the relations between England and India is not one that can be solved by any Commission. It is a matter for negotiation and settlement between India and England, the Parliament merely recognising it and putting it on the Statute-book. These are the three grounds on which the nation has rejected the Commission. The three grounds stand there, and to say that there is equality is camouflage. I am not going to refer to Sir John Simon's letter to Sir Sankaran Nair or his letter to the Viceroy. The facts are, there is going

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to be evidence *in camera*, he can allow or not allow members of the Indian wing to put questions; Indians have no vote; the report of the Indian Committee occupies a subordinate place. Therefore, to say that we are enabled to negotiate on equal terms is to deceive us. It is open to Mr. Chari and others of his ilk to co-operate. But I can assure you, Sir, that they do not represent India. India not only disowns the Commission, but it disowns all those who co-operate with the Commission.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Sir, I rise to-day because I feel called upon to make a few observations on the amendment of my distinguished colleague, Sir Maneckji Dadabhoy, in view of its great importance. But before I do so, Sir, it behoves us as practical politicians to examine and consider it with great clarity and prevision. Sir, the recent announcement of the appointment of a purely Parliamentary Commission has stirred Indian politicians and they are now arrayed on different sides—one against the Commission and another consisting of the sober section in favour of it. The opposition party, in the midst of its heat and activity, has been indulging in an acrimonious campaign against the other party and has refused to take a wider view of the situation in a calmer atmosphere. Their professed teachings betray their human elements when they come to the field of actualities. They have been preaching a war of boycott against the Commission. Once before they rallied under the banner of Mahatma Gandhi, that high priest of non-co-operation, and preached a relentless war against the Montagu-Chelmsford Reforms. But theirs was a cry in the wilderness, for the masses who crave for peace and contentment did not follow them. They vilified those who supported the Reforms and made a show of great movement of the country against the Reforms. The cooler and saner section of the people, who pointed out their mistakes and attempted to give reasons for co-operation was ridiculed. But their actions falsified their preachings and they gladly joined us in the Legislatures and were on the Committees. Thus their opposition broke down when they found their teachings would bring in no millenium. They felt the force of the argument of the co-operators. So at the present moment their vision has been blurred and cannot realise the situation that would follow in the trial of their propaganda of boycott. But a time will come and that at no distant date—when they will see their Himalayan blunder as Mahatma Gandhi did on a previous occasion.

Sir, the first objection of the oppositionists is to the purely Parliamentary nature of the Commission. But they have failed to meet the
4 P.M. arguments of Lord Birkenhead why His Lordship has not included any Indian on the Commission. He was right when he said that it would be difficult to find any Indian who would be acclaimed as a true representative of the millions of Hindus, Mussalmans, Sikhs, Christians, Parsis and Jains and other minority communities. There are Brahmins and non-Brahmins, the high caste class and depressed classes among the Hindus and each class is fighting against the other for higher social rights over the other. There are Hindus and Mussalmans on the war path against each other. Is it possible, I put it to you, Sir—is it possible to find one or two or even half a dozen of Indians to represent the different communities which have sub-divisions within divisions? Even if any were actually found to sit on the Commission, there would have been a similar agitation against such selection by the disgruntled politicians. And this would have made a greater confusion. So the only course, and that is the best one, was to appoint a purely Parliamentary Commission under the presidency of that great distinguished legal luminary, the Right Honourable Sir John Simon, who would take a proper view of the

Indian situation with the help of his wide experience, legal acumen, great wisdom, liberal ideas, and above all his love of justice. Sir John Simon is a guarantee against any injustice towards the Indian cause. There are two representatives of the British Labour Party and two Liberals in the Commission and two Noble Lords, and the presence of the members of these parties whose sympathy with Indian aspirations is well-known, is a sufficient safeguard against any wrong to our cause.

This was quite enough, but the British Government in its solicitude for our good, has provided for an Indian Committee to be appointed by the elected representatives of the people in the Indian Legislature, and has given to it a status commensurate with its dignity as the representative of the people of all shades of political thought in this country, for they can place the Indian view even in Parliament when finally moulding the destinies of the Indian people. This procedure shows the ingrained love of justice and fair play of the politically minded English people.

Sir, the second ground of the opponents is that the British people and their Parliament have no right to determine our capacity for self-government. As a protest against this right of the British Parliament, the Indian National Congress has passed a resolution at its last session at Madras declaring independence to be the goal of the Indian nation. But have the supporters of the Resolution pondered to imagine their lot and that of the Indian people if the British Government withdraws bag and baggage from the Indian shores ? Can a nation, I ask, be independent if it cannot defend itself ? Can we wrench our independence when we are without arms, without military training and the mighty British Government is equipped with the most advanced and up-to-date science of war with the best disciplined army, with its most powerful navy, aeroplanes, submarines and deadly bombs ? Can the Indian subjects deny the right of their ruler to determine their capacity to rule themselves ? Do they really mean to be serious when they have no military training, when lack of education and lack of money are staring in the face of the Indian people ? It would be suicidal to proceed headlong in such hot haste. Sir, boycott has not been successful in the past and is bound to be a failure in the near future.

Sir, there is another aspect of the question. Some of my countrymen have been attempting to draw the Mussalman community into their fold and to persuade them to boycott the Commission. We, the followers of Islam, have a tradition of our own, a history of our own, quite distinct from those of the other communities. Can we, under these conditions, give up our right to separate electorates ? Can we forego the position that was given to us by the Lucknow Pact of 1916 ? Now they want us to join the boycott movement and relegate us to a position worse than the one we are now enjoying under the Pact. The Muhammadan community cannot barter away their admitted rights on such worse terms. They cannot be a party to a treaty whereby they lose 40 per cent. representation in minority provinces for a representation on a population basis. We cannot swallow this sugar-coated pill of the Congress manufacture, imported from Bombay to Calcutta and Calcutta to Madras. I would ask my Moslem countrymen of Bombay to take the lead of His Highness the Aga Khan in this matter who has no axe to grind. No, it would be suicidal to us members of an ancient and historic community if we did not take a sensible view of the whole situation.

Sir, with these observations I accord my full support to the amendment of my Honourable friend Sir Maneckji Dadabhoy.

*THE HONOURABLE MR NARAYAN PRASAD ASHTHANA : Sir, belonging to a party which hailed the Reforms of 1919 and which felt itself bound by the Preamble of the Government of India Act of 1919, I have to give my reasons for opposing the Resolution and the amendment. I find myself that within the frame-work of the Government of India Act, 1919, it was open to Parliament to appoint a Commission consisting of Europeans and Indians. It was open to Parliament in obedience to the Preamble itself to co-operate with Indians and to see how far the Parliament can assist Indians themselves in framing their constitution. The Preamble of that Act reads :

"And whereas the time and manner of each advance can be determined only by Parliament upon whom responsibility lies for the welfare and the advancement of the Indian peoples"—

and mark these words, Sir—

"And whereas the action of Parliament in such matters must be guided by the co-operation received from those on whom new opportunities of service will be conferred..."

THE HONOURABLE SIR MANECKJI DADABHOY : Which is now being given.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA : I ask, has the action of Parliament been consistent with the co-operation that has been offered to the Reforms of 1919 in years past ? What advantage has been taken of the co-operation ? What particular action of Parliament has been guided by this co-operation in the present instance ? Has not the Parliament distrusted and non-co-operated with Indians ? And therefore my submission is that henceforth no blame should be laid upon those persons who co-operated in 1919, but yet do not see eye to eye with the Government at the present moment. The co-operation must begin on the other side, not from the side of the Moderates of 1919. The whole spirit in which this Commission was conceived and appointed, the procedure which has been laid down for the association of Indians in the secondary stage or in the preliminary stage, and the procedure that has been chalked out by the Commission itself for taking evidence and for associating Committees of the Legislature all show that the co-operation is not on an equal basis. My Honourable friend, Sir Maneckji Dadabhoy, accused us of hypocrisy.....

THE HONOURABLE SIR MANECKJI DADABHOY : When you talk of equality. Don't forget that.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA : Yes, we are accused of hypocrisy when we talk of equality. But I may just say for his information that Indians have from time to time been always saying that they are treated like inferiors. They have never concealed this fact that they are not treated as equals. It is the Government which has been in season and out of season saying that they are treating us as equals, and I therefore leave it to the Council to judge who is the hypocrite. As the Resolution of the Honourable Mr. Chari stands, if it had been only a question of procedure, I would have perhaps supported it and I might have even supported the amendment of the Honourable Sir Maneckji Dadabhoy. But the question is not only one of procedure, but one of principle. The principle involved is this, that we do not want simply an association of the Joint Committee for the purpose of producing evidence or of collecting evidence for submission to the Commission. What we want is an equal vote on the Commission in deciding what should be

* Speech not corrected by the Honourable Member.

the report. We want that Indians should have an equal vote upon that Commission. Was it not possible for the Parliament to invite seven Indians or to ask the Indian Legislature to elect seven persons and then nominate them to that Commission so that there might be seven Europeans and seven Indians with an eminent President like Sir John Simon, to decide the question as to how far Indians are fitted for an advance towards self-government. So that if it were simply a question of procedure, there might have been an agreement, but even on the question of procedure, I do not think I can support the Honourable Mr. Chari's Resolution, because his proposition for the appointment of a Committee by the British Government is rather worse than what Sir John Simon himself has suggested, namely, by election by the non-official Members of the Legislative Assembly and this Council. . . .

THE HONOURABLE MR. P. C. DESIKA CHARI : I assume it.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA : However the question still remains, it is not one merely of procedure but one of principle, and my submission is that so far as this point is concerned we cannot yield.

Sir, it has been repeatedly asked what is the advantage of this movement of boycott as it has been called? The advantage is patent. It is this. It has had a moral effect. Why are the Government and other people anxious for Indian co-operation ? Why do you show this feverish anxiety for co-operation ? That is the moral effect. Then there is a greater effect, and it is this. It has united nearly all the parties in India, and further it has organised public opinion. That is a great national advantage which I say this movement has brought about. Further, there is no question of advantage when you give a slap to a person and he shows his sense of indignation. Nobody will question that person as to what is the advantage of showing this indignation. He has been kicked and therefore he shows his indignation. Therefore, the question remains. So far as the present Commission is concerned, as at present constituted, the Liberals who did co-operate with Government in 1919 say that they have not been treated fairly, that the Government of India itself has not co-operated, and therefore they do not see their way to have anything to do with this Commission. Therefore, I object not only to the procedure of the Commission, but I object to the very principle of its appointment. For these reasons I oppose both the Resolution and the amendment.

THE HONOURABLE MR. G. A. NATESAN : Sir, my Honourable friend, Mr. Ashthana, who has preceded me has already covered a good deal of the ground which I had intended to traverse, and I will therefore confine myself to making a few observations to show why it is impossible for me, and those of my way of thinking, to accede to the request of the Honourable Mr. Haig that we should not lose this opportunity and that we should agree to the appointment of the Committee. I am one of those who believe that it was quite open to British statesmanship to make every body in India a co-operator, and I feel strongly that a golden opportunity in that direction has been lost. I feel, Sir, that it was in the power of those members of the Government of India who have had a voice in this matter to make the Secretary of State understand that having regard to the declarations of Parliament, having regard to the discussions that took place when the Government of India Act was placed on the Statute-book, and having regard to the co-operation which members of the Liberal Party amidst obloquy and calumny gave to the Government of this country, not because they reaped personal advantages, but because they felt in helping the administration to be carried on they were helping the good government of India and the cause of the British Empire itself—having regard to all these, it seems to me that a great blunder has been committed in not seizing this golden

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opportunity to admit Indians on terms of perfect equality. I quite admit that it is open to lawyers to argue either way as they always do, and depend upon the Preamble to the Government of India Act. But if Lord Birkenhead in the House of Lords himself realised and gave expression to the view that he was not a slave of dates, he certainly need not be a slave of Preambles. With all due deference to His Lordship and his colleagues, I feel convinced, and I have the opinion of high legal authorities amongst my countrymen that think that though Parliament has a legal right to frame a constitution for India, it does not deprive them of the opportunity of statesmanship afforded to them to take the co-operation of Indians, but more than anything else, whatever may be the legal right, it does not deprive Indians of the moral right that they should have a voice in this matter. Sir, my Honourable friend, Sir Sankaran Nair, for whom I have the highest respect, said that Parliament is the authority to settle our future. I bear in mind that Parliament is the ultimate arbiter of the destinies of India, but my Honourable friend, Sir Sankaran Nair, who is not here, made one or two observations, and it occurs to me that his was a highly inconsistent speech from beginning to end. If I had not been in this House and I had not heard the speech of my Honourable friend, Sir Sankaran Nair, and if somebody had given a verbatim report of his speech I should have refused to believe it was his. I would have gone further and taken to task the gentleman who gave me that information. It is not the Sir Sankaran Nair of old, it is not the Sir Sankaran Nair, President of the Indian National Congress, or the Honourable Sir Sankaran Nair who wrote his famous minute of dissent in connection with the reforms. I am sorry that he of all people should have referred to the conflict of castes and creeds in this country. Sir, 17 years ago it was a Brahmin in Madras who presided over a depressed classes conference. That Brahmin was the humble speaker himself. Amidst much criticism he and others have been interesting themselves in the depressed class movement. Many of my countrymen, younger men, students in colleges have been carrying on night schools for the teaching of these depressed classes. Sir, some Brahmins of the most orthodox type are engaged to-day in making visits to *paracheries*, that is the habitations of the depressed classes and are trying their best to improve their lot. I am glad to say that the Governor of my province has been pleased to signify his appreciation of one of these Brahmins by giving him a Kaisar-i-Hind medal. I do admit that there are conflicts between classes and communities in India. I admit there is difficulty in forming a mixed Commission, but I do not believe these difficulties are insuperable. I do not believe it is difficult for the authorities to frame a mixed Commission consisting of Europeans and Anglo-Indians, Muhammadans, Hindus, Brahmins and Non-Brahmins, the depressed classes, Sikhs and others. Sir, I refuse to believe that these gentlemen, Europeans fresh from England, members of the Civil Service, Anglo-Indians, Muhammadans, Hindus, Brahmins, non-Brahmins and others will be so lost to all sense of shame as to fight only for their vested interests and petty communal rivalries. If they did that it will not redound to the glorious achievements of British rule in India about which many people have talked. Now, I am not one of those who believe that British rule has not profited us. We have suffered in some respects, but taking the balance of advantages and disadvantages I have always believed that British rule has been to our advantage. I should like to continue the British connection, but I should like to do so only on terms of perfect equality.

Sir, we have been told that Sir John Simon has made an offer and that it is unreasonable on our part that we should stick further to our objections. Sir I certainly yield to none in my respect for Sir John Simon, but those that tel

us that we should depend upon the courtesy, the tact and the statesmanship of Sir John Simon and that therefore we should co-operate with him, forget the fundamental principles for which we stand. Sir, our outlook is entirely different. In spite of the statement of Sir John Simon we cannot forget the fact that the Committee of the Indian Legislature, whatever may be its opportunities for good, has not been appointed by the same authority. It cannot always sit together. It cannot always examine all the witnesses and all documents. It cannot always enjoy the same status and privileges. It cannot deliberate together, and more than anything else it cannot vote together. The voting is essential if we are to put our case. Sir, there are people who say that this is a Joint Free Conference and that you are treated on terms of perfect equality. Those of us who know the English language well and who know the implications of the word " equality " take an opposite view. When you say on these terms that we can give evidence before this Commission, we are entitled to say " No ".

Now, there is another aspect of this question which I would like to point out. Supposing I thought that the interests of the country are in serious jeopardy, I should undoubtedly have agreed to take even the risk of unpopularity and give evidence, but I say deliberately that the interests of the country will not suffer. Now, I ask all those gentlemen who spoke so highly of Sir John Simon's greatness, his nobility of character and statesmanship, whether they think that because there are many people who refuse to co-operate with the Commission, therefore his finding will be that India is not fit for any further constitutional advance. I wonder if any of these gentlemen, both official and non-official, who advance this argument, realise fully what the implication of this is. Sir, I do not believe that because there are large sections of people in this country who would not co-operate with the Commission and give evidence before it, therefore our case will go by default and the Commission will do us an injustice. To think so is an insult to the Commission. Sir, I do not believe that that will happen. My friend Sir Sankaran Nair who is not here told us this morning that Parliament is the final arbiter. He wants us evidently to get into the Committee and engage in a perpetual quarrel with Sir John Simon and his colleagues, and later on put our case before the civilised world. Sir, even at the risk of displeasing my Congress friends, I will say that Parliament is the ultimate arbiter, and that if I carry on a fight, it will be with the British Parliament without seeking the aid of America and Europe as Sir Sankaran Nair would like us to do. In this connection, Sir, I would like to point out that in the *Contemporary Review* for February just received Sir Sankaran Nair has written an article headed the " Indian Commission" in which he has taken to task British statesmen very strongly for the non-inclusion of Indians. His concluding words are very significant. He says :

" If this Ministry is allowed to wreck the reforms or fails to effect any substantial progress, India has no cause to despair. The next world war already looming in the horizon will make her master of the situation. She will get back not only what she may have lost during the interval but more—in fact practically home rule. The common sense of the British people will then assert itself. India will then also remember that after the Armistice the Anglo-Indian bureaucracy tried to go back upon the Montagu-Chelmsford report and were only foiled by the extraordinary dexterity of Mr. Montagu. She will take care that another reactionary Parliament shall not tamper with what will then be won by her. If for any reason these hopes are disappointed, India would sever her connection with England and the latter would, in the words of Mrs. Besant, sink into a second Holland."

Sir, I do not take the same view of this matter as my friend Sir Sankaran Nair. It is because I wish to avoid this catastrophe that I feel that even now the door is not closed and means can be found for honourable co-operation

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between the two countries. I feel in all humility that it is even now open to the Government of India to make a representation to the Secretary of State that there is a considerable difference of opinion in this country on the subject. You need not state whether the majority is on this side or on that side. You may say that there is considerable difference of opinion among people who have for more than quarter of a century been working in many ways as co-operators, who have stood as candidates for elections amidst obloquy and calumny, who took up office, who understood their responsibility and were parties to legislative enactments in the interests of law and order to which they would not have been parties otherwise. It is now open to the Government of India to represent to the Secretary of State that there is a strong public opinion which feels that the present state of things should not continue. Are you going to lose this golden opportunity? I must confess, Sir, that I was somewhat disappointed when I heard my Honourable friend Mr. Haig say that he was going to support the amendment of the Honourable Sir Maneckji Dadabhoy. What does it mean? In the face of the strong resentment which has been created throughout the country in regard to this Commission, in the face of the deep public disappointment, in the face of the vote of the Assembly, and what is more, in the face of an opinion so hostile expressed by people whose judgment, whose sobriety, whose sagacity and whose statesmanship you commended till yesterday, on whom you heaped all praise, on whom the King has conferred the greatest distinctions, are you going to treat all these people with contempt? I shall not use so strong a word as contempt. I will take back the word, and ask, are you going to neglect their advice? Sir, I say it is not the part of true statesmanship to press this question to a division. I still think that it is in the power of the authorities to throw oil on troubled waters. There is nothing to prevent them from making such representations as is open to them to the Secretary of State and the British Cabinet. If they agree to this, the situation will change for the better; otherwise I can only say that you will have to regret your action.

Sir, I have given my best consideration to this question. I am not, I may say at once, one of those who would say that we will have nothing to do with this Commission merely out of prejudice. I have read a good deal of literature on this subject, I have talked to people, officials and non-officials, including European non-officials with whom I have been brought in contact in various capacities, and have come to the conclusion that the only course now open to us is to keep dignified aloofness from this Commission.

And, Sir, may I close with one more word, and it is this, that whatever happens, it is essential that in all that we do and in all that we may not do, we take care to see that nothing is done to injure the moral hold which Great Britain still claims to have over us. It is still open to us to acquit ourselves in a manner worthy of us as citizens of India, and as citizens of the British Empire. The remedy is in the hands of the authorities.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North West Frontier Province: Nominated Non-official): Sir, the amendment has been very exhaustively discussed by the earlier speakers, but merely in order to clear my position I wish to say a few words. Since the announcement of the Statutory Commission appointed to review and report on the constitution of India, there has been a great agitation against it in view of the personnel of the Commission. The majority of the political bodies in India are much against its present form of composition, while there is no lack of those politicians as well who are inclined to take a favourable consideration of it.

The chief objection of the anti-commission party is that no Indian has been allowed to sit on the Commission thus appointed, which state of affairs is taken by them as an insult to the Indian people. In other words, what is desired by these men is the inclusion of some Indians amongst the members of the Statutory Commission. It follows, therefore, that they do not object to the appointment of the Commission which the British Parliament has sent to this country in order to make a revision of its constitution as provided in the Government of India Act, 1919.

As to the inclusion of some Indians amongst the members of the Statutory Commission, I fail to understand how this demand can possibly be given effect to in a country which is inhabited by a good many classes of people professing different religions, and consequently at variance with one another. In view of their religious sentiments or so, they are so akin to provocation that the slightest offence, no matter religious or of other sort, makes them pounce upon the throats of one another. Honourable Members of this House might recollect the recent occurrences and affrays amongst the different communities, professing different religions, in the single province of the Punjab, all of which can in no wise be accounted for in anything serious or grave, and all of which could have been avoided by a little tolerance on the part of the community injured or that taking the offensive. I need not detain the House longer on this subject by enumerating such like occurrences, for they are well in the recollection of all Honourable Members here. To make the matter worse, every individual community is divided into different sections blindly adhering to their own views. Under the circumstances, to take a limited number of Indians as members of the Statutory Commission would not have satisfied the Indian public comprised as it is of so many communities, religious as well as political. On the other hand, to take one representative from each of the various communities in India would have swelled the number of the members of the Statutory Commission, with the result that it would not have been able to complete its work within the desired period. Moreover, it would not have enabled the Commission to arrive at a unanimous finding as to the constitution of India and thus have thwarted the purpose calling for an appointment of the Commission. To my mind, it seems a very wise step on the part of the British Parliament to appoint a Commission of disinterested persons like Sir John Simon and his colleagues in order to have an impartial and unanimous report on the constitution of India. In reality, no better appointment could have been made in this respect which, in all fairness and justice, has been dictated by a wise and beneficent policy of the Imperial Parliament, and there is no justification to suspect its intention in appointing this Commission a year before its due time as provided in the Government of India Act.

It will be more advisable, therefore, to extend a cordial welcome to the Statutory Commission appointed by the British Parliament and to help it in every detail concerning the constitution of India so as to enable it to arrive at a correct finding in this connection. It will be a suicidal attempt to boycott it and thus lose the opportunity, afforded to us, of laying our opinions before it for consideration of the Imperial Parliament. The future constitution of India is to be drafted on the basis of the report submitted by the Statutory Commission and, unless it is made acquainted with the Indian views about it by putting them before the Commission, it cannot be expected to have a favourable consideration of the British Parliament. We should therefore try our utmost to make the coming Commission a complete success in every respect by giving a cordial welcome to it and the necessary evidence required by it with regard to joint or separate electorates and the financial adjustments of the various provinces.

[Major Nawab Mahomed Akbar Khan.]

Sir, before resuming my seat I must say that my soldierly life for a period of 17 years has inculcated in me the principle of entire obedience to the orders of my superiors, and I regard this principle as the most valuable of all existing between the ruler and the ruled. Now, it is admitted on all hands that India is a dependency of the British Empire and being so, it ought to obey its sovereign power. The appointment of the Statutory Commission has been made by the British Parliament, before every action of which we have no alternative but to submit. It will be more advisable, therefore, to accord a hearty reception to the Commission, particularly because it is composed of impartial and disinterested members. In case of a tension between a Hindu and a Mussalman, an Englishman is regarded as an impartial and trustworthy judge, and since the Statutory Commission is to report on the constitution of the whole of India, it will be highly beneficial to have that report made by Englishmen so as to leave no doubt of partiality on the part of the Commission's members. We ought to be grateful to the British Parliament for sending a Commission consisting of disinterested persons like Sir John Simon and his colleagues, every one of whom will discharge his duties in all fairness and justice. With these remarks, Sir, I heartily support the amendment brought forward by my Honourable friend Sir Maneckji Dadabhoy.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, the present political situation in India is indeed one of great complexity, and no patriot or well-wisher can look at it with indifference. The composition or constitution of the Royal Commission is much to be regretted and I fully share the feelings of resentment and dissatisfaction caused by the exclusion of Indians. The action of Government is objectionable from various points of view. There is no question of intention or motive. The exclusion of Indians has been felt by all political-minded persons as an insult to India. Whether that insult was deliberately intended or not is immaterial. The general feeling created admits of no doubt or question and confronts us as a fact which cannot be denied. Apart from the question of sentiment which in matters of this kind cannot be ignored, there are objections to the composition from practical points of view. Indian problems are of a very complex nature, and cannot be properly understood by persons who have never interested themselves in Indian politics. However commendable may be their selection on the ground that they are best qualified to take an impartial and independent view of the problems which will come before them,—no one can question the high intellectual calibre of Sir John Simon, the President of the Commission—but I am not prepared to admit that the members composing the Commission are endowed with superhuman powers. Public men in India are divided into two main groups whom, for the sake of convenience, I classify as nationalists and communalists, namely, those who advocate political advancement without due regard to the bearing it may have on the interests of the communities and classes to which they belong, and those who give priority to the interests of the minority whom they represent in any scheme of advancement which may be devised. Neither party is satisfied with the composition of the Commission or with the scheme which has been promulgated for ascertaining Indian views and for giving effect to those views in the ultimate recommendation of the Commission.

So far I have dwelt on points on which I am in agreement with the views of the opposition. I feel it to be, however, my honest duty now to give expression to views which I hold at variance with some of my countrymen. I admit that an affront has been offered to the country by the appointment of such a Commission. But, however great be the mistake of those who devised

the composition of the Commission, the members of the Commission come to us with every honest intention of studying Indian conditions and of ascertaining the views of different sections on the various questions involved. There is no reason to apprehend that their recommendations will not be based on justice and fairness. I am quite hopeful, Sir, that the Commission will recommend material political advancement as the present conditions in India require and justify. I do not favour a boycott of the Commission. That no Indian is a member of the Commission is a defect, but that defect should not be magnified by Indians refusing to put before the Commission the Indian point of view. There are, however, other most serious consequences involved in such an abstention, to which I will only refer in a few words. Minorities, as classes requiring special protection, cannot afford to boycott. They must present their case before the Commission. In no other way can the Commission bring out how various minority classes want their interests to be protected. In this connection, Sir, I may also point out that the public in England is labouring under a serious misapprehension if it thinks that there is only one minority in India, namely, the Moslems, or that the Hindus are in a majority everywhere and have no measures to advocate or support which require a majority. In the province to which I have the honour to belong, the Hindus are in a minority, and so are they in Bengal. Sikhs are in a minority everywhere. In the neighbouring province, which forms our western frontier and for which the question of devising a new form of government will be tackled by the Commission, the Hindus form a very small but important minority. If I have been able to form a correct idea of what Hindu interests in particular in my province require, I can with confidence advise them to put their case fearlessly before the Commission. But at the same time, I wish the Royal Commission to extend their helping hand to those who wish to co-operate with them on equal terms. I am of opinion that only elected Members of the Central Legislature be allowed to elect the Joint Committee, as the adoption of this procedure will command greater confidence with the public. I think it is also desirable and necessary that such people and experienced persons like Sir Tej Bahadur Sapru, Sir Sivaswamy Aiyer, Sir Syed Ali Imam, who are at present not members of the Central Legislature, be elected members of this Joint Committee. The choice of the elected members should not be confined to the present legislators alone.

Then again, Sir, there is another important point which I wish to press, and that is that the Indian Joint Committee should not be excluded when evidence is being taken *in camera*. Members of the Joint Committee should have equal power of cross-examining witnesses appearing *in camera* and they should have full access to all the records and memoranda of evidence that are to be placed before the Commission.

With these observations, Sir, I will support either the Resolution or the amendment.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, we who belong to the Congress Party may at the outset say that we are opposed to the constitution of the Commission on the fundamental ground that the writ of Commission issued by the Government of His Majesty does not recognise us Indians as equal subjects of His Majesty as we had been wont to be recognised ever since 1833. It is the constitution of our future Government that is going to be considered, and yet no Indian finds any place in the Commission, not to speak of its being mostly constituted by Indians as we urged it ought to be, the function of the European members therein being confined to safeguarding their interests and Imperial interests merely. The right of self-determination which has been so loudly proclaimed to be applicable to all subject races during the

[Mr. Kumar Sankar Ray Chaudhury.]

War was denied to us as soon as the War was over and to add insult to the injury thus already inflicted upon the country, she has been denied by the present Commission the right of exercising any voice whatsoever in moulding her future constitution. Was not the right of finally determining the constitutions of the Dominions and South Africa equally vested in His Majesty's Government ? Were not the Boers in South Africa as much as a conquered nation as Indians ? Was not a large part of South Africa's native population more uncivilised and illiterate and more oppressed than the backward Indian communities ? Yet the procedure adopted in framing a constitution for South Africa was quite different from that adopted in our case. The Secretary of State has characterised the procedure adopted in India as quite unprecedented. I can however characterise it as not only unprecedented but preposterous. Whoever has heard that the future constitution of a country can be satisfactorily framed without the consent and approval of the people of the country ? Yet that is being sought to be done at the present moment. The grounds urged for adopting this novel procedure are—first, that India is a country with a vast population consisting of numerous classes, and if all communities are to be represented on the Commission its size would be very big. Even the other day the Secretary of State stated that as many as 17 Indians were to be required to be included in the Commission. May I ask if that is a number at all very high considering the legitimate function of the Commission to be to settle a constitution for India and considering the huge population whose destinies are going to be settled by them ? May I ask what was the number of people who settled the constitution for South Africa or Australia or Canada ? May I ask what is the number of the people they are even now seeking to take in through the Committees of the Central and Provincial Legislatures ?

It is next urged possibly by Lord Reading that Indians cannot be taken in because they are all more or less people having decided views upon the questions at issue. May I ask if an absolute *tabula rasa* is all that is needed for this task and that knowledge and experience and vital concern of the persons affected are of no account whatsoever ?

It is next urged that Indians cannot be admitted because in that case there is not likely to be a unanimous report. If ultimate responsibility lies with the British Parliament and they are not willing to shirk that responsibility, I fail to understand why they are so anxious for a unanimous report rather than have dissenting reports to judge upon where different points of view are more likely to be better presented than in a unanimous report.

The object of the Resolution moved by the Honourable Mr. P. C. Desika Chari seems to me to set up another Royal Commission to sit and collaborate with the Simon Commission and to submit a separate report to His Majesty's Government on perfectly equal terms. If such a Committee is appointed, there cannot perhaps be any opposition from any quarter on principle, but the method sought to be adopted for forming the Commission is not at all similar to that adopted for the election of the Simon Commission, for that Commission is not only a Royal Commission, but a Commission appointed by the British Houses of Parliament, whereas in the case of the Indian Commission, what my Honourable friend proposes is that His Majesty's Government is to be the sole judge of the persons who should compose the body of the Commission, and they may choose even the official or nominated Members. The elected representatives of the people will have no voice in the selection, nor can any one be selected who is not a Member of the Indian Legislature.

Much capital has been sought to be made out of the bitter feeling prevailing amongst the different communities in India, especially by the Secretary and Under Secretary of State for India. That it has been to a great extent brought about and aggravated by the system of government introduced in the country is unconsciously admitted by the Viceroy when he suspects " that the communal issue is so closely interwoven in the political that suspense and uncertainty in regard to the political react rapidly and unfavourably upon the communal situation " and again says that " it seems not impossible that the uncertainty of what constitutional changes might be imminent may have served to sharpen this antagonism and that each side may have been consciously or unconsciously actuated by the desire to strengthen as they supposed their relative position in anticipation of the Statutory Commission. Wherever such activities may first begin the result is to create a vicious circle in which all communities are likely to feel themselves constrained to extend their measure of self-defence".

Moreover what country is there on earth that had not her differences and difficulties to settle ? Look at the United States. This is what Sir John Marriot in his recent publication at page 108 says :

" Between the colonies there had hitherto been very little community of interest or sympathy. They differed in origin, in economic and physical conditions, in social structure, in religious sympathies, in political opinions. Their jealousy of each other is so great that however necessary a union of the colonies has long been for their common defence and security against their enemies * * * * yet they have never been able to effect a union among themselves."

Again, at page 112 he goes on to say :

" To induce these jealous and jarring republics to adopt any closer form of union was no easy task, chaos in finance, in commerce, in foreign relations at last broke down the opposition of the most obdurate separatists. After 4 months of strenuous labour and several threats of disruption they completed a task which is perhaps the most memorable in the history of political institutions."

Look again at Switzerland. This is what the same author says at page 86 :

" Domestic strife intensified the miseries caused by foreign military occupation. The French party was at war with the autonomists, democrats strove with oligarchs, federalists with unionists, Jacobins with Girondins. Even the *coup d' etat* was naturalised on the Swiss soil effected now in this interest now in that, sometimes genuinely native more often stimulated and engineered from Paris yet Switzerland ' is regarded as the best equipped political laboratory in the modern world '."

Left to themselves as they were without the policy of divide and rule having any scope of action over them they could settle all their differences in spite of all these difficulties. But India must have her differences settled not by her sons but by the British people who have assumed the perpetual trusteeship for her destinies ; and the main objects of the present Commission is to perpetuate that trusteeship for ever. Otherwise why was it engineered in such secrecy and why were Indians totally excluded from its personnel so as to evoke the opposition not merely of responsible Parliamentarians like Lords Reading and Olivier and Mr. Ramsay MacDonald but even of the European community of India ? Their opposition has been somewhat quieted down by subsequent supposed modifications of the mode of operation of the Commission, but still the European community in India voicing their opinion in the Legislative Assembly through Sir Darcy Lindsay is not entirely satisfied with the provisions. And even in these subsequent modifications I am bound to say that there has been laid a trap which may be used for deceiving the people of India. When the Secretary of State mentioned one of the grounds for non-inclusion of Indians in the Commission to be that in case Indians were taken in, it would

[Mr. Kumar Sankar Ray Chaudhury.]

be necessary to include the officials as well, I was wondering as to why and since when had the officials in India come to be treated as untouchables by the British people, and I was surmising that perhaps they were merely to play the part of the skeleton in the cupboard ; but on a careful perusal of the speech of Lord Birkenhead, dated the 24th November, 1927, I find that during the final stages before the Joint Committee of the British Parliament they will come out in the shape of a Committee of the Central Government to shape the destinies of India. For this is what the Secretary of State says at page 245 of the House of Lords debate :

"We invite the Central Government to appoint a Committee to come and sit with our Joint Committee. They are given a function, if they could only understand it, more important than that of the Commission itself."

I am thus at a loss to find how and where the much advertised Committee of the Central Legislature at all comes in to have its say before the Joint Parliamentary Committee. The Viceroy no doubt said on the 8th November that it was intended to facilitate the presentation to the Joint Committee of the British Parliament of the view of the Indian Central Legislature by delegations who will be invited to attend and confer with the Joint Committee, but one does not know whether, in the event of a conflict of views between them, the voice of the Secretary of State will not prevail over that of the Governor General of a dependency sitting 7,000 miles away from the seat of power. Moreover the Viceroy also leaves the question open to doubt when he goes further on to say :

"Not only will they through representatives of the Indian Legislature be enabled to express themselves freely to the Commission itself but it will also be within their—

through what agency, if I may say so, is left vague here—

"to challenge in detail or principle any of the proposals made by His Majesty's Government before the Joint Select Committee of Parliament."

Is this what has satisfied Mr. Ramsay MacDonald when he says :

"We appoint a Commission ; you appoint a similar body and the two commissions sitting together in harmonious co-operation with each other are going to report to the House of Commons what the line of the new constitution is to be."

Coming now to the merits of the proposals before us, I may say, in spite of what Sir John Simon says, that it is neither joint, nor free, nor
5 P.M. a conference at all. It is not joint nor free, because the Parliament claims to be the sole master of the situation, the people of India having no right except that of submitting their case about the shape their constitution will assume. It is neither a conference of the people of India for ample care is taken to see that the people do not come together at all. Committees will be appointed from the Provincial and Central Legislatures, but they must not join together to deliberate on the future destinies of India. When the Commission goes to the provinces the Committee of the Central Legislature must have to seek the permission of Sir John Simon before they can open their mouths. The Committees constituted in the different provinces must not come into contact with one another. People giving evidence must not come into contact with one another, so that they may all adjust views and try to harmonise various conflicts of interests and claims. They must all come and trot out their differences merely before the Commission so as to enable them to make out a case for the perpetuation of the travesty of a trusteeship of one race over the other. That is what the Commission is here for. By boycotting the Commission we want to prevent that being done. That is why after raising a

Frankenstein in the country the Government has availed itself of this opportune moment for the appointment of the Commission. This ugly truth comes out of the mouth of Mr. Pilcher who at one time was connected with a paper called the *Friend of India*, when he said in the course of the debate in the House of Commons :

" It seems to me that the present is a very appropriate time specially in view of the growth of Hindu-Muslim differences and the fearful acerbations of Indian feeling which has sprung up from these troubles."

We suggested a round table conference which has been the only method adopted in almost all countries and framed the outlines of a constitution as long ago as 1924-1925, but the British Government will have nothing to do with it. Lord Birkenhead has, on the contrary, thrown out a challenge to us to frame a constitution for India, taking good care to non-co-operate with us in this matter by the appointment of this Commission where Indians do not find any respectable place, so much so that even the Liberal politicians in India who had given their best help to the Government in times of difficulty find it difficult to co-operate. Is this sincere ? Is this just ? Then, we have been accused of hastily throwing out the proposals of Sir John Simon. May I ask why Sir John Simon was so hasty in formulating his proposals without consulting Indian public opinion as soon as he landed at Bombay. Do his proposals contain anything new or advance matters in any way, or could he do so beyond what was conceded by those in authority during the Parliamentary debate ? The other House has expressed its indignation in no uncertain terms by the " bare majority " of about all the elected Members, it is only the Government members and some *jo-hukums* who have supported the Commission. The whole country is ringing with indignation at the insult heaped on India. Even Members have come from sick beds to die here to vote down the proposal. Should we so far forget ourselves as to cast our lot with these *jo-hukums* ? Let us not forget also that our future as a body hangs largely on the decision we now take.

With these words I oppose the motion as also the unqualified approval of the Commission suggested by the Honourable Sir Maneckji Dadabhoy.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : Sir, I will come straight to what I think is the cause of the present tension in connection with the Statutory Commission. The mistake in the constitution of the country is that a kind of politicians out of the educated middle classes have got a preponderance in the other House, and a good many of them are also here. The franchise has been given only to a very small portion of the Indian people, and all those who have not got the franchise are naturally not represented here. Some of the communities who have faired very badly during the last Reforms like the Muhammadans and a few others, are all conscious of the fact that they should ask for their full rights. We are going to ask for our rights, the untouchables are going to ask for theirs, and other communities also are going to ask for them. Where will those rights come from ? They will come out of the hands of the oligarchy which is now in power. They in turn want to snatch more and more power from the hands of the present Government. That party in fact wants a Raj of their own. We have to decide whether we are going to be under their Raj or the present Raj. I may tell my Muhammadan friends that they have been enjoined by our religion, which is in our book, that the Christians will be our greatest friends, and that is why the Prophet sent the best of his relations to Africa under a Christian King of Abyssinia. I do hope that they will vote in the right direction. I know that this House has been called upon at various times to do its duty when a mistake has been committed elsewhere, and I hope, as they have always done before, they will do so again.

[Colonel Sir Umar Hayat Khan.]

They may have differences of opinion, but I hope many of them will sink them and change their views now to vote in a way which will show that after all the whole of India is not non-co-operating and that we will work with the Commission and ask for further reforms.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay: Non-Muhammadan): Sir, on this momentous occasion I do not want to give my vote in silence. I know that as I am speaking at this late hour I should be as brief as possible. Sir, looking at the amendment proposed by my Honourable friend, Sir Maneckji Dadabhoy, it wants three things. First of all, he wants to send.....

THE HONOURABLE MR. V. RAMADAS PANTULU: That is not the amendment before the House.

THE HONOURABLE SIR MANMOHANDAS RAMJI: Very well, Sir. Looking at the amendment that he has proposed, it is to the effect that we should elect the Committee and go on co-operating with the Commission. If that is done what is the position? The Honourable Mover of the Resolution, Mr. Desika Chari, says, "keep the door open." Are you going to keep the door open by passing this amendment of my Honourable friend, Sir Maneckji Dadabhoy? We know what is the feeling of the people in the country. We know what is the feeling in the other House. Therefore, knowing all that, I think it would be much better if the amendment or the original motion is pressed to a division on this point. In any case the Commissioners are going to proceed with the work. Under these conditions is it not open to the Government to try to intervene and see if there is any possible solution of this great divergence of opinion? Therefore, I appeal to the good sense of all the Members of this House not to accept the amendment or the Resolution. Sir, it has been argued, "Where is the harm if we sit with the Commission and co-operate?" It is a question of self-respect. It has been said that this is a golden opportunity and that if you do not co-operate you will lose it. May I remind the House that the value of self-respect is far greater than this golden opportunity. The golden opportunity is feasible under all circumstances, whether you co-operate or not, but do not lose your self-respect. That is the whole point of the controversy.

Then it has been pointed out that there is not a single man who can represent the different interests in India. May I point out one man to the British Parliament? That is Mahatma Gandhi. Look at his attitude towards Muhammadans, towards the untouchables and the depressed classes. Has he ever disregarded their interests? Never. He has placed their interests in the forefront. For the last so many years you have appointed Indians to all Commissions, if not in equal numbers, at least in a minority. Here is a divergence of procedure simply because the authority of Parliament cannot be questioned. Nobody questions the right of Parliament. Parliament has got the determining voice. It is for us to say to Parliament, "We want liberty on certain terms. Consider our proposals and then do what you like". We give you our requirements and you give what we ask by stages and make us reach the goal ultimately. Therefore nothing would be lost by appointing Indians on the Commission and by preserving harmony throughout the country. What is the state of the mind of the people to-day? What an amount of agitation as been created in the country. The whole of India is excited. Sir, one speaker has alluded to minorities, such as Muhammadans, untouchables,

etc. May I know whether these differences existed a hundred or two hundred years ago. What is the cause of this change? There [redacted] Mohammadans, depressed classes and others living in India [redacted] the tension there so great as in British India? They live there peacefully and will live peacefully for a long time to come. This policy of divide and rule is not a statesmanlike policy and, therefore, I appeal to the good sense of those who have the good of India at heart to try and find a solution of this *impasse*.

THE HONOURABLE MR. P. C. DESIKA CHARI: At this late hour, I would not be justified in detaining the House for more than a few minutes. We have heard the arguments from various points of view and I would first deal with the arguments of Mr. Ramadas Pantulu. I congratulate him on his industry and ability in preparing a compendium of all the boycott literature that has appeared in the Press during the last few weeks. In fact we have had illustrations of his industry in that direction on many occasions like this. He has taken the fullest advantage of it, but the pity of it is that he has not even followed the speeches here of people of his own way of thinking and that he had recourse to repeating all the things which previous speakers said because he could not pick out things from the compendium he had prepared. Sir, he twitted me for trying to imitate a great patriot in the other House. Sir, it is a laudable thing to imitate a patriot, but I would certainly not imitate a pettifogging lawyer like my friend Mr. Ramadas Pantulu. I need not go into detail with regard to the points of view he has urged because they have been sufficiently met by other speakers not only here but in the other place as well. I can understand the reasoning put forward by my friend the Honourable Kumar Sankar Ray Chaudhury who has in clear terms indicated how fundamentally different the views of the Congress party are and how absolutely impossible it is for them to reconcile themselves to any position consistently with the existence of the Commission. I can understand that fundamental difference, and no appeal of mine or of anybody else for co-operation would meet with any response in that quarter. On the other hand, we have had the opinions of people like my friend Mr. Narayan Prasad Ashthana who, on account of his being a member of a larger party which has determined to join forces with the Congress people, does not see his way to support it, and he naturally follows the reasoning of which we have heard so much.

As regards the objection of my Honourable friend Sir Phiroze Sethna, I think those who have been reading the newspapers must have been fully aware of his views, because he had taken very good care to advertise his views to the fullest extent, and we have already had the benefit of his views, and there is nothing new for me to reply to him here.

Sir, I was anxious that people who are really interested in co-operating should get as much support as possible from all quarters in the country. It was for this purpose that I tabled a Resolution to indicate what would be free and honourable terms for a Committee to work. Sir, if my Honourable friend Mr. Ramadas Pantulu and others had taken care to study the implications of what is contained in the various classes, they would have understood that what I want is perfect equality on honourable terms on the same lines as Mr. Jayakar wanted in the other place. But now there seems to be some technical difficulty which has been pointed out. I don't really see any difficulty, but I attach very great importance to a Committee being formed as early as possible and functioning, because as I have already pointed out, it was the intention of Parliament to have a Committee functioning before the arrival of the Statutory Commission, and it was the original intention that the Indian Committee should be working in anticipation of the arrival of the Commission. Sir, I

[Mr. P. C. Desika Chari.]

am not for delaying the work of the Committee if it is to be formed. I therefore welcome, though with very great reluctance, the amendment moved by my Honourable friend Sir Maneckji Dadabhoy. I believe if a Committee were appointed, the members by actually working and by mutual trust and confidence, will be able to achieve a good deal in respect of getting the necessary rights and powers which I am anxious that the Indian members should have. Therefore, I accept the amendment moved by my Honourable friend Sir Maneckji Dadabhoy.

THE HONOURABLE MR. H. G. HAIG: Sir, I shall endeavour not to detain the House long. I only wish to mention one or two points. I notice that my Honourable friend Mr. Ramadas Pantulu expressed considerable apprehension lest the Commission should go about hand in glove with its bureaucratic friends. As one of the bureaucrats, who I suppose are designated by the Honourable Member, I must, I fear, entirely disclaim the enjoyment of that privileged position. But if he is really anxious lest the Commission should associate with its bureaucratic friends, is it not a little inconsistent that he should reject the offer which the Commission have made, that he himself should go about hand in glove with them?

Sir, I was struck by the remarks made by the Honourable Sir Manmohandas Ramji, for they obviously indicated a genuine feeling. He felt that his self-respect had been injured, and on that account he was prepared to disregard all practical considerations, to think nothing of the interests of the country, to place his self-respect above everything else. I should like to remind the Council of some words which they heard only a few weeks ago from His Excellency the Viceroy. He said:

"Let me make it very plain that I expect Indians, as I would myself, to be sensitive of their honour. None, whether individuals or nations, can afford to be otherwise, for honour and self-respect lie at the foundation of all social life. But honour and self-respect are not enhanced by creating affronts in our imagination where none in fact exist."

The Honourable Mr. Narayan Prasad Ashthana endeavoured to distribute the blame for the present situation and desired to throw the blame wholly on Parliament. But, Sir, I suggest that this is not a time for examining the past or for complaining that what has happened is due to this man's fault or that man's fault. We have to take the situation, Sir, as it is, and I feel confident that this Council by its vote to-night will give a practical decision in favour of co-operation with the Commission.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to urge upon His Majesty's Government in connection with the Royal Commission on Reforms--

(1) to form a Committee from among the Members of the Central Legislature with authority to

(*a*) carry on the preliminary work and to collect the materials to be placed before the Royal Commission;

(*b*) co-operate with the Royal Commission in examining all the witnesses in all the provinces;

(*c*) have access to all the records that may be placed before the Commission;

(*d*) review and supplement such evidence by requiring other witnesses to be examined and other records to be sent for; and

(*e*) report to the Central Legislature;

(2) to place the Report of the Committee before Parliament for consideration along with the Report of the Royal Commission'."

Since which an amendment has been moved :

" That for the words ' urge upon His Majesty's Government ' to the end of the Resolution, the following be substituted, namely—

' take steps for the election of representatives from the Council of State to participate in the Joint Conference according to the procedure set out by the Chairman of the Indian Statutory Commission in his letter of the 6th of February, 1928, addressed to His Excellency the Viceroy and Governor General and his letter, dated the 10th February, to the Honourable Sir Sankaran Nair ."

The question I have to put is that that amendment be made in the original Resolution.

The Council divided.

AYES—34.

Akbar Khan, The Honourable Major Nawab Mahomed.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
Dadabhoy, The Honourable Sir Maneckji.
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Desika Chari, The Honourable Mr. P. C.
Froom, The Honourable Sir Arthur.
Gray, The Honourable Mr. W. A.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Hadow, The Honourable Sir Austen.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Jaffer, The Honourable Sir Haroon.
Khaparde, The Honourable Mr. G. S.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Mehr Shah, The Honourable Nawab Sahibzada Saiyid Mohamad.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Muzammil-ullah Khan, The Honourable Nawab Sir Muhammad.
Nawab Ali Khan, The Honourable Raja.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Sankaran Nair, The Honourable Sir.
Stow, The Honourable Mr. A. M.
Suhrawardy, The Honourable Mr. M.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Vernon, The Honourable Mr. H. A. B.
Wacha, The Honourable Sir Dinshaw.
Watson, The Honourable Mr. C. C.
Weston, The Honourable Mr. D.

NOES—13.

Ashthana, The Honourable Mr. Narayan Prasad.
Mahendra Prasad, The Honourable Mr.
Manmohandas Ramji, The Honourable Sir.
Mukherjee, The Honourable Srijut Lokenath.
Natesan, The Honourable Mr. G. A.
Ramadas Pantulu, The Honourable Mr. V.
Rama Rau, The Honourable Rao Sahib Dr. U.
Rampal Singh, The Honourable Raja Sir.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Sethna, The Honourable Sir Phiroze.
Sett, The Honourable Rai Bahadur Nalininath.
Sinha, The Honourable Mr. Anugraha Narayan.
Zubair, The Honourable Shah Muhammad.

The motion was adopted.

THE HONOURABLE THE PRESIDENT : The question is :

" That the Resolution, as amended, be adopted."

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Thursday, the 23rd February, 1928.

COUNCIL OF STATE.

Thursday, 23rd February, 1928.

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

GENERAL DISCUSSION OF THE RAILWAY BUDGET.

THE HONOURABLE THE PRESIDENT: The Council will proceed to the general discussion of Part I of the Budget.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, the Railway Budget seems to be on the whole satisfactory, but I would like to add a few observations and show how we want greater improvement in the Railway Administration. First, Sir, I should like to refer to the reduction in rates and fares. I find the poor peasant, who generally does not travel beyond fifty miles on an average, is kept out of any benefit, and in that respect the reduction in rates and fares is not satisfactory as it does not help forward the peasant and the poorest man in the country. Then we find, Sir, that in Burma we do not get any reduction of fares on the Burma Railways, and that is another regrettable thing. I wish to add that we in Burma are always neglected, and so far as I can see we do not get any share out of the provision for amenities in the shape of improvements in the types of lower class carriages which are intended to be provided, for which a sum of Rs. 2¼ crores have been provided. Sir, the Railway Administration claims to be fully alive to the responsibility for effecting and improving communications. But I shall demur to it so long as the principle of connecting provincial capitals with each other in India are not kept fully in view. This principle has been forgotten altogether so far as Burma is concerned. Burma is practically isolated from the continent of India though it is politically a part of it, and I do not find that the Government of India in the Railway Department are anxious to have this much desired railway connection. They are inclined to relegate this very important question to the background indefinitely. I hope and trust that with the completion of the Saigong Bridge the real obstacle to rail connection between India and Burma disappears, and the Government will take in hand earnestly and put forward a programme of railway construction connecting India with Burma. There are no engineering difficulties, and, as I have already pointed out on a former occasion in a Resolution of mine, it is practically easy and level country, providing easy gradients for the connection between Burma and India. It is only a distance of 242 miles, perhaps less than many of those feeder lines which are being constructed all over India, and when you take into consideration the fact that the construction of a line for 242 miles would serve the very great purpose of linking up Burma with India and greatly increase the intercourse, social as well as political, of the people of Burma with the people of India, you will see how desirable it is. Sir, that is another regrettable feature of the Railway Budget.

Then I come to the Indianization of the superior services on the Railways. Sir, I find that the Railway Department is inclined to take too much credit in this respect for Indianization. In the first place, I do not see any earnest

[Mr. P. C. Desika Chari.]

attempt made to train people in the mechanical and engineering departments so as to do away with extra-territorial recruitment altogether. Nothing has been done in that direction, and I would suggest to the Honourable Member in charge of Railways that a central college of railway engineering might be started to impart the necessary training to our men in mechanical engineering, and it is high time that India should be self-contained in this matter and should not look to foreign agencies for this. There is one other aspect of this question which I want to emphasize. It is all very well to go on with Indianization, but what about Burma ? I do not find any Burmanization, or for that matter Indianization of the railway services in Burma. If Indianization is to go ahead, we want to have Burmanization also in Burma so that the people of Burma may not be kept out of these services. I cannot refrain from remarking that the Government of India have turned a deaf ear to the question of appointing Indians to the RailwayBoard. Am I to understand that the Government of India does not find a single Indian suitable for appointment to the Railway Board ? I know they have put forward some excuse or other so far to delay the Indianization of the Railway Board, but I ask, is it fair, is it just, to argue just for the sake of giving some excuse and say that it is not possible at this time to Indianize the Railway Board ? This Council will not rest content unless you are in earnest in Indianizing the Railway Board or at least appointing one Member to start with.

Then I come to the question of capital outlay for workshops. Sir, in this connection I do not know how the workshop reorganization is going on. I would suggest now, as I did on a former occasion, that if you want to remodel your workshops, it is high time that you should remodel them in such a way as to turn out all the locomotives and all the types which you require for your Railways. You must not depend upon foreign agencies for that purpose. I think if proper experts are employed, who have a knowledge of the working of such workshops in England and other countries, it is quite possible to manufacture all the locomotives for all the Railways. In this connection I would refer to the policy of the Government as regards the manufacture and purchase of wagons. Sir, I find that Government in a communiqué, dated the 1st of March 1918, announced their policy of purchasing all wagons and underframes in India, provided the wagons are available at rates not higher than the rates payable for the importation of these wagons and provided the workmanship is satisfactory. I believe, Sir, acting on this announcement and on the strength of it and of the promise distinctly held out, several workshops were brought into existence and wagons and underframes of the necessary type have been brought out. I find that later on, after the Act to protect the Steel industry, the Government felt absolved from this liability and withdrew the communiqué which they had issued on the 1st of March 1918. This was in June 1924. What I say is this. If you are really interested in encouraging industries for the manufacture of wagons and underframes in India, really this step on the part of the Government of India requires great condemnation. You can, if you please, get out of your obligation, but there is the moral obligation in having induced these people on that distinct promise to start workshops and to produce wagons and underframes. Now, I do not know what the Government propose when they say that new standards of wagons are being proceeded with and new designs are being considered. Am I to understand, Sir, that the Government want to manufacture in their own workshops all these wagons and underframes ? If the existing non-government workshops can produce those wagons and underframes on those designs, is it not the duty of the Government of India to place orders with those companies in India and ask

them to produce wagons and underframes on those designs ? Sir, it is really an injustice and Government, who have been responsible for giving an impetus to this industry, are likely to compete and wipe out of existence this industry, because it is well known that but for Government patronage this industry cannot thrive in India.

Sir, I now come to the convention relating to the separation of Railway finance from General finances. Sir, the reserves have come up to more than the expectation formed at the time of entering into this arrangement. As a result of it the Railway Department have been very fortunate in securing this convention and particularly choosing a time when they could give as little contribution to the general revenues as possible. Sir, the actual working of the Railway Administration after the convention was entered into shows that the Railway Department have been very generous to itself and they have not been generous to the general tax-payer. I expect that no time will be lost in revising this convention and making the Railways give a greater relief to the general tax-payer by contributing a greater share of the profits to the general revenues.

There is one other matter which I wish to refer to and that is, the taking over of the management of the Burma Railways to State control. Sir, I am gratified that after all you have made up your mind to put an end to this unprogressive Railway Company in Burma, and I hope and trust that with the taking over of this line the people will get all the benefits of a progressive administration and the difficulties in the way of the Indo-Burma Railway connection will gradually disappear. Before I sit down I would make an appeal on behalf of all the people of Burma to see that no time is lost in giving an Indo-Burma Railway connection. I do not want to repeat myself, but the subject is so important and people there are so insistent that the Government should not try to put off the railway connection but should make an earnest effort in making a start straightaway. With these words, I conclude my remarks.

THE HONOURABLE RAI BAHADUR NALINIATH SETT (West Bengal : Non-Muhammadan) : Sir, although the Railway Budget may be satisfactory from the official point of view, it is not so from the people's point of view. The amount provided for the provision of amenities for lower class passengers with a view to improving the conditions of their travel is not sufficient. The conditions under which third class passengers and even intermediate class passengers have to travel are deplorable. At present they are huddled together like so many bags of merchandise into the compartments, sometimes without even seating accommodation. Their latrine arrangements are bad and often without a sufficient supply of water. The booking arrangements are extremely inadequate in some large stations. The purchasers of tickets have got to wrestle for more than half an hour before they find an opportunity of approaching the ticket sellers who generally open their windows for the sale of tickets a few minutes before the arrival of the train, and it is frequently seen in stations that the passengers have to rush with their luggage to the train after its arrival at the station owing to the delay in obtaining tickets. This is the ordinary state of things and when there is a *mela* or any unusual rush during any festival the difficulties and inconveniences of these third class passengers are simply indescribable. They have to wait in the station yard or outside on the road as they are not allowed to stay in the shed for a very long time to secure accommodation in the train, sometimes for more than a day. I have seen train after train passing through the station without any accommodation for more passengers and those that are waiting at the station being held back. The waiting halls in many important stations are inadequate. I say from personal knowledge that the waiting accommodation for third class passengers at important stations like Madhupur on the East Indian Railway is inadequate and where there is

[Rai Bahadur Nalininath Sett.]

no waiting room for intermediate class passengers. I have seen hundreds of passengers standing on the down platform in the hot sun of such an important station as Benares Cantonment as there is no shed over it or any seat on that platform. The inconveniences felt by passengers, specially females, in some very important stations where at times pilgrims by thousands alight are very great. I mean stations such as Jasidi and Baidyanathdham on the East Indian Railway which have very low platforms. I could multiply instances but it is not the time to give a list of such inconveniences although many such specific cases have been brought to the notice of the Railway Administration by Honourable Members by means of interpellations. I can only indicate at the present moment the lines on which improvements should at once be started and for which money should be more liberally provided. But before I leave the subject I should draw the attention of the Honourable Members of this House to the fact that while they travel in first class compartments or in saloons, their servants have to suffer great inconvenience for want of any latrine arrangement in their compartment. They find it very difficult and risky for fear of being left behind to use the latrines in the stations as the fast trains stop for a sufficiently long time at very few stations.

Sir, I regret to learn that the electrification of suburban lines near Calcutta cannot be taken up during the next financial year as the investigation is not yet complete. I would have been satisfied if a beginning could be made during the coming financial year. The question is no doubt a complicated one as the question of a station in the centre of Calcutta and an additional Railway bridge over the Hoogli River at Howrah are probably intermingled with this matter. The Railway administration are inquiring into those questions during the last several years, and it is time that they should now come to some definite conclusions. It is not a matter that concerns only the Railway and the travelling public, but it is of vital importance and consequence to the local bodies, such as the Calcutta Improvement Trust and the Municipal Corporation of Calcutta. The programme of the Calcutta Improvement Trust will have to be held up in the absence of a final decision of the Railway Board in this matter. The improvement of the area known as Barrabazar, for the purpose of opening out which area the Calcutta Improvement Trust was created, hangs on the questions as to whether there will be a central railway station in Calcutta and what sort of bridge will be constructed at Howrah. I therefore urge on the Honourable the Chief Commissioner for Railways the extreme urgency of deciding the question either way.

Sir, coming to the question of Indianisation of the railway service, I find that in year 1926-27 in the Engineering branch of officers of gazetted rank on State-managed Railways the number of vacancies actually filled up was 46, of which 31 were Europeans, 10 Hindus and 5 Muhammadans. Now-a-days there is no dearth of candidates with sufficient European Engineering qualifications among Indians. Similarly, in the same year 1926-27, in other departments there were 19 vacancies to be filled up and out of that 11 Europeans, 5 Hindus, 2 Anglo-Indians and 1 of the other class were appointed. I take these figures from the Administration Report on Railways for the year 1926-27 at page 67. It will thus be seen, Sir, that Indianisation is almost a myth although the Honourable Member-in-charge of Railways appeared to make truth out of it in his speech introducing the Railway Budget in the other House.

Sir, on the question of reduction of goods rates I appreciate the benefit to the poor for the reduction of freight on kerosene oil as it has to be used by

the poorest of the poor in all parts of the country and the reduction of freight on manure and oil cakes, but I cannot approve of the reduction of freight on horses and motor cars which are more or less a luxury for the rich. The reduction of fare for the 3rd class passengers is not enough having regard to the want of accommodation and amenities from which they have to suffer while travelling long distances. I urge also the necessity of increasing the free allowance of luggage for third class passengers as at present the free allowance is too small.

Lastly, I must strongly protest against the persistent refusal to appoint any Indian in the Railway Board and thereby flouting the strong demand of the Indian public even when opportunity presented itself recently.

Before I close, Sir, I cannot but refer to the large number of accidents that happened on the Indian Railways lately. It appears that there have been more accidents recently than hitherto. I hope some indications will be forthcoming from the Honourable the Chief Commissioner of Railways as to what steps have been taken to prevent accidents being frequent in future.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, on the whole the Budget is satisfactory and I congratulate the authorities on it. Having said this, I would now like to make some other obervations.

Last year my Honourable and gallant friend Nawab Muhammad Akbar Khan put before the Railway Board that it was absolutely necessary to connect the Frontier Province with the Punjab by connecting Dera Ismail Khan with Dera Ghazi Khan. I am sure the authorities know what an amount of trouble we have had at the time of the Murree expedition as there was no railway bridge on the Indus and there was a great difficulty in conveying men and ammunition required. Dera Ghazi Khan is cut off from all the Railways and it will be a great boon if that remote corner of the Punjab was brought into touch with the rest of the country.

I will now come to a part of my own district. A line from Bhera to Shahpur was surveyed some 30 years ago or very nearly about that time. Since then, nothing whatsoever has been done except that an officer was sent to see whether that line if opened would prove profitable. His report, as far as I know, was to the effect that that part of the district had been left by a good many inhabitants : hence there was less agriculture there and the lands were practically lying waste. This officer, instead of making his inquiries from the local authorities, sent that report. He was simply hoodwinked by some interested persons who were against the project. The fact of the matter is that during the last 30 years this particular part of the country has been more irrigated than before and is paying more revenue to the Government and the place is more prosperous than ever before. What happened was that the officer went to Bhera, which is a terminus, and as some of the people of Bhera did not like that the tract should make any progress at their expense by extension of the railway because if that were done they would lose their livelihood, they misled him. Some objections were also raised by a few persons through whose gardens the railway line was likely to pass and they joined in the chorus with the others. So, the matter was shelved again. There is no other way to the Frontier except through Lala Musa and Shahpur District, if the present communication from Attock and Pindi and Jhelum were cut off by blowing off the Attock Bridge or otherwise. I must acknowledge with thanks that a railway line has already been constructed from Chiniot to Khushab, and what is required to be done is to construct this short line, which will open out that

[Colonel Sir Umar Hayat Khan]

particular part of the country. If there was no route from Lala Musa to Khushab, then one would have to go all the way round which is very inconvenient especially if there is some trouble on the Frontier. I do hope therefore that once more an attempt will be made in this direction and I have no doubt the result of the inquiry will show beyond doubt that the report made by the authority concerned last time was wrong.

Now, Sir, the Railway authorities know full well that there is a big competition between the railways and the buses, and what is the cause of it ? The cause is that when a man wants to go to another place, the bus will come to his house and take him practically to the very place he wants to go to. If he wanted to go by railway, he will have to pay his fare to the railway station, then wait at the station till the train came. When he reaches his destination, then he will also have to engage a tonga or some other conveyance to reach his house. But in the case of the bus, if he pays the money to the driver or the owner, they see to his comforts. On the other hand, the man who travels by railway pays his money to the station master and then he is left in the hands of the guard and the travelling ticket collector who have absolutely no sympathy with him. All these ticket collectors are told— and I do not think any one will deny this statement—that anyone who brings in more money from those who are travelling without tickets, will be promoted. In one way that is a good thing. But how is he to find out the passengers who are travelling without tickets ? Sir, to find out one man in ten who is without a ticket, he goes to everybody and worries them. After worrying all these men, he finds out one or two men who are without tickets and of course he catches them. I am not criticising this but only want to make some suggestions as to how to avoid it. I would like to suggest that the whole scrutiny should be at the very door from which the passengers pass and when passengers with their tickets get in, they should not be worried any more. I travel, I think, more than very many people and the difficulty I have invariably felt is that all sorts of riff raff are seen on the station. There are some with boxes begging alms and there are others with broken limbs. In short, the railway station is a place where beggars seem to thrive. And as they can get in without tickets, I think others also can get in. The whole matter should be looked into with a view to keeping these people out and to ensure that nobody without a ticket gets in. Then, Sir, as to the arrangements, for transport outside the station, I think in certain places it would be better if buses or other motor vehicles run by the Railway Department were kept awaiting trains to take passengers to their destinations, say to some central point in the city. If this were done I think it would be in the interests of the railway and I hope that the authorities are already considering the provision of such facilities where possible. Then, Sir, mention has already been made about the inconvenience caused in regard to the accommodation of the servants. On some railways the servants' compartment is connected to the first class compartment through a door. I think that is an admirable arrangement, for it enables a servant to come in whenever he is required. I do not think there would be much difficulty in thus connecting the servants' compartments on all carriages with the first and second class compartments. Sometimes first class passengers have to carry arms for their own safety, possibly against attack from their enemies in certain parts of the country, and they cannot go to sleep for fear of their arms being stolen unless they can have servants in to watch to prevent theft or other mischief. I therefore think that when a first class passenger is alone it should be allowable for him to have his servant in to guard his kit and equipment.

Turning to Indianization, I said the other day on the Resolution about unemployment that more Indians should be appointed on the Railways. But when taking this course I suggested, as we always have to suggest on such occasions, that they should be appointed on the basis of the numerical strength of the communities, *e.g.* Muhammadans, Sikhs and other communities. As things are at present only one class predominates, and I hope that in the course of Indianization that position will be put right.

There is one other small matter. There used at one time to be a trade in hawks, which when caught were brought to the market. But the charges are now levied so high that this trade has been altogether stopped because it costs more to bring the birds to market than the price at which it is possible to sell them. I therefore hope that some concession will be made in this matter so that this old sport of India may be carried on. After all the railways are our railways and the authorities are our friends and they should see not only to the business interests but also to the pleasures of the people who are paying such a lot of money to the Railways. (*An Honourable Member*: "What about dogs.") There is trouble also about dogs and I put it before the authorities. They will not take more than three dogs at a time, and if a man wants to take 40 dogs from one place to another he is put to great inconvenience. We have to start sending them two weeks ahead. (*Another Honourable Member*: "and what about horses"). In regard to the transport of horses we are very thankful for the reduction in the charges now made.

Finally, I should like to say that the criticisms I have made are not meant in the nature of an attack but are suggestions put forward, and I hope they will be considered as such and that something will be done to improve the position in regard to those points.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-official): Sir, the soundness of the policy of separation of railway finances from the general finances has been more than justified by the statements which have been made in the two Houses with such precision and lucidity by Sir George Rainy and Sir Austen Hadow. The last three years may be regarded in the matter of the railway administration as years of prosperity, and when one comes to reflect that these last three years have been years of trade depression and general dislocation in commercial business all over India, one feels satisfaction in the thought that even in these hard times the separation of the finances has contributed to the general prosperity of the country. Unexpectedly good earnings during the last few weeks of the year 1926-27, combined with a large saving in the working expenses, as pointed out by Sir Austen Hadow, have contributed to a saving balance and have added a crore and a half of rupees to the reserve fund. Last year the earnings were consistently higher on a uniform scale and it is noteworthy that all descriptions of traffic have contributed to this result. It has also been pointed out that there has been a substantial increase in passenger traffic and the general result on the whole has been so advantageous as to lead to the strengthening of the railway reserves. In these circumstances the policy which has been adopted by the railway administration in the matter of giving relief is one which I daresay will be accepted in this Council as a commendable one. The popular demand has to a certain extent been satisfied. The relief now accorded is in response to the popular demand with reference to which Honourable Members in this Council and in the other House have been agitating for the last two or three years. I am glad to notice that the principal relief has been granted to

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third class passengers. The claims of the third class passengers are pre-eminently above those of anybody else and are of a paramount character. I am only sorry to note that this reduction has been confined at present to the three big Railways, though I am glad to note that negotiations are pending with the Company-managed Railways. I trust that at an early date the Company-managed Railways will see the wisdom and propriety of extending similar consideration to passengers travelling on their Railways. Again, the abolition of the distinction in intermediate and third class fares between mail and ordinary trains will commend itself to the travelling public. This was an arbitrary distinction which did not add much to the railway finances, and I consider that the relief which it will give will be certainly appreciated. I note and note with satisfaction that this has been done, but I would appeal to my Honourable friend, Sir George Rainy, that he should not overlook, when the proper time comes, the claims of the first and second class passengers also. There is no doubt that during the last few years the fares of first and second class passengers have been very considerably increased—and they were increased because the railways were not in a position to earn large sums of money, and they were increased in sympathy with all the rates and fares which were increased during the last few years. It must not be forgotten that travelling has an educational value, and it will help the railway administrations in many ways if the travelling arrangements for first and second class passengers be so arranged as to give all facilities with a minimum of sacrifice that the railways may have to make. I am also pleased to note that in this Budget the Government have attached importance to the policy of reducing parcels and luggage rates. They stand at present higher than at the end of the war, and a considerable reduction is in my opinion essential and necessary. It has been pointed out also by Sir Austen Hadow that reductions in rates on oilseeds, manures, petrol and *jaggree* are being made, and it will be admitted by this Council that they are reductions in the right direction. But I would suggest that a reduction should be made in the freights on cotton and textile goods also. I must point out that Government in pursuance of the recommendation of the Tariff Board, in order to give relief to the textile industry, which is in a very critical position at present, abolished the duty on mill stores and machinery and I consider that that policy cannot be wholly accomplished without also some measure of relief in the matter of transport of bales of cotton as well as manufactured fabrics. My friend, the Honourable Sir George Rainy, is fully aware of the fact that industries in port towns are in a far more advantageous position than industries located in the mufassil and upcountry places, because, while the former can despatch their goods at very cheap rates by boats, the mufassil industries stand at a disadvantage in having to pay heavy freights for the transportation of their goods, with the result that they are often times not in a position to compete with industries which are situated nearer the ports. I would also request my Honourable friend, Sir George Rainy, to bear in mind that in making reductions in freights on certain classes of goods there should also be some discrimination. Thus in the case of seeds, oilcakes and all sorts of provisions and foodstuffs and all necessaries of life transported from one area to another, the reduction should be substantial because the central revenues will not thereby be prejudiced and the people will have the benefit of such reductions; while by way of discrimination I think higher rates should be imposed on oilseeds and other stuffs which are exported to European markets, because it is obvious that in the one case there is ample justification for the reduction which does not exist in the case of exports which are intended for foreign markets.

I am glad to notice that the policy of expanding and developing Railways finds favour with the present Administration as it has been in the past, and I shall be very pleased to see a network of railways all over the country and as much money as could possibly be spared expended on the expansion and the development of railways in this country. It adds to the general prosperity of the country, it gives us the means of transportation. In case of famine it gives unfortunate and stricken parts of the country speedy relief and, in a general way, it contributes to the advancement of the people of the country. I hope also that an early opportunity will be taken by the railway administrations in revising the terms of the convention of 1924. I am glad to see in the speech made by my Honourable friend, Sir George Rainy, in another place that an expectation has been held out. It will be admitted on all hands, and I am sure my Honourable friend, Sir George Rainy, will be candid enough to admit, that there is a great deal to be gained by an examination of the whole question again. It is true only three or four years have passed since the separation of the railway finances from the general finances, but during this time events have happened and circumstances have appeared which merit an immediate examination of the whole subject, and I am confident that if that examination is made at an early date, it will be beneficial to the country and to the Railway Administration. That investigation might be made either by a Committee appointed by the Railway Board from their own people who have got the necessary knowledge and technical information on the subject, or a Committee might be appointed including Members of both Houses, and I am sure the benefit of such an immediate investigation will be very considerable.

There is one other matter to which I should like to draw the attention of the Railway Administration. I am referring to the unification of the gauge in the country. During the early part of the last decade our financial position and the financial deficits have prevented us from taking up such a bold step involving a large capital expenditure for the unification of the gauge in the country. I know there are diverse opinions on the subject. But our railway policy is fast expanding. We have been told that this year 421 miles have been added to our railway lines.

We are promised 800 miles of further extension next year and the total mileage in India has already extended to over 40,000 miles. Of these 40,000 miles, we have been informed that only 28,000 miles are State-owned, line which are owned by Companies and District Boards are 6,000 miles and by Indian States 5,000 miles. The bulk of our mileage, and I may also say, the bulk of the broad gauge mileage, is constituted in this 28,000 miles. Unification will not enlarge the scope of our activities, but it will be of great service. It may be all right in times of peace to have such different and broken gauges ; but in times of war it is quite different. In time of trouble, in time of war, unification of gauge is extremely serviceable. It can transport food from one area to another distant area very quickly and without interruption. It can transport regiments and soldiers from one place to another without any considerable difficulty and with the minimum of time. It would effect saving of time. It would add in many ways to the general prosperity of the country. I know the difficulties are numerous. There is a large number of mileage, metre gauge and other gauge mileage in the country and the work cannot be carried out in a year or two or three. Probably a large measure of our reserves would be swallowed up by a policy of this nature, but I would ask my friend, Sir George Rainy, to consider the question and to formulate a policy which will spread over a certain number of years to effect the transformation from smaller gauges to the broad gauge. It might be done in 10 years ; it might be

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done in 20 years or it might be done in 30 years ; but before our mileage increases to any large extent, it will be better to take the work in hand, because at the rate at which we are going on in another 10 years, we may probably add 20,000 miles to our Railways, and it might become more difficult then to introduce this change. The earlier it will be the better and it will save money. On the other hand the cost will not be prohibitive as the present permanent ways will only have to be expanded and the bridges probably strengthened. After all the cost will not be so formidable as one contemplates.

Sir, these are the general remarks which I have offered to this Council. Before I sit down, I wish to associate myself whole-heartedly with the tribute which my friend Sir George Rainy has paid to Sir Charles Innes and Sir Clement Hindley. He has rightly referred to the immense debt of gratitude which India owes to both of them for the work they have done for the Railways. I feel honestly that the work these two great men have done for India was of no small character. They were enthusiastic in the matter of railway programme and railway administration, and I am very pleased that this deserving tribute has been paid to these two officers, one of whom will not be again with us at all, and the other who would be absent from the country for some time.

THE HONOURABLE MR. W. A. GRAY (Burma Chamber of Commerce) : Sir, I should like to congratulate Sir Austen Hadow on the introduction of the most unsatisfactory Budget, unsatisfactory I mean from the point of view of discussion, because I really find there is nothing in it to complain about. Judging by some of the remarks which we have heard to-day, I rather think that other members of the House have had difficulty in finding any *serious* grounds of complaint. When we heard that advantage had been taken of the prosperous condition in which the Railways find themselves to reduce third class fares, I was in hopes that I might find some cause for complaint, because I consider that reduction of goods rates confers a greater benefit on a greater number of the population than a mere reduction in third class fares. But when the announcement of the reduction in third class fares was followed by an announcement of the reduction of goods rates, even this ground of complaint was removed. Therefore, Sir, I have very little to say, except to add my voice to Mr. Chari's in pleading the cause of Burma. The Honourable Mr. Chari has stressed the importance of the Indo-Burma connection, but I consider that the internal communications of Burma are no less important. My friend, Mr. Chari, has characterised the present administration of the Burma Railways as unprogressive. I feel that I cannot agree with him in that respect. Our railway system is progressing, but I agree that it is not progressing rapidly enough. The railway development of Burma compared with that of the rest of India has a very brief history, and a mere glance at the map at the end of the Explanatory Memorandum will show how Burma is served with railways compared with the rest of India ; and therefore, Sir, I hope that when the railway administration is taken over by Government at the end of this year, they will bear this in mind and will continue to develop the extension of the railways in Burma no less rapidly than is the case at present and in fact will increase the rate of extension.

THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN (United Provinces West : Muhammadan) : Sir, I did not want to speak on this Budget, because no copy was sent to me and I have no papers in front here and none at home either. But when the facilities are asked—and I hope by the generosity of the Department they will be given—I shall also

come forward with asking small facilities for my Department, that is the Education Department. Being Vice-Chancellor of the Muslim University I would humbly submit on behalf of the whole educational institutions and the students that some facilities may be given to the students at the beginning of the session and at the termination of the session (long vacation), say for example half fares or something of the kind, because education now-a-days and always is the backbone of the advancement of the country; and by giving a little concession to students and to people who are taking up the learned professions, I think the Department would not lose, but will gain the sympathy of the educational world. As the Chairman of a District Board, I submit another thing that if the Railway Board will take the District Boards into their confidence and may do something to encourage the system of making narrow gauge or light railways on the roads, it will be very beneficial. Now-a-days there is a great service of lorries on the roads of the District Boards and they are only a nuisance both to the public and to the roads. These lorries are prospering because the railway train is not available everywhere and at every time and there are not good connections of trains with the result that in the long run the Railway Department will be the sufferer. From my local experience I would like to submit a case to the Council. The East Indian Railway passes through Aligarh and the passengers who wish to travel by the Bombay, Baroda and Central India Railway get down at Hathras Junction. I do not know whether it is due to the disorganisation or the hostility or jealousy between the two railway lines that there are absolutely no connections between the trains of the two lines, with the result that all the traffic between Aligarh and Etah and Kasganj is taken now-a-days by lorries to Secundera Rao. This is a loss to the railway company as well as to the District Board because the road is torn very badly. I think it may be possible to have a conference between the Chairmen of the District Boards and the Railway Board with a view to find out if we can help the Railway Board by advancing some money or making some arrangement for the light railways on our *patris*. No land will be required for the purpose because we have got our roads and on one side of them there might be laid out light railways. Such light railways will be very beneficial not only to the district but also to the Railway Department. With these remarks, Sir, I conclude my speech. I am not in a position either to congratulate the Honourable Member in charge of Railways or to complain against him because I have got no Budget at my disposal.

12 NOON.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, the first thing that struck me on turning over the pages of the Report of the Railway Board was the output of the Resolutions and questions indicating the large volume of interest shown in this House in Railway affairs. When however I analysed a little bit I found that the two main combatants in the field were my Honourable friend Dr. Rama Rau and my Honourable friend Sir Geoffrey Corbett. The other thing that I found was that almost on every occasion my friend the champion of the Railway Board has come out successful and the people's champion, my friend Dr. Rama Rau, was only second best. Almost all the Resolutions moved were negatived and almost all the questions put received very unsatisfactory answers. I am however told that Sir Geoffrey Corbett is not so bad in action as he is in debates. There is one very grave complaint which I have to make against my friend Sir Geoffrey and the members of the Railway Board. I had the honour to serve on the Central Advisory Committee for Railways for the last two years, and I must confess to a feeling of great dissatisfaction regarding the activities of that body. I expected that I would have some opportunities of bringing forward some proposals for the consideration of the Railway Board even in an

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advisory capacity but there was little scope for it. If you turn to page 3 of the Railway Board's Report you will find that our activities have been summed up in three lines and they are not of an important character. In fact, if I call them trivial, I will not be wrong. On matters connected with the facilities for transport, the reduction of rates and the like which are dealt with in the Budget, the Central Advisory Committee would have liked to offer some advice to the Railway Board. I do not think that the Railway Board would have found that advice altogether valueless if it tried its hand at it. Any how, I hope that there will be more activity on the part of the Central Advisory Committee in the future years to come, and that some use will be made of that body and it will not be treated as a merely nominal Committee. With regard to the Local Advisory Committees, the Railway Board's Report merely gives a bare enumeration of the subjects that were dealt with by these bodies. We are not given even an indication as to how those subjects were disposed of, or in what way the Railway Administration dealt with the decisions of those bodies. Therefore, I plead for a fuller exposition of the activities of those bodies also in the next year's Railway Administration Report.

Then, coming to the Budget itself, in the other place yesterday a very interesting point was raised in the debate, and I expected to hear something in reply to that point from the Honourable Member in charge of Railways. But apparently our House had more attraction for the Members of the Legislative Assembly than their own House which was adjourned for want of a quorum and Sir George Rainy got no chance to reply. Anyhow, I would mention the point and if he considers it worth his while to answer he may do so. Both Sir Austen Hadow, who presented the Budget to this House, and Sir George Rainy who presented it to the Assembly, congratulated the Railway Administration on the continued increased prosperity of the Railways by saying that there were larger and progressive earnings by railways. It was pointed out in another place that the increase in the earnings was partly due to the increase in the mileage, of which there is a substantial addition every year and to other adventitious circumstances which I need not mention. As a matter of fact, if you refer to the earnings per mile, there is a considerable drop in the gross earnings per mile and also the net receipts per mile in the year 1927-28 in comparison with those of 1924-25. That point was raised and I do not venture to express my opinion on it because I do not feel confident that I am fully equipped with information on that point. I shall however wait to see if Sir George Rainy can throw any light on the question.

With regard to the facilities that are given by the Budget I am supposed not to say anything in favour of the Government or to congratulate it. It can advertise its good points well enough. I shall content myself only by adverting to a few defects. To some extent it is true that the reduction in the freights on manures, oil cakes, *jaggri*, grains, pulses and seeds is a step in the right direction to help the agriculturists, but I do not think the reductions made are such as to confer any very substantial benefits on the agriculturists. Sir, I have gone through the Explanatory Memorandum carefully and can say that while the reductions are partially beneficial, they are really not beneficial to the extent of satisfying the just claim of the agriculturists. I fully associate myself with the Honourable Sir Maneckji Dadabhoy, and I am glad to find myself at least once in agreement with him, that the policy of preventing the export of such useful articles as manures and oil cake ought to be pursued by the Railway administration in conjunction with the Finance Department of the Government, and freight should be regulated so as to discourage their export out of India to foreign countries. The Local Government of my province was

the first to raise this question in a very prominent manner and the Madras Agricultural Department fought very strenuously against the policy of exporting manures and oil cake to foreign countries to the detriment of the agriculturist in India. I drew the attention of the Honourable the Leader of the House, who is in charge of the Department of Education, Health and Lands, in another connection in the last Session to this subject and he promised to consider the matter. Therefore, the Railway Administration ought to help the Finance Department of the Government of India in putting an effective check on the export of these vitalising manures and oil cakes. At the same time, they ought to make their transport in the country very cheap in order to reduce their cost to the agriculturist. That will be the right policy,.

I have also to put in a word or two on behalf of the co-operative organisations which are engaged in the purchase and sale of agricultural produce. From a study of co-operative literature of other countries I have found that various Governments have given facilities, in regard to transport and other matters, to encourage co-operative societies in the purchase and sale of agricultural produce. Their chief aim is to eliminate the profits of the middleman and to bring the producer into direct contact with the internal consumer. Such societies would be a great boon to this country and if they are encouraged will amply repay the nation. I therefore put in a special plea that, whenever the question of transport rates is considered, some special facilities should be secured to co-operative organizations which deal with the purchase and sale of produce.

There is next the matter of the reduction of third and intermediate class fares. In this I have nothing to rejoice at, as my province is not benefited by these reductions at all. We have no State Railways there. The two chief Railways in my province are the Madras and Southern Mahratta and the South Indian. Both of them are Company-managed. There is a promise in the budget speech of negotiations in the matter of reduction of fares with Company-managed lines and of something being done in the future, but at present there is no definite promise of a reduction. The rates on the South Indian Railway are really very high, and I hope that the promise contained in the budget speech will be fulfilled in some way and that something will be done to reduce rates on the South Indian and also on the Madras and Southern Mahratta Railways. It is said that we are paying more for travel than we were paying in 1924-25, and, if so, there is a very good case for reduction, which I hope will be considered. There is one other point in regard to the reduction of fares and that is, that short-distance passengers are not benefited. Most of the poor people and agriculturists only travel very short distances, so that a reduction of rates for distances over 50 miles does not benefit the bulk of the population. From the pink books which were supplied to me the other day I find that a considerable proportion of the passengers travel under 50 miles, in fact the bulk of them do so ; so that the concession is of no use to the bulk of the people. If it is at all possible I would request that the concession may be extended to apply for distances under 50 miles as well. It means a saving of 2 as. on each ticket for 50 miles. Another standing complaint has been with regard to the comforts of third class and intermediate class passengers. I do not find very much advance being made in that direction, and I doubt if serious attention has been given to the matter. I hope that in years to come the lot of the third class and intermediate class passengers will be substantially improved so as to make travel confortable. After all the bulk of the travellers are third class and intermediate class passengers ; the first and second class passengers are few in number, and they can in any case afford to secure their comfort while the poor people cannot. My friends opposite always plead that they are the trustees of the poor people of this

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country. Whether they are or not—a matter in regard to which I have serious quarrel with them—let them try to prove their case by improving the lot of the poor people who travel over the Railways.

Then, Sir, there is the question of Indianization, which is a hardy annual. It has been said—I do not know with what truth, because I have not had time to go through the figures—that there is no appreciable reduction in the number of the highly paid European staff and of foreign agency in the superior services, but that there has been a multiplication of jobs in lower ranks in order to show an increase in the proportion of Indians employed in the Railways. It has been said that what has been done is not really Indianization, but of the creation of a few more appointments in order to satisfy the clamour for Indianization without in any way diminishing the cost or number of the European personnel. Therefore, in order to make the Railways really national and give increasing opportunities for Indians to serve, there ought to be a real policy of Indianization, a change in the angle of vision and a change in the spirit in which that policy is pursued, and not merely this statistical fulfilment by adding a few more appointments to the existing Indian cadres. Of course the matter will be more fully discussed when the railway demands come up in the other House. In this House we are always more polite and do not do more than indicate our views. The real fight, however, will be fought out in another place, and I hope the Government will try to satisfy the people that they have really fulfilled their promise. I know that the promise to put an Indian on the Railway Board has not been fulfilled.

The Nawab Sahib referred to one very interesting question, that of affording facilities to students. I myself intended to say something in that direction, with the addition that similar facilities should be extended to demonstration parties sent out by co-operative and other adult educational organizations to teach the agriculturists improved methods of farming and the like. A Committee on co-operation recently sat in Madras, on which I had the honour to serve, and that Committee made valuable recommendations with regard to the sending out of parties for undertaking rural reconstruction work by educating the agriculturists with the aid of demonstrations, cinema shows, and other up-to-date propagandist methods. A large number of such parties have got to be sent out into the country from time to time, and if the Railway Board can see its way of giving facilities for their transport and concessions in rates for these groups of men travelling with useful apparatus on this very important nation-building work, it would be of great advantage and a lasting benefit. This would not cost the Railways a great deal but would be greatly appreciated by rural India.

I have not much more to say on the Budget. I would once more request the Railway Administration to make the Central Advisory Council a really useful body. The only Standing Committee among those on which I had the honour to serve, which has been given any opportunity of doing some work, is the Standing Emigration Committee of which my Honourable friend Sir Muhammad Habibullah is the President. I am really grateful to him for the facilities he gave me and other members of that Committee by the readiness with which he was prepared to consider our views and to act upon our suggestions as far as practicable. I hope a similar policy will be followed in regard to the Central Advisory Council for Railways.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-official) : Sir, it is indeed a good time to congratulate my Honourable friends, Sir George Rainy and Sir Austen Hadow on the success that is apparent from the Railway Budget for 1928-29.

I presume it will be much to the gratification of the House and the Railway Department as well to see that the Railway Budget is in a constant prosperous condition since its separation from the General Budget. Inspite of the reductions in freight and fares for the last two years, there is seen to be a reserve of over 11 crores of rupees until the year 1927-28 and it is expected to be enhanced by 3½ crores during the year 1928-29 after meeting an anticipated loss of 1½ crores on strategic lines and contributing about 5½ crores to the general revenues.

There was a great demand for further reductions in freight and fares of the Railways and it is a matter of great pleasure to see that these have been granted in the budget estimates for 1928-29. There will be a general appreciation of the reduction of ½ a pie per mile on journeys of over 50 miles in respect of the third class fare, but I do not think that the majority of the population of the North-West Frontier Province would be in a position to take much advantage of this reduction because of their seldom travelling over the stipulated distance of 50 miles. All the railway lines within the North-West Frontier Province, taken separately, do not exceed the distance of 50 miles with only one or two exceptions, and consequently the majority of the Frontier people never chance to travel by rail over the stipulated distance. The reduction of ½ a pie per mile in case of journeys extending over 50 miles, therefore, is of no avail to them, and in view of this it will be more in the fitness of things that the restriction of 50 miles journey may be done away with so far as my Province is concerned. It will surely help a good deal to popularise the Railways in that part of the country.

Nearly 38 new railway projects are under survey and construction on the North-Western Railway, of which there are only two projects of the Khyber and Charsadda-Mardan-Swabi railways that concern the North-West Frontier Province. Of these, the former is under construction, while the latter is to be only surveyed during 1928-29. This state of affairs clearly shows that the progress of Railways in that Province is not much adhered to, although in my speech dated 20th February 1926 with regard to the Railway Budget for 1926-27, I had referred to the importance of railways from Mardan to Charsadda and Swabi in view of their keenly-felt necessity by the inhabitants of the said localities. The line to Swabi can be extended up to Haripur station on Taxila-Havelian branch through Pehure by constructing a bridge over the Indus, while the Taxila-Havelian branch line can be extended up to Ghari-Habibullah. Again the railway line from Nowshera to Durgai ought to be extended to Chakdara, either from Durgai Railway station through Malakand or from Parkho-Dehri to Thana, terminating at Chakdara. The Swat valley is very fertile and I do not see why there should be no railway extending to it. No doubt, there will be a little difficulty in constructing the railway there but it will be surely a paying one. Apart from this I suggested the construction of a railway line from Peshawar to Kohat through the Durra, connecting it with Bannu, Tonk and Fort Sandeman, covering a distance of approximately 100 miles. This project will greatly facilitate travelling between Tonk and Quetta, as there is already a railway between Quetta and Hindu-bagh. Moreover, the railway line between Kila-Saifullah and Fort Sandeman can be extended to Pizzo. Again there ought to be a bridge at Mari-Indus-Kalabagh as it will prove the means of an easy access into the North-West Frontier Province from the Punjab, failing which the bridge to cross the Swabi-Haripur line is very imperative as the Indus river is very narrow at that place and the desired bridge can be constructed without any difficulty. Another project should be commenced from Ghazi-Ghat across the Indus, extending to Dera Ghazi Khan and onwards to Fort Munro, to Lorali and Harnai. All these projects are urgently called for, as their construction apart from their promoting peace,

[Nawab Mahomed Akbar Khan.]

tranquillity and civilisation is of great importance from the strategical point of view and the military considerations.

Much inconvenience is experienced by the passengers on account of some changes in the railway timings. For instance, the Calcutta Mail does not proceed beyond Rawalpindi for the last 6 months or so, and consequently the third class and intermediate class passengers for journeys less than 100 miles are put to great trouble since they are not carried by the Bombay Mail. They have to commence their travelling by passenger trains only and in case of their intending to catch the Calcutta Mail at Rawalpindi, they have to wait for full 3 hours or more after alighting from the train that starts from Peshawar at 11 o'clock at night and reaches Rawalpindi at 7 in the morning. The Bombay Mail is the only through-train to Peshawar, but there is no connection with it at Nowshera for the Mardan passengers. It reaches Nowshera at nearly 8 P.M. and consequently the passengers for Mardan have to wait there for the whole night in order to catch the next train starting at 4-30 in the morning. The absence of a train for Mardan after 5-30 P.M. entails a good deal of trouble for the passengers travelling by the Bombay Mail, and this can easily be avoided by starting another train at 8-30 P.M. from Nowsehra Junction, reaching Mardan at 9-30 P.M. and returning to Nowshera at 11 P.M. to meet the train leaving Peshawar at the same time. These timings used to be in force previously, but it is not understood why the railway authorities have not thought it fit to continue them now-a-days. As their discontinuance is causing a good deal of trouble to the passengers, may I ask the Honourable the Chief Commissioner for Railways for his kind consideration in the matter ?

The line between Tank and Dera Ismail Khan should be turned into a metre gauge instead of the existing one. A connection of railway should be provided between Thal and Parachinar, which is a good sanitarium and by having a railway line up to it, there will be no difficulty for the movements of the troops in case of necessity.

Then, Sir, I should like to bring to your notice one other point, and that is that in respect of the reduction in rates and fares nothing has been done for a long time about the passengers' baggage. That scheme has remained for the last thirty years the same. In my opinion favourable concessions for passengers' baggage should be substituted for the present rates. For a first class passenger it is 1½ maunds, and I would suggest for the consideration of the Railway Board that that should be increased to two maunds. The present scale of baggage allowed to the second class passenger is 30 seers, and I would like that to be made into one maund. The intermediate class passenger carries 20 seers, and that should be increased to 30 seers or at least a maund. The third class passenger has got 15 seers. Well that could be easily increased to 20 seers. These concessions would be greatly appreciated by the passengers travelling.

There is one point more which I should like to bring up before I resume my seat and that is about the platforms. On the Frontier there are no raised platforms on the Nowshera-Durgai branch and great trouble is experienced by the passengers. I would like to add one more thing, that covered sheds should be introduced on these stations, because when it rains—and on the Frontier it continues to rain for three or four days—passengers are put to much inconvenience on account of there being no sheds on some of these stations. One thing more, and that is, the arrangements for light and drinking water could be improved. I do not say that they are unsatisfactory, but there is room for improvement, and the sooner they are taken up, the better it will be. With these remarks, I resume my seat

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, with my friend the Honourable Mr. Gray, I feel somewhat at a disadvantage in entering into this discussion of the Railway Budget, because like him I feel that there is very little to complain of, but let me assure my friend the Honourable Sir George Rainy that in mentioning this it is not with the suggestion that we wish to complain of the Railways. But I can tell him that in my experience anyone who has the good fortune or misfortune to be connected with a large concern, which has as its business the transportation of passengers and goods, generally stands to be the target of many complaints and very little praise. Now, Sir, there is one point I would like to refer to in this Railway Budget and which hitherto has not been mentioned by any of the previous speakers, and that is Sir George Rainy's reference to the Railway Reserve Fund. That, Sir, I consider to be of the greatest importance in the administration of Railways in India, and I do congratulate the Railway Board in having managed to build up their Reserve Fund to the figure of something like 16 crores. Sir George Rainy very wisely points out that we cannot reasonably hope for a continuance year after year of good monsoons, and it must be a great satisfaction to him, and to the Railway Board generally, to feel that if we do experience bad monsoons this year or next—I very sincerely hope that we shall not, but if we do—the finances of the Railways of India will provide for such a calamity inasmuch as their liabilities to the Central Revenues can be met. Another point which has caught my attention in Sir George Rainy's speech in the other place is his reference to railway workshops and to the great state of efficiency into which they have been brought. I congratulate him very sincerely on this. I have had to do with workshops and I know quite well that unless you watch them closely, like a cat does a mouse, the money that you spend on your repairs is very often wasted, or — perhaps I should put it— you spend much more money than is necessary and that your expenditure mounts up in labour and overhead charges to the extent that it should not. It is a matter for congratulation that as regards the locomotives, as pointed out by Sir George Rainy, the number of times they have been to the shops has been reduced from 105 to 64 days and that the number in regard to passenger carriages has been similarly reduced. I only just want to warn you that possibly you can show these reductions at the expense of efficiency. You can carry these figures, or the desire to show good reports like this, to too great an extent. In fact in my personal experience I have travelled in carriages which well might have gone into the workshops more often than they actually do. Another point about the railway workshops is this. I have been told, whether correctly or not, that there is a tendency on the Railways to embark on the enterprise of building their own wagons in their shops. Well, I should like to add a word of warning and say " Don't ". The workshops should be reserved for repairs, the running repairs, of the railway locomotives and of the rolling stock generally. I have added this word of warning against Railways entering into building their wagons and competing with commercial enterprise,—let me mention here that the workshops which I am connected with do not cater for outside work; so I am not directly interested—as it has been the experience in this country that articles manufactured in Government shops or in quasi-Government shops are more expensive than articles bought from commercial firms.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-official): Not always.

THE HONOURABLE SIR ARTHUR FROOM: I shall be very glad if the Honourable Member behind me will give the exceptions.

[Sir Arthur Froom.]

My Honourable and gallant friend Sir Umar Hayat Khan referred to the competition and to the increase of motor buses in this country. His reference, Sir, was of peculiar interest to me, because I recently have been touring the country with the Roads Committee, and during our tour we did find a tremendous increase in the little buses which run about the country. We asked the various witnesses who came before us the reason for this increase. They said that the villagers prefer to travel in them than to go by train. Of course we asked why and Colonel Sir Umar Hayat Khan has given the answer. In some districts we were told that the Railways are feeling very severely the competition of these buses over short distances. In fact they are feeling it so severely that one gentleman before us told us that the ticket collectors and the men who sell tickets at the railway stations are almost becoming civil and polite. Well, I am glad, Sir, that the Railway Board and Sir George Rainy have taken a long view of this matter and that, although there may be competition with the Railways by these motor buses,—and I do not see why there should not be : I do not see why, if a man finds it more convenient to take a bus, he should be forced to go by railway,—they realise that the development of motor transport in this country as a whole will be beneficial not only to the country but also to the Railways in the long run. With this view they have acceded to the general desire expressed in this country for a reduction in the railway freight on petrol. Before I refer further to the reduction of the freight on petrol, I should also like to congratulate the Railway Board on the other reductions. I fully agree and sympathise with their idea of reducing the third class fares, and I associate myself with the remarks that fell from the Honourable Member sitting behind me that anything which can be done to ameliorate the conditions on which third class passengers in this country travel should be done.

As regards petrol, the reduction, which is based on mileage, at first sight appealed to me but when I went on reading the statement, I hesitated. On the one hand, the Railway Board has announced the reduction with the implication that we ought to be very pleased to get it, but immediately goes on to point out that it will only cost the country two lakhs, and I began to wonder what the reduction was worth. It would be rather interesting to know what is the total freight received on petrol and what proportion this 2 lakhs bears to that total ? Looking at it from any point of view, a reduction which amounts in one year throughout the whole of India to 2 lakhs of rupees only, does not seem to me to be a reduction worth talking about at all.

There is another matter possibly regarded by some as a minor one to which I also would like to refer since it has already been mentioned by my friend Nawab Sir Umar Hayat Khan. I agree with what he says about beggars on the railway stations : they are a source of great inncovenience. We are all very sorry for these beggars but they cause inconvenience to all classes of passengers. I am not talking of first class passengers only but of third class passengers also. I remember just recently when I left Howrah that as I walked on the platform, and my wife was with me, we had beggars with diseased arms, leprous faces, open sores, crowding round us. I mentioned this to a prominent man in Calcutta at the time and he agreed that it was a disgrace. The matter has been brought to the notice of the Agent of the Railway but he seemed to do nothing. I do not suggest that the Railway Board should issue executive orders to all the Railways, but I do think that they ought to draw the attention of the Agents, who should pass executive orders to remove what is a great inconvenience and perhaps a danger to all passengers.

THE HONOURABLE MR. V. RAMADAS PANTULU : Do these beggars purchase platform tickets ?

THE HONOURABLE SIR ARTHUR FROOM : I should think not ; but they get on the platforms all the same. I can say this from my own experience.

My Honourable friend Sir Maneckji Dadabhoy has referred to Sir George Rainy's generous reference to Sir Charles Innes and Sir Clement Hindley. I will not refer again to Sir Charles Innes because we all know the great work he did for the Railway Administration when he was in the Government of India. But I should like to refer to Sir Clement Hindley for I remember having expressed my regret while making a few remarks on the Budget last year that that was probably going to be the last Railway Budget he would present to the Central Legislature. I am glad to see, however, that that is not so. I feel sure that all the Members of this Council will associate themselves with me in an expression of great satisfaction in that we will have Sir Clement Hindley on the Railway Board for at least two if not more years.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muahammadan) : Sir, I beg to congratulate the Honourable Sir George Rainy and Sir Austen Hadow on their presenting us in the beginning of their terms of office with what I call a prosperous Railway Budget. I also congratulate the Railway Board on their appointing an Indian as their officiating Secretary, and I hope that this policy will lead to more important appointments being thrown open to Indians in the Railway Board. I also welcome the reduction in fares and freights, but in this connection I want to represent that from the figures placed before us we find that the average distance travelled by a third class passenger is 33 miles, and so I would request that in case any reduction really worth the name and of great convenience to the third class passenger is made, it ought to apply up to the distance of 25 miles instead of 50. In case the reduction is brought down to 25 miles, the poor third class passengers will be really benefited. I am sorry to find that no reduction has been made in the freight on coal. Coal, as we all know, is a basic thing for the development of all industries, and as the development of industries is of prime importance to India, it is a matter for regret to find that in coal freights no reduction has been made. I trust that in the present year of a surplus Budget Government will consider even now to reduce the freight on coal for long distances, at least if not for all distances. Considerable reduction in freight on seeds for agricultural and sowing purposes was made in parcel rates. I wish, Sir, that freights on seeds for sowing purposes should be patronised to a further extent and that concession rates in the case of goods should also be allowed. At present certificates are presented to the North-Western Railway on behalf of the Department of Agriculture from my province certifying that a certain quantity of a certain seed is required by a certain agriculturist and on that certificate at present quarter parcel rates are levied. I wish that half the present goods rates be levied on consignments of seeds when they are so certified.

In the present Budget so far as I can find, only 6 lakhs have been provided for raised platforms. Raised platforms are now becoming a great necessity with the increase of passenger traffic on all Railways. Even on double lines, most of the stations have got rail level platforms, and it is a matter of great difficulty, particularly for ladies with children, to get down from and get up into the carriages. I therefore request that raised platforms should be provided at almost every important railway station. In course of time every station must get a raised platform and a good shelter to protect the passengers who may be waiting for trains on those stations against rain and heat.

[Lala Ram Saran Das.]

In the Punjab the heat is very excessive and there is a very large number of stations which have absolutely no shelter for the passengers and they have to sit under the trees. But, as you know, Sir, the shelter provided by the trees is too meagre to cover all the passengers.

It is a matter of pleasure to find that the Government has purchased the Burma Railways. I hope, Sir, when the time comes and when the present term of the Bengal and North-Western Railway expires, the Government will take over that line. Sir, the complaints on the Bengal and North-Western Railway continue to pour in and I am told that on that Railway—and although I have only once travelled on it I can vouch for it—the conditions are miserable. The coaching stock needs a great deal of attention and the facilities for passengers on that Railway are at the minimum as compared with other Railways. I hope the Railway Board will bring some pressure to bear on the management of that Railway to induce them to attend more to the reasonable demands, conveniences and facilities of passengers.

Another point which I want to lay before the Railway Board is the provision of electric fans in intermediate class and third class waiting sheds. Wherever there is current available now, these fans may be provided. They will prove a great boon to the passengers who have to wait in the sheds for hours. It is also a greatly felt necessity that fans should be provided in intermediate and third class carriages, particularly the compartments reserved for ladies. I urge this last particularly because ladies generally travel with children and they should be protected from the extremes of the climate. In the winter I would suggest that a few heaters be put in the carriages and in the summer a few fans. I do not think the cost of this would be very great, because on all passenger trains there is only one carriage for ladies and on certain trains there is only one compartment. If the Railway Board were to extend their liberal hands towards meeting this pressing need of the infants and children I think the people would appreciate it very much. I, Sir, endorse the compliments which have been paid to Sir Charles Innes and Sir Clement Hindley, and I hope the Railways will develop and prosper equally under the administration of Sir George Rainy and Sir Austen Hadow. Sir, as far as Indianization in Railways is concerned, it is a pity that on the North-Western Railway particularly the progress in the senior traffic subordinate services at least has been negligible. I moved a Resolution in regard to the increase of traffic transportation inspectors a few years ago in this House, which was adopted with certain amendments. And after these years what do we find has been done on the North-Western Railway ? As far as I have been able to gather, there are 39 transportation inspectors on that Railway, of which three only are Indians. At the time I moved my Resolution there were two Indians, so that no improvement whatsoever has been made in this direction. I should like my friend Sir Austen Hadow to throw some light on this matter and why it is that the North-Western Railway has not improved in this respect. I might, Sir, mention further that as far as my information goes, there is not really a single Indian traffic transportation officer on the North-Western Railway. The two men who are shown as such are now officiating in some other appointments, and the third is a Head clerk ; so in reality there is not a single Indian traffic transportation inspector acting actually in that capacity. On the East Indian Railway, as far as the traffic (movement) inspectors are concerned, I find that there are 31 such inspectors, of which again only two are Indians and that too on the late Oudh and Rohilkhand Section. Sir, I have been bringing this matter again and again into this Council because as far as the senior subordinate services of the Railways are concerned, except in the traffic and

mechanical departments, there is no real grievance. But in those two departments the progress of Indianization has been *nil*. On the East Indian Railway however even in departments in which other Railways have more Indians employed we find a different state of affairs. In the grade of permanent way inspectors there are 64 posts on a salary of Rs. 400 and over, not one of which is occupied by an Indian. I can give the details if you like. There are 11 appointments in the grade of Rs. 525 to Rs. 600 in which there is no Indian. There are 52 appointments on Rs. 325 to Rs. 500, in which there is no Indian. There are 21 appointments in the grade of Rs. 165 to 375 of which 5 are filled by Indians. I would therefore draw the attention of the Railway Board to this matter. On all the other lines, particularly on the North-Western and the old Oudh and Rohilkhand, there is no grievance in the matter of Indian permanent way inspectors. Again on the East Indian Railway, there are 18 posts of signal inspectors carrying a salary of Rs. 400 to 675, of which not one is occupied by an Indian. In the conservancy and sanitary service on that Railway also there are 5 posts carrying a salary of Rs. 160 to 300, and no post is held by an Indian. Then if you take the mechanical line on the East Indian Railway, we find that among the workshop foremen drawing a salary from Rs. 500 to Rs. 800 there are 27 posts, none of which is occupied by an Indian. Of assistant workshop foremen there are 29 posts, and Indians *nil*. Among trial inspectors Indians are *nil*. Of boiler inspectors Indians are *nil*. Out of 287 drivers (mechanics) drawing a pay of Rs. 250 and upwards we only find three Indians. There are 44 other appointments of foremen carrying a pay of Rs. 250 to Rs. 650, and we find no Indian occupying any of these posts. As regards ordinary mechanics drawing salaries from Rs. 300 upwards we find that there is not a single Indian. Among station masters, Sir, drawing salaries above Rs. 250 we find that there are very few Indians.

1 P.M.

THE HONOURABLE THE PRESIDENT: I am really sorry to remind the Honourable Member that he is speaking at greater length than any other Honourable Member of this Council, and I would suggest whether the wearisome details which he is reading to the Council might not be better put into a written statement and handed to the Railway Board.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I will not go into minor details, and as suggested by you I shall hand over the statement which I wanted to read to the Honourable the Chief Commissioner for Railways. Sir, as regards the services in February 1926, when the discussion on the Railway Budget was going on, I brought to the notice of the Railway Board one fact and I said:

"I understand that there are rumours that those literate apprentices who were recruited some four years ago into shops and were likely to finish their courses for the fifth year term and were likely to qualify soon will not be provided with any permanent posts."

To this, Sir, the Chief Commissioner of Railways replied:

"The Honourable Rai Bahadur asked for my particular sympathy in regard to certain literate apprentices in the North-Western Railway workshops who were appointed and received their training before the present arrangements with the Maclagan College were made. I have no knowledge of the rumour that these young men will not get appointments. But I do not believe that they are going to be thrown out in the streets. I have no reason to believe that after they have completed their training satisfactorily, there will be any difficulty in finding places for them."

From this I understood, Sir, that all those students who did qualify and who were well reported on by their officers would be given a permanent job after the completion of their apprenticeship training. In the agreement entered into with them by the Railway it was clearly agreed to that in case they are well

[Lala Ram Saran Das.]

reported on they will be confirmed in their appointments. I am sorry, Sir, that this has not been done. Many of those students who did qualify themselves and who were well-reported on by their officers have not been found jobs. I shall give the details to the Honourable the Chief Commissioner as the time at my disposal is short. But I would submit, Sir, that any pledge or any sort of a pledge that is once given by Government ought to be honoured. One word more regarding apprenticeships from the Maclagan College, Lahore. I brought in a Resolution to that effect some time back, and I was allowed to believe that the training so far given at that College was not up to the mark and that the products of the College would not do as far as recruitment for railway purposes was concerned. At that time I repeated that as the Punjab Government had put in over a million of rupees and was bearing a recurring expenditure of over a lakh of rupees annually I thought it was proper and I begged the Railway Board as the Punjab Government was willing to alter the scheme and the curriculum of the College to the satisfaction of the Railway Board to reconsider their decision. I now hope the Honourable Sir George Rainy or the Honourable Sir Austen Hadow will inform this House whether or not they are now satisfied with the present arrangements in and the curriculum for the Maclagan Engineering College, and whether Government is prepared to give any sort of patronage to the products of that college.

One word more, Sir, and I have done, and that is that I endorse what my Honourable friend, Mr. Ramadas Pantulu said regarding the Central Railway Advisory Council. As far as Local Railway Advisory Committees are concerned it will be of great practical use if a summary of the proceedings of the various Railway Advisory Committees be placed before both the Houses of the Central Legislature with a note as to which of the recommendations of these Committees have been accepted and what proposals have been rejected and on what grounds. I think, Sir, this would give a chance for exchange of opinions on very important subjects in both these Houses.

One word more, Sir, and I have done, and that is as regards the question of employment on a larger scale of matriculates in mechanical branch (driving.)...

THE HONOURABLE THE PRESIDENT: I would ask the Honourable Member to be very very brief on his "last word". When I asked the Council to proceed to the discussion I refrained from reminding the Council of the power vested in the Chair to fix a time-limit for speeches; and I am glad to say that until the Honourable Member rose to his feet, no Honourable Member in this House took advantage of the indulgence of the Chair in that respect.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Very well, Sir, I bring my remarks to a close.

THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (West Bengal: Non-Muhammadan): Sir, the Budget which we are discussing to-day is one which has various aspects of some importance. I do not propose to spend a long time in preliminary remarks, but will go on at once to the two speeches of the Honourable the Chief Commissioner for Railways and that of the Honourable the Commerce Member which he delivered in the other place.

On going through the speeches very minutely, I could not find any real cause of jubilation that pervaded the speeches of my Honourable friends in introducing the Railway Budget here and in the other place. I could, however, congratulate Sir Austen Hadow and Sir George Rainy on their facility in window-dressing, for after all, all these Budgets, as far as my experience goes, have invariably an unreality about them which oppresses one.

Sir, the popular demand for putting in an Indian in the Railway Board has not been paid any heed to. The same bureaucratic obstinacy pervades through every step of the Railway administration of India. The Budget is prepared for having a grasp of the real state of affairs. But so far as Indian Railway administration is concerned, the expenditure side is always shown far in excess than is really required to meet them and, as such for the last few years, we find that the revised estimate always shows a saving over the figures budgeted for the year. It has been truly said that ' the under-estimating of income and over-estimating of expenditure has almost become an article of faith with Railway Agents, and the Railway Board simply blindly embodies them in the budget estimates'.

It conclusively proves that in the Budget the figures are kept up inflated on the expenditure side. This is surely one of the reasons, Sir, for which we demand that a majority of the members on the Railway Board should be Indians.

Sir, this under-estimating of income and over-estimating of expenditure is not without further consequence, it is not so harmless as one may be at the first instance apt to believe.

Sir, by going through the whole speech I could not find any definite statement as to what further facilities have been provided for the lower class passengers who are the real profit-accruing sources of the different Railway administrations. Congestion in lower class compartments remains as it was previously. The number of additional coaches that are being budgeted for is far short of the requirements of those passengers. The Explanatory Memorandum on page 32 shows that only 138 lower class coaches in terms of four wheelers are going to be added throughout the whole broad gauge lines all over India. Including the additions to the metre gauge lines, the figure comes to about 438 coaches. But on pages 34, 35 of the same Memorandum we find that the lines proposed to be opened during the year 1928-29 is about 885 miles. If the whole of the mileage is opened for traffic then practically there are no additions to the numbers of coaches for relieving the distress of lower class passengers from great congestion.

Then, Sir, what arrangements have up till now been made for sleeping arrangements for lower class passengers when travelling long distances ? Our Railway lords—when they travel over the Railways they travel in saloons quite cosy and comfortable as if in their own homes—can never imagine the plight of lower class passengers travelling long distances and passing consecutive sleepless nights by simply sitting in a congested compartment or even standing somehow therein. I ask why no arrangements have been made for providing them with some sort of sleeping accommodation ? A few years back we used to hear that Railway administrations were trying to meet this popular demand, but now-a-days the budget speeches of Railway Members never touch those points. The only reference we find in the whole of the printed budget speech of 12 pages by the Honourable Sir George Rainy about amenities of third class passengers is in a few lines, and which reads as follows :

" I ought, however, to mention that the provision made for amenities for third class passengers, including the additions to, and improvements in lower class carriages, amounts to nearly Rs. 2¼ crores. This is a very important branch of our railway work and I can testify that it receives close and constant attention from the Railway Board."

Then, Sir, even there when we go into the details of the allotment of 2¼ crores, we find the same kind of bluff and bolster as is usual with the bureaucracy in other branches of administration.

[Srijut Lokenath Mukherjee.]

Sir, on page 29 of the Explanatory Memorandum amongst the amenities of third class passengers we find items like water supply to passengers and Indian refreshment rooms. May I ask my Honourable friend whether the arrangement of water supply as also the provision of Indian refreshment rooms are meant for third class passengers only, or is it that it is only the third class passengers who feel thirst and the pangs of hunger. Sir, I for myself, who travel in upper classes have never crossed the threshold of your restaurant cars and station refreshment rooms, not only because I have prejudice in taking my meals there but also because I have the conviction that in the kitchens thereof cleanliness is very seldom observed. Sir, I have, for both these reasons, generally to go to these Indian refreshment rooms. Sir, when facilities of water supply are provided, do the Railway Board seriously wish us to believe that higher class passengers are denied or precluded from the advantages of this supply even if they require it? Now, Sir, I come to item No. 6 which provides six and odd lakhs for raised platforms. It is beyond my comprehension how the raised platforms in stations can be meant to give comfort solely to lower class passengers. Sir, are we to believe that the higher class passengers are precluded from using the station platforms and are prevented from using them ? Is it not a fact that the passengers who travel in lower classes are accustomed to various kinds of hardships and that they can do without raised platforms if in return they are assured of a reduction of lower class fares and that it is the minority who travel in the upper classes that really and actually require raised platforms ? Then why do you include such common items under the heading of amenities for third class passengers ? Why this sort of bluff to the public ? Sir, this is nothing but hoodwinking pure and simple. Then, Sir, year after year we find the items of additions to and betterments of lower class carriages. May I ask the Honourable Member in charge as to what betterments have been carried out in lower class carriages ? Sir, the latrines provided in a third class compartment are quite inadequate. A compartment which has got seating accommodation for as many as 20 or more passengers is provided with only one latrine and of 3 square feet in area ; whereas in an upper class compartment for five passengers the latrine is nearly four times as big, not to speak of some, which are provided with two latrines, one orthodox and the other unorthodox. Then, Sir, no regard is paid to the sanitary arrangements in those latrines. May I ask in all seriousness what sanitary arrangements have been provided for in them ? In this connection I am reminded of another point which, though last, should not be taken as of least importance. Sir, I mean the want of any sort of latrine proper in the servants' compartments attached to the higher class coaches. It is simply preposterous on the part of the Railway administration not to take into consideration this absolutely necessary improvement in the servants' compartments. I do hope and trust that Government will pay serious consideration to this point and will do something to remove the great difficulties of this class of passengers from the want of latrines.

Sir, in item No. 7 on page 35 of the Memorandum there is provided 181 and odd lakhs for additions and betterments. I would suggest that henceforward the money to be spent on betterments to third class coaches should be shown separately and not with additions and further, a clear indication should henceforward be given as to what betterments have been carried out annually in lower class carriages. The whole thing seems to be deliberately put in such a way as to make us purblind of the real issues.

Then I come to the question of the quarters for the staff. At the outset I ask my Honourable friend as to whether it is not a fact that railway quarters

are classed as European and Indian. If so, are the quarters classed European all occupied by true born Europeans or are they occupied by Anglo-Indians as well ? If the latter are also eligible to occupy them, may I ask on what grounds ? Is it or is it not a fact that for the purposes of appointment in the Railways, Anglo-Indians are classed as Indians ? So if a statutory Indian is entitled to occupy such a quarter why on earth will an Indian be refused the benefit and right of living in a better quarter, provided he pays the same rent ? Sir, what objection is there to class all the quarters as orthodox and unorthodox as has been done here in New Delhi by the Government of India. Then, Sir, I come to the question of Indian Staff Quarters. Sir, to my mind the plans of these quarters were laid out when the Railways were first opened in India. The ways and means of living of the Indians have undergone a considerable change. The Railways, we are told, are yielding high profits as well. But the plans of the quarters for the Indian staff have never undergone any change. To the Railway Board and Railway administrations in India it is sacrosanct to provide better accommodation for their Indian staff. I would appeal to my Honourable friend the Member in charge to inspect any one of these quarters personally, and then he will be in a position to understand that these quarters are worse than the garages or stables attached to the bungalows of high Railway officials.

Before bringing my remarks to a close, I would remind my Honourable friend the Member-in-charge once more about the much needed project of the Santragachi-Bistupur chord about which I put certain interpellations in this House last year. There is a vast tract of area in two very important subdivisions of Bengal which is practically without any railway facilities. At the present moment when Railway administrations are spending nearly 25 crores of rupees a year on capital programme, I do not see any reason why an important and much needed project like this should not receive due and proper consideration.

With these few general observations I bring my remarks to a close.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, coming from East Bengal and not being an expert in railway matters, I must confine my remarks to a few observations on the Eastern Bengal Railway. This line, though running through a highly populated and intensely cultivated area, is not, I am told, a profitable concern. In the budget estimates compared to all other Railways it displays a curious phenomenon, namely, that in this line alone " the receipts from third class passenger traffic show a considerable increase practically equal in amount to that from goods traffic ", even though it " was aided by a heavy carry over of the previous season's jute traffic to the first few months of the current year." This shows that this line is not able to capture the carrying trade of the locality which is being mostly monopolised by the steamer companies. The lower provinces of Bengal being situated at the estuary of two big rivers is essentially a deltaic province intersected by many rivers. So much of the goods traffic in East Bengal is being carried on along the rivers and so long and until the Eastern Bengal Railway authorities carry on the conjoint railway and steamer service, they will not be able to capture the goods traffic so as to make the concern a profitable one ; for after all in no country in the world, so far as I am aware, has the railway system been successfully able to compete with water-borne traffic in cheapness of transport. Moreover, the small rivers of Bengal through a process of silting up at their conjunction with the big rivers are gradually becoming stagnant and unhealthy breeding grounds for malaria and other infectious diseases. And if the Government take upon themselves

[Mr. Kumar Sankar Ray Chaudhury].

the task of carrying the traffic of goods through the water courses, they will not only serve the people by supplying a mode of cheap transport but be able to keep the natural water courses of the country free and open and thereby be able to eradicate diseases from the province. This will also make the Eastern Bengal Railway system a profitable one so as to reduce the burden of taxation upon the people in the shape of high freights and passenger fares, for perhaps the operating ratio of this line is the highest of all railway systems in India and does not show any tendency to fall in the same proportion as in other systems. Even the Assam Bengal Railway, which runs through wild jungles and mountainous regions, shows a lower ratio than the Eastern Bengal Railway. The result is that rates of fares on this line cannot be lowered while that is done on other lines, although it is much higher here than elsewhere ; nor can raised and shaded platforms or waiting rooms be constructed in important stations like Goalundo, Faridpur and other places. Bridges and rails could not be repaired for a long time and very considerable sums have to be allotted this year for these purposes and the Indian staff of employees on the line are underpaid. I am informed—I do not know how far I am correct—that in former times the Eastern Bengal Railway authorities used to have a conjoint steamer service along with the Railway in some places. May I ask the railway authorities why and when this system was abolished ?

Coming now to the case of the Aricha-Dacca Railway, I find from the Explanatory Memorandum that, although the first survey of the line was carried out as long ago as 1877-79, the Government have not yet been able to make up their mind one way or the other, and the people of the locality who have been pressing for the construction of the line ever since that time are being fed up with the hope that this line will be taken up in the near future by drawing red lines on the map, but no one knows when it will be done and whether it will be a broad gauge or a metre gauge. The people of Pabna, the only district town of Bengal which is not yet served by any railway, are also long waiting for the construction of a railway from Issurdi to Sadhuganj *via* Pabna. The district board and the municipality of Pabna and various other public bodies have sent repeated representations undertaking to guarantee the railway, private concerns expressed their willingness to construct the railway if sanction was obtained. The Local Government has approved of the scheme, yet the construction of the line is being postponed from year to year. Apart from the local importance of these two lines, they will, if constructed, also serve the purpose of connecting Calcutta and Western India by the shortest possible routes with Assam and with Burma in future. It has been my duty to press for the construction of these two lines ever since I came to the Assembly and the Council of State as the representative of East and North Bengal, and I shall continue to do so long as they are not taken up and I am here.

THE HONOURABLE SIR GEORGE RAINY (Member for Commerce and Railways) : Mr. President, I shall deal with what has been said by the various speakers to-day so far as I can, but I think they will understand that it is not possible for me to deal in detail with anything like all that has been said. As it is usual in these discussions, Honourable Members bring to the notice of the House the subjects in which they take the greatest interest. But when these subjects are chiefly of a local nature, unless one has previous notice, it is practically impossible to reply in detail. Some of them, indeed, strike me as matters that might suitably have formed the subject of a question, and then it would have been possible to give the information in full.

The first speaker, the Honourable Mr. Chari, began by striking a note which was also struck by a large number of subsequent speakers, namely, that the reduction we are making in the case of third class fares, as it does not affect journeys of less than 50 miles, would not be of any particular benefit to a very large number of third class passengers. Now, I frankly admit that that is so ; it is indeed obvious. I hope that before a great many years have passed, we shall be able to deal also with these shorter journeys, but the position we were in this year was this. There was a certain amount of money available for reductions in rates and fares, and we had to consider what was the most we could do with the sum available. Whatever be the figures about the average length of a journey by a third class passenger, it is going to cost us one and a quarter crores to make the reduction we are actually making. That is about $2\frac{1}{2}$ per cent. of the total gross traffic receipts of the State Railways concerned, and therefore the relief given is substantial. I do not complain of what was said by any Honourable Member on this point, but it would be incorrect to suggest that this is an entirely negligible concession and will not be of substantial benefit to a large number of the poorer classes of passengers.

My Honourable friend Mr. Chari passed on to the grievances of Burma, and I have only one or two remarks to make about that. He complained that Burma was always neglected and apparently he considered it was particularly neglected in this Budget. I think that is hardly an appropriate complaint about a budget which includes a provision of 4 crores for the purchase of the Burma Railways from the Company. He also said there was no reduction of rates and fares on the Burma Railways included in the Budget. I would point out to him that there was a definite statement in the speech I made in another place that we proposed to discuss with the Company-managed Railways the question of reductions ; and I would point out further that in the course of about $7\frac{1}{2}$ months from now the Burma Railways will come under the control of the State, and it will then be possible for us to take action on our own responsibility exactly as we do on any other State Railway. I do not propose to dwell upon the question of the Burma-India connection, because that was the subject of a Resolution in this House in the Rains Session at Simla, and when the matter was discussed then my Honourable friend Sir Geoffrey Corbett explained the view that Government took on the question. Mr. Chari also referred to the question of Indianization, and said that as Indianization was necessary in India so Burmanization was necessary in Burma. That is a matter I think we shall have to consider when we take over the Burma Railways. In other branches of Government service the special position of Burma in matters of that kind has had to be taken into account, and I have no doubt we shall have to look into it when we take over the Burma Railways. Apart from the question of third class fares, a good deal has been said during the course of the discussion about overcrowding in trains—which of course affects the third class passenger most—and the lack of amenities of various kinds for them and the desirability of taking steps to put these things right. Now, here again it is really impossible to take them up one after the other and attempt to deal with them. But I will say this, I frankly recognize that there is a great deal that ought to be done to improve matters in these respects for the third class passengers, and I hope that we shall be able to deal with the question systematically. One of the difficulties we must inevitably be faced with is that it will not be possible for financial reasons to do all the things we would like to do at the same time. Therefore, it may be necessary to take up each improvement separately and find out how much it is likely to cost and then to consider which ought to be given precedence and which ought to be postponed. I attach a good deal of importance to this question, and it is a matter

[Sir George Rainy.]

which might suitably be referred to the Central Advisory Council for Railways. My Honourable friend Mr. Ramadas Pantulu referred to the fact that the meetings of that body have not been very frequent during the last year or two. I frankly admit that that is so. But there has been no mystery about it. It has partly been due to the fact that there has been a new Railway Member responsible for the Department who has taken a little time to familiarise himself with all the various questions that come before him, and who, before calling a meeting of the Central Advisory Council, wished to clear up his own ideas as to the way in which things ought to proceed. Apart from that, it is a fact that during the past year we have not undertaken any considerable innovations; and there has been no new departures initiated such as would naturally be referred to the Central Advisory Council.

Before passing on to one or two other matters I think I might refer very briefly to what was said—I think by Srijut Lokenath Mukherjee—as regards the references in my speech and in the Explanatory Memorandum of the Railway Board about amenities for third class passengers. His line of criticism was apparently this, that it was not fair to take into account as amenities for third class passengers anything which by any possibility could be used by any other class of passengers. One instance was the improvements in water supply, and he argued that since there was nothing to prevent first and second class or intermediate class passengers from making use of the water, it was not fair to say that an improved water supply was an amenity of the third class passenger. I am afraid I am altogether unable to agree with him. It seems to me that considering how enormously preponderant in number the third class passengers are, at least 90 per cent. of the people who take advantage of the improved water supply will be third class passengers; and I think in these circumstances we can fairly claim that that is an improvement in the amenities of third class passengers. And as for raised platforms, if it is indeed the case that raised platforms are not needed at all by third class passengers and are for the benefit exclusively of the first and second class passengers, that seems to me to knock the bottom out of the case for raised platforms altogether. Personally, however, I cannot take that view of raised platforms.

My Honourable friend Sir Maneckji Dadabhoy referred amongst other things to that very difficult and important problem, the unification of the gauge of railways throughout India. That is a matter that comes up periodically. It was mentioned, for instance, by the Acworth Committee, and from time to time the suggestion is made that we ought to tackle that gigantic problem. I am not yet convinced that we have not better things to do at present, and better objects on which to spend our money, because I am very much afraid that if we seriously set to work to unify the gauges we might find that we were unable for 10 or 15 years to make any additions to the mileage of our system because all our money would be devoted to the heavy expenditure necessary to convert the metre gauge lines to the broad gauge. It seems to me that we have still plenty to do in the way of developing the existing lines and making extensions that are likely to be of real service to the country. I think they ought to have precedence for the time being, and that the time has not yet come for treating the unification of the gauges as an object of primary importance. That is my own view on the subject. But I quite recognize the importance of the question, and although I cannot promise that we are likely to take it up at present, it is a matter which may in the course of two or three years be again presenting itself.

My Honourable friend, Mr. Ramadas Pantulu, made what appears to me a pleasant and novel suggestion that I should take the opportunity to-day

to reply in the Council of State to the speeches that were made yesterday in the Legislative Assembly. I do not know, Sir, whether you would approve of this innovation in Parliamentary procedure, but it does not commend itself to me as in all respects a good one, because, on the one hand, the House here would not have heard the speeches to which I should be replying, and my critics in the other House would not have the privilege of listening to my reply. I did, however, trace in the Honourable Member's speech one or two echoes of what was said yesterday in another place. In particular when my Honourable friend spoke of the earnings in the year 1927-28 being less than those of the year 1924-25, I seemed there to catch an echo of a speech from the corresponding Benches in the Assembly. (*The Honourable Mr. V. Ramadas Pantulu* : "That is so".) I am, however, bound to say that I failed yesterday in the Assembly, and I have failed again to-day to understand what inference precisely I was asked to draw from the fact, if it be a fact, that the earnings of 1927-28 were less than those of 1924-25. The House has got to remember that the rates and fares in force in the current year are not the same as those that were in force in 1924-25. Reductions are always being made by the Agents from time to time for it is not a matter in which the Railway Board or the Government of India retain all the control in their own hands ; a great many reductions, each of them perhaps not very large in themselves, but considerable in the aggregate, are made by the Agents.

THE HONOURABLE MR. V. RAMADAS PANTULU : It is said that we are not substantially paying less for travelling in the year 1927-28 than in 1924-25. The criticism of a fall in average earnings per mile is based on the assumption that we are not paying substantially less on account of rates and freights now than in 1924-25. If that is so, the criticism still stands. But if, as you say, we are paying appreciably less, I understand your explanation.

THE HONOURABLE SIR GEORGE RAINY : I have not the least hesitation in saying that there have been reductions in rates and fares between 1924-25 and 1927-28. Some of them have been specially mentioned in this place, or in another place, and others again have been made by the Agents on their own responsibility.

I am greatly indebted to the Honourable Sir Arthur Froom for what he said on several points that came up, and particularly about the matter of the Railway Reserve Fund because from his experience he is in a position to give us very valuable advice on these questions. I can assure him that what he said about the railway workshops will be considered carefully, especially his warning that it would not do to be satisfied because we are cutting down the time taken for repairs very heavily if we turn out our rolling stock imperfectly repaired. At the same time I would say this that, so long as we have my friend, Mr. Wrench, at headquarters to advise us on these matters, I shall have every confidence that he will not lead us astray.

Reference was made by one or two speakers to the question of the purchase of wagons and wagon building. I do not want to dilate on that at all to-day, because I hope that by Saturday we shall be in a position to publish the Tariff Board's Report on the wagon-building industry with the orders of the Government of India on it, and until it is published, it is not so easy for me to deal with the question. I am afraid it will be impossible for me to follow my Honourable friend, Lala Ram Saran Das, through the classification of the various classes of employees where he thought that Indianization was necessary and ought to have taken place but had not yet taken place, but I would

[Sir George Rainy.]

like on a general point to remind him of this that it is not so very long, it is only about 2½ years, since we took over the East Indian Railway from the East Indian Railway Company, and it is impossible in that short period of time to produce a complete change in the system under which certain appointments were filled. We have to do justice to the people who are already in the service, and it must be a matter of time before any policy of Indianization can produce any very marked effect. And apart from that I am under the impression that my Honourable friend confused two different things. One is Indianization, and the other is not Indianization at all because it is merely a question of a large number of appointments being held by the members of one particular Indian community, namely, the Anglo-Indian community. That is a point which ought to be kept separate and not lumped up under the general head of Indianization.

I do not think, Mr. President, that I can usefully add very much more to-day. I have listened with great interest to the discussion, and I hope that Honourable Members about whose remarks and suggestions I have not been able to say anything to-day, will understand that we will look into them and see whether there is anything that can be done to meet their wishes. In some cases I think it will not be possible to do more than this,—to draw the attention of the Agent to the matter and leave it to him to decide what the best course will be. But I value this opportunity of hearing what Honourable Members of this Council have to say about our Railways, and their suggestions will not be overlooked. Finally, Sir, I would like to thank Honourable Members for the kindly tone of their allusions to myself, and if my Honourable friend, Sir Austen Hadow, will allow me to reply on his behalf, to thank them for the kindness of their allusions to him also.

ELECTION OF A PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: In connection with the election of a panel for the Standing Committee on Emigration the following nominations were received up to the hour of twelve this morning:

1. The Honourable Sir Phiroze Sethna,
2. The Honourable Nawab Sir Umar Hayat Khan,
3. The Honourable Sardar Shivdev Singh Oberoi,
4. The Honourable Mr. G. A. Natesan,
5. The Honourable Mr. P. C. Desika Chari,
6. The Honourable Rai Nalininath Sett Bahadur.

I declare these six Honourable Members to be duly elected to the panel. But as the minimum number of Members required to form the panel is eight, there are still two vacancies, and to fill these two vacancies nominations will be received by the Secretary up to the hour of eleven o'clock on Monday morning, the 27th.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, the next meeting of the Council will be held on Monday, the 27th February, for non-official business. Thereafter the House will meet on Wednesday, the 29th. On the 29th, as Honourable Members are already aware, the General Budget will be presented. As no business has been ballotted for, there will be no meeting on the 1st March, which day was allotted as a non-official day.

THE HONOURABLE THE PRESIDENT: I might remind Honourable Members again that the meeting on the 29th, to which the Honourable the Leader of the House has referred, will not take place at the ordinary hour of 11 o'clock in the morning: it will be in the afternoon.

The Council then adjourned till Eleven of the Clock on Monday, the 27th February, 1928.

COUNCIL OF STATE.

Monday, 27th February, 1928.

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

MEMBER SWORN.

The Honourable Major-General Thomas Henry Symons, C.S.I., O.B.E. K.H.S., I.M.S. (Director General, Indian Medical Service).

QUESTIONS AND ANSWERS.

Constitution of Archæological Department in Central Provinces, Berar and Central India.

68. The Honourable Mr. G. S. KHAPARDE: (*a*) Have the Archæological Department a separate circle or sub-circle for work in the Central Provinces, Berar and Central India ?

(*b*) If not, why not ?

(*c*) If not, have Government considered the advisability of opening such a circle ?

The Honourable Khan Bahadur Sir MUHAMMAD HABIBULLAH: (*a*). No. The Central Provinces and Berar are included in the Central Circle, while Central India is under the direct control of the Director General, who has an Assistant Superintendent to help him with the work of this area.

(*b*) and (*c*). There is no need to create a separate Circle. Existing arrangements are satisfactory, and there is no reason to disturb them.

Recruitment to the Archæological Department.

69. The Honourable Mr. G. S. KHAPARDE: (*a*) What qualifications are required of recruits to the Archæological Department ?

(*b*) What percentage of officers in the Department possess such qualifications ?

(*c*) Do Government propose to increase this percentage ?

(*d*) To what extent are Indians recruited ?

The Honourable Khan Bahadur Sir MUHAMMAD HABIBULLAH: (*a*). The qualifications vary with the Branch of the Department to which a recruit is to be posted. Candidates have to be qualified in one or more of the following subjects, architecture, Indian languages and history, prehistoric

antiquities and excavation, epigraphy (with history), museum work, or chemistry, but the greater the number of these subjects in which a candidate is qualified the more likely he is to secure appointment.

(*b*). Every officer of the Department is qualified in his own particular line.

(*c*). Does not arise.

(*d*). To the greatest possible extent 72 per cent of the officers at present in the Department are Indians.

GRANT OF SCHOLARSHIPS TO INDIAN STUDENTS FOR ARCHÆOLOGICAL TRAINING IN EUROPE.

70. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Are there any institutions in Europe where Archæology can be studied and a scientific training obtained in excavation and other work ?

(*b*) If so, do Government assist students by scholarships to be trained there?

(*c*) Have Government considered the advisability of recruiting persons trained in such institutions ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*). Yes.

(*b*). No.

(*c*). Yes ; but their policy is, wherever practicable, to recruit Indians trained in India or in the Archæological Department itself.

ELECTION OF A PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: To fill the two remaining vacancies in the Panel for the Standing Committee on Emigration, the Honourable Srijut Lokenath Mukherjee and the Honourable Rai Bahadur Lala Ram Saran Das have been nominated.

I have pleasure in declaring those Honourable Members to be duly elected to the Panel.

RESOLUTION *RE* ESTABLISHMENT OF A CENTRAL COLLEGE OF RAILWAY ENGINEERING.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General): Sir, I move the Resolution that stands in my name, and which reads as follows :

"This Council recommends to the Governor General in Council to establish a Central College of Railway Engineering in India with a view to stop recruitment of non-Indians altogether and to train and recruit in India all officers of the Mechanical Engineering and Transportation Services of the superior establishment of the Indian Railways."

This subject has been engaging the attention of the Government and the Legislatures ever since the reform of the constitution came into being. I find that a Resolution was tabled and passed in the Legislative Assembly

on the 11th February 1922, relating to the training and recruitment of the gazetted, as well as the subordinate establishment, of all the branches of railways. As a result of this Resolution a special officer, Mr. H. L. Cole, was appointed to make inquiries and to bring out a scheme for training in all the branches, not only for the superior officers but also for the subordinate ranks. After Mr. Cole made his report, the report was discussed in very great detail, we are told, in the Central Advisory Committee a number of times, but the result of the discussion could not be published, because the matter had to be referred to the Secretary of State on a minor point, that is, as regards the method of training to be given to people sent out from England or to men who were recruited in England for employment in India. My friend, the Honourable Lala Ram Saran Das, moved a Resolution in 1926 in the Delhi Session for guaranteeing a certain number of appointments to students who passed out from the Maclagan College of Engineering and similar institutions in India, and in the course of that debate Mr. Chadwick (now Sir David Chadwick) on behalf of Government explained the position of Government. Sir, I find the object of the Government, and the way they propose to do the work in question were explained to the Council in great detail, and I would refer to the particular wording in the paragraph at page 432 of the Council of State Debates for the 8th March :

"Therefore it is fair neither to the country nor to those Indians who may be brought directly into the superior services that they should be inferior in any way in training or qualification to those who are imported from abroad. The point I wish to put to the Council is this. Any scheme devised for the recruitment of Indians to the superior services of the Railways should aim at getting the best that India can give and at ensuring that any supplementary training that may be necessary is of the best character possible. Nothing less than that will suffice and with nothing less should the Council be satisfied."

I agree with this object and have tabled this present Resolution with a view to carry out this object.

Sir, I shall now come to Mr. Cole's report though Mr. Cole, I think, is very fair in dealing with the subject in its various aspects, he practically summarily rejected the idea of a Central College of Engineering. He says at page 8 of his report, in paragraph 32 :

"The idea of such an institution (that is, a Central College) is very attractive. It would certainly assure the railways of a steady supply of well-trained and physically fit men for officers of all departments. It would bring together students from all parts of India, to their mutual advantage, and it would no doubt produce a very fine service of railway officers with a well-developed *esprit de corps*. It would serve not only as a splendid training ground for prospective officers, but as a central railway research station. It is altogether from the point of view of the future officer establishment of Indian Railways a very attractive idea."

Though he stated those advantages, he was against the establishment of a central college of railway engineering. He framed two questions and answered them both in the negative without giving sufficient data on which he had arrived at those answers. Those questions were : "Is another college necessary"? Thereby he means "Is any college necessary in addition to the existing colleges ?" The second question was "Can we afford it at the present moment ?" As regards the question of cost, I will deal with it a little later, because I can deal with it only in a perfunctory manner with the limited knowledge I command. But as regards the first question I shall try to meet his objection from the materials contained in his own report. His first objection seems to be that we ought to tap a variety of sources for the supply of men for the railway service. I think far from being an objection this ought to be a ground on which we could urge the institution of a college like the one

[Mr. Desika Chari.]

I propose, because it is only a central institution like this that will attract all the varieties of supply from all the provinces; and in that respect that objection falls to the ground.

The second objection is that the Government are making only a small number of appointments annually. Sir, in the report he considered only the question of employment in the State Railways; and after that report more Company-managed Railways have come under State control and within the next few months the Burma Railways also will come under State control; and then also after the report was written, a large number of schemes of railway construction have been put into effect and they are pushing ahead an ambitious programme of railway construction. I believe that for many years to come this will be the policy pursued. That being the case, there will be a necessity for recruiting a large number of officers in the future. So, I think the reasons which weighed with Mr. Cole on the ground that there would be only a few appointments every year have now gone and the present time is ripe for urging the establishment of a central college of railway engineering.

The third objection which he takes is this: we must make the utmost use of the existing institutions. But from his own report I find that, though the various institutions in India taken collectively give a very good scope for a student to get a good grounding in his chosen profession, it is not true with reference to any particular institution. In other words, it means unless a student goes to a dozen institutions to get the necessary training he cannot be trained properly. You are asking the student to do an impossible thing and you are thereby depriving him of having the necessary means which he could be provided with in a central college. There are also two main defects which he notices in the present conditions and they are very serious defects which stand in the way of training officers for the superior and subordinate establishment. There is the lack of certain heavy research and testing plants which are available in Japan and in Europe. If this plant is necessary to give a proper training to our men, it naturally follows that you cannot provide this plant, which requires a large outlay, in all the places and try to improve all the institutions. It is better to start a central college with the necessary plant to give the necessary training, and then in a large country like India, unless you have such a plant in a central place, people cannot take full advantage of it. In this connection I cannot refrain from making a passing remark about the necessity of a central technological institute on up-to-date lines. If you provide the necessary testing and research plant for research work, it may serve as a nucleus for a sister institution like the central technological institute. My friend, Mr. G. A. Natesan, the other day referred to it; that is a matter in which we are all deeply interested and I expect him to deal with it at length. So I do not propose to pursue the matter any further beyond mentioning it.

Then, there is the other great defect according to Mr. Cole in the present institutions. As he puts it, there is no special course of training in any college in railway economics, railway history and organization, railways in relation to the State and in railway law; and in fact there is no college which can train people for the traffic department. That is a defect which ought to be remedied and he incidentally refers to the Sydenham College of Commerce and Economics in Bombay, and he thinks it may be possible to improve it on those lines so far as the transportation officers are concerned. But my answer to that is supplied by Mr. Cole himself in another portion of his report where he says that a railway officer should not be content with having a sort of

training in engineering of some sort or other or in transportation. As an officer he has to have a fair knowledge of the operations and requirements of the other branches of the railways before he can become an efficient railway man ; and he cannot claim to be an efficient railway man unless his training in a special department is coupled with some sort of knowledge of the operations and working of other branches also. This sort of training you cannot obtain unless you have a training in all the branches in one place so that it may be possible for students to specialise in one department, say, engineering, and to get trained in traffic and other branches as well. To achieve this object it will not do merely to improve a college like the Sydenham College of Commerce or the other institutions scattered all over the country.

Again, in the case of the Locomotive and Wagon Departments, there is absolutely no facility at all where a student can be properly trained to become a locomotive officer ; and unless you have got a proper institution where you can have the required practical and technical training in engineering, you cannot produce candidates who have a sufficient knowledge of the mechanical portion of it. In addition, a railway officer should know how to handle his men. That is also a most important thing, and if you want to have all these, you must have a proper workshop where locomotives can be produced close to the Central College. Now that the question of reorganisation of railway workshops is under consideration, I think the time is opportune to have a locomotive workshop in some central place where you can also locate this college of engineering, and an institution of that kind can serve the double purpose of producing locomotives and effecting all necessary repairs thereto and also give a sufficiently practical training to the standard which is required for locomotive officers. It will also give them facilities for understanding how to handle a mass of workmen. You may say that the various centres of Railway provide opportunities for giving this practical training, but it is admitted in Mr. Cole's report that it is not desirable to interrupt the work which is in progress in the workshops with a view to give instruction to students in all these various centres. In a central place it is quite possible to have a highly trained staff of instructors and demonstrators to give the necessary instruction by practical demonstrations and experiments while the work in the workshop may be going on for productive or for trade purposes. Now, Sir, if all these things are to be done, you cannot provide a workshop of this character in each of those places where engineering institutions already exist, because they are scattered over different places. I think the time has arrived to start a Central College of Engineering with the necessary research plant and the necessary workshop without further delay since there is a demand for trained people in the various departments of the Railways.

There is another advantage which a Central College of Engineering will give if it is close to a railway centre and if it has got the necessary workshop and plant attached to it, because there will be facility for training not only these men for superior services but also for training people for the subordinate services who will learn the work side by side, and who will understand each other better.

There is also a further advantage of railway officers knowing the various classes of employees, their method of work and how to handle them. That is a very great advantage for a railway officer to have, and as Mr. Cole points out, even the British system is defective in this particular, and if you want to start an up-to-date institution, why not start with all this experience before us ?

[Mr. Desika Chari.]

Then, Sir, I come to the question of sending men abroad for training or of taking men from England or other places for railway services. I find at page 11 of Mr. Cole's report that he doubts whether the training which a student can get in England would serve the purpose in India. This is how he puts it: "The student from India, therefore, may get a good experience of some sort in Great Britain, but it is difficult to guarantee that it will be the most serviceable sort of experience, taken all round, for his future career in India." And he gives a reason for it. This is what he says: "Yet extremely few have the opportunity of obtaining any such experience as an integral part of their training, and it is undoubtedly the case that a large proportion of young men finish their period of training in Great Britain (and doubtless elsewhere) with a firm conviction, which it takes years of experience to modify, that a particular method of working which they have learned on the Great Middleton Railway or in John Robinson and Smith's Engineering Works, is necessarily the best method to adopt on the Trans-Siberian or the Darjeeling Himalayan or the Great Central of Peru". So, Mr. Cole says that a person by being trained in a particular place somehow gets the conviction that the training he has received is the best method and he tries to adapt it to other conditions in India and that it takes a long time to alter that sort of conviction and take a proper view of things suited to particular conditions in India. Therefore in that respect it does more harm than good to send people abroad and bring them up to work under different conditions. He also thinks that it is not desirable to send people abroad, because in any scheme it is necessary that we should have an organization in the country itself so that you may train people with reference to the peculiar conditions of the country.

Then, Sir, as regards the method of recruitment, he admits at page 58, though with some reluctance,—this is what he says: "Nevertheless Indians are not wholly unrepresented in the Upper Subordinate grades of the mechanical departments of the State Railways and the fact that such men can be found, rare though they may be at present, affords in itself grounds for the hope that the general level may yet be raised to provide a wider and sufficiently good recruiting ground for the selection of chargemen and upwards". India can easily provide a large field of recruitment for educated Indians, and it is recognised that, though they have not had a sufficient training in locomotives and other things, they have proved that they are capable of adjusting themselves and that they are sharp in picking up new things if they are taught properly. Therefore, the only question is to have a fully equipped institution where they can get both theoretical as well as practical training.

There are also some further incidental advantages to be obtained by having a Central College. Because it is not intended to close the avenue for superior services for people of outstanding merit or for promising men in the subordinate rank, the Central College may provide short courses of study and effective training to these subordinate people.

Then there is the question of literary apprentices. At present they get only practical training, and they cannot aspire to places beyond those corresponding to maistries. So if these literary apprentices are given training in these institutions, they will be able to get that amount of academical and practical knowledge in engineering and in other branches as would fit them in the long run by promotion to superior grades of service.

There is also one other subsidiary consideration, and it is this. We have got various industrial and technical schools, for instance in Lahore, Jamalpur, Calcutta, Kanchrapara, Poona, Bombay; there are also the Great Indian

Peninsula and Oudh and Rohilkhand Traffic schools at Giridhi and Chandausi, besides the colleges at Roorkee and Poona, Sibpore, Lahore, Guindy in Madras and in Lucknow. These colleges supply good material to begin with and if a central college of railway engineering were established, these institutions would provide good recruits who would, with a small amount of training, be turned out as efficient officers in the various branches of the Railways.

Sir, these are the advantages which appeal to me, and taking into account the large outlay that is necessary, it is not desirable to improve any of the existing institutions, because if you attempt to improve them it will mean the same amount of cost, and they will not be accessible to people from different parts of the country, and you will not be able to have an up-to-date central institution with a fully equipped workshop and research plant attached to it, as these small institutions are scattered in different parts of the country.

I now come to the question of the location of a central college. Coming as I do from Burma, I would naturally prefer some place like Calcutta for the location of a central engineering college of the kind I have advocated, but we find on page 29 of Mr. Cole's report he gives the general principles which ought to be followed in deciding the centre. This is what the says :

" If it be decided to centralise the practical training of traffic candidates for the three State-worked Railways, we shall have to select a suitable centre. Such a centre should be reasonably accessible from the Headquarters of one or other of the Railways. It should be a healthy location in order to reduce the possibility of students losing ground through sickness and it would be a convenience and an economy to have it at the same station as the training schools for signalling, goods and coaching clerks."

Lower down he says :

" Calcutta could not be adopted as the training centre without great expense and delay. Lucknow has no suitable accommodation to offer."

He exhausts the possibility of various institutions, and on the whole he gives one an impression that it is not possible to develop any of these institutions into a college with the necessary equipment.

Sir, as this is going to be a Central College, I want it to be located in some place in the Central Provinces in or near about Bhusawal or Dhond, or some such place, where there is already a railway centre and a meeting point of the various sections of Railways, and Mr. Cole also specifically refers to the desirability of giving instruction to Madrassis and tapping the Madras Presidency also for finding recruits. But I am also interested in Burma, and if some place in the North-West corner of India is found suitable for the institution, it would be a long way from many provinces. You must take into consideration the advantages of the whole of India, including the southernmost presidency and the easternmost corner, namely, Burma. If you take all this into account I think the central place would be a place like Bhusawal or Dhond. I believe suitable accommodation will be available, and from the point of view of health anyone of these would be a desirable place.

Then coming to the cost. I am not going to trouble myself or take the Council over my estimate of the cost, because I cannot give you a proper estimate. But I would urge that taking the total mileage of railways in India and taking the rapid progress in the mileage, I think it is high time that we should not depend on foreign agencies, and no railway can be said to be complete in its organisation unless it has got within the country itself suitable institutions which can provide not only material necessary for the railways but also human materials for officering and for the subordinate ranks of the railways in any department.

[Mr. Desika Chari.]

With these words I commend this Resolution to the acceptance of the House.

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

"That for all the words after the words 'Governor General in Council' to the end the following be substituted, namely:

'that substantial subsidies and grants-in-aid, and proper facilities for practical training in Railway Workshops be given to the already existing Mechanical Engineering Colleges in different provinces, and all their graduates be appointed to fill vacancies in State Railways with a view to restrict recruitment of non-Indians and to train and recruit in India officers of the Mechanical Services of the Superior Establishment of Indian Railways'."

Sir, the object in view of the Honourable Mover of the Resolution is Indianisation of railway services, as well as the solution of the problem of unemployment. He has in detail dwelt on the subject of his Resolution, and I shall now try to confine myself to the subject-matter of my amendment.

As far as the Indianisation of railway services is concerned, I find, Sir, that in 1926, Indians held 549 gazetted appointments out of 2,045, and in 1927, 623 held gazetted appointments out of 2,143. As far as Indianisation in services other than mechanical engineering in concerned, I think we have not much of a grievance. But in the mechanical services the recruitment of Indians, particularly to the superior establishment, is practically negligible.

My amendment, Sir, differs from the Resolution of the Honourable Mr. Chari in so far as I do not want unnecessary investment of further capital on the establishment of an absolutely new Central College. There are at present institutions to train mechanical engineers in practically every province, and the Honourable the Mover of the Resolution has referred to them in detail as well. These institutions in each province have cost over millions of rupees in Capital expenditure and in order to increase the number of Indians in the mechanical services, we are expecting the Government to subsidise these colleges or to give them grants-in-aid and also facilities for training students in Railway workshops.

As far as the Punjab is concerned, I might mention that in Lahore we have the Maclagan Engineering College, which gives mechanical training to students. That college has two branches, one is the senior branch and the other is the junior branch. The senior branch trains students for the officers grade, and the junior branch for senior subordinate grades. Some time back the North-Western Railway, as far as their subordinate services were concerned, were giving training to literate apprentices in their shops and in their own schools. On the establishment of the Maclagan College they decided to give scholarships to this college and to send in their own selected students to the college where they were to receive the technical training, and the college had to send those selected candidates to the railway workshops a few days in the week to receive the practical training. That system so far has been working well and I drew the attention of the Railway authorities to one point and that was that as far as their practical training in the workshops was concerned, the present foremen who had no special responsibility allotted to them as far as training was concerned were indifferent in coaching up the students; I believe that there is a scheme in progress that a literate foreman will be allotted to each shop to train these students and to look after their interests as far as the workshop training is concerned. Prior to the starting of the Maclagan College at Lahore, all the

literate apprentices for the senior grades who were trained in the railway workshops had a sort of guarantee from the railway that in case they did well and had a successful career, on the completion of their training, they would be given permanent appointments. Unfortunately a few years back when the training of these apprentices was transferred from the railway to the Maclagan Engineering College at Lahore, this class of guaranteed appointments was modified and now all those students, although they have been selected by the railway and given scholarships by the railway, they are not guaranteed appointments even on the successful completion of their training. That is a set back to be deplored and I draw the particular attention of the Railway Board to the need for improving the prospects of such students and to restoring the guarantee.

As far as the officers are concerned I am confining my Resolution only to the mechanical branch because I find that in other branches of the railway services, Indians have got a fairly good representation and that representation is on the increase. Therefore, Sir, I would lay stress on this, that all the mechanical engineering colleges in India which to my knowledge are located at present at Lahore, Cawnpore, Poona, Guindy, Sibpur, Roorkee and Lucknow, be subsidised and that certain appointments be guaranteed for the successful graduates of these colleges for the vacancies which fall vacant in the mechanical engineering branch of railways. As far as railway technical training is concerned, the railway, I believe, is already in progress with the establishment of a central railway college at Dehra Dun, and I think that this college will give graduates in mechanical engineering the desired practical training which the technique of the railway department requires. In the beginning when the civil engineering colleges were opened, the Government were pleased to guarantee a certain number of appointments to the successful graduates of the colleges and up till lately that practice worked very successfully. In case the Government of India do seriously mean to increase the number of Indians in the superior establishment of the mechanical branch of the Indian railways I think the best encouragement that they can give in this direction is to guarantee a few appointments as has been the case in the civil engineering colleges. I hope in this way we shall be able to increase the number of Indians in the mechanical engineering services. I myself realise that in the past the people from the educated classes were rather averse to mechanical training : but since the last few years, the sentiment has changed and there is quite a large number of students who like to go in for the mechanical training and who are likely to prove a good acquisition to the present service of the railways.

With these remarks, Sir, I move my amendment.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That for all the words after the words 'Governor General in Council' to the end, the following be substituted, namely :

'that substantial subsidies and grants-in-aid, and proper facilities for practical training in Railway workshops be given to the already existing Mechanical Engineering Colleges in different provinces, and all their graduates be appointed to fill vacancies in State Railways with a view to restrict recruitment of non-Indians and to train and recruit in India officers of the Mechanical Services of the Superior Establishment of Indian Railways'."

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary) : The Honourable Mover, Sir, and the Honourable Mover of the amendment have the same object in view, but they have advocated diametrically opposite means to reach that end. On the one hand, the Honourable Mr. Chari proposes

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in the interests of efficiency that a central college should be established; and, on the other hand, the Honourable Lala Ram Saran Das proposes in the interests of economy that full use should be made of the existing provincial colleges and that this will meet all requirements. I think, Sir, it may be helpful to the House if at this stage I explained the scheme which the Government have adopted, in order that the House may judge of the merits of the two proposals that have already been put before the House, and of the third, which is the Government's scheme. In fact, I rather hope that the Honourable Mover and the Honourable Mover of the amendment may agree together that the Government's scheme adopts the best points of their various views, and they will agree to sink their differences and join me in accepting the Government's scheme. I am not surprised that Honourable Members are not very familiar with what the Government have decided to do, because the matter has been under very close consideration in the last year or two, and the decision of the Government in respect of the training of mechanical engineers, which, as the Honourable Lala Ram Saran Das has pointed out, is really the crux of the case, was only published by a Resolution on the 9th November last; and as neither the Honourable Mover nor the Mover of the amendment has made any reference whatever to it, I presume that it has missed their attention.

Well, Sir, before going into further details, I think it is desirable to distinguish very clearly between the two branches of engineering. On the one hand, there is civil engineering and, on the other, mechanical engineering. Civil engineering supplies recruits for two services, that is the Indian Railway Service of Engineers which looks after the construction and maintenance of permanent way, and also the transportation department which deals with the traffic and commercial branches of the department. On the other hand, mechanical engineers are recruited for two branches, namely, the mechanical engineering department which looks after the workshops and so on, and secondly, the power branch of the transportation department which deals with locomotives and so on.

The method of recruitment for civil engineers is as follows,—this is the most recently adopted method which came into force about two years ago, or rather I believe the second batch of candidates is now being recruited. Candidates up to the number of ten for each vacancy are selected from provincial areas, according to a fixed percentage known as the provincial quota. To be eligible for candidature, they must have passed certain specified degrees or diplomas or certificates of engineering. These candidates are then examined by a competitive examination by the Public Service Commission, and the successful candidates are then appointed as probationers and undergo during their first year a practical training, which includes six months in a workshop and six months on railway construction or survey. The point which I wish to emphasise in regard to the Civil Engineering branch is that a great deal can be learnt in a College, and the practical training can come afterwards. For this reason it is considered sufficient that the candidates should hold these degrees in engineering, and they are recruited at a fairly advanced age—any time between 21 and 25. They receive their year's practical training during their first year's probation on the Railways and afterwards they receive specialised courses at the School of Transportation at Chandausi and will in future at the Railway Staff College at Dehra Dun which is now being constructed. I need not say anything more, I think, about the recruitment of Civil Engineers, because I gather from the Honourable Mover of the amendment.

that he considers the rate of recruitment of Indians, in this respect, is satisfactory, and, as a matter of fact, it is now up to the full 75 per cent. which was recommended by the Lee Commission.

I now turn to the question of recruitment of Mechanical Engineers. Here practical training is regarded by all experts as of supreme importance It is recognised that no amount of college training will suffice, and one must have the very highest class of practical training in the best workshops possible. I think the Honourable Mover has laid stress on that, and he has accepted the principle which Mr. Chadwick laid down some time ago that the Indian Engineering Service must be given the opportunity to acquire the highest qualifications that the world can offer. The system of recruitment which was adopted in the Resolution of last November is briefly as follows : Candidates must be recruited under the age of 19. It is considered very important to catch them young before their ideas are set, or before they have developed a distaste for mechanical work to which the Honourable Rai Bahadur Lala Ram Saran Das has referred as having been an obstacle in the past to the recruitment of Indian Mechanical Engineers. They must have attained certain prescribed standards of education, and they are selected by local Selection Committees appointed by Provincial Governments. The total number of candidates so selected may be ten times the number of the vacancies to be filled, and the percentage of candidates taken from each province is, in the same way as for Civil Engineers, fixed according to a quota. The final selection is made through the Public Service Commission, and twice the number of candidates are selected as there are vacancies available. This is to provide for a reserve in case some of the candidates get a distaste for the work during their very arduous course, or if they fail to satisfy the requirements of the various examinations. The candidates finally chosen are appointed as special class apprentices, and enter on a course of seven years' training.

The first three years' training is to be given at the East Indian Railway Workshops at Jamalpur. These are the largest Railway workshops in India, and a highly qualified staff of instructors has been engaged to superintend the work of the technical school and during this period the apprentices who pass through the various shops also attend classes in the Railway Technical School. At the end of the three years the apprentices are put through an examination, and, if unsuccessful, they will be discharged from their apprenticeship. That is one of the reasons why we are recruiting a large reserve.

After the first three years the subsequent training varies according to whether the apprentice is going into the Mechanical Engineering department or into the Transportation (Power) department. For the Mechanical Engineering department, the apprentices are sent to an Engineering College in India to undergo a higher course for two years, and in order that a proper estimate of the apprentices may be made, it is considered that they should all attend the same college and sit for the same examination, because this ensures a uniform standard of education. And it is at present intended that this higher mechanical course should be taken at the Sibpore College in Bengal. For the Transportation (Power) department the apprentices will be given two years' training in the Running Department of a Railway in India, and during this time they will also attend courses at the Railway School of Transportation at Chandausi and also at Dehra Dun when the college there has been built.

That takes us to the end of the second period of training. That makes five years altogether, and at the end of this period, the apprentices of both classes will be examined and listed in order of merit on the results of these

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examinations and the examinations which they have undergone during the first three years of their apprenticeship. Then apprentices to the number of vacancies available will be selected in order of merit to proceed to the third stage of training. For this third stage of training the apprentices will be sent to the United Kingdom for two years, where they will specialise in either workshop work or in locomotive running work. As the Honourable Mr. Chari has pointed out, the construction of locomotives in India has not yet developed, and until that is done, it is not possible to obtain the highest possible education in mechanical engineering, in respect of locomotives in particular, in this country. Throughout their course in the United Kingdom the training is essentially of a practical kind, though it is supplemented after working hours, by courses at a Technical College or by special lectures. Before returning to India, the apprentices must qualify for an Associate Membership of the Institute of Civil Engineers or the Institute of Mechanical Engineers.

Now, Sir, I claim that this scheme for the training of mechanical engineers, which has been very carefully worked out, combines all the advantages which both the Honourable Mover of the Resolution and the Honourable Mover of the amendment claim for their respective schemes. It gives the most efficient training possible in the workshops at a centralised place where the best possible staff can be engaged, and at the same time it takes advantage of the existing provincial college at Sibpore for the college training. I quite understand that the Honourable Rai Bahadur Lala Ram Saran Das would prefer to see the college training conducted at a college in his own province; but there you at once raise the difficulty against the central college which the Honourable Mr. Chari urges, and you will never get an agreement as to which province it should be located in. I think my friend the Honourable Lala Ram Saran Das will agree that it would hardly be feasible to scatter the boys from the Jamalpur shops all over India to go through their courses in different colleges, because you will never get the efficiency and uniformity of technical instruction that you will get in one institution.

That, Sir, is in brief the arrangement which has now been decided upon for the recruitment of engineers for the railways in this country.

12 NOON. The relations with the existing schools and colleges in India may be summarised as follows. We expect these schools and colleges to provide educated material of certain standards from which candidates can be selected by competitive examination, but we maintain that the necessary practical training can only be given by the railways on which they are going to serve. I don't think it can be put forward with any show of reason that provincial colleges should be subsidised by the Railway Department to provide a course of training which could not in the nature of the case be equal to the course which is now being provided at Jamalpur. On the other hand, if we adopted the Honourable Mr Chari's scheme of having a Central College of Railway Engineers, it would cover all engineers, civil and mechanical, and I think that would deprive the students of the local colleges of opportunities of employment which they might retain. The technical training for civil engineers can be obtained quite well in an ordinary provincial college. It is not necessary to have a specilised college for that purpose. So I think our scheme provides for both requirements. On the one hand, we have the most specialised training possible for mechanical engineers, and, on the other hand, we give every opportunity for employment to students of provincial colleges.

There is only one more point to which I need refer, and that is the point which is the object of the Resolution, that is, to provide for the recruitment o

Indians for the railway services. The proportion quite recently laid down by the Lee Commission was 75 per cent. That has been accepted by the Government, and it will be apparent from the figures which the Honourable Lala Ram Saran Das has quoted that the full quota of 75 per cent. is now being recruited for civil engineering and transportation services. I quite agree that hitherto the full 75 per cent. has not been reached for mechanical engineers. As the Honourable Lala Ram Saran Das pointed out, there has hitherto been a certain distaste among the educated classes to take to mechanical engineering. I was glad to hear him say that this is now being broken down : and with this excellent course which has been worked out by expert officers, I feel quite confident that we shall very soon reach the full 75 per cent. for mechanical engineering also. At any rate I would point out that these schemes as they stand would provide not only for the full 75, but also for 100 per cent. In fact the scheme for mechanical engineers actually recruits for 150 per cent. of the vacancies already. I maintain, therefore, that there is no need to modify in any way these schemes which have been so carefully worked out, and which make full provision for the recruitment of Indians for railway engineering services in India. I therefore oppose the motion.

THE HONOURABLE THE PRESIDENT : Does the Honourable Member from the Punjab wish to press his amendment ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : No, Sir.

The amendment was, with the leave of the House, withdrawn.

THE HONOURABLE MR. P. C. DESIKA CHARI : The Honourable Sir Geoffrey Corbett was good enough to tell me about the scheme of mechanical engineering published in November 1927 before I moved my resolution.

Sir, no doubt I was not aware of the scheme as I have not perused it, but after hearing the scheme in detail from the Honourable Sir Geoffrey Corbett, I think, Sir, the real object of my Resolution has not been served. It is not on account of the proportion of recruitment that I want a centralised institution like this. The real defects in India I have mentioned are firstly, the absence of the necessary testing and research plants which are not forthcoming and are not available to the student of mechanical engineering. Then there is no college in the real sense of it to train traffic men. To my mind it is necessary to correlate the various departments, and unless you have a college where all the branches of training go on at the same time, it is not possible for a person to specialise in one thing and at the same time to get a fair amount of knowledge in other branches. The scheme put forward by the Government is not quite satisfactory, because it will not produce this result. And then it is not on account of the percentage of recruitment that I want this college. The Honourable Sir Geoffrey Corbett said that 75 per cent. of the new recruits are from Indians, and they have already attained this standard in some of these branches. What I want is this. There may come a time very shortly when we may have to revise things again and this percentage cannot stand for all time. In order that we may be in a position to supply all our requirements full cent. per cent. in all branches, it is absolutely necessary to have a Central College of Engineering, so that when you think of having all the recruits from that place you may not have to turn to foreign sources.

One other thing I wish to emphasise, and it is this. No doubt you take a number of people in the superior services by recruitment, but what I say is unless you get trained in India people of the same standard and training and efficiency as you get from England and other places, there is this danger—that

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these people who are recruited in India in the superior services may not be considered worthy of being promoted to the highest posts available. You must have a system of training people who enter the superior grades, and these people should have that amount of training which would make it possible for them to aspire to all grades of appointments in the country. And unless you have a fully equipped college with all the necessary plant and the necessary workshops and things of the kind it is not possible to have all the recruits trained in such a manner as to enable all of them to aspire to the higher posts. Then there is the further trouble about the locomotives. The Honourable Sir Geoffrey Corbett suggested that it may be that we have no proper facilities in India for locomotive training. But now that we are trying to reorganise workshops, the time is opportune ; and why should we not reorganise in such a manner as to make it possible for students to have locomotive training also to the highest standard of efficiency by providing workshops for the manufacture of locomotives and at the same time make it as an adjunct of the central college of engineering ? I think, Sir, that the central college on the lines indicated in the Resolution is an absolute necessity in order to make India self-contained and in order that we may not look to other countries like England for supplying recruits. I need not stress this point because a case has been very well made out in Mr. Cole's report itself ; and he thinks that we ought not to look to foreign agencies in any branch of railway administration. Sir, as the object cannot be achieved by the scheme provided by the Government, I hope and trust that they will reconsider the matter and seriously take steps to institute a central college of railway engineering on these lines, as otherwise the requirements of the Indian railways would not be fully met. I therefore press my resolution.

THE HONOURABLE SIR GEOFFREY CORBETT : Sir, there are only two points on which I need answer. The first is the question of percentage. I thought I had made it clear, but I will repeat it again. There is absolutely nothing in the present scheme of recruitment which could not be expanded from 75 to 100 per cent., if at a future date the percentage is altered. The second point is that in the opinion of the Government, the training could not be improved in any way by the establishment of a central college, which would be quite an unnecessary expense. We get candidates sufficiently educated from the provincial colleges, with sufficient technical knowledge,—and they are at a fairly mature age, 25 or a little younger—for undertaking practical training in transportation or civil engineering, as the case may be. And they have to go for subsequent courses to the College of Transportation at Chandausi, where they are able to get far better value from the courses than they would be at an earlier date,—before they had any practical experience,—in the central college of engineering which the Honourable Mover proposes. I therefore am unable to accept this motion and I oppose it.

THE HONOURABLE THE PRESIDENT : The question is :

" That the following Resolution be adopted :

> ' This Council recommends to the Governor General in Council to establish a Central College of Railway Engineering in India with a view to stop recruitment of non-Indians altogether and to train and recruit in India all officers of the Mechanical Engineering and Transportation Services of the superior establishment of the Indian Railways '."

The motion was negatived.

CHITTAGONG PORT (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Chittagong Port Act, 1914, for certain purposes.

The Council then adjourned till Five of the Clock on Wednesday, the 29th February 1928.

COUNCIL OF STATE.

Wednesday, 29th February, 1928.

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

QUESTIONS AND ANSWERS.

Employment of Pathans, Rajputs and other Tribes in civil services of Government with special reference to Delhi Province.

71. The Honourable Mr. MAHMOOD SUHRAWARDY: (*a*) Will the Government be pleased to state whether there is any special concession made to Sheikh, Syed, Mughal, Pathans, Rajputs, Jats and Gujars in obtaining civil employment under Government ?

(*b*) If so, how many persons from such tribes and how many from other tribes are in civil employment (superior service only) in each local office under the Chief Commissioner, Delhi Province ?

The Honourable Mr. H. G. HAIG: (*a*) None, so far as the Central Government are concerned. I have no information as to any steps any Local Governments may have taken in the matter.

(*b*) Does not arise.

Application of principle of Preferential Treatment to Delhi Public Works Department.

72. The Honourable Mr. MAHMOOD SUHRAWARDY: (*a*) Has a circular been issued to secure preferential treatment of residents of Provinces in Government appointments in their provinces ?

(*b*) Was this circular sent to the Delhi Public Works Department ?

(*c*) How many residents of Delhi Province have been appointed by the Delhi Public Works Department after the issue of this circular ?

The Honourable Mr. A. C. McWATTERS: (*a*), (*b*) and (*c*) I have been unable to trace any such circular. If the Honourable Member will supply me with the date of the circular referred to I will have enquiries made.

Recruitment of Engineers in the Delhi Public Works Department.

73. The Honourable Mr. MAHMOOD SUHRAWARDY: Is there any Engineer in Delhi Public Works Department who is a permanent resident of Delhi Province ?

The Honourable Mr. A. C. McWATTERS: Yes.

EMPLOYMENT OF B. ISHWAR SINGH IN THE PUBLIC WORKS DEPARTMENT.

74. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is B. Ishwar Singh, temporary subordinate, Public Works Department, a pensioner ?

(*b*) What is his age ?

(*c*) What is his pay ?

(*d*) Is he in regular establishment entitling him to gratuity ?

(*e*) How many qualified subordinates are purely work charged having no claim to gratuity or pension in the Delhi Public Works Department ?

(*f*) If the answer to (*d*) is in the affirmative, will the Government be pleased to state why the said B. Ishwar Singh, subordinate, is placed in regular establishment ?

THE HONOURABLE MR. A. C. McWATTERS:

(*a*) Yes.

(*b*) 61 years, 7½ months.

(*c*) Rs. 213 per mensem.

(*d*) Yes. He is a member of the regular (temporary) establishment, but being in receipt of a superannuation pension from the Survey of India Department is not entitled to a gratuity.

(*e*) The information is being collected and will be furnished to the Honable Member in due course.

(*f*) He is employed as a Surveyor under the Land and Development Officer whose staff is on the regular (temporary) establishment.

DEPUTATION OF MR. S. DHAIRYAM MUDIAR AND MR. P. S. PUSHPAVANUM AS DRAFTSMEN IN THE DELHI PUBLIC WORKS DEPARTMENT.

75. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Are Mr. S. Dhairyam Mudiar and Mr. P. S. Pushpavanum, draftsmen, on deputation in the Delhi Public Works Department from the Madras Presidency ?

(*b*) What is their pay in Delhi ?

(*c*) If the answer to (*a*) is in the affirmative, what was their actual pay in their substantive posts in the Madras Presidency ?

(*d*) Why were they not reverted to their Presidency in the reduction of draftsmen in the Delhi Public Works Department in 1927-28 ?

(*e*) Was the reduction made to lessen the Budget ?

THE HONOURABLE MR. A. C. McWATTERS:

(*a*) Yes.

(*b*) Rs. 270 and Rs. 210, respectively.

(*c*) The Government of India have no information on the subject.

(*d*) Because they are capable and efficient Draftsmen and in the exigencies of the Public Service, it was necessary to continue to employ them in Delhi.

(*e*) No. The reduction was due to the work in Delhi nearing completion.

REDUCTION OF B. AMIN CHAND, PUBLIC WORKS, DELHI.

76. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Was B. Amin Chand, temporary subordinate, Public Works, Delhi, reduced this year ?

(*b*) Has he done field service in the Great War ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) and (*b*). Yes.

REVERSION OF MR. BHOLA NATH PANT AND MR. RAMBHAROSA MISRA OF THE DELHI PUBLIC WORKS DEPARTMENT TO THE UNITED PROVINCES.

77. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Are Mr. Bhola Nath Pant and Mr. Rambharosa Misra, temporary subordinates, Delhi Public Works Department, on deputation from the United Provinces ?

(*b*) Were they reverted to their substantive posts in the reduction of subordinates this year in the Delhi Public Works Department ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Only Mr. Rambharosa Misra, Mr. Bhola Nath Pant having reverted to his province in October 1927.

(*b*) Mr. Bhola Nath Pant was recalled by his province.

PREPARATION OF PERMANENT CADRE OF THE DELHI PUBLIC WORKS DEPARTMENT.

78. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Has the permanent cadre of the Delhi Public Works Department been prepared and sent to the Chief Commissioner, Delhi Province, for approval ?

(*b*) If the answer is in the affirmative, will the Government be pleased to lay on the table a copy of it ?

(*c*) If the reply is in the negative, will the Government be pleased to state when it is going to be prepared ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*), (*b*) and (*c*) The question of the creation of a permanent cadre for the Delhi Public Works Department is under the consideration of Government.

REPORT ON THE ACCOUNTS OF MR. W. B. CAIRNS, STORE-YARDS OFFICER OF THE DELHI PUBLIC WORKS DEPARTMENT.

79. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Were the services of Mr. W. B. Cairns, Stone-Yards Officer, P. W. D., Delhi, dispensed with ?

(*b*) Was his duty handed over to one Mr. Mohamed Solaiman ?

(*c*) Was the account of the said Mr. W. B. Cairns checked by Mr. A. Croad, Superintending Engineer, Delhi ?

(*d*) If so, will Government be pleased to lay on the table a final report on the accounts of Mr. W. B. Cairns ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) No. Mr. Cairns is on leave preparatory to severing his connection with the Delhi Public Works Department.

(*b*) Yes.

(*c*) and (*d*) No. The Honourable Member is perhaps referring to Mr. Croad's report regarding the measurement of stone, which will be found at pages 131 to 134 of Volume I of the Report of the Public Accounts Committee on the Accounts of 1925-26.

NUMBER OF EUROPEAN EXECUTIVE ENGINEERS IN THE DELHI PUBLIC WORKS DEPARTMENT.

80. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) How many Executive Engineers are there in the Delhi Public Works Department ?

(*b*) How many of them are Europeans ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) and (*b*) There are 9 officers in charge of Divisions, of whom 2 are Europeans.

CONFIRMATION OF UNQUALIFIED ENGINEERS AND SUBORDINATES SERVING IN THE DELHI PUBLIC WORKS DEPARTMENT.

81. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Has the Delhi Public Works Department proposed to make permanent the unqualified Engineers and subordinates serving in the Delhi Public Works Department ?

(*b*) Is the appointment of unqualified men a contravention of the Government rules and Public Works Department Code ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) No.

(*b*) As the Honourable Member has not defined the word "unqualified" this question cannot be answered.

FILLING OF TEMPORARY POSTS OF CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS, AND THE OFFICE OF THE DIRECTOR, WIRELESS TELEGRAPHY BRANCH, DURING 1926-27 AND 1927-28.

82. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Were several temporary posts of clerks sanctioned by Government for the Office of the D. G., Posts and Telegraphs, and the office of the Director, Wireless Telegraphy Branch, during the years 1926-27 and 1927-28 ?

(*b*) If so, will Government be pleased to state (in a statement form separate for each office) the actual number of temporary and permanent vacancies which occurred and of additional posts sanctioned by Government for each of the above-mentioned Departments during that period ?

(*c*) Were any of them offered to Muslim candidates ?

(*d*) If so, how many ?

(*e*) If not, why not ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Yes.

(*b*) to (*e*) Two statements which furnish all the information required are being supplied to the Honourable Member.

PROPORTION OF MUSLIM EMPLOYEES IN THE TWO DIVISIONAL WIRELESS OFFICES, AND IN OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS, INCLUDING SUPERINTENDENTS OF POST OFFICES.

83. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state:

(*i*) the total number of clerks and menials employed in the two Divisional Wireless Offices since their formation and how many of them are Muslims;

(*ii*) the total number of employees (excluding menials) at wireless telegraphy stations and how many of them are Muslims;

(*iii*) the total number of passed Superintendents of Post Offices on waiting list and how many of them are Muslims;

(*iv*) the total number of candidates nominated for the next examination of Superintendent of Post Offices and how many of them are Muslims;

(*v*) the total number of clerks in upper and lower divisions in the Office of the Director General, Posts and Telegraphs, and Office of the Director, Wireless Telegraphy Branch, and how many of them are Muslims in each division?

THE HONOURABLE MR. A. C. McWATTERS:

(i)

	Muslims.	Non-Muslims.
Clerks . . .	*Nil*	10
Menials . . .	2	6

(ii)

Muslims.	Non-Muslims.
15	131

(iii) The number of postal employees who have passed the departmental examination for promotion to the post of Superintendents of Post Offices and who are on the waiting list is 43, of whom 5 are Muslims.

(iv) No nominations have yet been made.

(v) In the Office of the Director-General, Posts and Telegraphs, excluding the Wireless Branch.—

	Muslims.	Non-Muslims.
"A" Class clerks . .	7	118
"B" Class clerks . .	11	43

In the Office of Director, Wireless Branch.—

	Muslims.	Non-Muslims.
"A" Class clerks . .	1	4
"B" Class clerks . .	2	1

APPOINTMENT OF A MUSSALMAN AS MINISTERIAL HEAD IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

84. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will Government be pleased to state whether any Mussalman has *ever* been

appointed as Office Superintendent or Assistant Superintendent or Chief Clerk or Head Assistant in the Office of the Director General, Posts and Telegraphs ?

(*b*) If so, when ?

(*c*) If not, why not ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*), (*b*) and (*c*) As the old records have been destroyed, it is not possible to furnish the information required by the Honourable Member.

ENFORCEMENT OF POLICY OF AVOIDING PREPONDERANCE OF ANY ONE COMMUNITY IN THE OFFICE OF AUDIT OFFICER, INDIAN STORES DEPARTMENT.

85. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Is it a fact that the declared policy of Government is to avoid preponderance of one community in any office over others ?

(*b*) If so, will Government kindly say what action has been taken by Government in enforcing this policy in the office of the Audit Officer, Indian Stores Department ?

(*c*) If no action has been taken, will Government state reasons ?

THE HONOURABLE MR. E. BURDON : (*a*) The reply is in the affirmative.

(*b*) and (*c*) In the office in question, since March 1927 there have been only two vacancies filled by the appointment of persons not already in Government service, and in both these cases a Hindu possessing high educational qualifications was selected, each being in fact a Master of Arts. Six Muhammadan candidates applied, but none of these possessed more than the minimum qualifications for Government service. Steps will be taken to see that the orders of Government are complied with when a practicable opportunity arises.

PAUCITY OF MUSLIMS EMPLOYED IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

86. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Will Government kindly refer to the reply given by Government to unstarred question No. 229 put by Mr. Abdul Haye in the Legislative Assembly on 26th March, 1927, with regard to paucity of Muslims in the office of the Director General of Posts and Telegraphs, and say what action has been taken towards increasing the number of Muslims in that office ?

(*b*) Will Government be pleased to state whether they have considered the allocation of 33 per cent. of the clerks in that office to Muhammadans ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) Five out of 14 vacancies which occurred during the years 1926-27 and 1927-28 have been given to Muslims.

(*b*) A copy of the orders on the subject is being supplied to the Honourable Member. These orders are applicable to the Director-General's office.

DECREASE IN NUMBER OF MUSLIMS EMPLOYED IN THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE, AND THE AGRICULTURAL ADVISER TO THE GOVERNMENT OF INDIA, AND IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

87. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*i*) Will Government be pleased to state the number of permanent and temporary Muslim Assistants, clerks and stenographers out of the total strength on 15th January, 1925, and 15th January, 1928, in—

(*a*) Office of the Director General, Indian Medical Service;

(*b*) Office of the Agricultural Adviser, Government of India; and

(*c*) Department of Education, Health and Lands?

(*ii*) Has there been any decrease in 1928 in the number of Muslims in their respective categories as compared with the figures of 1925?

(*iii*) If so, will Government kindly explain the reasons?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The information required by the Honourable Member is being collected and will be supplied to him when it is available.

THE BUDGET FOR 1928-29.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I rise to present the Budget Statement for the coming financial year. I have been concerned with Budget Statements before in a humbler capacity when I was Under Secretary in the Finance Department in the days of that eminent Finance Member the late Sir William Meyer. To-day I have a much greater responsibility; but in addressing myself to it I am fortified by the knowledge that in this Council I shall have an indulgent audience.

In a little while Honourable Members will receive, as usual, a complete set of the printed budget papers, including the Budget Statement proper, which sets forth the figures in detail under each account head; a copy of the valedictory Budget speech which the Honourable Finance Member is now making in another place; and also my own Explanatory Memorandum which will, I hope, furnish Honourable Members with all the material that they may require for closer study of our present financial situation and future prospects. I intend that my speech to-day shall merely serve as a general introduction to this volume of detail. I think that in this way I can best promote the convenience of the Council, and accordingly I propose to confine my remarks to broad facts and broad results, and to avoid figures, as far as I can do so, without detriment to my main purpose. As a small preliminary matter, I wish to refer to a point of form in the Budget Statement proper which will attract the practised eye of Honourable Members as soon as they see it. We have on this occasion for the first time dispensed with the signatures of the Auditor-General and the Controller of the Currency in a number of places in the Budget Statements. These now bear the Financial Secretary's signature alone in one place, as is the practice in the case of the Financial Statement presented to Parliament in England. The omission of the signatures of the two Officials mentioned does not in any way mean that safeguards hitherto in force have been relaxed. The same processes of check and certification continue to be applied, but the formality of signature has been dispensed with in order to

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avoid the necessity of the Auditor General and the Controller of the Currency being in attendance in New Delhi on the day of the presentation of the Budget when their presence may be more urgently required elsewhere.

I now turn to matters of substance, and the first of these must naturally be the actual outturn of the last financial year. The position in regard to this is particularly satisfactory. The accounts for 1926-27 disclose a revenue surplus of 2,96 lakhs against 2,82 lakhs which was anticipated in the revised estimate of a year ago. The difference is only 14 lakhs, and the success in estimation which is indicated by this result can, we believe, be attributed very largely to improved methods of work which have now been in operation for some little time. The entire surplus has been transferred to the Revenue Reserve fund which was instituted a year ago as part of a plan aiming at the complete remission of the provincial contributions.

The Council will next desire to have a brief appreciation of the genera conditions of the current financial year. The visible balance of trade, including private imports of treasure, for the ten months ended 31st January 1928 was in favour of India by 37·24 crores as compared with 27·05 crores a year ago. Both imports and exports of merchandise have increased in value by 8 per cent. Improvement has been increasingly marked during the latter months of the year 1927, and it is a further sign of the inherent soundness of India's trade position that practically all the principal articles of import and export contribute to the increase. Among exports, raw cotton alone shows any appreciable falling off, reflecting the unsatisfactory conditions of the last harvest, but the figures for the present season, so far as they are available, hold out a better promise. I will not occupy the time of the House with figures for individual commodities except to refer to motor vehicles of which the statistics are of peculiar interest in relation to the development of India's road communications. Following the reduction in duty which came into force a year ago, increases of 16 and 35 per cent., respectively, have been recorded in the number of motor cars and commercial motor vehicles imported during the first nine months of the year, but owing to lower prices the yield of our customs duty on these imports has fallen below our expectations. During the last two years, however, prices in general have shown a stability unknown since the outbreak of the war. While more stable world conditions are partly responsible for this result without which there cannot be a healthy basis for the expansion of trade, the figures of India's trade reflect the advantages which have accrued from the stabilization of the rupee. Again, Railway earnings may very fairly be regarded as an important barometer of trade, and the Council has already been made aware of the remarkable improvement in the railway figures for 1927-28 which, by enabling important reductions to be made in railway charges, will itself give a new stimulus towards business and agricultural prosperity. In addition there are other clear indications that during the last year Indian commerce has made a steady advance and that the effects of the post-war trade depression are at long last being dissipated. A noticeable feature of the trade returns is the reduction in the net imports of treasure by 6½ crores in the first ten months of the current year.

I shall now take the revised estimates for the current year and will mention individually a few of the more important heads of revenue and expenditure. In the first instance, however, I wish to remind the Council that our original calculations were considerably disturbed, not very long after they had been made, by the decision, arising out of the Report of the Tariff Board on the Cotton Industry, to sacrifice nearly a crore a year of our Customs revenue.

The incidence of this in the current year may be taken as Rs. 45 lakhs. Notwithstanding this, we hope to realise under Customs in the current year all but 10 lakhs of the amount 48·73 crores for which we took credit in the Budget. Larger receipts from tobacco, mineral oils, protective duties, and jute have helped to balance a very considerable deterioration under other heads, principally cotton piecegoods and matches. As Honourable Members are aware, a Land Customs line between Kathiawar and British India was re-instituted early in July last, the line popularly known as the Viramgam Cordon, and we believe that this may be an important reason for the generally satisfactory aggregate result which is now in prospect. On the other hand, the yield from Taxes on Income is very disappointing, and we have to reckon upon a deterioration of 1,30 lakhs. This is occasioned in a minor degree only by the decision to assess to tax 40 per cent. of the aggregate profits of tea companies instead of 50 per cent. as originally contemplated. The main cause is to be found in an unexpected falling off in profits of the jute trade in Bengal. Salt is expected to yield 25 lakhs less than the amount estimated. Under Opium practically no change is anticipated. The Council will see at once that the large loss under Taxes on Income would have led inevitably to a considerable deficit but for the fact that the Railways have come to the rescue, the contribution from this source being 88 lakhs more than that assumed in the Budget.

On the expenditure side, outlay on military services shows no excess. Savings due to the despatch of troops to China and other causes have been devoted to a programme of expenditure on modernising the equipment of the Army, the need for which is evident, but for which provision could not be made in the Budget. Debt services show a saving of 17 lakhs. There is another saving of 18 lakhs under Irrigation expenditure, but this is merely the effect of a book-keeping adjustment.

On the whole, expenditure in the current year is now taken at 1,25·26 crores and the revenue at the same figure, the net result being neither a surplus nor a deficit. I must at once explain, however, that the figure of revenue includes a transfer of 1,69 lakhs from the Revenue Reserve Fund instead of the sum of 1,72 lakhs provided for in the Budget. So far as the year 1927-28 taken by itself is concerned, therefore, the actual outturn as now forecasted will vary from the original estimate to the extent of 3 lakhs only, and that on the side of improvement.

Before I proceed to reveal the revenue and expenditure proposals for next year, the Council will wish to have some account of the Ways and Means position, and, as is customary, of certain other financial matters which are of great general interest. Briefly stated, the Ways and Means position is as follows. In the current year our liabilities are : Railway capital outlay 30 crores ; other capital outlay 2¼ crores ; Provincial Governments' demands by way of drawings and advances 8 crores ; discharge of debt 25½ crores net; miscellaneous demands 3 crores ; the aggregate liabilities being 68·7 crores. *Per contra*, our loan operations in India and England have produced 27½ crores net, while postal cash certificates and savings bank deposits have produced 6½ crores. We propose to trench upon our cash balances by 11½ crores, and will find the remaining assets required from miscellaneous resources including the depreciation and reserve funds and the provision for debt redemption. In 1928-29, our liabilities are as follows—Railway capital outlay 28 crores including 4 crores for the purchase of the Burma Railways ; other capital outlay 4½ crores ; Provincial demands 7 crores ; discharge of debt 19 crores net ; total 58 crores roundly. To meet these liabilities we reckon upon receiving 6½ crores from Postal cash certificates and savings bank deposits, and we will draw upon our

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cash balances to the extent of 2½ crores. Adding to these the receipts from miscellaneous resources, the provision for debt redemption, etc., we shall be able to close the year with sufficient working cash balances, both in India and in England provided we raise a loan of 32 crores of rupees. Of this, about 13 crores would represent new money. We see no reason at present to think that the whole of this loan cannot be raised in India, but much must depend on the monsoon, and the fact that the payment to the Burma Railway Company has to be made in sterling adds to our sterling requirements. Indeed, if we effect the purchase out of money remitted from India, we shall really be paying off 4 crores of our external indebtedness.

The net proceeds of the rupee loan in the current year amounted to 18½ crores only, while the total amount of debt redeemed amounted to 25·4 crores. Of this total 21½ crores represented the bonds maturing in 1927 and 1928 which were either converted or redeemed in cash. In our anxiety to guard the interests of the Indian taxpayer and in our desire not to disturb the market in Government securities which were being quoted at rather higher figures than we ourselves thought to be justified, we did not make the terms of our rupee loan as attractive as we possibly should have done, and the fact that it was a short-dated loan seems to have militated against complete success. In the result, we had to tide over temporary difficulties by various expedients. The re-introduction of Treasury Bills in India was in full accordance with our plans, as we deliberately desired to improve the financial facilities of the Indian money market and check seasonal fluctuations in the market for Government securities by this means. We found it necessary, in addition, to resort to external borrowing, first by raising sterling bills to the extent of £5 million in England in July last which have since been repaid and later by the issue of a sterling loan of £7½ million about a month ago. Even so, the net cash receipts from the rupee and sterling loans aggregated only 27½ crores which was only about 2 crores more than the net amount of debt discharged and as much as 13 crores less than the amount required for railway and other capital outlay including that of Provincial Governments. It is no inconsiderable achievement to have financed a capital outlay of this magnitude in a year of rather difficult money conditions, in which our own calculations were upset by the fact that the capital expenditure was 6½ crores in excess of our original anticipations. It is, in our opinion, well worth India's while to persist in the policy of spending money freely on capital development for productive purposes. The Railway budget introduced last week, with its big reductions in fares and freights, is evidence of the value of the policy we have been following. Very large sums are now being invested year by year in expansion of railways, in irrigation works, in harbour development, and on hydro-electric and other projects. But if this policy is to be continued unchecked, there must be no slackening in the annual savings of the country, and these must be made available without stint for loans for capital purposes whether issued by the Central Government, by Provincial Governments, or by other authorities.

As regards Home remittances, the position is that a year ago we estimated that we should require to remit £35½ million to London during 1927-28. Actually a somewhat higher figure than this should have been taken, since we were unable to carry out the remittance programme in full at the end of 1926-27, and in consequence, we started with abnormally low balances in London. In addition, the excess in our capital expenditure, to which I have already referred, was partly incurred outside India. The sterling loan, however, has made it possible to reduce the net remittance figure to £30¾ million, of which

£28½ million is expected to be remitted through the market. In 1928-29, the remittance figure has been put tentatively at £36 million, which will enable us to close the year with a normal balance.

In considering questions of Ways and Means and of provision for Capital outlay it is a natural process and one of great interest and importance to take stock of the National Credit. Honourable Members will no doubt have observed for themselves the satisfactory course of prices of Government of India securities both in India and in England. The improvement of India's credit in London was strikingly demonstrated by the success of the recent sterling loan and is apparent from other evidence also. To select one example, London County Council 3½ per cent. stock stood at 97 on the 30th April 1914, had dropped to 73 on the 1st February 1926, and was quoted at 73½ on the 31st December 1927 ; on the other hand, the India 3½ per cent. loan which stood at 88¼ on the 30th April 1914 and had dropped to 68 on the 1st February 1926, had risen to 72¾ on the 31st December 1927.

The statistics of our debt also give real cause for satisfaction. These statistics will be found in full detail in the printed papers which Honourable Members will receive, but the Council will, I think, be glad to hear now very briefly what the general position is. It is this. In the five years since 31st March 1923 when the era of deficits came to an end, the unproductive debt was diminished to the extent of 76 crores. The aggregate debt has increased by 1,13 crores, the net result of the reduction which I have just mentioned and an increase of 1,89 crores in productive debt. Before the close of the ensuing year, we hope to have nearly liquidated the debt due to the five years of revenue deficits from 1918-19 to 1922-23, and, if the present rate of progress is maintained, we should be justified in hoping that our unproductive debt will vanish altogether in about twelve years. I shall cite other facts of great interest relating to the public debt when I come to deal with the next year's expenditure on debt services charged to revenue.

I now turn to the Budget estimates for next year. Allowing for the effect of the establishment of the Viramgam Cordon, we hope to obtain under Customs about 40 lakhs more from sugar, and 26 lakhs from larger imports of motor cars and cycles. Cotton piecegoods too should show some improvement. On the other hand, we have to allow for the full effect of the loss of revenue resulting from the abolition of the import duty on mill stores and machinery of which we had only a foretaste in the current year. The further loss is estimated at 40 lakhs. But, on the whole, we feel justified in taking the figure of 50·18 crores, which is 1,55 lakhs more than the revised estimate. Under Taxes on Income, we look for 17 crores, which is only 5 lakhs more than the original budget for the current year, but 1,35 lakhs more than the revised estimate. The estimate is justified, we think, by *inter alia* the prosperity which the jute trade is enjoying in the current year. From Salt, we hope to get 7 crores, which is the current year's budget figure. Under Opium we must reckon on a net loss of 25 lakhs as the result of our policy of gradual reduction and eventual extinction of opium exports. The contribution from railways, which will be based on the actual results of 1926-27, will be 5·23 crores, with an addition of 25 lakhs representing our share of the surplus remaining after payment of the ordinary contribution under the convention. Even so, the total will be 88 lakhs less than the amount which we expect to receive from Railways this year. We have also to allow for a reduction of 10½ lakhs in the subsidy from Mysore, and, in order to cast the account on the basis of existing facts, I assume for the moment that we shall get from the Provinces the entire amount of 2,58 lakhs, the amount of contributions not finally extinguished last year.

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On the expenditure side, the grant for military services has been taken at 55·10 crores, this including 10 lakhs for expansion of the Territorial Force. If this special provision be excluded from consideration, the grant is 8 lakhs more than the current year's grant. The Council have known for some time that after the large reductions of the last few years further curtailment of military expenditure cannot be hoped for if provision for defence is to be adapted to modern conditions. The possibility of reduction is constantly in mind, but the Government of India are satisfied that the time for further retrenchment has not yet come.

Under the head Debt Services, we have a saving as compared with the revised estimate for 1927-28 of 67 lakhs. I should, however, draw the attention of the House to the fact that the budget estimate includes two abnormal items, namely, one of 81 lakhs for the premuim of the 5½ per cent. Bonds issued in 1918 and maturing in 1928 at 105 per cent., and an increased charge of 25 lakhs for bonus on Cash Certificates. Both these charges are in the nature of deferred interest. But for these special items, the savings would have been as much as 1,73 lakhs. Attention has been drawn in previous years to the way in which our steady pursuit of the policy of making regular provision for the reduction or avoidance of debt and confining new borrowings to productive purposes is bringing in an annual dividend to the taxpayer. The policy is one which has always had the strong support of certain distinguished members of this Council, and it is generally recognised both in India and England as very largely responsible for the improvement in India's credit to which I have alluded. The charge for interest on deadweight debt in the year 1923-24 amounted to 15·97 crores, while in 1928-29 it will be only 9·51 crores—a decrease of 6·46 crores. The increase in the provision for reduction or avoidance of debt during the same period is 1·78 crores, while the aggregate provision on this account next year is 5·40 crores. In other words, the saving in the interest on deadweight debt in the five years is more than three-and-a-half times the increase in the provision for debt redemption and over a crore more than the actual provision on this account in 1928-29.

The expenditure on Civil Administration next year is expected to be 41 lakhs more than the revised estimate for 1927-28. A portion of this is represented by annual increments, etc., but, although the increase is less than half a crore, a perusal of the proceedings of the Standing Finance Committee and of the Demands for Grants will show that we have not been niggardly in providing increased amounts for beneficial services. I would draw the attention of the House to the larger grant to the Indian Research Fund Association, to the new items of expenditure in the demand for Agriculture and to the scholarships to Indian artists for study and training in Europe. On the commercial, but none the less beneficial, side of our activities, the Council will observe with interest the new or increased provision made for certain items of expenditure, particularly those relating to irrigation in Waziristan and Baluchistan, forests in the Andamans, the Trade Mission, and the extension of the rupee tender policy. We have also a number of new items relating to the development of Civil Aviation in pursuance of the policy accepted by the Legislature a year ago. The expenditure on the five-year education programme, to which my predecessor referred in his budget speech last year, is of course continuing, but we have not been in a position this time to provide for any similar new programme within the limited means now at our disposal.

The Indian Posts and Telegraphs department, which was expected to work a year ago at a small loss of 76,000 rupees is now expected to show in 1927-28 a net loss of about 4½ lakhs. There has been a considerable increase in the gross receipts of the department, but this has been rather more than counterbalanced by an increase in working expenses. The increased loss has been brought about mainly by the fact that an additional sum of 8 lakhs has had to be provided to enable the book value of a large volume of surplus, obsolete and overvalued stores to be written down to their current worth. The department is, however, expected to show a small profit of 23,000 rupees next year after making a provision of over 14 lakhs for additional expenditure on new measures of improvement of the conditions of service of the lower-paid staff. This provision represents yet another instalment of the scheme of improvement of the conditions of service of the establishments in question, which has been under the personal investigation of the Honourable Sir Bhupendranath Mitra.

I have now dealt with the main variations between the revised estimates of the current year and the budget estimates of next year. The net result of all the variations, large and small, is to place next year's revenue at 1,32·23 crores including 2,58 lakhs on account of the unremitted contributions, but not including any assistance from the revenue reserve fund ; and the expenditure is placed at 1,29·60 crores. In other words, we anticipate a surplus of 2,63 lakhs. But even if we reckon with certainty on this surplus being realised, there is an adverse factor which we have had to weigh very carefully before deciding to what purpose the surplus should be applied. I refer to the liability which has accumulated in respect of the bonus on Cash Certificates. Honourable Members know well the history of these certificates, the introduction of which was intended to afford an easy and attractive means of investment of small savings and so to extend the practice of thrift. Cash Certificates of the nominal value of no less than 40 crores will be outstanding on 31st March 1928. Unlike our regular annual rupee loans, they are always "on tap"; and they can be encashed at any time though they come to full maturity only after 5 years. Their capital value is not subject to depreciation, and the actual amount payable on encashment is on a progressive scale so fixed that the investor gets a growing return for his money after the first twelve months ; consequently, the longer he keeps his certificates, the greater is the inducement to keep them till maturity. But this accrued bonus is paid along with the capital value only at the time of encashment, whenever that may be, and not half-yearly as in the case of our ordinary loans. All these circumstances combine to make it impossible to forecast precisely the amount of bonus that may have to be paid in any year, while there is the additional practical difficulty that the actual payments in a year are generally less than the accrued liability, and the accrued liability is constantly growing in amount. In the case of the ordinary debt, we can know exactly what we have to pay and provide for such payments from revenue accordingly. In the case of Cash Certificates, on the other hand, we have so far been providing out of revenue only for actual payments in the year and not for the accrued liability. It is estimated that this accrued but undischarged liability for bonus was about 3¾ crores on the 1st October 1927 and will stand at about 5½ crores on the 1st October 1928. Following past practice which is of course fully defensible in view of the fact that, in the main, our budget is a cash budget and having regard to our revenue position generally, we have not been able to include, in the forecast for next year, anything more than the amount of the present estimate of actual payments of bonus, namely, 50 lakhs. This figure is 25 lakhs more than is required in 1927-28, but there remains a large balance which

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we may, theoretically, be called upon to pay at any moment and for which we have made no provision ; and before very long we shall have to consider setting aside considerable sums from revenue in a separate fund in order to enable us to meet the full liability when we are called upon to do so. The liability is becoming too large for us to be content to leave the full burden to fall on later years, when a sudden increase may seriously disturb the equilibrium of the budget.

The Government of India have, however, in the end come to the conclusion that this liability need not deter them from utilising the surplus disclosed in the budget as a recurrent surplus. In 1929-30, the special item of 81 lakhs for premium on bonds referred to earlier in my speech will have disappeared and substantial savings may be expected to accrue in future, as they have done in the past, under interest on deadweight debt. In 1929-30 also, we stand to gain considerably from the increased net earnings of our Railways in 1927-28. The advent of a bad monsoon or other unforeseen circumstances would no doubt disturb the position, but, on the other hand, we are entitled to assume that with normal conditions our revenue from Taxes on Income should show some improvement from year to year. The same is true of our Customs revenue. Accordingly, balancing all these considerations, the Government of India feel that they may justifiably complete the policy to which they have already set their hands by remitting finally the remainder of the provincial contributions. This is the chief proposal which the Legislature will be asked to endorse in their consideration of the budget for 1928-29.

Out of the budget surplus of 2,63 lakhs we desire to give 2,58 lakhs to the Provinces and to retain for ourselves the small residue of 5 lakhs.

CONCLUSION.

That, Sir, is the end of my narrative. There is nothing sensational in the Budget for 1928-29. It does not involve any new taxation or propound any further reduction of existing taxation. It may, taken by itself, be described as a commonplace Budget. But even if we did not proceed further than this in our analysis, we should still, I submit, have cause for congratulation. For a budget such as that which has been presented to-day may fairly be taken to reflect stability, and stability in the financial sphere is no small advantage. On the other hand, I think the Council will agree that for a proper appreciation of the matter, next year's Budget must be related to the cycle of six Budgets framed by the Honourable Sir Basil Blackett and should be viewed as the final phase—final so far as he is concerned—of an ordered financial policy which has brought great benefits to India. The results of this cycle are retrenchment of avoidable public expenditure, reduced taxation, a reduction in the burden of deadweight debt, financial encouragement to industrial enterprise in India, stabilisation of exchange, the emancipation of railway finance one product of which we have seen this month in the shape of reduced railway fares and railway freights, and, lastly, remission of the provincial contributions giving through the agency of the Provincial Governments increased scope for expenditure on nation-building services. I do not pretend that our present financial state is wholly satisfactory or that Government have been able to achieve all that they have wished for. But I think we may justifiably permit ourselves on this occasion the pleasure of looking to the brighter side of the picture and of basing upon the accomplishment of the past five years hopes of even greater national prosperity in the future.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, at our next meeting on Friday in this week the Honourable Sir Geoffrey Corbett will move a motion for the election of a panel for the Central Advisory Council for Railways, and motions will be made to consider and pass the Chittagong Port (Amendment) Bill, on which the Select Committee's Report was presented on Monday last.

The Council adjourned till Eleven of the Clock on Friday, the 2nd March, 1928.

COUNCIL OF STATE.

Friday, 2nd March, 1928.

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

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, the following message has been received from the Secretary of the Legislative Assembly:

"Sir, I beg to inform you that the Legislative Assembly have at their meeting of the 1st March 1928 agreed without any amendments to the following Bills which were passed by the Council of State on the 16th and 21st February, 1928:

(1) A Bill to amend the Burma Salt Act, 1917, for a certain purpose;

(2) A Bill further to amend the Indian Securities Act, 1920, for a certain purpose."

ELECTION TO THE PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move:

"That this Council do proceed to elect in such manner as may be approved by the Honourable the President a panel consisting of 8 members from which 6 shall be selected to serve on the Central Advisory Council for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of railway finance".

The motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the motion just adopted by the House, I fix Wednesday, the 7th March, up to the hour of 11 A.M. as the time by which nominations to this panel should be handed in to the Secretary.

CHITTAGONG PORT (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move that the Bill further to amend the Chittagong Port Act, 1914, for certain purposes as reported by the Select Committee, be taken into consideration.

This Bill has been carefully examined by a Select Committee of this House which, if I may say so, was peculiarly competent to deal with the subject. Not only were the local interests of Bengal well represented on it, but there were four members of Port Trusts in different parts of India, who had had long practical experience of the administration of Port Acts; and I think we are very much indebted to them for having helped us to remove certain defects that might

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otherwise have existed in the Bill. After the patient and informed criticism to which this Bill has been subjected in Select Committee, I do not think it is necessary for me to dwell at any length on the matter here. There are only two points which require special mention and explanation.

The first is the procedure for the election of the Commissioners and of the Vice-Chairman. Considerable amendments have been made by the Select Committee in the original draft, and the objects of these amendments may be briefly summarised as follows : Firstly, provision is made for a general election every two years, and, secondly, for the election of a new Vice-Chairman after every general election. Thirdly, the Bill secures the continuity of the Board by providing that existing members shall continue to hold office until their successors have been duly elected. The Bill as now amended makes due provision for these objects, which were, I think, the original intention of the Bill and will, no doubt, commend themselves to the House.

The second question is the amendment of section 71 of the original Act, which is dealt with in clause 18 of the present Bill. This is rather an unusual section. In fact there is only one other precedent, I think, in the whole of Indian port legislation, and that is in the Rangoon Port Act. It retains to the Local Government certain rights over property which has been transferred to the Commissioners otherwise than in exchange for its market value, and is now vested in the Commissioners. Sub-section (*1*) of this section provides that no buildings or other permanent structures shall be erected on such land without the sanction of the Local Government. In agreement with the Local Government, this sub-section has now been omitted altogether. It would indeed obviously be impossible for the Governor General in Council to undertake responsibility for the control of the port, if this sub-section remained. It would be quite impossible, if no structure could be put up on port trust property without the sanction of the Local Government, which had no longer any responsibility for the control and administration of the port. The second sub-section gives the Local Government the right to resume such property in certain circumstances without compensation, except for certain specified expenditure incurred by the Commissioners. This right has been retained, after consultation with the Local Government, in the present Bill, but the exercise of it is made subject to the previous sanction of the Governor General in Council. There has, however, been some difference of opinion regarding one head of expenditure in respect of which compensation can be claimed. This is head (*b*) of sub-clause (*1*) of clause 18 of the Bill. The original Act provides for compensation for the cost of revetment and other works for the protection of the property to be resumed. But the Local Government asked us to amend this in this Bill by substituting the general word " improvements " for the specific words " revetment and other works for the protection of the property ". This suggestion of the Local Government has been rejected by the Select Committee. It was considered that it was not possible here to assess the precise implication of the change. Local inquiry will be required and, if necessary, this can be made subsequently, and any legislative provision that may be necessary can be made by a subsequent amendment. At the same time, it was held that such an amendment would in any case be a change of substance which was outside the scope of the Bill. The Local Government have reported to us that the Port Commissioners consider it inopportune to make any amendment of the Act in matters falling outside the scope of the Bill. The Select Committee, therefore, have amended the original draft of clause 18 of the Bill, which amends section 71 of the Act, so as to limit the amendment to the scope of the Bill, that is, the transfer of control from the Local Government to the Governor General in

Council; and they have, therefore, restored the words "revetment and other works for the protection of the property" instead of the word "improvements". The remaining amendments are of no great importance; they are consequential, and so on. I do not think I need refer to them.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Chittagong Port Act, 1914, for certain purposes, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clauses 2, 3, 4, 5, 6 and 7 were added to the Bill.

Clauses 8, 9, 10, 11, 12 and 13 were added to the Bill.

Clauses 14, 15, 16, 17 and 18 were added to the Bill.

Clauses 19, 20, 21, 22, 23 and 24 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, I move that the Bill, as amended by the Select Committee, be passed.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Chittagong Port Act, 1914, for certain purposes, as amended by the Select Committee, be passed."

The motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (Leader of the House): Sir, our next meeting will be held on the 7th March, on which day the Select Committee's Report on the Indian Limitation (Amendment) Bill will be presented, and motions will be made for the consideration and passing of the Indian Income-tax (Amendment) Bill, which was laid on the table on the 21st February. Thereafter our next meeting will be held on the 9th March for the discussion of the General Budget. As no business has been balloted for the 8th, there will be no meeting on that day.

The Council then adjourned till Eleven of the Clock on Wednesday, the 7th March, 1928.

COUNCIL OF STATE.

Wednesday, 7th March, 1928.

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

MEMBER SWORN.

The Honourable Mr. John Ackroyd Woodhead (Bengal: Nominated Official).

INDIAN LIMITATION (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

THE HONOURABLE MR. S. R. DAS (Law Member): Sir, I present the Report of the Select Committee on the Bill further to amend the Indian Limitation Act, 1908.

INDIAN INCOME-TAX (AMENDMENT) BILL.

(AMENDMENT OF SECTIONS 10, 14, ETC.)

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration. This Bill, Sir, is designed to supply certain omissions in the Act, to give certain additional concessions to the assessees, and to make clearer that part of the law which is intended to secure that the resident shall not be unfairly handicapped so far as Income-tax is concerned, as compared with his foreign competitor, who has started a branch or agency in India; also to remove certain anomalies and to protect central revenues against encroachment by local bodies. One would expect therefore that it would be a non-contentious measure. I believe that, properly understood, it is such.

The Bill has been under the consideration of the Government for some time. It was circulated last autumn and a mass of criticisms was elicited, some of which were extremely helpful. The original draft has been considerably modified in the light of these criticisms by the Government, and the Select Committee of the Legislative Assembly, whose recommendations the Legislative Assembly has accepted. At present I will merely review the Bill rapidly clause by clause. Should occasion arise, I shall be prepared to deal with any clause in greater detail.

Clause 2 (*a*) at once supplies an omission and makes a concession. Hitherto the Act has contained no provision for any allowance on account of the deterioration of live-stock employed in business, corresponding to the depreciation allowance on buildings, machinery, plant and furniture. This clause allows the assessee to deduct from his taxable profits the original cost of live-stock that has died or become useless for his purposes.

Clause 2 (*b*) is intended to assert the principle that within the same sphere central must take precedence of provincial or local taxation. It is designed to meet a High Court ruling to the effect that certain cesses which, though in

[Mr. E. Burdon.]

form imposed on business premises, are in fact calculated on business profits, may be deducted from the profits liable to income-tax. This the Government of India consider objectionable in principle, and it is on principle that they have introduced this clause. The revenue directly at stake is unimportant.

Clause 3 goes with clause 5.

Clause 4 again fills a gap. The Act does not say how an assessment is to be made on a divided Hindu family in the year after separation. Obviously this case must be provided for. The precise method is of little concern to the Government so long as the revenue is safeguarded. What is proposed is to make an assessment as though no separation had taken place and to recover the tax so assessed from the separated members or groups proportionately to their shares.

This, I think, the House will admit to be fair. The original draft required notice to be given of every partition. This provision was justly criticised on various grounds, does not seem necessary, and has been dropped.

Clause 5 deals with two matters. It prescribes how an assessment shall be made when there is a change in the constitution of a firm and when there has been a change in the ownership of a business—a succession in fact.

In regard to both these matters, there are alternative methods, and it is really in the long run a matter of indifference to the Government which is adopted. In the first case, that of a change in the constitution of a firm, the principle already applied to super-tax by the proviso to section 56, introduced in 1925 and approved by the business community, is now extended to income-tax. The assessment is to be on the partners at the time of making the assessment according to their shares at that time.

In the Bombay Presidency alone, owing to a ruling of the High Court, the existing law is that the assessment is to be made according to the shares in the previous year. I am authorised to state that executive orders will be issued to protect any person in that Presidency who may be adversely affected by the change of system.

In regard to assessment after a change of ownership, where, for example, a company has succeeded a firm, different methods have been laid down by the Allahabad and Bombay High Courts. The Allahabad High Court has held that the assessment should be made as if there had been no succession, and the tax so assessed should be recovered from the successor. The Bombay High Court has held that, if a company is the owner of the business at the time of the assessment, it should be assessed as a company on the income earned by its predecessor in the previous year. This latter decision has been upheld by the Privy Council and has been embodied in this clause. It is interesting to note that it is in accordance with the practice of the Income-tax Department prior to the Allahabad decision.

Clause 6 merely extends to Commissioners and Assistant Commissioners exercising revisional and appellate authority the power that income-tax officers already possess to correct errors apparent on the face of the assessment record.

Clause 7 as originally drafted was designed to make the law clearer in regard to the computation of the profits of exporters (especially non-resident exporters). If such profits are received in British India, the whole of them is taxable. If they are not so received (as may often occur if the assessee is a non-resident) the portion to be deemed to have accrued or arisen from the transaction in British India has to be determined.

In the original draft a definite formula was embodied. It was proposed, where the exporter's transactions result in profit, to take as the Indian profits the profits that would have been earned had the goods been sold f. o. b. at the port of export. The original draft was approved by some important Chambers of Commerce, but was widely criticised as being too inelastic. In some cases it may be difficult or even impossible to ascertain the f. o. b. price. In others, the c. i. f. price; with certain obvious deductions, would be more suitable. In some, other methods may alone be applicable. It is therefore proposed to leave section 42 (*1*) as it is. The necessary formulæ will be prescribed by rules under section 59 (*3*) to suit the various cases. A new sub-section (*3*) is introduced in the same section by this clause, to make it clear that the entire profits of non-residents who buy or manufacture goods abroad and sell them in India through their own branches or agencies are taxable, since they are normally received here. That is to say, it affirms one main basis of liability under our Act, the basis of receipt in British India. There is, I submit, no reason why this basis should be applied to residents and abrogated in favour of non-residents.

There has, I am afraid, been much misunderstanding in regard to section 42 (*1*). It corresponds to section 33 (*1*), which was introduced into the Act of 1918 at the instance of business men in India, who complained that they were handicapped in competing with branches and agencies in India of foreign firms, because they were subjected to Indian income-tax and the foreign firms were not. It is not intended to place on an Indian seller of any commodity any liability in respect of profits earned abroad by a foreigner who regularly purchases from him as has been incorrectly stated. Regular purchase by a principal abroad from an independent principal in India cannot be held to constitute an agency. Income-tax has never, so far as I am aware, been levied in such a case, and there is no intention that it should be levied in such a case in the future.

Section 42 (*1*) is simply intended to give fair play to the resident with whom the non-resident is competing, and I must confess I find it hard to see eye to eye with those who contend that the best way to do this is to confer on the non-resident who has established an agency or branch in India immunity from Indian income-tax in respect of the profits that he earns thereby.

Clause 8 simply enables the income-tax officers to do what was always done in the past, namely, to impose a light penalty, in the first instance, for default in payment of tax, and gradually increase it up to the maximum if the default is persisted in. This is a convenient and effective system, but its legality seems doubtful as the law stands. There is no question of increasing the maximum penalty, or conferring any enhanced powers on the income-tax officers.

Clause 9 is designed to remove an anomaly. Even a very rich man living abroad can secure a refund of tax on dividends under section 48 if his income in India happens to be less than Rs. 40,000. If it is less than Rs. 2,000 he can recover the entire tax. Section 48 is intended to relieve persons with *small* incomes—that is incomes not liable to tax at the maximum rate. It is unnecessary and undesirable that wealthy men should be able to take advantage of it just because they live abroad. The clause therefore provides that claims by non-residents to refunds under section 48 shall be determined with reference to their entire income, foreign and Indian, while a non-resident who is neither a British subject nor a subject of an Indian State is to be denied such refunds altogether in accordance with the law in the United Kingdom.

[Mr. E. Burdon.]

Clause 10 is consequential on clause 5. New section 26 (*1*) covers the same ground as the proviso to section 56 which is therefore to be omitted as superfluous.

Finally, clause 11 simply substitutes for the word " review " in section 66 the more correct word " revision " which is used in clause 6.

I trust, Sir, that this sketch of the provisions of the Bill will have satisfied the House that the reassuring description of it which I gave in my opening words was accurate.

To summarise : clause 2 embodies a concession and asserts an essential fiscal principle. Clauses 4 and 5 simply supply omissions and clear up ambiguities. Clause 6 is at least as necessary from the point of view of the tax payer as from that of the revenue. Clause 7 is designed to place the foreigner in the same position as the resident with whom he is competing. Clause 8 is to legalise a long-standing and convenient practice. It is in no way disadvantageous even to the tardy tax-payer. And, finally, clause 9 removes an anomaly whereby wealthy non-residents enjoy, because they are non-residents, a privilege intended for people of small means.

I suggest, Sir, that these are all objects that I may reasonably expect this House to approve.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : Nominated Non-Official) : Sir, if there is one Act of the Central Legislature which needs clarity and freedom from all ambiguity, it is the Income-tax Act. This Bill is of the character of a penal measure, and I think not only the Legislature but the public have a right to know exactly the position in which they stand in matters in which they are liable to taxation. It is my view, therefore, that in matters of income-tax especially, when amending Acts are brought forward, they must be drafted on lines which will dispel all doubt and ambiguity and which will make matters abundantly clear to the public. In the present Act I am afraid I cannot see any signs of such clarification. At least a couple of sections of this Act make the matters worse confounded than the existing Act. I shall only refer to clauses 2 and 7 of this Bill. I also understand that on clause 7 there is an amendment, which is to be moved by my friend Mr. Gray. I shall only refer to the general aspect and not speak on that amendment at this stage. Now, Sir, clause 2, proviso (*b*) has been necessitated by the desire of Government to maintain a principle, as Mr. Burdon....

THE HONOURABLE THE PRESIDENT : I would remind the Honourable Member that there are two amendments on the paper, both for the omission of proviso (*b*), so that he will have an opportunity of explaining his point of view with reference to proviso (*b*) later.

THE HONOURABLE SIR MANECKJI DADABHOY : At present I propose to make general observations, if you think, Sir, that they are not objectionable at this stage. What I am concerned about is to show that the principle they want not to depart from, is that the Central Government do not wish the Local Governments to encroach on their sphere of taxation. That is the main principle on account of which this clause has been revised and redrafted. Of course there is a much bigger principle involved in the matter, and that is that the public also should be protected against double taxation, and this point also has been realised by the Select Committee which went into the measure and made certain alterations in the drafting of the Bill. It clearly appears that this clause 2 has been necessitated, because the Calcutta High Court has lately come

to a decision that the road cess levied on coal mines is a perfectly valid and admissible deduction and may be claimed by the assessee as an allowance from his general assessment. The cess is actually calculated with reference to the annual profits of the mines though nominally levied on immoveable property. The Government of India desire to bring into vogue the practice which has hitherto prevailed before this High Court decision came into effect and altered the law. All that the Government of India say now is this. "We are not concerned at all with whatever happens in the provinces. Our principle is that we are going to tax you on profits and the assessee must pay: We are not going to allow you any reduction in matters of this cess. If you have got any grievance, you go back to your Local Government and fight out your battles there." I say this policy is wrong in principle altogether and should not be encouraged by this Council. In matters like this, where the Central and Provincial Governments clearly have disputes, legitimate disputes, they must settle the disputes themselves and not make the Legislature a field of discussion. In a matter like this, and especially in an income-tax measure, in my opinion there is nothing wrong in allowing a deduction in assessing income-tax on this sort of taxation; and, as Mr. Burdon has pointed out to-day, the amount of taxation is an unimportant matter. It is an unimportant amount. As far as I am able to ascertain, such taxation does not yearly exceed Rs. 1,30,000 altogether, and it only affects the two provinces of Bihar and Bengal. It is not a question of a small or unimportant matter of taxation. If the principle is wrong, I think it ought not to be encouraged. My own opinion is that the allowance which is claimed by the assessee in this matter is quite legitimate, proper and just. I should certainly have opposed this portion of the Bill, but in view of the assurance which has been given by the Select Committee that they will refer the question to Local Governments and see if this can be settled, I shall not go further into this matter. But I think it is my duty to point out in this Council that in matters like this, it is not necessary to involve the Legislature in a local controversy. This is a matter which ought to be settled between the Central and Local Governments.

As regards clause 7 the general observation which I would only make at this stage is that it leaves the law in a much more unsatisfactory condition than the law as it exists in section 42 of the Act. Instead of removing any ambiguity it makes matters worse. I do not think this section as it is worded and as it appears in the Bill at present is going to help either the Government of India or the Finance Department of the Government of India or the Income-tax officers in the elucidation of the many complex problems which confront them daily. My friend Mr. Burdon pointed out that the formula will be prescribed by the rules and that they were now only laying down the main proposition. I think there is more danger in the rules than in the Act itself, because when the Act is brought forward before the Legislature, the Legislature is in a position to ascertain how it stands and how far it is going to affect the public and the general assessee; but when certain things are brought, by rules, into the operation of the Act, the assessee knows nothing about it and they become a matter of law and they cannot possibly be questioned till the whole section is again revised. Mr. Burdon has also pointed out that the original draft was approved by the Chamber of Commerce, but it was widely criticised. They have now produced this ideal Bill. I quite see that the Government are not wholly responsible for this clause 7 as it is drafted. It was also due to the fruitless attempt on the part of certain Members in the Assembly to revise the drafting of the clause in a commercial matter which they were not expected to closely know. I do feel—and honestly feel—that this clause as it stands is going to cause a considerable amount of disturbance in the business not only of the income-tax officers, but is going to cause dissatisfaction to the general public.

[Sir Maneckji Dadabhoy.]

As regards my detailed observations on the Bill, if they are necessary, I shall submit them later on.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General) : Sir, I have no admiration for the Income-tax Act or for the way in which it has been worked, but the present amending Bill seems to be in the right direction ; and the principles which have been kept in view in drafting these amendments meet with my approval, because those are the principles which ought to be kept in view in amending the present Income-tax Act. But I would prefer the old Act being subjected to a thorough inquiry and being modified with reference to the present requirements all round. I find this, of all Acts, is more prolific, and at times we have got more than one or two amending Bills in the same Session. During the present session we find some other amending Bill also coming in. Sir, if the Government of India would only act upon the recommendation made during the last Session of the Council to form a Committee to go into these questions, then we should have a better Income-tax Act and would be relieved of all the worry and the annoyance of dealing with income-tax questions once every Session and at times more than once. At least once every Session we have got something or other with reference to the Income-tax Act. Possibly all these troubles can be minimised and we can have an Act, an up-to-date Act, like the one which is working so successfully in Great Britain. But the fact of the matter is that the Government happens to be the prosecutor and also the judge in these cases because the income-tax officers sit as judges in their own causes. And the Finance Department, whose representatives these income-tax officers are, are not prepared to consider any suggestions to make the law more equitable in favour of the assessee. Apart from all that, the present measure, as the Honourable Mr. Burdon put it, is a non-contentious one and, though I am not in agreement with the Finance Department in the matter of giving greater powers to the income-tax authorities circumstanced as they are, I think the amendments are in the proper direction in clarifying the law and in removing certain anomalies. I do not agree with my Honourable friend Sir Maneckji Dadabhoy when he says that it is the duty of the Central Government to interfere actively in matters of provincial taxation. No doubt, it will suit the assessees to say so, but it is wrong in principle. We want the Provincial Governments to be left entirely free in matters of taxation in their own spheres. If you admit that it is the sphere of the Central Government to levy all taxes on profits, then, I believe, it goes without saying that you ought to make it clear that the Central Government should not be deprived of the right to tax on profits in every direction, and it is not argument to say that the Government in the provinces tax them improperly on profits. It is for the public to agitate in the provinces to set matters right in their provinces. The Provincial Governments are also amenable to public pressure and agitation, and I do not see any reason why the Members of the Central Legislature should be anxious to get the support of the Central Government to bring pressure upon the Provincial Governments to set their provincial house in order in matters of taxation. Whatever it is, the Central Government is prepared to go a long way in impressing upon the Local Governments the desirability of not encroaching upon the sphere of the Central Government, and I think this ought to satisfy the Members of this House that there is no objection to clause 2 coming into the Bill at all. I have been closely following Sir Maneckji Dadabhoy when he said that the present clause 7 makes matters worse than what they were under section 42(*1*). In my opinion it is a distinct improvement. It is designed to place a resident trader on the same footing as the agent of a non-resident firm here, and I do not see any reason why a

provision of the kind contained in the new sub-clause (*3*) should not be added to section 42. So far, I have not heard any arguments against the inclusion of this provision, but there is a good deal of force in what Sir Maneckji Dadabhoy says that these matters ought not to be left to be dealt with by rules because there is no knowing how they will be acted upon. If it comes within the Act in the form of a section, then it is quite possible to go through the various stages, *e.g.*, criticism can be directed and attention focussed upon particular things when they are put in the form of sections. But in the case of rules, they are brought to the notice of the public only when they are brought into operation, and whatever may be the agitation in the country it is not possible to abrogate them once they have been put into operation. We know very well that all the departments of the Government of India, especially the Finance Department, are very anxious to strengthen their own hands. The Finance Department is always clamouring for more and more powers in matters of income-tax and is not likely to respond to public pressure when we point out patent anomalies and real hardships that are felt owing to the existence of certain rules. Still, when you have to consider that it is very important to remove this handicap to the local merchants, I think we ought to do something to favour the local merchants when they are seriously handicapped by agents of foreign companies. I think, on the whole, the Select Committee has done well to keep the old section 42 (*1*) as it was and did not interfere very much in a hurry. I can very well see that a great deal of modification can be done at a later stage with greater care and attention.

As regards the other clauses, they are, I think, a distinct improvement on the old Bill. I therefore feel myself in the happy position of being able to extend my support to the Government.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted..

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 2 do stand part of the Bill."

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN:.....

THE HONOURABLE MR. E. BURDON: I rise on a point of order, Sir. May I have your ruling whether the amendments of my Honourable and gallant friend are in order regard being had to the terms of Standing Order 32 (1). It appears to me that the propositions which the amendments embody are not related to the purposes of the amending Bill. The Preamble states the purpose of the Bill as being to amend the Indian Income-tax Act, 1922, "for certain purposes hereinafter appearing", and it seems to me that my Honourable friend's propositions are not related to or connected with any of these purposes.

THE HONOURABLE THE PRESIDENT: The Honourable Major Nawab Mahomed Akbar Khan has given notice of amendments to two of the clauses of sub-section (*2*) of section 10 of the Indian Income-tax Act. It is always a little difficult to decide in the case of an amending Bill whether further amendments are within the scope of the Bill or not, but inasmuch as the Government Bill itself purports to amend sub-section (*2*) of section 10, it is, I think, a little difficult for me to hold that any amendment relating to that sub-section is also outside the scope of the Bill; otherwise we should find ourselves in the position

[The President.]

of confining ourselves to a very small portion indeed of an Act which was open to amendment. I agree that when a Bill is introduced for the purpose of amending an existing enactment and the Preamble states that the Bill is to amend the enactment for certain purposes, then amendments dealing with sections that are not touched by the amending Bill would, as a rule not, be within the scope of the amending Bill. But here we have one sub-section of a section of the existing Act thrown open to amendment and I propose to allow the Honourable Major Nawab Mahomed Akbar Khan to put forward his amendments to that sub-section.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, I rise to move the amendment standing in my name which consists of two parts, one dealing with the Chawkidara or yearly wages of Chawkidars and the other with the municipal taxes or scavenging and house taxes.

With regard to the former, I would like to bring it to the notice of the Honourable Members that Chawkidara is a kind of expenditure similar to the premium paid towards insurance against risk of damage or destruction of buildings, allowance for which for the purposes of assessment has been provided in clause 4 of sub-section (*2*) of section 10 of the Income-tax Act, 1922. Now, since there are no insurance companies available in the North-West Frontier Province, the system of keeping armed Chawdkidars is usually resorted to in that part of the country. This system is even safer than the system of insurance, for the Chawkidars are employed to watch and guard the property as well as the lives of our tenants against the frequent raids in that exposed part of the country. It will be seen, therefore, that the employment of armed Chawkidars serves the two purposes of keeping watch and guard of the house property, as well as the lives and properties of the tenants. Consequently, the expenditure borne towards salaries of these armed Chawkidars, otherwise called Chawkidara, can fairly be taken as premium paid in respect of insurance against risk of damage or destruction of buildings, and in fair justice ought to be allowed for in respect of income assessments on the Frontier. The condition of the country urgently demands employment of armed Chawkidars to safeguard the property as well as the lives of the tenants, which purpose cannot be served by the insurance companies. Being so, it would have been fair justice to allow credit of the full sum spent towards the maintenance of the Chawkidars while making assessments and not part credit as had been the practice during previous assessments, but the worst of the matter is that its allowance has been recently discontinued as a whole. I fail to understand what justification there can be on the part of the Income-tax Department in discontinuing its allowance in face of the fact that it corresponds to the premium in respect of insurance for which allowance has been provided for in clause (*iv*) of sub-section (*2*) of section 10 of the Income-tax Act. In the absence of Chawkidars, we can have no tenants, with the result that our income from that source is open to tremendous loss, which state of affairs is sure to tell on the public revenue also, for when there is a decrease in the assessee's income, his share of income-tax will automatically fall. Under the circumstances, it will prove advantageous to the owner of the property as well as the public revenue to allow credit of the sum spent on the maintenance of Chawkidars employed in lieu of insurance.

The second part of my amendment concerns the scavenging and house taxes in specification of the municipal taxes as provided for in clause (*viii*) of sub-section (*2*) of section 10 of the Income-tax Act. I should like to say

that it seems quite unfair and inequitable to assess a man's income twice without giving him the credit for the tax paid by him under the former taxation. To my mind, at the time of income-tax assessment the assessee ought to be allowed credit for the sum paid by him towards some local taxation. In case there is any fear of decrease in the central revenue, the Government ought to devise some equitable measure to make good its loss, but under no circumstances should it deprive the tax-payer of the credit of the sum paid by him towards some local taxation. The scavenging and house taxes are a kind of taxation which comes under the category of local taxation. I would like to bring to the notice of Honourable Members that scavenging and house taxes are imposed by the Notified Area Committee in places where Municipal Committees do not exist. For instance, there are Notified Area Committees in the North West Frontier Province who impose scavenging and house taxes at the rate of 7 pice per rupee. Where there are many proprietors of house property, the collection of these taxes is taken on by the Committees concerned, but when the property belongs to a single person, the said taxes are collected by him on behalf of the Committee in order to economise and expedite their collection. The sum thus collected is paid to the committee concerned immediately after its recovery every month, but Honourable Members will be surprised to hear that the income-tax authorities regard it as a part of the owner's income, with the result that they include the sum thus realised in his income liable to assessment. Exhaustive representations against this attitude of the income-tax officer in including the sum of house tax in an assessee's income have been made even to the Income-tax Commissioner, but the difficulty is that this officer also adheres to the views taken by his subordinates in this respect. I fail to understand the justification on the part of the income-tax authorities in holding the sum of house tax as a part of the owner's income, when, as already explained, it is collected by him on behalf of the committee concerned simply in compliance with its request and paid to it immediately after its collection every month, and yet the income-tax authorities are persisting in including the sum thus realised in the income arising from one's house property. Since all explanations and representations against this method of including the sum of house tax in an assessee's income have so far failed to induce the income-tax authorities from desisting from the view taken by them in the first instance, there remained no alternative but to bring in this amendment, and I hope Honourable Members will see that it is carried so as to enable the assessees concerned to take full advantage of the allowances permitted under clause (*viii*) of sub-section (*2*) of section 10 of the Income-tax Act, 1922. With these remarks, Sir, I commend the amendment standing in my name to the acceptance of this Honourable House consisting of the representatives of large landowners who can judge this inconvenience better than others elsewhere.

THE HONOURABLE THE PRESIDENT: The Honourable Member has omitted to move his amendment.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: I beg to move my amendment, which runs as follows:

"That in clause 2 of the Bill—

(1) the following sub-clause be inserted, namely:

'(*a*) at the end of clause (*iv*) the following shall be added, namely:

'or in the North West Frontier Province, the amount paid as Chawkidara or yearly wages of Chawkidars';

(2) sub-clause (*a*) be re-lettered as sub-clause (*b*); and

(3) for sub-clause (*b*) the following sub-clause be substituted, namely:

'(*c*) in clause (*viii*) for the words 'or municipal taxes' the words 'Municipal taxes or scavenging and house taxes' shall be substituted'."

THE HONOURABLE THE PRESIDENT: I allowed the Honourable Member to move his amendments and to support them by one speech, because I thought that course would in the end save the time of the House. I will put them separately.

THE HONOURABLE MR. E. BURDON: Sir, the first part of my Honourable and gallant friend's amendment relating to the amount paid as Chawkidara or yearly wages of chawkidars is, in my opinion, clearly superfluous. If the amount is actually paid for the purpose of guarding the business premises of a man engaged in business or for the purpose of guarding his stocks, then the expenditure on Chawkidara or yearly wages of chawkidars would, under the existing law, be admissible as a deduction from the profits. The particular section is section 10 (*2*) (*iv*) and the ground of the deduction would be that the expenditure was expenditure incurred for the purpose of earning the profits. If, on the other hand, the amount is paid otherwise than in connection with a business, that is to say, is a tax paid by a house owner in respect of protection of his private residence and is in no way connected with business expenditure, then of course the deduction will not be admissible and there is no reason why it should be admissible. My Honourable friend has referred to a particular case. I gather from what he said that it was a case in which a man paid Chawkidara in respect of protection of his business premises or shop. If that is the case, if deduction has not actually been allowed, I should be very glad if my Honourable and gallant friend will let me have full particulars, and I will have the matter investigated. But the position is as I stated that if the Chawkidara is paid for the purpose of guarding a shop or business premises, then it is admissible as a deduction before profits are computed. The existing law provides completely for the case which, I understand, the Honourable Nawab Sahib has in mind.

As regards the other amendment relating to scavenging and house taxes, the position is again exactly the same. Such taxes would be admissible as deduction under section 10 (*2*) (*viii*) so long as they are levied as a tax on the premises as distinct from a tax on profits. It is conceivable that my Honourable friend has it in mind that section 10 (*2*) (*viii*) covers only taxes levied by municipalities and not by other local bodies, but I can assure him that that is not the case. So long as the tax is levied on premises used for the purpose of business, it will be admissible as a deduction, whether the tax is levied by a municipality or by any other local body. As a matter of fact, Sir, from certain of the Honourable mover's observations, I gather that he has in mind the case of the assessment to income-tax of income from property and not from business, and if that is the case, then of course the amendment which he has put forward would be entirely out of place in a section which relates not to income from property but to income from business. For these reasons, I oppose the amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 2 do stand part of the Bill."

Since which the following amendment has been moved:

"That in clause 2 of the Bill—

the following sub-clause be inserted, namely:

'(*a*) at the end of clause (*iv*) the following shall be added, namely:

'or, in the North West Frontier Province, the amount paid as Chawkidara or yearly wages of Chawkidars'."

The question is that that amendment be made.

The motion was negatived.

THE HONOURABLE THE PRESIDENT : That decision carries with it the Honourable Member's second* amendment.

Further amendment moved :

"For sub-clause (*b*) the following sub-clause be substituted, namely :

'(*c*) in clause (*viii*) for the words 'or Municipal taxes' the words 'Municipal taxes or scavenging and house taxes' shall be substituted'."

The question is that that amendment be made.

The motion was negatived.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce) : Sir, I beg to move the amendment which stands in my name and which runs as follows :

"That the word 'and' at the end of sub-clause (*a*) and the whole of sub-clause (*b*) of clause 2 be omitted."

I speak now with special reference to the road cess levied on the collieries of Bengal and Bihar and Orissa, and I am confident that it will only require a few brief remarks from me to convince this House that the proviso that has been included in this Bill is wrong in principle and impossible or unsuitable in practice. It will perhaps help to make the situation clearer, and I think on the whole this is necessary because it seemed to me that in the discussion which took place in the other House there was no clear perception of what the real point was ; therefore, as I say, it will help to make the position clear to members in this House, if I give a short outline or sketch of the evolution of the road cess problem in Bengal and Bihar and Orissa. Many years ago the coal mining industry started in these provinces, one province as it was at that time, in sparsely populated country where roads did not exist. Those interested in the coal mining industry impressed upon the Local Government the advisability of construction of new roads. The Local Government actually agreed that this was necessary. The financing of this work was undertaken, or was considered, and naturally the solution was that as the roads were required for the benefit of the new industrial population growing up in the colliery areas and in particular to assist the various collieries in earning their profits and in carrying on their business, it would be fair and reasonable to levy upon the collieries a road cess to provide the money required. I say it is a fair and reasonable and also that it was a practical solution of the problem, because what would have been the alternative ? Those collieries which were in the worst position for roads would have been obliged to construct their own. They would have had no public rights for acquiring land ; they would have had to build roads to and from their own collieries as private roads, and they would generally take steps to prevent unauthorised people using them. The position would have become involved in private disputes, friction, unnecessary and wasteful expenditure and no general satisfaction.

12 Noon. But, and this is a point which I wish to emphasise as it has a special bearing on my amendment, such expenditure by the collieries under those conditions would have undoubtedly been allowed, without question, as part of the working expenses of the collieries. But this futile position was avoided by the Local Government introducing the Bengal Cess Act of 1880, and since then roads have been constructed which, it is true, are not yet sufficient, but construction is still going on, and I will not deal with the point as to whether conditions are good, bad or indifferent. The collection of road cess having been decided on, difficulty then arose as to the method of collection with particular reference to collieries, and the Local Government was allowed to calculate the cess on past profits of collieries. Whether this was right or wrong from the Central Government's point of view may perhaps

* That sub-clause (*a*) be re-lettered as sub-clause (*b*).

[Sir George Godfrey.]

be open to question, but the method was adopted and has been going on and was applied to mines, tramways, railways and other immoveable property. The Central Government appear to have suddenly become alive to the fact that the cess was being collected or assessed on colliery profits, and, as we understand it now, they wish to maintain the principle that the Central Government alone is entitled to tax profits by means of its income-tax. The Finance Member has explained his view of the case in the Statement of Objects and Reasons to the Bill. He says :

"The Central Government have always contended that provincial or local taxes on profits should not take precedence on central taxes on the same profits, and if this principle is sacrificed, serious loss to central revenues may result."

The sudden realisation of the position appears to have been caused by a High Court decision that road cess levied on coal mines, on past profits, is an inadmissible deduction from the assessable profits of the mine. However, to administer a corrective to the opinion of a High Court and to maintain a principle which for no good reason whatever appears to be regarded as essential, the Government of India in the Finance Department wish to introduce special legislation in this Bill, whereas surely the practical way would have been, if this principle is so very essential, to call on Local Governments to adjust their methods of calculating road or any other cess on some different basis. It would not be impossible so to do ; it would not even be difficult. Sir, as the whole country knows, the coal industry is in a very depressed condition. This is not peculiar to India. The whole world is suffering from over-production of this mineral, and in India many collieries have had to close down because their sale prices are so low that they cannot carry on or cover their working expenses. And yet this is the time selected by the Central Government to try to squeeze a little more out of the collieries that can still carry on. The actual amount involved may be small. As Mr. Burdon has told us this morning, so far as the Central Government Budget is concerned, it is very small. In fact, I suppose we may call it trivial. But for the sake of this essential principle, or I should prefer to describe it as a non-essential principle, which has been hitherto inadvertently forgotten or missed, the Finance Department of the Central Government seeks to pass a special measure which will cause an additional expense to these collieries which are still able to work and carry on at a profit.

I may point out here that the Government of Bengal have stated as their view on this proviso that there can be no justification for a prohibition which goes back upon the established primary principle that local rates are allowable deductions, until it is shown that local authorities in assessing their rates are taking account of profits, in the sense of that word in the Income-tax Act, to an extent which could reasonably be avoided. And they add that so far as the Government of Bengal are aware no such case can at present be made out.

In the colliery districts there are other cesses such, for instance, as that to meet the cost of the Board of Health and the cost of the supply of water from the Jheria reservoir. These are admitted as good deductions. But the road cess, merely because it is calculated on profits, average profits of preceding years, not the profits as actually used for income-tax, is to be brought into the net of the income-tax collector for no justifiable reason whatever, I have emphasised the case very much from the point of view of collieries but there are other concerns in the country involved. On behalf of the constituency which I represent, we are mainly for the moment in regard to this point interested in the colliery problem, and for that reason I must very strongly protest against

the policy, I may say the grabbing policy, which is evidenced by this sub-clause.

Sir, I hope I have shown clearly that in the undeveloped condition of the coalfield areas roads were necessary to enable collieries to conduct their business and to earn their revenue. Road making or the cost of it is absolutely and naturally a working expense of a colliery. If the Central Government chose to attach importance to what is by no means an essential principle, there was an alternative method. I am confident that on this picture of the case and the explanation that I have given, I shall have the support of this Council in deleting the unnecessary proviso dealt with in my amendment.

Sir, I move the amendment which I read out at the commencement of my speech.

THE HONOURABLE MR. E. BURDON : Sir, I am afraid I have to oppose my Honourable friend's amendment ; and, before I proceed to deal with certain special points in his speech which require to be carefully answered, I wish to give this Council a brief account, which I hope to make as clear as possible, of the position which the Government of India have had to take in this matter. As will have been clear from the speech of the Honourable Mover himself, the point which he desires to urge is not a new one. It has been very carefully considered by the Select Committee of the Legislative Assembly, as will be seen from their report which is in the hands of Honourable Members. It was also specifically considered by the Legislative Assembly itself. In the Select Committee opinions were divided, but the Legislative Assembly decided against the view which the Mover of the amendment again urges, and I can see no reason why this Council should arrive at a different conclusion from that reached by the Legislative Assembly. My Honourable friend's main point of substance is, I think, that road construction in the colliery areas was always and still is the cause of expenditure incurred for the purpose of earning income. The cess is intended to be a cess on the annual value of the mine premises and to represent a payment for services rendered ; and on both these grounds it is held that it is correct in principle that it should be allowed as a deduction from the profits on which income-tax is levied. Now, Sir, I am prepared to admit that this argument so far as it goes is not without validity ; but it leaves out of account the plain fact that the cess is actually assessed upon the profits of the undertakings, and under the law as it stands at present, that portion of the profits which the cess represents, though it is in form and in fact part of profits, is protected from assessment to income-tax by the Central Government. The cess thus becomes a form of income-tax, and this means that a very important financial principle is infringed, the principle that the spheres of taxation of the Central and the Provincial Governments should not encroach upon each other ; and as the Council is well aware, the power to levy income-tax is under our present constitution reserved to the Central Government. The principle to which I here refer is not in dispute. Even the dissentient members of the Select Committee of the Legislative Assembly admitted the correctness of the principle. They merely held that the Government of India in the present case should seek some other means of restoring the operation of the principle. Now this latter position is one which the Government of India cannot possibly accept. They are the custodians of the principle : it is their responsibility to maintain it. They and the Central Legislature have open to them a direct and certain and perfectly proper means of fulfilling that responsibility, and the Government propose to take this means by enacting the proviso which forms the subject of my friend's amendment. They propose to affirm the basic principle and to leave it to the Local Government to make its administration conform to the

[Mr. E. Burdon.]

principle. Now, Sir, it seems to me to be clear that this is the correct order of procedure, and that the other alternative would be a reversal of the correct order, while it would have the further disadvantage of being less effectual than the procedure which the Government have decided upon. Accordingly, the Select Committee in their main report retained the provision under discussion. At the same time they made a recommendation that Government should take all measures in its power to secure that no local tax shall be assessed on profits, and I can assure the Council that the means of giving effect to this recommendation will be very carefully studied. I have endeavoured to make it clear that Government wish to press their view on grounds of principle. As I have said before, and as my Honourable friend has himself said, the amount of revenue at present involved is relatively small. And since it is small, the enforcement of the principle cannot reasonably be attacked on the ground that it will involve hardship to individual mine-owners in Bengal and Bihar and Orissa. Moreover, it is very relevant to point out in this connection that Government are not attempting by the clause under discussion to impose a fresh disability on the mine-owner. The effect will merely be to restore and give legal authority to a practice which had been followed for many years before the Calcutta High Court delivered the ruling which has led to the present proposal. That, Sir, is the position of Government in regard to this matter.

I will now turn to certain other points arising out of my Honourable friend's speech. In the first place, if I remember rightly, he said that Government suddenly became alive to the existence of the principle. That I submit, Sir, is not a correct description of the position. The point is that previously the cess had never been allowed as a deduction. Consequently, the principle for which we now stand remained intact. Then came the decision of the High Court, and that necessitated action, and action has been taken as quickly as possible thereafter. This is not a new principle, nor is the recognition of the principle on the part of the Government new either. My Honourable friend further suggested that there seemed to be no particular reason for the principle or for its being considered a good principle. I should have thought, Sir, that the reason for the principle would have been entirely plain. If the Central and the Provincial Governments are allowed to encroach upon each other's spheres of taxation, the ultimate result could only be financial chaos. The principle is one which is universally recognized in all federal systems of government, and I do not think that it requires any further justification from me on this occasion. My Honourable friend also suggested that the practical way of seeking a solution of the difficulty would be to do nothing ourselves but to ask the Government of Bengal to do something for us and he described that as a practical procedure. Well, Sir, from the observations which I have made already on this particular point, I think the Council will probably agree that the practical method is to do that which it lies in our own hands to do.

One further point and I have done. My Honourable friend read out a dictum of the Government of Bengal. According to that, the Government of Bengal are said to hold the view that all local rates should be allowed as deduction from profits in the matter of assessment to income-tax even if they are assessed to profits so long only as they are local rates and do not take an excessive amount of the profits, that is to say, do not encroach too severely upon the central domain of income-tax. Well, Sir, I never knew before that the Government of Bengal entertained that view. It is a view which, as the Council will see from various observations I have made, the Government of India could not possibly accept. For these reasons, Sir, I oppose the amendment.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce) : Sir, I rise to say a very few words in support of the amendment moved by my Honourable friend, Sir George Godfrey. I will not again go into the details of this cess. They are known and generally understood by all the Members of this Honourable Council. This amendment wishes to put right a wrong where this road cess is not allowed as a good deduction for income-tax purposes, and my Honourable friend, the Finance Secretary, opposes the amendment on the question of principle. He even went so far as to say, because the Legislative Assembly had arrived at certain conclusions, he did not see why the Council of State shoud arrive at some other conclusions.

THE HONOURABLE MR. E. BURDON : On a point of personal explanation, Sir. I did not say that because the Legislative Assembly had come to a decision, *therefore* the Council of State should come to the same decision.

THE HONOURABLE SIR ARTHUR FROOM : I beg the Honourable Member's pardon, but I fancy I am right in saying that the Honourable the Finance Secretary did make some reference to the Legislative Assembly having arrived at certain conclusions, and he did not see why the Council of State should arrive at different conclusions. However, I would like to remind Honourable Members of this House that the Council of State on many occasions have arrived at different conclusions to those arrived at by the Legislative Assembly, very often to the great advantage of Government.

Now, Sir, the Honourable the Finance Secretary pointed out that this cess, where it had been calculated on profits had never been allowed as a good deduction. Well, I do not quarrel with this statement, but I would remind the Honourable the Finance Secretary that even a worm will turn and, presumably after suffering under this ruling of the income-tax authorities for a considerable time, a certain colliery asked for relief from the High Court of Bengal and got it.

Now, according to the report of the Select Committee, the Government undertakes to recommend to Local Governments that this method of assessing road cess on profits should not be continued and, as far as I understand it, the Finance Secretary takes his stand on that promise. Well, I am afraid we cannot accept that. I am afraid we must ask this Council to carry this amendment and make it legal that this cess calculated on profits should be allowed as a good deduction until the Government of India take their courage in both hands and take such steps as will prevent the local authorities anywhere calculating road cess on profits. To my mind, Sir, that is the correct way of dealing with this, and I maintain that the Finance Department, or perhaps I should say the Central Board of Revenue through the Finance Department, is approaching this problem from the wrong end. The Finance Secretary said that in proposing this amendment he was actuated by the lofty ideal of principle. Well, I agree with his principles up to a certain point. I do not think we, any of us, disagree with the principle that tax on profits is primarily the business of income-tax. But where a local tax is allowed on profits, it should be allowed as a good deduction until the Central Government make it their business to see that local authorities are not allowed to levy municipal or other cesses on profits. That, Sir, is our point. Then, again, in pursuance of this lofty ideal of principle, what do the Government seek to do in inserting sub-clause (*b*) of clause 2 ? They recognise what they say is wrong. By inserting this very clause they recognise that Local Governments have the power to levy a cess on profits. That, again, Sir, I say is the wrong way for them to proceed. They ought to take away this power if they object to it from the lofty ideal of principles.

[Sir Arthur Froom.]

Now, Sir, there is just one other point, and a point which I should like Honourable Members of this Council to bear very closely in mind. This Bill, this Income-tax Bill, has been circulated throughout the country for opinions, and opinions on this sub-clause (*b*) of clause 2 have been very freely expressed and this clause has been condemned by the following bodies and Government. As was to be expected, the Bengal Government condemned it. The Bengal Chamber of Commerce condemned it. The Assam Railways and Trading Association condemned it. Then we come to the other side of India. The Millowners' Association, Bombay, condemned it. The Ahmedabad Millowners' Association, far removed from the coal mines, also condemned it. The Indian Chamber of Commerce, Calcutta, condemned it. The United Provinces Chamber of Commerce condemned it. The Cochin and Tuticorin Chambers of Commerce condemned it. The Indian Chamber of Commerce, Lahore, also a long way from the coal mines, did not like it and condemned it. The Punjab Chamber of Commerce condemned it. What is the use of circulating a Bill for opinions if opinions of bodies who are in the best position to know and understand income-tax matters are not listened to by the Government ?

Sir, I whole-heartedly support the amendment moved by my Honourable friend Sir George Godfrey.

THE HONOURABLE THE PRESIDENT : The original question was :

" That clause 2 do stand part of the Bill ".

Since which the following amendment has been moved :

" That the word ' and ' at the end of sub-clause (*a*) and the whole of sub-clause (*b*) of clause 2 be omitted ".

The question is that that amendment be made.

The Council divided :

AYES—13.

Akbar Khan, The Honourable Major Nawab Mohamed.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Dadabhoy, The Honourable Sir Maneckji.
Froom, The Honourable Sir Arthur.
Godfrey, The Honourable Sir George.
Gray, The Honourable Mr. W. A.
Khaparde, The Honourable Mr. G. S.
Moti Chand, The Honourable Raja.
Sethna, The Honourable Sir Phiroze.
Singh, The Honourable Maharajadhiraja Sir Rameshwara, of Darbhanga.
Singh, The Honourable Raja Sir Harnam.
Suhrawardy, The Honourable Mr. Mahmood.
Wacha, The Honourable Sir Dinshaw.

NOES—21.

Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Chettiyar, The Honourable Sir Annamalai.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
Desika Chari, The Honourable Mr. P. C.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Natesan, The Honourable Mr. G. A.
Nawab Ali Khan, The Honourable Raja.
Sankaran Nair, The Honourable Sir.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Vernon, The Honourable Mr. H. A. B.
Weston, The Honourable Mr. D.
Woodhead, The Honourable Mr. J. A.

The motion was negatived.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, and 6 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 7 do stand part of the Bill".

THE HONOURABLE MR. W. A. GRAY (Burma Chamber of Commerce): Sir, the amendment of which I have given notice reads as follows:

"That in clause 7 of the Bill—

(*i*) the following be inserted at the beginning:

'For sub-section (*1*) of section 42 of the said Act the following sub-section be substituted, namely:—

'(1) In the case of any person residing out of British India, (*a*) all profits or gains accruing or arising to such person from any property in British India, and (*b*) all profits or gains accruing or arising in British India to such person from business transacted in British India, shall be deemed to be income accruing or arising in British India and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax:

Provided that no profits or gains which have accrued or arisen out of British India to such non-resident person shall be deemed to have accrued or arisen also in British India:

Provided also that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person which are, or may at any time come, within British India'.

(*ii*) For the proposed sub-section (*3*) the following sub-section be substituted:

'(*3*) In calculating the profits or gains chargeable to income-tax under this section, no allowance shall be made under sub-section (*2*) of section 10 in respect of any buying or other commission whatsoever not actually paid, or of any other amounts not actually spent, for the purpose of earning such profits or gains'."

This amendment falls into two parts—the insertion of a clause amending the existing sub-section (*1*) of section 42 of the Act and the amendment of the new sub-section (*3*) which the Bill seeks to add to the same section of the Act. I propose to deal with both these alterations in one amendment, because the principle which I wish to establish by the omission of certain words from sub-section (*3*) is the same as the principle which I wish to establish by the first proviso in my proposed sub-section (*1*). With this, however, I will deal later. First of all I will deal with one of the objects of my amendment in which I hope to have the support of the Finance Department; that object is the removal of some uncertainty which arises from section 42 of the Act as it stands at present. Sub-section (*1*) of section 42 of the Act reads:

"In the case of any person residing out of British India, all profits or gains accruing or arising, to such person, whether directly or indirectly, through or from any business connection or property in British India, shall be deemed to be income accruing or arising within British India, and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax:"

The Statement of Objects and Reasons with the original Bill in paragraph 6 says:

"Section 42 of the Act which deals with the assessment of non-residents is vague and this is neither satisfactory from the view of the Government nor fair to the tax-payer. Moreover, conflicting decisions on this subject have been pronounced by the High Courts of Madras, Calcutta and Rangoon".

[Mr. W. A. Gray.]

And with a view to removing this vagueness, it was proposed by the original Bill to substitute for the first sub-section of section 42 of the Act four new sub-sections designed to make the law more definite in regard to the assessment of the profits arising from import and export trade. The four sub-sections were, however, rejected by the Select Committee, who reported as follows:

"We recognise the difficulties created by the conflict of judicial rulings on the subject but, until a set of rules or principles can be evolved which would have in some way limited the action of the income-tax officer, we prefer the law as it is."

It should be noted however that seven out of the fourteen members who signed the report added a minute of dissent stating that they were not satisfied with the decision to allow sub-section (*1*) of section 42 to remain as it is at present, and they suggested an amendment of that sub-section. "

The report of the Select Committee contemplates that rules will be made limiting the action of the income-tax officer, but I feel that this is leaving unduly wide powers in the hands of the income-tax authorities, and if we leave it in the power of the income-tax authorities to deem that profits have arisen in a place where, as I hope to show to the satisfaction of the House, they actually have not arisen, we shall be allowing a very dangerous principle to stand. Therefore I have proposed this amendment in the hope of removing some of the existing uncertainty. The main uncertainty arises from the exceedingly indefinite words "business connection" for which I have substituted a more precise description of the transactions of which the profits should be chargeable to tax.

I now come to the second object of my amendment, which is to define the portion of profits arising from import and export trade which shall be liable to Indian income-tax, and it is here that I am afraid that there may be a difference of opinion between the Finance Department and myself. My object is to relieve from liability to tax any profits which result, in the case of *exports from* British India, from operations which take place after the goods leave British India, and in the case of *imports into* British India, profits which result from any operations before the goods have arrived in British India.

I oppose the taxation of profits resulting from operations which take place outside British India, partly because it is impracticable and partly because it is inequitable. I say that it is impracticable for the following reason. Take the case of a branch or agent in Bombay *exporting* Indian curios to a principal in London. The principal in London may sell them to an American dealer who may take them to America and sell them to a retailer who may in turn sell them to another party. I say that it is quite impossible for the agent in Bombay to find out what profit has been made at the various stages of the transaction; and if he is charged for income-tax on a fictitious profit, it is quite impossible for him to recover any of the tax paid from any of the other parties concerned. Or again take the case of an agent in India *importing* manufactured goods. Let us take the case of an Angus Sanderson motor car. I do not know what the present practice of the Angus Sanderson Company is, but when they first started to produce motor cars, their procedure was to have all the various parts of the car manufactured by other companies who were considered to be most expert in the manufacture of those particular parts and the parts were then assembled and put on the market as the Angus Sanderson car.

Now if the Indian agent is to be charged for tax on profits arising out of operations which take place before the car reaches British India, he would

have to discover the profits of all the different companies who manufactured the different parts, which I say it is manifestly impossible for him to do. But perhaps I shall be told that in a case of this kind there is no intention of taxing the manufacturing profits, that it is only the intention to tax manufacturing profits when the non-resident who exports to British India is himself the manufacturer. But it seems to me, Sir, that it is manifestly inequitable to tax the manufacturer who does not work through a middle man while the manufacturer who exports through a middle man escapes. And this is not the only reason why I say that the proposal is inequitable. In the course of the debate in the other House the Honourable the Finance Member said :

" Where it is a question of export trade, we say part of the profits accrue or arise in British India "

and then later on in dealing with imports he says :

" Our object here was to interpret the existing clause 42 in a clearer way so as to make quite clear that the whole of such profits or gains shall be deemed to have accrued, in the circumstances to which reference is made. I think that the object of the Honourable Member is to get rid of our right to tax the manufacturing profits in such a case altogether. If so, I think I must clearly oppose the amendment ".

That is to say that the Honourable the Finance Member wants to have it both ways. If an article is manufactured *in* British India, the manufacturing profits accrue in British India. If an article is manufactured *out of* British India, the manufacturing profits still accrue in British India.

Sir, my Honourable friend Mr. Khaparde sometimes tells us stories to illustrate his points and I am going to follow his example ; and this is my story. There was once a landlord who had a garden which he leased to a tenant. Now adjoining this garden was an orchard belonging to another landlord, and some of the fruit trees in this orchard hung over the wall of the garden and some of the fruit fell into the garden. When the landlord of the garden saw this he went to the tenant and he said : " Look here, you are deriving benefit from the fruit which falls into the garden, which was not part of our bargain. Therefore I am going to take some of the fruit and also I am going to charge you rent for the part of the orchard in which the trees grow which overhang the wall." To which the tenant replied : " I don't mind letting you take some of the fruit, but I am certainly not going to pay you rent for land which is not yours "—and I think that Honourable members will agree that the tenant was quite justified in adopting this attitude.

Now this case seems to me to be exactly parallel to the point which I am discussing, if we substitute for the landlord of the garden the Government of India, for the landlord of the orchard the Government of some other country, for the orchard a manufacturing process, for the fruit the profits arising from the process and for the fruit which falls over the wall the profits which arise from operations after the goods have arrived in India. In short, Sir, I maintain that it is no more possible for profits to accrue and arise in two places than it is possible for an orchard to grow and arise in two places, however much anyone may " deem " to the contrary.

Now, Sir, let us consider the reverse process, and assume that the British Government decided to proceed on the same lines as the Indian taxation authorities wish to follow. Let us take again the case of a dealer in Indian curios, say ivory carvings. Suppose an Indian merchant sends carvings to a branch or agency in London, and the United Kingdom taxation authorities tax him on the manufacturing profit. Following the procedure which the Indian taxation authorities propose, the merchant in London would then instruct his branch in India to recover this tax from the Indian workman who made the ivory

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carving. I imagine that there would be a considerable outcry in India if any such action were attempted.

Another point, Sir, is that I have omitted from the proposed sub-section (*3*) amongst other words, the words "to have been received". It is not quite clear what the intention of these words was, but it seems to be the intention to allow the taxation authorities to deem that where the sale proceeds are received, there also the profits are received, to this I cannot agree. The manufacturer may receive profits outside British India even if the goods lie unsold in British India; and conversely the goods may be sold and the proceeds received, and yet the manufacturer may make a loss. Therefore I say that it is not correct to assume that the profits are received in the same place where the proceeds of sale are received.

Finally, Sir, I foresee that I may be told that the first proviso which I propose to insert in sub-section (*1*) of section 42 of the Act is incompatible with sub-section (*2*) of section 4 of the Act.

Sub-section (*2*) of section 4 of the Act reads as follows:

"Profits and gains of a business accruing or arising without British India to a person resident in British India."

It will be seen that this sub-section refers only to profits accruing to a person resident in British India, whereas the proviso which I wish to insert relates to the profits accruing to a non-resident person. Therefore, Sir, I do not see anything contradictory or incompatible in the amendment which I now submit for the acceptance of the House.

THE HONOURABLE MR. E. BURDON: Sir, I propose to deal first with the points of substance inherent in my Honourable friend's proposition, in which I may say at once I see some excellent features. The proposition is precise and limited in its scope and its purpose is simple and definite. Taken in two parts, my Honourable friend's contention is that in the case of commodities exported, tax should not be assesssed on any profits made after export has taken place, and that, in the case of goods imported into India, no tax should be assessed upon profits made before arrival in British India. Now in regard to the first of these two propositions, there is, I think, no difference of opinion between us. In regard to the second point there is, and I shall address myself to that immediately, and I will endeavour to explain to the House as clearly and briefly as possible what the position of the Government of India is in regard to it and why they have adopted it. My Honourable friend's object is to secure that if a foreign manufacturer, or person who has purchased goods abroad, imports his manufactures or goods into British India and sells them there through an agency or a branch, only the merchanting profit should be charged to income-tax in British India and not the manufacturing profits. My Honourable friend holds it to be impracticable and more inequitable that the manufacturer's profits should be subjected to tax in India, since they do not accrue or arise there, but accrue or arise in the place of manufacture. Now, Sir, the clause which the amendment seeks to replace is deliberately intended to provide that all profits or gains in such cases should be subject to tax, both merchanting and manufacturing profits. There is in fact in regard to this matter a direct conflict of opinion. The Government of India hold it to be right that manufacturing profits in the circumstances mentioned should be subject to tax, and that such taxation does not mean the imposition of any undesirable penalty upon legitimate business. I may also explain that a tax on manufacturing profits is in accordance with past practice which has never

given rise, so far as I am aware, to any actual dispute ; and what is more important still, to tax manufacturing profits is strictly in accordance with one of the fundamental principles of our existing income-tax law. The whole of the profits, both merchanting and manufacturing profits, on imported goods sold by an agency or branch in India, being included in the sale price are received in British India, and Honourable Members of this Council are well aware that receipt in British India is one main basis of liability to Indian income-tax. We have only to look to section 4 (*1*) of the Indian Income-tax Act, 1922, which says that :

"This Act shall apply to all income, profits or gains from whatever source derived, accruing or arising or received in British India, or deemed under the provisions of this Act to accrue or arise or to be received in British India."

The Government of India can see no reason whatsoever why this criterion of receipt in British India, which otherwise operates universally, should be abrogated in one case only, with the effect of discriminating in favour of the foreign manufacturer or importer. I wish to make it clear—there has, I think, been some misapprehension on this point, particularly in regard to the converse case of export—that there is no intention whatsoever to touch transactions of regular sale by a principal abroad to an independent principal in India. In such cases no agency in India is constituted, and, as I have said, we only desire to tax profits in cases where it is actually the case that normally the whole of the profits, including the manufacturing profits, are received in British India. I should like in this connection to draw the attention of this Council to a cognate class of cases, that is, of the resident in India who owns a factory or business abroad and brings his profits back home to India within three years after they have been earned. These profits are subject to Indian income-tax, and it would seem to be altogether anomalous and altogether unjustifiable that in the case of a non-resident who receives profits in British India, these profits should be immune from tax. I have not overlooked the fact that the Taxation Enquiry Committee recommended the adoption of the f. o. b. price both for exports and imports, and of course the adoption of the f. o. b. price in the case of imports would be in conflict with our present proposal. Our proposal is to follow the recommendation of the Taxation Enquiry Committee so far as it concerns exports, the profits on which are not received in British India, because it is obviously fair in that case that we should only assume as the Indian profit that amount of profit which a resident exporter would have made who had sold the commodity to a non-resident customer. So far as imports are concerned, we do not propose to follow the f. o. b. basis, and it seems to us to be clear that the Taxation Enquiry Committee must have been under a misapprehension when they dealt with this particular point, because, so long as receipt in British India is one of the main basis of liability to income-tax, there can be no sufficient justification for adopting the f. o. b. price, that is to say, the price at the port from which the goods are exported to British India, and by so doing to exclude from taxation part of the profits which are in fact subsequently received in British India. I should like to add that there is no question here of the non-resident merchant being subjected to double income-tax. That is provided for by the system of double income-tax relief, and it seems to me to be clear that it would be entirely wrong and unnecessary to infringe in an isolated case one of our main principles, particularly when such infringement would serve no useful purpose and certainly cannot be described as in any way promoting the public interest.

My Honourable friend, in a later stage of his observations, supported his contention by a reference to what might possibly happen in the United Kingdom. I should like to point out that analogies from the income-tax law and the

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income-tax practice of the United Kingdom are liable to be most misleading. Under the English system the main basis of liability is residence, and not receipt. Consequently, the two cases are entirely different. Further, in certain circumstances which were cited by my Honourable friend, he suggested that the effect of the clause which the Government propound would be something entirely different from that which we ourselves contemplate would be the effect. We do not wish to tax anyone except the foreign principal, and as the law stands at the present moment we cannot do so. Moreover, under the law as it stands at present we could not tax the profits of people who make parts of a motor car and sell them to an independent person who assembles them. I am afraid there is still a great deal of misunderstanding as to what the effect of this particular clause would be. The matter is exceedingly intricate and very difficult to explain in full Council. But I can assure my Honourable friend that he has undue apprehensions as regards the effect of the clause which the Government propound. Now, Sir, it will be evident from my observations that I have to oppose my Honourable friend's amendment and
1 P.M. I have given my reasons of substance for the attitude which Government have to adopt in this matter.

I shall now turn to certain questions of form. My Honourable friend in his opening sentences said that one of the objects in view was to make clearer and more intelligible the existing section 42 (*1*). Well, Sir, it does not appear to me that the amendment which has actually been proposed would have that effect. It is, I am afraid, true that the existing section is not particularly clear. Government tried to make it clearer, but the Legislative Assembly found themselves unable to accept the particular proposals which Government put forward in this respect. Our position is that clause 7 of the Bill is the best that can be done in the circumstances.

Now, Sir, I find in my Honourable friend's amendment two passages which seem to me to be entirely superfluous. The new sub-section (*1*) proposed to be made runs as follows :

" In the case of any person residing out of British India, (*a*) all profits or gains accruing or arising to such person from any property in British India, and (*b*) all profits or gains accruing or arising in British India to such person from business transacted in British India, shall be deemed to be income accruing or arising in British India and shall be chargeable to income-tax, etc., etc."

Now, Sir, it seems to me that the words " shall be deemed to be income accruing or arising in British India " are clearly redundant. The effect is merely to say that a thing should be deemed to be itself. Then, again, after having said in clause 1 (*a*) that " all profits or gains accruing or arising to such person from any property in British India," and in (*b*) " all profits or gains accruing or arising in British India.....shall be chargeable to income-tax ", a proviso is added :

" Provided that no profits or gains which have accrued or arisen out of British India to such non-resident person shall be deemed to have accrued or arisen also in British India."

I submit, Sir, that that also is superfluous and redundant, and I am afraid that the effect of the amendment, if it were made, would merely be to render the law even more nebulous and unsatisfactory than it is at present.

I would draw attention to one other point. My Honourable friend's amendment provides no test at all whereby the authority concerned would be able to distinguish whether profits have accrued inside or outside British India. No criterion is furnished, and I think the absence of a definite provision in regard

to this would prove a serious obstacle to the smooth administration of the law. I am afraid, therefore, that if these amendments were made, the situation would be that many very difficult matters would have to be left to the discretion of Courts. It is not easy to say what the ultimate result would be, but it will certainly lead to litigation and I am afraid that the result would very probably also be loss of revenue to a greater extent than my Honourable friend or any other member of this Council would desire.

Finally, Sir, it appears to me to be a matter of some doubt whether, even if the amendment were passed, it would have the actual effect which the Honourable Mover desires. As I have said before, manufacturing profits are normally received in India in the circumstances in which we desire to tax such manufacturing profits. Section 40 of the Indian Income-tax Act provides as follows :

"In the case of any guardian, trustee or agent of any person being a minor, lunatic or idiot or residing out of British India (all of which persons are hereinafter in this section included in the term beneficiary) being in receipt on behalf of such beneficiary of any income, profits or gains chargeable under this Act, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same extent as it would be leviable upon and recoverable from any such beneficiary if of full age, sound mind, or resident in British India, and in direct receipt of such income, profits or gains, and all the provisions of this Act shall apply accordingly."

Now, Sir, it seems to be clear that, while that section remains in the Indian Income-tax Act, the passing of the amendment proposed by my Honourable friend could not actually have the effect which he desires.

Sir, I oppose the amendment.

THE HONOURABLE SIR GEORGE GODFREY : Sir, I must congratulate the Honourable Mr. Burdon for the very able and clever way in which he has tried to prove the simple intentions of Government and to indicate that the amendment as moved by Mr. Gray is unnecessary. But I must confess that after listening to him with the greatest care and attention, I feel far more in that nebulous condition, to which he referred, than before He has quite clearly told us again that the Government of India do desire to secure income-tax on manufacturer's profits. As I understand it, the agent or the seller in India who has imported some manufactured goods from outside India, the property of a non-resident of India, and makes profits on the sale of those goods in India, will have to pay income-tax not only on his profits or commission, but also on the probable manufacturer's profits of the non-resident. Now, I quite agree that it is very difficult and very intricate, but I do feel that Mr. Gray's amendment makes the matter very much clearer. To me it seems that the taxable profit should be earned and should accrue in India, and that a manufacturer's profit made in some out-of-the-way country, in some Scottish town or in some Lancashire spinning town, ought not to be taxed. Now, I understand from the Honourable Mr. Burdon that that is the very profit that he does want to tax. I will try and give another instance, because in referring to Mr. Gray's instance of the motor cars, Mr. Burdon states that he thinks the Mover was under a misapprehension as to what the intentions of the Government of India are. Suppose a person in this country agrees to purchase, say, from Lancashire, a certain amount of dyed and printed goods. Those goods come out here and are sold at a price which has been agreed upon beforehand. The person who buys those goods is not running the office of a Home firm, he is not a branch of a Home firm ; but he is, as far as I can understand, undoubtedly an agent for the Home firm that despatches the goods out here. He has agreed to take these goods at a certain price. He adds the costs arising here in the way of import duty and landing charges. Then he sells the goods in the

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Indian market. That agent makes certain profits on his transaction and out of that profit he pays income-tax. But the manufacturer at Home is unknown to him. The goods are manufactured in some part of Lancashire; they are sent to Manchester to be examined, tested and passed. They are then packed up and sent off to some other place for dyeing and perhaps to another place for printing. They then go back to the central office of the exporter. They are packed up and sent to India. Now, if I understand the position correctly, the Honourable the Finance Member wishes to tax the manufacturers' profits on all those transactions. . . .

THE HONOURABLE MR. E. BURDON: No, Sir.

THE HONOURABLE SIR MANECKJI DADABHOY: How do you account for Sir Basil Blackett's speech, which my Honourable friend Mr. Gray referred to?

THE HONOURABLE SIR GEORGE GODFREY: I have tried to understand it, but I cannot see a way out of it, because if one turns to sub-section (*3*), it says—

"the profits or gains shall be deemed to have accrued and arisen and to have been received in British India."

I cannot see any other way out of it, Sir. I agree that the whole matter is very intricate, but I do strongly disagree with any suggestion that the Government of India has the right to levy in some way or other an income-tax on the manufacturer's profits of a non-resident outside India who is merely doing business with India. They have every right—and we acknowledge it—to tax the profits made by the people who deal in those goods in India. The acid test of any income-tax legislation should be whether it is practicable: and nobody, so far as I can see, can possibly say that this legislation is practicable.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, at this late hour I do not propose to tread over the same ground which has been so exhaustively dealt with by my firend, the Honourable Mr. Gray and also by my Honourable friend, Sir George Godfrey. Mr. Gray has made a detailed examination of the subject and has placed before this Council various reasons showing that it would be advisable to accept his amendment to the proposition as it is worded. I shall not travel over the same ground again, but I wish only to refer to certain remarks which fell from my Honourable friend, Mr. Burdon. He has admitted in so many words, as I am able to ascertain, that this clause 7 as drafted by the Legislative Assembly has not the wholehearted approval of Government. I find from his observations that this clause will not eliminate the difficulties and the troubles which the amendment of the law contemplates. He has also stated that to give effect to this amendment of Mr. Gray would be, to use his own words, to render the law more nebulous. He even frankly admits that the law as it stands is ambiguous. I may ask him with great respect, "Why substitute a bad law for a doubtful law, for a law which is already unintelligible?" If you want to make improvement of an Act, make an improvement which will be quite clear and which will serve the professed purpose. It is no use substituting a bad law for a doubtful or uncertain law, or a law which is not clear for a law which is equally nebulous and doubtful. You are not going to improve the position of Government. He has also stated that if Mr. Gray's amendment is accepted, many matters would be left to the discretion of the Courts. Is he prepared to say that with the law as it stands at present not many matters are left to the discretion of the Courts?

I am sure he will not make such an assertion. If that be the case, I submit on that part of the case too his ground is not altogether unassailable. He also stated that if Mr. Gray's amendment is accepted, it will cause a loss of revenue to the Government. May I again ask with section 432 as it stands does it not cause a loss to Government ? It was by reason of that very fact, that it was causing a loss of revenue to Government, that this amending Act has been brought forward and to make matters explicit on the subject. I submit therefore that no useful purpose is served by substituting an effective clause for an already nebulous clause, and it would have been commendable on the part of Government not to have embodied in the Bill such an ill-drafted and nebulous clause. I still appeal to Government, in view of their clear admissions to leave the law as it stands. Let section 42 remain as before ; there is no justification whatever for making this amendment to the Act which is not going to solve our difficulties . . . .

THE HONOURABLE MR. E. BURDON : On a point of personal explanation.

THE HONOURABLE THE PRESIDENT : I think the Honourable Member is trying to get in a reply under the guise of a personal explanation.

The Honourable Mr. Desika Chari.

(After some pause by the Honourable Member). I called the Honourable Member.

THE HONOURABLE MR. P. C. DESIKA CHARI : I am sorry. However, there seems, Sir, no doubt that section 42 (*1*) is very unsatisfactory. As has already been pointed out, it requires a great deal of improvement, and I certainly see that the amendment which is put in now by clause 7 of the new Bill improves it to some extent. It does not improve it on the lines on which we want it to be improved, but what I say is that the present amendment of the Honourable Mr. Gray does not improve it at all, but, on the other hand, introduces great difficulties into the question. The Select Committee has devoted a good deal of time and attention to the consideration of section 42 and they could not arrive at a satisfactory formula for improving section 42 (*1*). Under these circumstances, it was thought desirable to leave it for a later stage and not to hurry matters and to put in a hasty amendment which will not deal with the situation. So the procedure is on the whole satisfactory, because section 42 (*1*), which is bad as it is, should be allowed to stand with a view to bringing in a proper amendment at a later stage. If you amend it on improper lines now, it may be difficult to bring in a proper amendment at a later stage after further consideration. It was not possible for the Select Committee to go into that question fully with the materials available before them, and this question has to be considered with greater caution by inviting further opinions on the matter, so that it is better to leave things as they are and to make only small amendments in order to obviate a lacuna or defect which is patent on the face of the Income-tax Act, and that is what the amendment, as put in by the Select Committee, seeks to make. They do not want to go further. They want further time to consider, and it is left to Government or to the Legislature to improve it on proper lines on a future occasion. There is no use taking up matters in haste and rushing through some amendments which create more difficulty than the present section itself. It is on this ground that I oppose the amendment brought forward by my Honourable friend, Mr. Gray, which complicates the situation and does not improve it, but, on the other hand, far from being an improvement, is a retrograde step, having in view the proper principles applicable to income-tax. I therefore oppose the amendment.

THE HONOURABLE SIR ARTHUR FROOM: Sir, I do not propose to traverse the ground already covered by my Honourable friend, Mr. Gray, the proposer of this amendment and by Sir George Godfrey.

I shall merely content myself with saying that I am in full agreement with the views expressed on the question of income-tax on exports and income-tax on imports. I should like to remind the Council of what happened in regard to this Bill. The Government obviously do not like section 42, sub-section (*1*), of the Income-tax Act, and they made some sort of an attempt in the original Bill to explain that section. Then the Bill was sent to the Select Committee of the Legislative Assembly—quite forgetting that there are a certain number of business men in the Council of State—and that Select Committee said "We do not like these sub-clauses introduced by the Government and therefore we will drop them, sub-clauses (1), (1A) and (1B)." That is the position. The position is that Government by their own action in trying to amend section 42, sub-section (1), of the Act showed that it did want amending. It is obscure: it should be remedied and Government intended to remedy it. They attempted to do so. What happened? In the Select Committee those sub-sections were dropped. Then, my Honourable friend the Finance Secretary says he agrees with the views which the Legislative Assembly have taken with regard to this section of the Act. Are we to understand that he agrees with the views of the Legislative Assembly as expressed in merely dropping these clauses and leaving matters where they were and in leaving the administration of section 42 to be conducted by rules? Now, Sir, great as our faith may be in the present Central Board of Revenue, I have a great objection to the administration of the Income-tax Act being carried on by rules. The Government themselves have shown that they wished to amend the section and they failed. I say Government should have had another try than to say that the Legislative Assembly did not like their amendment. I do not say that the Legislative Assembly were wrong; Government have not said they are wrong, but they merely shrug their shoulders and say "We will proceed by rules; we will not take further trouble to clarify this very obscure section 42, sub-section (1) of the Indian Income-tax Act." It obviously does want clarifying. As I said, as regards the export business of this great country of India, the Central Board of Revenue through the Finance Secretary, who, I am sorry, has to reply to all these income-tax matters, have declared that they do not propose to tax profits further than the port of export. That, I think, is fair and reasonable and I have no quarrel with it. But this Act, this sub-section (1) of section 42 of the Act, could enable them to call upon an agent to declare profits in another country. Well, in this particular instance, we may have great faith in the present Central Board of Revenue, but who knows what it is going to be in the years to come? This section in the Act ought to be amended. Then, certain criticisms were levelled at my friend, the Honourable Mr. Gray, who has sought to bring in an amendment to clarify the situation. Mr. Gray is not a lawyer; I am not a lawyer. But I do understand the object of Mr. Gray's amendment which is couched in plain language. In what manner has it been received? It is received I do not say with sneering criticism—I should not like to go so far as to say that—but it is received with a considerable amount of adverse criticism, to the effect that "this will not do, and that will not do." But what is the Government's attitude? They have not sought to alter the section which they admit is wrong and wants clarifying. I say Government is wrong in this instance, entirely wrong.

At the beginning of my remarks I said I did not propose to traverse again the ground covered by the Honourable Mr. Gray and Sir George Godfrey. The issues are quite clear. We do not want to tax in India profits which

are made in another country and where another tax is already paid. We are quite ready to subscribe to any amendment made so as to make it quite clear that income-tax in this country should only be levied on the profits in this country. Of course the issue is very often confused by these words " accruing or arising " in the country. But the intention of the Indian Income-tax Act was to tax profits made in this country, and I repeat that that was the intention. I was a Member of the Joint Committee which sat on the Income-tax Bill of 1922, and the then Revenue Member told us that the intention of Government was to tax profits made in this country. Unfortunately, this clause 42, this obscure clause 42, which we discussed, went through. But at that time we were told that it would not be applied so as to tax profits made outside India. It just shows how wrong it is to trust to an obscure clause, and I say that the Government should now have taken the opportunity of clarifying this clause instead of sitting back and shrugging their shoulders. When their first attempt failed, they should have tried again.

I only have one more reference to make, Sir, and that is the same reference that I made in speaking on the previous amendment, *i.e.*, " Opinions." I will not weary the House by reading out the long list of opinions against this clause. I have got a list of them here (the Honourable Member showed a document) and I will show them to any Member afterwards. I might remind my Honourable friend who sits next to the Honourable Mr. Gray that the Burma Indian Chamber of Commerce and the Burma Chamber of Commerce on this occasion strongly objected to clause 7. In addition to the Burma Chamber of Commerce, the Bombay Government is another which objects to this clause. In fact, the weightiest opinions obtained when this Bill was circulated are all against this clause and Government have paid no attention to them.

THE HONOURABLE THE PRESIDENT: The original question was:

" That clause 7 do stand part of the Bill ".

Since which the following amendment has been moved:

" That in clause 7 of the Bill:—

(*i*) the following be inserted at the beginning:

' For sub-section (*1*) of section 42 of the said Act the following sub-section be substituted; namely:—

' (*1*) In the case of any person residing out of British India, (*a*) all profits o gains accruing or arising to such person from any property in British India, and (*b*) all profits or gains accruing or arising in British India to such person from business transacted in British India, shall be deemed to be income accruing or arising in British India and shall be chargeable to income tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income tax:

Provided that no profits or gains which have accrued or arisen out of British India to such non-resident person shall be deemed to have accrued or arisen also in British India:

Provided also that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person which are, or may at any time come, within British India '.

(*ii*) For the proposed sub-section (*3*) the following sub-section be substituted:

' (*3*) In calculating the profits or gains chargeable to income-tax under this section no allowance shall be made under sub-section (*2*) of section 10 in respect of any buying or other commission whatsoever not actually paid, or of any other amounts not actually spent, for the purpose of earning such profits or gains'. "

The question is that that amendment be made.

The Council divided :

AYES—10.

Akbar Khan, The Honourable Major Nawab Mahomed.
Dadabhoy, The Honourable Sir Maneckji.
Froom, The Honourable Sir Arthur.
Godfrey, The Honourable Sir George.
Gray, The Honourable Mr. W. A.
Khaparde, The Honourable Mr. G. S.
Sethna, The Honourable Sir Phiroze.
Singh, The Honourable Maharajadhiraja Sir Rameshwara, of Darbhanga.
Singh, The Honourable Raja Sir Harnam.
Wacha, The Honourable Sir Dinshaw.

NOES—22.

Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Chettiyar, The Honourable Sir Annamalai.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
Desika Chari, The Honourable Mr. P. C.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Moti Chand, The Honourable Raja.
Natesan, The Honourable Mr. G. A.
Nawab Ali Khan, The Honourable Raja.
Sankaran Nair, The Honourable Sir.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Vernon, The Honourable Mr. H. A. B.
Weston, The Honourable Mr. D.
Woodhead, The Honourable Mr. J. A.

The motion was negatived.

Clause 7 was added to the Bill.

Clauses 8, 9, 10 and 11 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON : Sir, before I make my formal motion, I wish to make a very few remarks in answer to two particular points which were made in speeches subsequent to my own. In the first place, I wish to refer to the case cited by the Honourable Sir George Godfrey in which he expressed the opinion that in such a case income-tax would be levied though it appeared to him to be undesirable that this should be permitted. I said then briefly, by way of interjection, and I wish to say more definitely now that in that particular case income-tax would not be levied under the authority of the clause which has been passed a few moments ago. Our policy is to levy income-tax on the profits of people who trade in India, and we entirely agree with the Honourable Sir George Godfrey that income-tax should not necessarily be leviable upon the profits of manufacturers who trade with India. In the case to which I am referring, the profits would not be taxable because they would be profits made by a manufacturer who has not identified himself with the subsequent seller in India. They would be separate and distinct persons.

The other point to which I wish to refer was contained in the observations of the Honourable Sir Arthur Froom. He objected very strongly to matters being provided for by rule, and I think other Honourable Members also took the same view. Now, Sir, I wish to explain that the Board of Central Revenue makes rules subject to the control of the Governor General in Council. That is my first point. My second point is that a very recent amendment of section 59 of the Act, an amendment which was carried out last Session with the consent of this Council, has given very much greater powers to make rules than was the case till then, and we hope to be able to employ the additional powers conferred upon us by this Council in order to make section 42 (*1*) clearer than it is at present.

With these observations, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

ELECTION TO THE PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE PRESIDENT : To fill the eight vacancies in the panel for the Central Advisory Council for Railways eight nominations were received, and I have pleasure therefore in declaring the following eight Honourable Members to be duly elected to the panel :

The Honourable Mr. G. A. Natesan.

The Honourable Rai Bahadur Lala Ram Saran Das.

The Honourable Mr. W. A. Gray.

The Honourable Sir Arthur Froom.

The Honourable Mr. P. C. Desika Chari.

The Honourable Major Nawab Mahomed Akbar Khan.

The Honourable Mr. Narayan Prasad Ashthana.

The Honourable Sir Phiroze Sethna.

The Council then adjourned till Eleven of the Clock on Friday, the 9th March, 1928.

COUNCIL OF STATE.

Friday, 9th March, 1928.

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

GENERAL DISCUSSION OF THE BUDGET—PART II.

THE HONOURABLE THE PRESIDENT: The Council will proceed to the general discussion of the Budget (Part II).

THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (West Bengal: Non-Muhammadan): Sir, the Honourable the Finance Member has been congratulated so much and so many times in the other place that it is not necessary for me to add to the volume of the praise bestowed on him. On an occasion like this it used to be the fashion to review the general administration of the country in all its aspects. But time being so short it is hardly worth while attempting such a huge task, and I therefore, Sir, propose to offer a few remarks on what impressions or depressions have been created in my mind with reference to the Budget of this year.

Sir, great hopes were raised in the country that the trident of Lord Inchcape would mutilate the demon of military expenditure and prune out the fungus growth of civil expenditure, thereby bringing the financial position of India to a healthy level. It must, however, be plainly stated that the hopes have received a rude shock and the rock of military expenditure has proved too adamantine and too hard to have been sufficiently impressed even by the sharp axe of Lord Inchcape and the firm grasp of a renowned financial expert in the person of our Finance Member, and also by the pious wish of His Excellency the Commander-in-Chief.

Sir, what do we find in reading the Report of the Inchcape Committee? That since the year 1913-14 the expenses of manning the various establishments have gone up over 100 per cent., in almost every department of the State. If we look, Sir, at the military expenditure we find that there the expenses have gone up by more than 100 per cent. In the General Administration it is also about 100 per cent., so also in the Civil Administrative departments. Even as regards the Ecclesiastical Department the expenditure has gone up by 75 per cent. From all these one would naturally conclude that the Budget maintains the principle with which everyone is familiar, the principle of the British character of the administration. Sir, it is a beautiful British Budget. Whatever aspect of it you may turn to, you will see writ large "British Efficiency, British Character, England's Good and England's Prosperity." Sir, I do not say that the Honourable the Finance Member has ignored India's prosperity. What I say is that India's prosperity must always come through the English channel. Then, Sir, coming to the character of the Budget, I can only say that it is a Budget of a country which is under military occupation, and of which His Excellency the Commander-in-Chief is the Military Governor, who is ready with a document levying taxation on the country which he occupies. Sir, when I say all this I mean no disrespect to His Excellency the

[Srijut Lokenath Mukherjee.]

Army Member, for whom personally I have the highest regard. Sir, we have learnt from our great leader, Mahatma Gandhi, to distinguish between a man who may be himself an angelic character and a system which he supports which may be Satanic ; so here also, Sir, we have two angelic characters in the persons of the Honourable the Finance Member and His Excellency the Commander-in-Chief, both standing up for a Satanic system in which the military expenditure is ostensibly 55 crores. Sir, this 55 crores is again not the correct representation of the total military burden on India, inasmuch as the amount paid by way of interest on unproductive debt, mostly incurred for wasteful military expenditure, as well as the amount representing the loss on the so-called strategic railways ought also to be really shown under the military budget, before the latter can be said to give a true picture of the real burden of defence on India. Sir, if we add all these, the actual military expenditure, both open and concealed, we find is not 55 crores of rupees but at least 62 crores of rupees, and that out of a revenue of 132 crores. Sir, His Excellency the Army Member, as also the Honourable the Finance Member, have said that this system is to go on. Sir, I was surprised when I found in his budget speech the Honourable the Finance Member unblushingly stating that :

" The Government have given very special consideration to the matter (*of military expenses*), during the current year and we have come to the conclusion that the figure proposed for next year cannot be reduced if India is to make a reasonable provision for her defence in modern conditions."

Sir, His Excellency the Commander-in-Chief will say,—" This system is to go on." Sir, I will add, it will go on in spite of the pronouncements of 10,000 Brussels Conferences and all other conferences and committees in the world declaring that the military expenditure of a country should not exceed 20 per cent. of the revenue. To my mind, Sir, this is a challenge and an ultimate warning to the people of this country, to the one-fifth of the human race as a whole, that you should forget about the recommendations of the Retrenchment Committee, not to speak of the Brussels Conference, for bringing down the military expenditure to 50 crores. Again, if this is Sir Basil's last word on this most vexatious topic, the Indian tax-payer will have little to thank him for. Sir, the reductions made in the military expenditure in 1921-22 can scarcely be called " big " in any real sense of the term. The Finance Member cannot but be aware of this fact. He is also surely aware that the overheavy standard prescribed by the Inchcape Committee has yet to be reached, and that the value of the rupee has been artificially enhanced by his own creations, and that, therefore, the 55 crores of rupees to-day are equivalent to over 62 crores in the year when the said Committee reported. Sir, all these are possible in a country which, as I have said, is under military occupation. And, Sir, this military government of this country injures the country in three distinct ways. " It subjects the tax-payer to enormous bleeding ; secondly, it emasculates us and makes us unfit and then provides a plausible justification for the plea of the bureaucracy for delaying the advent of Swaraj."

Sir, it has been said that for the purpose of maintaining a defence which is necessary for our country 55 crores of rupees are essential. I submit, Sir, that it is still possible to reduce the expenditure under this head. Sir, if a portion, and a substantial portion, of the British troops is done away with and if you do so you will at once reduce the military expenditure by 6 or 7 crores. I ask why do you want the British troops at all ? Why not do away with the British troops, and if you do not want to reduce the total number of troops, you can make up the reduction by increasing the number of the Indian troops?

Sir, if this is even done it will effect a great saving and yet maintain the necessary strength of the combatant forces.

Sir, Indianisation of the Army is urgently called for on two grounds. Firstly, for the purpose of national defence, and secondly, for the purpose of national economy. On the financial side Indianisation of the Army will reduce the expenditure on the military octopus by one-third, for Indian officers and Indian soldiers would consider themselves passing rich on half the pay required by British officers and British soldiers. Indianisation would further reduce the vast army of unemployed both in the middle and working classes. But, Sir, all these are crying in the wilderness. We know, Sir, that this is not to be because we also know that the Army in India is kept not for defending India alone but for defending the whole of the British Empire. And, Sir, this policy is fully manifested when we find that India has been used as a pawn by Great Britain in her Imperial designs upon China, Afghanistan, Persia, Mesopotamia and Egypt— making Indians hated by Asiatics and Africans, and robbing Indians of self-respect by incriminating them and their country, by using the Indian Army in these attacks upon the liberty and independence of other countries. Then, Sir, that the Army in India is an Imperial Army has been admitted by many a great authority and it will not be out of place if I quote a few of them and very briefly. Sir George White, once the Commander-in-Chief in India, said :

" We maintain that the Indian Army does supply a great addition of military power to England, that a part of the British Army is trained at the expense of India and that the whole of the men passed into the reserve have been maintained out of the revenues of India."

The next great authority is Sir Edmond Ellis, Member in charge of the Army Department during the Viceroyalty of Lord Curzon, who said :

" It is I think undoubted that the Indian Army in future must be a main factor in maintaining the balance of power in Asia. It is impossible to regard it any longer as a local militia for purely local defence and maintaining order."

Lastly, Sir, I shall quote no less an authority than the ex-Prime Minister of England, at present the Leader of His Majesty's Opposition in the House of Commons—Mr. Ramsay MacDonald. And this is what he says :

" A large part of the Army in India, certainly one-half, is an Imperial Army, which we require for other than purely Indian purposes, and its cost therefore should be met from Imperial and not Indian funds."

The same authority says elsewhere that :

" Nine-tenths of the charge of the Army in India is an Imperial charge. Canada, South Africa and Australia should bear it as much as India. It is a piece of the most bitter cynicism to find the Imperial doors of the British colonies shut in the faces of these poor Indian people who bear such an inordinate share of the cost of Imperial maintenance and at whose expense these dominions are protected from the fear of war."

Sir, if you will permit me, I will give another quotation and will give you the name of the author. The name of the author is no less than the Government of India themselves. The Government of India in the year 1896-97 spoke with great frankness in the quotation that I am going to read :

" Millions of money have been spent on increasing the Army in India, on armaments and fortifications to provide for the security of India, not against domestic enemies or to prevent incursions of warlike people of adjoining countries, but to maintain the supremacy of British power in the East. The scope of these great and costly measures reaches far beyond Indian limits and the policy which dictates them is an Imperial policy. We claim, therefore, that in the maintenance of the British forces in this country just and even liberal views should be taken of the charges which should legitimately be made against Indian revenue."

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Sir, this is what the Government of India once thought, and it was a very different cry from the one that we have heard yesterday in the other place from His Excellency the Army Member. Sir, not a single word has been said about that policy, that Imperial policy, which governs the maintenance of the British Army in India. That is the main cause, that is the real reason. Why don't you be honest with yourselves and honest with this country and say frankly and definitely that you are maintaining the British soldiery in India, not because you want to safeguard the interests of India, but because you want to safeguard the interests of the British Empire in the East ? That, Sir, being the sole reason, it is no good coming here and trying to rake up reasons which are no reasons at all, and give us excuses which are but prevaricating, and say that India is not a nation and such other things and that therefore the Indian Army shall not be nationalised. Therefore, Sir, it is really idle to say that it is impossible to curtail the military expenditure. Why don't you be frank and boldly admit that you will pursue, as long as you can, the present military policy, if not for any other reason, at least out of your craven fear lest India fought her war of independence and turned the British, bag and baggage, out of India ? Sir, India is now united in her demand for a national army and self-government, and the question I have to put to British Imperialists is : " Are you not the greatest moral cowards in the world in obstructing the Indianisation of the military and civil services and of the Government of India ? "

One word more, Sir, and I have done with this part of the Budget. Sir, in all independent countries or in countries having even dominion status most of the amount spent in military expenditure remains within the country. Everything required for the Army is manufactured in those countries and very few are imported from outside, and therefore whatever amount those Governments spend on their military mostly goes to increase the national dividend of those countries. But what is the case with poor India ? Here everything required for the Army is imported from England and very few are manufactured here, and therefore the exorbitant sum which is being yearly spent for India's military defence goes to increase the national dividend not of India but of England—the country of our self-appointed trustees. It has been truly said " Justice does not seem to enter into the question, so low has England sunk in Imperial obsession."

Now, Sir, I shall come to consider the question of another heading of expenditure, *viz.*, the General Administration. Sir, it is a topheavy administration. I think there is no other country in the world where the disparity between the highest pay of a civil servant and the minimum pay of an adult is so much as is found in India. This, Sir, is only possible under India's present constitution, a constitution which was pitchforked on to India without the sanction of India's leaders, as a colossal hoax. The Indian Legislature, which is made to resemble the Parliament of England, does not possess an iota of the power of the Mother of Parliaments. Sir, it has been truly said that :

" The Tsar of all the Russias behaved more honestly and honourably in yielding more power to the first Duma than the British Government did in creating a make-believe Parliament in Delhi."

Next I come to the question of the Indianisation of the Imperial Services which the Indian Legislature, as well as the public in the Press and on the platform, have been so insistently demanding. But what do we find ? We find that no progress at all has been made in this direction. Nothing further we

have got ; instead we find that Indianisation of the Government and the administration seems further off. Sir, it has been said that under the recent recommendations of the Lee Commission, in future the proportion of Indian recruitment to the Indian Civil Service and the Indian Engineering Service will be 60 per cent., to the Indian Police Service 50 per cent. and to the Indian Forest Service 75 per cent. But these apologists delightfully forget to state that, with rare exceptions, the superior posts, the best-paid appointments, are still reserved for Britons, and that Indians are excluded from administering their own country, for no other reason than that they do not belong to the ruling race. Then, Sir, for this gross inequality of treatment, and for this grave injustice the bureaucracy trumps up the excuse of "efficiency", under the grand pretence that Englishmen are more efficient than Indians. Sir, I shall in reply only quote a small passage from Dr. Rutherford's "Modern India." Sir, this is what he says :

"After the neglect of the education of the masses ; after the neglect of sanitation and medical services of the villages ; after the neglect to keep law and order between Hindus and Muslims ; after the neglect of housing of the poor ; after the neglect to protect the peasants from the money-lenders by providing agricultural banks ; after the comparative neglect to improve and develop agriculture ; after the neglect to foster Indian industries ; after the Back Bay scandal of Bombay "with its wicked waste of money"; after the New Delhi scandal ; after the exploitation of the great cities of Bombay, Calcutta, Madras, etc., by British profiteers, who have captured the tramways, electric lighting, and other public services ; after the manipulation of Indian currency in the interests of London, the less said about British efficiency the better.

The efficiency in exploitation in which Britons pre-eminently excel, is one of the chief causes of Indian poverty and the sooner India is rid of British efficiency the sooner she will recover financially and morally."

Last year, Sir, I asked the Government how many Indians had been recruited in the Government of India and I again ask the Government this year also, how many Indians have been recruited in each of the different departments of the Government of India as Secretaries, Joint-Secretaries, Under-Secretaries and so on ? Sir, if one goes through the pages of the Government of India Directory, he will find that not more than half a dozen, rather even less, Indians have up till now been recruited in these posts. Sir, I repeat what I said last year, that it is a direct slur on the Indian members of the Civil Service. Sir, it is a distrust of the Government of India of those officers. Are we to believe, Sir, that there are no Indians who would be equal in merit and intellect to any of our friends now occupying the Treasury Benches ? But, Sir, we do not believe it ; on the other hand, we hold just the reverse view. Sir, it will not be out of place to quote Dr. Rutherford here again. In his book "Modern India", speaking of British officials and fitness to rule, he says as follows :

"Speaking of British officials and fitness to rule, common justice demands that I should place on record my observations on this head after attending debates in the Legislative Assembly and some of the Provincial Legislatures in India. With a natural bias in favour of my countrymen, truth compels me to state that I found a definite inferiority in talent among Britons as compared with Indians and this inferiority was most marked in the Assembly.."

He goes on and says :

"Indians far surpass their English rivals in brilliancy, wit, logic, knowledge, breadth of vision and ideals of statesmanship."

Lastly, he says :

"Reduced to its fundamental basis, India is governed by first-class clerks from England with a few lordlings thrown in as governors, and the 1919 constitution has only concealed their despotic powers by dressing them in constitutional clothes."

[Srijut Lokenath Mukherjee.]

Sir, before I leave this subject I would only ask my friends opposite never to forget that Indians, in the fitness of things, are fitter to govern and administer their country than they are, and in doing so I shall only repeat the noble truth of Sir Henry Campbell-Bannerman that "Good government is no substitute for self-government."

Then, Sir, I come to the question of the release of political detenus. Sir, it was stated by His Excellency the Governor of Bengal in addressing the Bengal Legislative Council in August last as follows :

"Provided no untoward event occurs and the conditions at present prevailing in Bengal continue and the conduct of those released justifies the action taken in their cases, I hope that a large number of those now detained will have been transferred or released before the end of the year (meaning 1927)."

May I now ask the Government as to how many of such detenus have been released since the said utterance was made and how many are still rotting in jails ? Then, Sir, Government could find their way to release Mr. Subhas Chandra Bose and Mr. Satyendra Chandra Mitra, the leaders of the gang, as they were called. What justification have Government to keep in jails the smaller flies ? Has any untoward event occurred, has the present condition of the country any way changed from that then prevailing, or has the conduct of every one of those released unjustified the action taken in their cases that the pious hope of the gallant Knight, His Excellency the Governor of Bengal, did not attain fulfilment ?

Then, Sir, coming to the question of the separation of the judicial and the executive functions, we find that India's insistent demand in this respect is being ignored and the public opinion as expressed on this subject in the Press and the platform is being flouted. Sir, the combination of the two functions in one person has resulted in the grossest possible miscarriage of justice being of frequent occurrence. Sir, I may be permitted to refer here to what His Excellency the Viceroy is alleged to have said on the subject in his opening speech in the Chamber of Princes last month. Sir, His Excellency in outlining some of the essential principles of good government is reported to have said "that the first essential reform was to make the higher judiciary absolutely independent of executive control or executive manipulation." Sir, it is what we exactly want here in British India. Sir, we do not want any High Court to be described as a superior Magistrate's Court. Sir, we do not want to hear that the visit of the Executive Head of the Province to the High Court, during the pendency in the file of the Court of an important case in which that Executive Head is to a certain extent personally interested, can cause the closing of all the Benches then sitting. Sir, we do not also want to hear that either as a cause or effect, or simply after such visits the case in which the Executive Government is highly interested, the case which in ordinary course was originally in the file of a mixed Court of one Indian and one European Judge was transferred to the file of the European Chief Justice sitting with a Judge of his own race and finally decreeing in favour of the Executive Government. Lastly, Sir, what we do not want to hear is this—that had not the Provincial Executive Head paid his kind visit to the High Court the case would not have been transferred from the file of the proper Bench and also the judgment would not have been favourable to Government. What we want, Sir, is that the High Courts of Judicature to be really Courts of judicature high above executive control or manipulation as His Excellency the Viceroy has very rightly said.

Sir, before I finish, I would only say that the conclusion on a close reading of the Budget is irresistible that the obvious responsiblity of the administration to the people has been deliberately shirked and the existing iniquities have been sought to be perpetuated. Sir Basil's last performance is certainly a failure from the peoples' point of view whatever encomiums might be bestowed on him from elsewhere. And did not the self same Finance Member claim only a few weeks ago that he was a better Swarajist than the Swarajists themselves?

THE HONOURABLE MR. ALMA LATIFI (Punjab : Nominated Official) : I rise, Sir, to congratulate the Finance Department of the Government of India on this Budget and to express the Punjab's sense of gratitude for the final and complete remission of the provincial contributions. Sir Basil Blackett has in his modesty described it as a commonplace budget, and denied that there is anything remarkable about it ; but we in the Punjab will ever regard it as a giant milestone in the constitutional and general progress of the country.

A chronicler of old Spain tells us that a jealous grandee of the Court, wanting to belittle the achievement of Columbus, once said to the King that after all there was nothing remarkable about the voyage that discovered America. Columbus had only to sail on and on due west. It is only in this sense that you can say that there is nothing remarkable about this Budget. In order to produce it, Sir Basil Blackett has had to sail on and on—in the right direction, without turning to the right or to the left, through good report and evil report, during the five eventful years that are now behind him. But if it is the mark of a great budget that it should reflect a stable and well ordered system of finance, if a budget is to be judged not by its pyrotechnics, but by the number of human beings among whom it will help to spread the serene light of health and happiness, and if that budget is great which will ultimately enable the district workers to carry the lamp of knowledge into the darkest places in our townships and the remotest nooks of our countryside, then I assert in the language of the imperishable marble of our Moghal predecessors :—*Haminast-O-haminast-O-haminast.*

An Honourable Member from Bengal has just recounted the shortcomings of the administration of his own province. I have no doubt the Bengal official representative will suitably reply to him ; but if he wants to know what this Budget means for us in the Punjab, let him come with me into villages of my own Ambala Division. There only five years ago tens of thousands of men and women and children when stretched on their beds of pain and sickness had often no one to help them within a 30 miles' walk. Myself, I have seen a distracted father trudge from dawn till the setting of the sun merely to procure some simple remedy for his fever-stricken child. To-day this father needs to walk only 10 miles to his nearest rural dispensary, and very soon he will need to walk only four miles or five miles.

What has rendered this possible ? It is the generous financial policy of the Government of India.

But the expansion—the great and notable expansion of our Provincial departments of curative and preventive medicine is only one of the many fields that the remission of the provincial contributions has opened to the Punjab Government and to the man of genius who leads it. In the spread of co-operation, in the development and improvement of agriculture, in the extension of the communications that enable the produce of the villages to be carried more quickly and cheaply to market, and, last but not least, in the expansion of education, the Punjab has enormous progress to record. For all these we have in no small measure to thank Sir Basil Blackett, whom we in the districts have learned to admire from afar as a master-mind of the Empire,

[Mr. Alma Latifi.]

as a man who deserved well of the Empire in the past, and who, if the omens are true, is destined to shine with a still brighter light in still larger orbits in the future.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, this is the Honourable Sir Basil Blackett's last Budget, for the Government of India will within a few weeks from now lose his valuable services as Finance Member. It is true the Indian commercial community on the whole have had occasional differences with him, and some severe ones at that, notably in the case of the Ratio and the Reserve Bank Bills, but Indians and Europeans alike have never questioned his high attainment or the single-minded devotion to duty with which he has endeavoured to perform the difficult and responsible task of administering the finances of this country. He has done so with conspicuous ability, and may I add with a large measure of success. The Indian Merchants' Chamber of Bombay has perhaps been his severest critic throughout Sir Basil's career in India, and speaking as one of its ex-presidents, I will say that such differences of opinion as prevailed were due, I take it, to honest convictions on either side, he believing that whatever he advocated was in the best interests of the country, we holding with equal confidence that our contentions and not his were correct. India's experience in the next few years will prove which side was right and which wrong. But whatever that may be, history will certainly bracket Sir Basil Blackett with the ablest Finance Members that this country has had. (Applause.)

Rumour had gone abroad and one saw it in the Press as well that because of the large surplus, the Finance Member proposed to give relief in some shape or form to those who paid income-tax and super-tax. Unfortunately this has not come true. What relief could have been afforded in that direction would have enabled capitalists to put in this money in the furtherance of the existing businesses and the industries in which they are engaged and also to launch out into new ones, and by not enabling them to do so, Government have deprived themselves of further revenue from both these taxes and are at the same time arresting the progress of the country at large. Sir, the heavy rates of income-tax and super-tax in this country are indeed a great burden and they are a greater burden to the Indian tax-payer than to the tax-payer in the United Kingdom, although the taxes there are very much higher and this is so for the simple reason that India is comparatively a very poor country. The rates of Income-tax and Super-tax are the highest in the United Kingdom of any country in the world, but in some cases we pay even more than in England. I have in mind the Life Insurance business. Up to a few years ago in England they charged income-tax to life insurance companies even on amounts they paid as profits to their policy holders. The British Government however recognised that this was not fair, and some years ago the Finance Act of Great Britain was so altered that they no longer assess these profits for income-tax. I drew the attention of the Finance Department to this point. The reply I received was in the negative and the reason given was that they could not afford to lose this extra revenue This is a matter which the Government of India should look into, for Life Insurance is a business which it is the bounden duty of Government to further and promote by every means in their power for the benefit of the masses and the middle classes.

It is because income-tax and super-tax are very high in this country that we hear occasional attempts being made by the assessees to devise ways and means by which they may escape the payment of this tax. Government are equally alert and they bring in from time to time Bills to amend the existing Indian Act,—one such amending Bill we passed only two days ago and which

enable Government to extract their pound of flesh. But if people here try to circumvent the law I find they are in good company, for the same is the case even in the United Kingdom. A well-informed critic states that the current Statistical Abstract was submitted to Parliament in April of last year. There are figures in it for all departments, and there are likewise figures of the Income-tax and Super-tax Departments, right back from 1910. This critic has taken the figures of the last year that are published in that report and finds that in the United Kingdom, leaving aside the Irish Free State, 89,415 people pay super-tax on a total income between them of 518 millions sterling. As the House is aware, super-tax in England, as here, is on a graduated scale. Here super-tax is levied only after one's income exceeds Rs. 50,000, thereafter it exceeds £2,000 and the lowest scale is on incomes of between £2,000 and £2,500. The number of people who pay super-tax on this lowest scale is 21,341 out of the total of 89,415. I will not weary the House with the details of each particular class, but it will interest the House to know that in the class whose incomes are between £10,000 and £15,000 a year the number of assessees is 4,403. Of course the number of assessees dwindles down as the classes go up until we come to the highest class where there are only 138 assessees who pay super-tax on incomes exceeding £100,000. Now, Sir, the same critic is startled at the figure of only 4,403 assessees with incomes of between £10,000 and £15,000. He says that any moderately observant person going round the city of London or having a drive through the West End or visiting the rich cities of Birmingham and Bristol, Manchester and Liverpool, Leeds and Newcastle, Edinburgh and Glasgow, will consider it ludicrous that there should be in England only 4,403 people liable for super-tax on incomes of £10,000 to £15,000 a year. From this he deduces two conclusions, first, that there are people in England who contrive to escape the payment of super-tax altogether or, secondly, there are others who do not pay super-tax on the full amount which is due from them, and that is why I say the Indian tax-payers are in good company if they also contrive to circumvent the law as they do try to do. I am sorry therefore that there has been no relief in this direction in the last Budget. But I hope Sir Basil's successor will be able to devote more attention to these taxes and give us some relief.

The most important feature of the present Budget is of course the wiping off—and the final wiping off—of the Provincial contributions. I am sure the Provinces will breathe a sigh of relief at this action of the Government of India. Sir Basil Blackett was aiming at this from his very first Budget and it must be gratifying to him that he has succeeded in this purpose before handing over charge to his successor. These contributions have proved a very heavy drag on the Provinces and there is no question about it. Some of them have not been able to balance their own budgets, much less to devote money to advance what may be regarded as nation-building departments. In Bombay, the province I come from, the Ministers, I know, are most anxious to meet the growing and insistent demands for additional expenditure on education, public health, etc., but they cannot do it for want of the necessary funds, and then Government cannot sanction those schemes for the simple reason that they have not got the money which would fall to their share to pay for such schemes. Bombay, Sir, is mainly an industrial province, and it is a sore grievance with Bombay that the Meston Settlement has done it very gross injustice in the matter of apportionment of taxation. It is very easy to urge that for the growing needs of a province there ought to be increased provincial taxation; but the problems of taxation are by no means easy, and until Government come forward with their decisions on the Taxation Committee's Report, it is very difficult and premature to say how the incidence of taxation should be readjusted, and also if there is any scope for further taxation either by the

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Central Government or the Provincial Governments in so poor a country like ours. I do trust that the request of the Governments of Bombay, and Bengal in particular and of other Provinces as well, to revise the Meston Settlement will be taken in hand at an early date, and that settlement will be on a basis which will enable the Provinces to spend more money, particularly for developing as quickly as possible the nation-building departments.

No comment on the Budget will be complete without a reference, however brief, to its military expenditure. The next year's Budget gives this at Rs. 55·10 crores. His Excellency the Commander-in-Chief, speaking in the other place yesterday, dwelt upon those figures. I am afraid I shall not have the time to deal with some of the items of the military expenditure which I should have liked to have done, because I choose to deal with another portion of His Excellency's speech yesterday, and that is, in regard to the decision of Government on what is known as the Skeen Committee or the Sandhurst Committee's Report. To say the least, Government's decision in this matter is most disappointing, and I speak as a member of that Committee myself. Government have absolutely turned down the considered and unanimous recommendations of this Committee. I will remind the House that the Committee was appointed mainly for the purpose of considering the recommendation made in more than one Resolution in the Central Legislature for the establishment of an Indian Sandhurst. The Committee unanimously voted in favour of it and suggested that it should commence its work from 1933, the idea being that the progress as indicated by the Committee would enable us to have by 1953 half the total cadre of officers in the Indian Army consist of Indians. I say Government have turned this down absolutely and they have not given us any good reasons therefor. Their reason, however, is no other than that Government know full well that if once an Indian Sandhurst is established, they will not be able to stay the progress but will be compelled to accelerate the progress of the appointment of Indians as officers in the Indian Army. It is for this and this reason alone that Government have turned down this proposal in spite of whatever they may say to the contrary.

This Committee consisted largely of Indians and there were two Britishers, one no other than our distinguished Chairman, that efficient soldier, Lieutenant General Sir Andrew Skeen, and the other was a civilian who at that time was not a Member of this House, but is now one of our honoured colleagues, I mean, Mr. Burdon, than whom there is no other civilian to-day in the country whose knowledge of conditions and requirements of military service in India is better, and this is so by reason of the fact that Mr. Burdon had served as Army Secretary to the Government of India for, I believe, at least 3 years if not longer and served in that capacity with great distinction. These two Britishers, men with full and complete knowledge of the subject they handled, would on no account have agreed with the rest of us if they were not satisfied in their own minds that the rate of progress which the Committee recommended was by no means excessive. I am revealing no secret when I say that the report of the Committee would have been a different one because there were dissentients amongst us who were by no means satisfied with what was eventually recommended regarding such recommendations as very conservative, but we were able to get round these dissentients and these dissentients did eventually agree with the views of the two Britishers and the others in the fervent hope that, if our report was unanimous, Government would never turn it down as they have done.

We now know what the result is. Government have offered something which in brief is as follows. Instead of 10 cadets as at present there will be in future 20 Indian cadets sent to Sandhurst and 5 more are to be selected from among those who hold the Viceroy's Commission, 6 more Indians are to go to Woolwich and Cranwell, and 6 to the Flying Force, giving a total number of 37 per annum. I will admit at once we have reason to be satisfied with the substantial increase from 10 to 37—I do not question that for a moment—but we are certainly not satisfied with restricting that number of 37 to an indefinite period as has been done. That is the crux of the question. Government say they regard our recommendations as an "automatic increase" which they cannot subscribe to. Government cynically call our recommendations a "time-table programme". Sir, is this the first time, if Government had accepted our recommendations, that they would have endorsed a time-table programme? Have they not accepted time-table programmes all along in accordance with the Montagu-Chelmsford scheme and in regard to the Lee Commission's Report in the matter of progress of appointment of Indians in the different civil services of this country? Why, then, call this a time-table programme, and how is this different? It is only different in this sense that Government, while they have been compelled and are now prepared to advance Indianisation of the Civil services, are deliberately opposed for their own ends to advance the appointment of Indians as officers in the Army at the same rate. Whilst our recommendations would have enabled Indians to fill half the total cadre of officers with Indians in 25 years, according to what Government have now said, there is no knowing when we shall reach half that cadre. It may take a century or at the rate we are progressing it may take two centuries, or it may take even longer, for it will be easy for Government to say that those Indians who have come forward to serve in the Army have, in their opinion, not proved efficient enough. Where else, in what other service has an efficiency bar been imposed? Nowhere else except in this. And why? Have not Indians who have been appointed to posts which they had not filled before and which they have been newly filling—have they not in every case filled these new positions with credit and with distinction? Do you find fault with them, and if not, why are you so chary in regard to appointing them as officers at the rate recommended by the Committee? Even those Indian officers who had training at Indore during the War, and such training was not as long and perhaps not as efficient as they would have received in normal times at Sandhurst, did they not during the war prove as good officers as well as the men from Sandhurst or Woolwich? I do not think the Military Department of the Government of India or the Government at Home have a word to say against any one of those who were sent out from Indore or against those, although they were not Indians, who also during the war were trained and sent out from Wellington.

But the worst part of the declaration lies in the perpetuation of the Indian 8-unit system. I say that is the worst part and my reason is this. His Excellency the Commander-in-Chief observed yesterday in the other place, if I heard him aright, that the Committee made its recommendation in regard to this 8-unit scheme because of what the young officers mentioned to them. I want respectfully to correct that statement, because for this recommendation we relied not so much on the evidence of these young men, but on the evidence of Commanding Officer after Commanding Officer who condemned this system altogether. Now, Sir, I will say why Government insist upon this system. The one and only reason is that they do not want British officers to serve under Indian officers. Government cannot deny this. We discovered—when I say we, I, as a member of the Sub-Committee along with my colleagues when in England, discovered—that there was a certain lecturer who speaking to the cadets at Sandhurst, told these young men in so many plain words, that they

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had no reason to be alarmed, for they would hardly ever be called upon to serve under Indian military officers. We asked the India Office if this was correct. The India Office denied it, but we were able to prove to the hilt that the charge we laid was true, and what is more that the military officer who delivered this lecture was actually in the service of the India Office itself at the time, and if I remember aright, his name is Colonel Wilson Johnson who was responsible for saying what I have just stated. This is at the back of the minds of the Government at Home and possibly in India, and it is this reason and this reason alone which prompts them to perpetuate this system which is regarded in the Army itself as a *pariah* system. So long as this system is to be continued, let me assure His Excellency the Commander-in-Chief that he will not get the better class of Indian parents to send their sons for careers as officers in the Army. This is the biggest mistake the Government have made in this declaration. Sir, when speaking on my Resolution in August last in Simla for expediting the decision on our Report, I referred to the Foreword which Government had added to the Report and I described that Foreword as an ominous one. Alas, it has turned out to be far more ominous that I thought it would and the House will judge of this from the description I have just now given to you of what the Government's decisions amount to. They only serve to widen the ill-feeling which has been existing and they will go to convince the public in general that the present Government in England have no intention whatever to live up to the professions made in the famous declaration of August 1917.

Sir, the Sub-Committee's Report of the Indian Sandhurst Committee has been withheld from the public. His Excellency the Commander-in-Chief neither yesterday nor on any previous occasion has told us why it has been withheld. Is it because we were able to disclose some ugly facts in the Report ? I am very glad I am speaking before His Excellency the Commander-in-Chief to-day, and I trust that His Excellency will be pleased, when replying to the other points I have enumerated, to refer to the reason why Government have kept back this Report.

Turning to the Budget again, I would draw the attention of the House to what the Finance Member says in paragraph 3 :

> " I always regard railway earnings as an important barometer of trade and the House has already been made aware of the remarkable improvement in the railway figures for 1927-28 which, by enabling important reductions to be made in railway charges, will itself give a new stimulus towards business and agricultural prosperity. In addition, I think I see other clear indications that during the last year Indian commerce has made a steady advance and that the effects of the post-war trade depression are at long last being dissipated."

I am afraid that the criterion which the Honourable the Finance Member has adopted is not perhaps altogether correct. Railway earnings depend as much on passenger traffic as on goods traffic, and it may be that in a particular year some goods have been carried on the railways in greater bulk and perhaps owing to the extension of the railway mileage during the year goods which were previously carried in carts by road are now carried by rail. Or it may be that because the railway freights on coal were reduced, there has been more coal carried on the railways than by sea. To this extent, therefore, the increase in railway earnings may be due to the encroachment upon road traffic or upon sea traffic. The Honourable the Finance Member has not referred to the other factors which have enabled him to arrive at the conclusion he has. He has, however, referred to the drop of 130 lakhs in income-tax revenue. I wish the Honourable Member had told us how much of that drop of 130 lakhs is due to the cotton mill industry which is in its present parlous state owing to the unsympathetic attitude towards it of the Government of India.....

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): I think I can tell the Honourable Member at once that it is practically nothing.

THE HONOURABLE SIR PHIROZE SETHNA: So far as I understand, there has been a considerable drop due to the condition of the cotton mill industry.

THE HONOURABLE SIR BASIL BLACKETT: As regards this 130 lakhs, I may inform the Honourable Member that nothing practically is due to any change in the estimate regarding the Bombay cotton industry.

THE HONOURABLE SIR PHIROZE SETHNA: In 1927-28 the mills may have done as badly as in 1926-27, but will Sir Basil give comparisons with three years back?

The Finance Member has said that post-war trade depression has now been dissipated. I fear we shall have to wait for long before there is a return to normal conditions. How to return to them is the question, and one of the methods is the careful revision and the reduction in the general level of taxes. In addition there are anomalies which exist in our customs administration which Government should look into. For example, at the present moment we import aluminium either in ingots, in sheets or as finished goods, and yet, so far as I can discover, the rate of duty is uniform. Such a tariff cannot be called scientific, and while it is not free trade benefiting the consumer it is not even fair trade and this requires to be gone into by the department. There are at the present moment nearly 50 factories in the country making these aluminium goods which are the pride and pleasure of our poor people, and these factories are seriously penalised by the duty being the same. I am sure the Finance Member would have devoted some time to the consideration of such items if he were not engaged in more important matters during his career.

THE HONOURABLE THE PRESIDENT: I would suggest to the Honourable Member that he has taken far more than his fair share of the time of the Council.

THE HONOURABLE SIR PHIROZE SETHNA: I have various other matters to refer to which I fear I must drop and I will refer to only one other matter which formed the subject of a debate in this House about a month ago. One Honourable Member proposed that a heavy rate of duty be imposed upon vegetable ghee. Government accepted the Resolution in another form. They did not agree to raise the duty, but they said that they would impose a condition regarding colouring of vegetable ghee whereby the buyer would know that he is buying vegetable ghee and not ghee proper. I want to draw the attention of the Finance Department to the very important fact that, owing to the phenomenal increase in the imports of vegetable ghee from Holland and elsewhere during the last three or four years, those who are locally engaged in the trade of making cooking oil from different kinds of seeds in the country are suffering heavily and if only a duty higher than the present duty is imposed can the trade revive again. May I ask the Finance Member to take a leaf out of the book of some of the Indian States who will not allow such cooking oil extracted by machinery in the neighbouring British India territory to enter their own territory, so that it may not compete with the oil extracted by their own subjects otherwise than by machinery? This is a point to which I want to draw the attention of the Finance Member particularly. I am sorry I have no time to make some more suggestions, but I shall with the permission of the Finance Member furnish his Department with what notes I have in regard to the other subjects I intended to bring up.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : I join the chorus of others in praising the Finance Member on another prosperity Budget. In reality all his career has been bound up with prosperity Budgets and, as this is the last of his Budgets, we will be losing one of the ablest Finance Members that we have ever had, a great friend of India and a true friend of his friends, among whom I have the honour to count myself. We wish him long life and a career of great usefulness wherever he goes. His services to the Empire to which we belong are yet to be performed on a still higher level and we will all get the benefit of it. If the Bank Bill had not been thrown out he would have done another great service to India, but unfortunately our own countrymen have done disservice to their country. Now, as to the Budget, about spending the surplus, nobody could have done anything better than what Sir Basil has done, and no right thinking man can criticise him. Sir, I have always put the safety of the country first, because if the country is not safe, no progress could be made. And I am sorry that when we ask for Dominion status we are not at the same time prepared to share the burden of the Empire's defence as the Dominions are doing. As the House knows, the Navy Bill was thrown out and it is the Navy which has to guard three sides of India, one side being guarded already by the Himalayas to a great extent. I only wanted to say a few words on the Army, but unfortunately the side attack made upon it by two Members compels me to say something more. I meant to speak about the Prince of Wales' Military Schools at Sarai Alamgir and Jullundur, and the Dehra Dun College and also about the Territorial Force, but as that may be of very little interest to those here not connected with the Army, I need only write a memorandum about those points and present it to His Excellency, and that will serve the purpose.

12 NOON.

Now, Sir, we have heard a poisonous speech here from one who comes from a province where there has never been any war or fighting apart from bombing and other cowardly attacks on various police officers, etc. If those people were in greater proximity to the fighting zones, if their lands were liable to be overrun by marauders, their children killed and their relatives kidnapped, they would not be so ready to say that the Army was not needed. A reference has been made to the fact that various attempts have been made at Genoa and elsewhere to limit armies, but do they know whether our independent tribes on the Frontier have sent representatives to Genoa and given assurances that they will not attack us ? Do they know whether there has ever been a representative at those conferences from Kabul who has ever given assurances of tranquillity ? In that part of the world, Sir, every man and every boy can use a rifle, and not only that, there are women who can fight and shoot equally well. I can say, Sir, that if ten or twenty of those women, armed with rifles, went through one of the cities from which my friends come from end to end, there would be nobody to stop them. So, when we have to deal with these people who are not civilized and are always ready and thinking of coming down to conquer India—that India which is said to be so poor but which is a rich price to them—would we be justified in reducing the Army ? In fact, Sir, I am thankful that this year at least sufficient money has been provided to enable the Army to be brought up-to-date, because lots of changes are necessary in equipment, and if those changes were not made, the Army would not be efficient. Another thing, Sir, is that if our Army was a sort of militia as has been suggested, which in the event of war had not gone out to help the Empire, and in which—God forbid—Britain was defeated, would my Honourable friends be able to continue sitting here as they do to-day and speak as they have done to-day ? Would India then be in the position in which she now is ? Thanks to the Army which has gone and fought, that we have won the War and with

it the Reforms which we enjoy. It has become the practice however of people who have never made any sacrifice, who never sent a relative to the front, who come from parts which did not contribute any recruits worthy of mention to the war, who have never done a single service to their King or their country, to claim that they have done everything.

Then, Sir, as to the Skeen Committee's Report, I think it was in this very House I said before that I was sorry for the one who was responsible for the appointment of that Committee, on which there were soldiers who apparently could not understand what the professional politicians were aiming at or else were got round. (*An Honourable Member:* "Question?") There is no question. I know the facts. If there had been a man there who knew the sentiments of the martial classes this report would not have been written like this. (*An Honourable Member:* "What about General Skeen?") He is a great friend of mine, but I do think he has made a blunder in this respect. (*An Honourable Member:* "What about Mr. Burdon?") He is a civilian. The other Indian officers who were on the Committee belong to Gujerat from where soldiers do not come. And then of course the ablest politicians were on the Committee, who with their theories, etc., were able to write this theoretical report. But I submit that no man who has not seen fighting and has not actually gone through active service is able to understand the requirements of the War. It has been said, "What is the use of the English soldiers in India"? I have known occasions myself and seen them myself when certain regiments in a square gave way and if that day we had not had an English regiment there, the whole force would have been cut off. That was at Jidbali in Somaliland and there have been other cases at Dahra Bend and elsewhere when English regiments saved a critical situation. So I submit that before making these attacks on the Army one should take advantage of the knowledge of those who have got actual experience of the army in the field and been engaged in actual war. I think my gallant friend from the Frontier will bear me out when I say that the achievements performed by English officers and Indian soldiers will not be surpassed easily. A deputation as you may know, Sir, consisting mostly of the Punjab military classes out of which the greater part of the army is composed went to His Excellency the Commander-in-Chief; and they submitted that they were filled with horror at the idea that they should supply the fighting material while they were to be officered by clerks from other provinces. That would be impossible. I once spoke to a soldier about this, and he said, "We have weapons in our hands with which we shoot at the enemy in front, but we can also shoot behind, and if we are officered by those whom we dislike we shall wipe them out first before fighting the enemy." These are some of the facts which I would relate in answer to some of my inexperienced friends. They may be ever so able in their own line of work, and when they speak on those subjects I listen to them with respect, but they also should respect the opinions of those who speak with experience and authority in relation to other subjects such as the Army.

Now, Sir, I have always considered it my duty on these occasions to say a word on behalf of the poor zemindars. I have heard a great capitalist putting forward the case of those who pay super-tax and income-tax. The people who pay super-tax are already rich and deserve little sympathy, while income-tax also is only paid on incomes above Rs. 2,000 per annum. But nobody gets up to say a word for the poor zemindar, who after generations of division of property has got a smaller and smaller part of the land, and his position is even worse than that of the labourer, because the latter can leave his home and earn good wages, and he pays nothing to the Government. A poor zemindar is tied

[Colonel Sir Umar Hayat Khan.]

down to his piece of land and is half starved and at the same time he has to pay the Government dues. This is my old story no doubt. But as I do represent these poor people, for which purpose I have been nominated here, I will go on knocking at the door till it opens.

There is one more vital subject, Sir, in connection with which I have been sometimes blamed. It has been said that I am against education. Well, Sir, I have never been against education but against the present system of education I said something about it the other day when we were speaking on unemployment. The schools are increasing by leaps and bounds, and there are places where there is conpulsory education. All these boys sit daily in a nice building on the hottest part of the day. But this country of ours is such that unless a man can plough in the hottest climate and walk for long distances in the worst heat of the worst month of the season, he is not fit or acclimatised for his country; and that is why, Sir, every man who has been through a school is never able to do his father's job properly, and thus hundreds and thousands of those boys are being taken away from manhood and are being made useless physically and they are thus not able to do any service to the country at all. Of course you should train a man in a manly way and then he should have knowledge on the top of it, but if such men have knowledge at the cost of their manhood, I think they will be of no use to their country nor to themselves; and I am further afraid that agriculture would also have a set-back because these men will not be able to engage in that profession and in turn that will be dangerous for the Army also, because the Army must be drawn from the best material and such material is composed of men who are used to hard work, and your present system of education is likely to make them so unfit that they will not be able to defend their country. As this is a vital thing, Sir, I thought I would draw pointed attention to this.

With these few remarks I resume my seat.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-Official): Sir, in 1924, the year in which I had the privilege of speaking on the Budget, it was my lot to criticize somewhat adversely the Finance Member's Budget of that year as he did not make any attempt to relieve the provinces from the burden of provincial contributions. I am glad that to-day I am in a position to offer felicitations to him and the provinces upon their being relieved from a burden which prevented them from pursuing the path of developing many of the nation-building Departments. I do not pretend to be a student of Indian finance but, having had the privilege of serving with the Honourable Sir Basil Blackett for several days together on the External Capital Committee, I must confess I owe it to myself and to him to state that I found, in the discussions and also in arriving at the conclusions of the Committee, Sir Basil Blackett was certainly not an enemy of Indian progress, but, on the other hand, its friend. I deplore, and I am sure he will himself much regret that he has not been able to give effect to the recommendations of that Committee. There are many other things which he might have done, but having regard to the great limitations under which the Indian Finance Minister and other Members of the present Government of India have to carry on their duties, subject to the control, sometimes of a most irritating character, of authorities at Whitehall and others, having regard also to the fact that in some points, while the Finance Member sought to display a fresh mind and to bring about the freedom of Indian finance from the control of the India Office, some of our own countrymen have not been able to see eye to eye with him, I cannot but regret that in some important matters he has not been able to achieve any

success. There are many things which a Finance Minister, particularly one who lays down his office, does, but Sir Basil Blackett himself has been very frank and has made an admission in the closing portion of his speech, which I may say made a great impression on me as I trust it has done on others. He said :

" From 1929-30 onwards, it will be the privilege of this House and of my friend and successor, Sir George Schuster, to find no outside claimant to the recurring surpluses which I hope it will be their good fortune to enjoy in the coming years, and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement, and on the other hand to the re-adjustment of the burden of taxation and to those reductions of taxation, so welcome to tax-gatherer and tax-payer alike, which, apart from some minor cases and with the one big exception of the Cotton Excise Duty, have been beyond our reach in my term of office."

In wishing Sir Basil farewell I only hope that when he returns to England he will use all his endeavours with the Secretary of State and the India Office to enable at least his successor to achieve one of the greatest financial reforms for India which is absolutely necessary, namely, the establishment of a Reserve Bank.

Sir, interested as I am in education and as a humble product of the Indian Universities, and having been connected for over 20 years with the Senate of my University and for over 12 years with its executive side, I have been feeling that though education is a transferred subject, it is absolutely necessary that the Central Government should keep a strict and close watch upon educational progress as well ; and in this view of the case I am supported by an observation which was made by His Excellency Lord Reading in addressing the Convocation of the Delhi University in 1924, that the Central Government should be in very close touch with educational movements all over India. From this point of view I very much regret that some attempt has not been made as yet towards the establishment of a Central Technological Institute. I wish to state at once that my Honourable friend, Sir Muhammad Habibullah, who presides over the Department concerned, has tried his best to advance education, research and medical progress in many ways, and I know that sitting as he does near the Finance Minister he often feels money is a great obstacle ; and therefore I speak at least in the hope that in the future this question of the establishment of a Central Technological Institute will receive more attention at his hands and that of the next Finance Member so that India may boast that it has a well equipped Institution of that description. In the matter of malaria and medical progress I was very glad that in answer to a question put at the Simla Session, the Leader of the House, instead of taking shelter behind the fact that it was a provincial subject, gave an answer which was full of hope of progress, and I am aware that with regard to research he has been instrumental in appointing a Committee also. I hope that in the matter of education, the promotion of research and of removing this bleeding curse of malaria, which is eating into the lives of millions of our countrymen, the Central Government will do something substantial for the amelioration of the people.

Sir, while speaking upon the problem of unemployment the other day, I said I was one of those who in common with others who took an interest in university education were trying their best to see that the present literary education is given a turn for the better. We are often found fault with, that our educational system is wrong and that young Indians, however brilliant in many other matters, are not practical. Only the other day a reference was made to the fact that opportunities were not given to Indians to equip themselves in all departments of education and to take an active part in all those practical avocations that are open to young boys elsewhere, such as the military.

[Mr. G. A. Natesan.]

In my own province one of the great difficulties which has always been staring us in the face in regard to the University Training Corps is the absence of funds. With the limited resources of a Provincial Government and with the limited resources of a University it was not possible to do anything in the direction of military education unless the Central Government came to its rescue. You will find that at the last conference of the representatives of the various Universities—I refer to the last meeting of the Inter-University Board—there was a recommendation that all the Universities should make military education a compulsory subject. I was entertaining the fond hope that something would be done in this direction as soon as the recommendations of the Sandhurst Committee were given effect to. I join with my Honourable friend, Sir Phiroze Sethna, in the expression of a terrible disappointment at the speech which His Excellency the Commander-in-Chief made elsewhere with regard to this subject. I would like to point out, Sir, that only the other day Lord Birkenhead and others—and here I am including the quondam Labour Premier, the Right Honourable Ramsay MacDonald—in persuading India to accept the Statutory Commission said that one of the chief advantages of that body would be that it will present a unanimous report. They evidently had a short memory and conveniently forgot the advantage of unanimity in regard to the Skeen Report.

The report of that Committee is a unanimous one : it was presided over by a distinguished General of the Indian Army. It has had the advantage of a distinguished Civilian who for three years had given his time to Army questions. With it had been associated some of the best and most talented of Indian politicians. All these people worked together in a spirit of harmony and in a spirit of compromise. They brought out a unanimous report and made a suggestion with regard to the Indian Sandhurst, with regard to the establishment of a military college in India, and yet it is not to be given effect to. And to-day we are told that it will be a difficult job and that we should wait again to see what happens. And yet these people forget that it was a quarter of a century ago that the late Lord Kitchener pleaded eloquently for providing a college for training military officers.

This takes me to the question of military expenditure. In the year 1885 it was a great and distinguished Indian who at the first session of the Indian National Congress at Bombay pointed out how India was suffering—I use his own expression—from " this gruesome military expenditure ". It is some satisfaction to us that that distinguished Indian is adorning this House to-day—I refer to the Honourable Sir Dinshaw Wacha. Sir, whatever criticisms I and others may pass upon the military policy in this country or upon the military expenditure, I need hardly say that we have nothing personal against the distinguished gentleman who adorns the office of Commander-in-Chief to-day. Our complaint for years has been that he has inherited a vicious system, that even if he is willing—and some of us know that he is anxious to do something—the system under which he has to work prevents him from doing his duty to the people of this country. Our case is that the Army in India has always been in excess of the real requirements of India, and to the extent that it is in excess, the people of India, the poor tax-payer in this country, is being asked to pay more than he should. I would point out that the Government of India themselves of their own accord on several occasions, in their own despatches and through the mouth of their own Secretaries of State for India who represented her from time to time, have pointed out that in most of these military arrangements Indian interests have not been safeguarded, that in some other matters they have been positively injured. The military expenditure budgeted this

year is 55 crores and ten lakhs. The Retrenchment Committee only a few years ago said that it should as far as possible be brought down to 50 crores. And yet what happens ? It is forgotten and no attempt is made ; and even if attempts are made, I must say that so long as the present system continues, no Commander-in-Chief, no Finance Member, will be able to effect a real saving. It is the system that is at fault, the system that has been pursued for over a century in this country. In addressing this Council in 1924 the distinguished gentleman to whom I made a reference very rightly pointed out that a great deal of expenditure, military expenditure so-called, which India is asked to bear, is due to the entirely wrong policy of the Army Amalgamation Scheme. On this subject Fawcett, a very distinguished and notable Englishman who always pleaded the cause of India said in the House of Commons years ago :

" It was forced on the Government of India in 1859 by the Home Government against almost the unanimous opinion of the most tried and experienced British officers."

Then again he pointed out :

" A partnership has been established between India and England, and as one of the partners is extremely rich and the other extremely poor much the same incongruities and many of the same inconveniences arose as if two individuals were to join in housekeeping, one of whom had £20,000 a year and the other only £1,000 a year."

And a very distinguished officer of this country, Sir Ashley Eden, presiding over the Simla Army Commission said :

" We think that the position of the army employed in this country should be organised and administered with regard to the interests of the people of India and not for the purpose of supplying the defects in the system of home defence, and above all that it should not be made the means of obtaining at the cost of India advantages for the army at home which do not entirely affect the interests of the country."

Sir, the contention of my countrymen for over half a century has been that Great Britain gains considerably by its military policy in India, that India has been losing, is losing and will continue to lose, unless this vicious policy is abandoned. Lord Roberts acknowledged years ago without any hesitation that British supremacy in India must be maintained and cut that it entitled them, as it were, to take a great deal of Indian revenue for perpetuating that supremacy. A protest against this policy has constantly been made and it was made by the Assembly in 1921, when in considering the Esher Committee Report they " repudiated the assumption underlying the whole Report of the Esher Committee that the administration of the Army in India cannot be considered otherwise than as part of the total armed forces of the Empire." And our distinguished Commander-in-Chief, His Excellency Sir William Birdwood, in speaking at the Simla Session last year said :

" The Army in India is one link in the Imperial chain of the defence of the Empire."

It is because this view of the case has been taken that Indians have been subjected to the greatest handicaps and the country deprived of the money that should legitimately have been given to the relief of the tax-payer and for the nation-building departments. We are told that the British Government have taken steps to put us on the road to responsible government. No nation can ever reach the goal of responsible government, it is not even possible for them to go on treading on the road, if you make no attempt to give them military education, and facilities for defending themselves and making themselves really fit for national defence. In no country in the world has this policy been pursued. And what happens, what is the situation now ? We have no share in the work of national defence. Out of nearly 7,000 British officers you have only 84 Indians. Every British soldier costs 4 times more than an

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Indian. Having turned down all the important proposals of the Indian Sandhurst Committee under circumstances which have been narrated by my Honourable friend Sir Phiroze Sethna, we are consoled with the statement that we have the 8-unit scheme.

I feel I owe it to myself and to the gentlemen who are responsible for giving me the privilege of addressing this Council that I should state that British military policy in India in the past as well as in the present is based upon a policy of distrust.....

THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN (United Provinces West: Muhammadan): It is based on the policy of strength.

THE HONOURABLE MR. G. A. NATESAN: I recollect as a student of Indian politics the fact which has left an indelible impression on my mind that from time to time, whenever attempts were made to give Indians a proper share in the administration of this country, this feeling of distrust was given expression to. It was the same note of warning that was uttered when an attempt was made to put Indians in the Executive Council of the Provinces and of the Central Government. I do not know if there is any one here who has had the good fortune of serving with many a distinguished Indian not only in the provinces but also in the Central Government who has anything to say against the capacity or the character or the ability of the great and distinguished Indians with whom he might have come in contact. Sir, I may make some allowance for the praise offered to Indian officials in the after-dinner speeches, but I may put my faith in the public declarations of Viceroys and Governors who have published communiqués after the retirement of those distinguished Indian gentlemen eulogizing their merit and worth. When it is admitted on all hands that they have served with ability, with loyalty in the civil departments, may I ask why this policy should not be pursued in the military department as well. Distinguished Indians have held the highest posts both in the Local Governments and in the Central Government and under them have served the distinguished officers of the Civil Service, of the Engineering Department, of the Indian Medical Service and of the Indian Educational Service, and I am yet to find people who have grumbled that in any way they have been treated badly or the cause of good government has suffered. Sir, the policy of trust which has been pursued there has been productive of a great deal of good. Why not adopt the same policy of trust in the military department also, which is certainly a safer, a wiser and a more statesman like policy? I do not know what is really in store for this policy, but I would point out that Government should enable us to feel that, although they are largely foreign in personnel, they are national in spirit and sentiment, and this can only be done by undertaking all those responsibilities which national Governments in other countries have undertaken.

It looks, Sir, as though in the present state of affairs the voice of the living has no effect on any one. May I, therefore, close with the voice of the dead and with the voice and patriotic utterance of a distinguished Indian, I mean the late Mr Gopal Krishna Gokhale, who spoke in 1907 these pregnant words:

"The public mind is in a state of great tension; the situation is an anxious—almost critical—one, and unless the highest statesmanship inspires the counsels of the Government difficulties threaten to arise, of which no man can foresee the end."

It is difficult to lift the veil that hides the future. But I can only hope, Sir, that in the administration of this country Government will show more

prudence and statesmanship than they have in regard to this question which vitally affects our future.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General) : Sir, this is the last Budget that the retiring Finance Member has presented to the Legislature and whatever may be the differences of views as regards the methods adopted and the policy pursued, judged by the results so far achieved we have every reason to pay a fitting and well-deserved tribute to one of the greatest Finance Members which India has ever had. Sir, the final extinction of the provincial contributions is the last but not the least of his many achievements. The abolition of the cotton excise duty, the assistance to the cotton industry, the sound and prosperous financial condition of the country at present as a result of the policy pursued and our present debt position which makes us hope, as he has put it, that by the end of 1928-29 we would be able to wipe out the debts due to the revenue deficits during 1918-19 to 1922-23 without having recourse to any fresh taxation, all these achievements go to the credit of Sir Basil Blackett. Sir, these and many other achievements are apt to be forgotten by the Legislature constituted as it is under a half-hearted reformed constitution. The present constitution gives little or no power to the Members of the Legislature beyond the powers of mere criticism, and under the circumstances it is no wonder that the Members of a Legislature not possessed of the opportunity of sharing the responsibility should ignore these achievements in criticising the actions of the irremovable and autocratic executive. The above remarks of mine, however, do not imply that we have no reason to grumble. In the matter of debt redemption, it is a matter for regret that the Honourable the Finance Member has not thought it fit to follow the wise and statesmanlike policy pursued in England and other countries. In his undue haste and over-anxiety to discharge the debts of India, Sir Basil Blackett has mercilessly sacrificed the interests of the present generation to the doubtful and supposed benefits of a future generation. Sir, in dealing with the post-war problems he has been pursuing a very short-sighted policy. If only he had followed the policy pursued in England and other countries in reducing taxation, there would have been an era of trade prosperity and industrial expansion. This would have led to a progressively increasing yield under the various heads of revenue which would have enabled the Government in due course to deal with nation-building departments and the question of debt redemption more effectively. Sir, by adopting the policy which he did, he has done an incalculable injury not only to the present generation but also to the future generation in hampering an expansion by keeping up over-taxation which can only be justified under very abnormal conditions. I have one word more to say about the financial policy and it is this. It is a matter for regret that the Honourable the Finance Member has not thought fit to follow consistently the wise policy of avoiding borrowing abroad. After making these remarks, I now turn to the military side of the Budget.

The topheavy military expenditure is out of all proportion to the resources of the State and the needs of the country and has been eating into the vitals of the nation. Sir, I cannot help expressing the view that our military commitments are the outcome of the policy of subordinating the Indian national interests to the Imperial policy of the British Empire. Judged by the use of the Indian Army, it has been made to play the role of the watch-dog of the British Empire. In this sense it is an army of occupation and an expeditionary force readily available in the interests of Great Britain, and it cannot in any sense be said to be a national army or a national militia. Assuming for the sake of argument that we require an army of the present size and strength, I do not see why the old policy of distrust which has been followed since the days of

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the Indian Mutiny should be continued and persisted in after the lapse of decades especially in view of the fact that the Indian Army has given better accounts of itself since then and has also given considerable evidence to command the confidence of the Government. I can claim for the Indian soldier without fear of contradiction, judged by past experience, the same standard of fighting capacity and the same standard of efficiency as is generally claimed for European soldiers. It has been generally admitted, and I think it has been proved beyond the possibility of doubt by the facts and figures which have been given in the other place as well as here, that the Indian soldier costs considerably less than the European soldier. If the British Government is genuinely anxious to help India's cause, they could do nothing better than revert to the pre-mutiny proportion of the Indian element in the Army.

I would even go further and say that there is absolutely no reason for going to England for the rank and file. If we can do that, we can have the necessary strength, and at the same time have the same standard of efficiency by manning the Army with Indians and Indians alone. I do not see any reason why the British statesmen, who, if they are really anxious to forward India's cause, and to help the poor Indian tax-payer, should not Indianise the Army at least as regards the rank and file. Unless this is effectively done you cannot relieve the crushing burden of taxation on the poor Indian peasant, you cannot relieve the economic depression, and you cannot have peace and contentment of the masses which is so very vital to the safety of the Empire. If the Army is an insurance against risk, I say curtail the expenditure by Indianising at least the rank and file, which is the greatest insurance in the interest of the safety of the Empire.

Then turning to the question of the policy adopted in the matter of officering the Army, I cannot adequately express the keen disappointment which I felt in my place in the Council gallery in the other place when I heard the announcement that British statesmen, aided and abetted by the Indian Government, have thought fit to turn down the main proposals of the Skeen Committee. I say that Government has deliberately chosen not to adopt the recommendations in the spirit in which they have been recommended, and I believe after all modest recommendations were made by a Committee which was largely Indian—they had to make very modest proposals in the hope that they at least would find ready acceptance. The matter has been dealt more fully by more competent people, and I say that at a future date not far distant the Britisher will have reason to regret the decision which he has taken, which is bound to weaken the bonds of the Empire. Sir, unless this decision is reversed very soon, there is absolutely no chance of our grandchildren or great-grandchildren realising the ambition of having an Indian Army, wholly or almost wholly, officered by Indians.

I do not want to pursue the matter further, and will deal with one or two other departments for which the Budget figures have been given. Sir, I shall now deal with the Department presided over by the Honourable Sir Bhupendra Nath Mitra, and which is represented here by the Honourable Mr. McWatters, namely, the Post and Telegraphs. I believe that next to the military this is a department which has given the greatest dissatisfaction. The timid and unprogressive policy which has been pursued by this department does not appeal to the public or to the Members of the Legislature. I find that the Retrenchment Committee laid down that the expenditure of this department ought to be kept down as low as 8½ crores, but the expenses of this department have been bounding up with no visible progress as a department of national

utility. I find in the Honourable the Finance Member's speech that a reference was made by the Standing Finance Committee to the oft-repeated slogan of the Legislature that it is high time that this department should follow the policy of reducing the postal and telegraph rates. I believe that a reduction of the telegraph charges to six or even eight annas will result in an increase of the telegrams sent, and would not result in the losses which we now have by keeping the telegraph charges so high, because it is at present unpopular and prevents many people from sending telegrams who would otherwise be inclined to take advantage of it. Then again, Sir, if the Government would only boldly initiate a reduction in the postcard rate, their move would be justified by the results in the long run and you would be satisfying a persistent and crying national demand.

I now turn to another department—a department presided over by the Honourable Mr. S. R. Das, whom I do not find here. I do not know who in his absence represents that department, but I want to say this: that his department deserves the censure of this House for not carrying into effect the recommendations made by this Council on more than one occasion that the leader of the League of Nations delegation should be an Indian, and that the Indian delegation to the League of Nations should be predominantly Indian. There is one other matter. This department deserves condemnation also for their failure to give effect to the Bar Councils Act though it was passed long ago, on account of the delay in the issue of the notification to give effect to the operative provisions of the Act.

Sir, I now turn to the department presided over by the Leader of the House. My only complaint is that this department does not give free scope for the activity of the Legislatures either here or there; by taking prompt action themselves they do not give free scope for criticism of their action. But I would avail myself of this opportunity to suggest that for dealing with Indians overseas a separate Secretariat may be constituted to deal with the numerous problems that crop up every now and then.

Before I conclude, Sir, I would appeal to the Government of India to Burmanise the Imperial services in Burma. Sir, when I go into the Secretariat, I feel that I have come to a Secretariat in which there is no representative of Burma. The Burmans do not find a place there, and I read somewhere that some officer from Burma had been recently recruited. But I hope, Sir, that they will make an earnest effort to bring in more Burman officers, and I can assure them they will not have to regret the step in that direction if they recruit a larger number of officers from Burma here.

In the General Budget there is nothing for Burma to enthuse over. There has been a reduction of provincial contributions; but Honourable Members of this House are aware that Burma gets little benefit out of it, because it has been Burma's lot to pay a large slice of revenue, much larger than her due share, in the shape of central taxation in various ways; and it is a matter for regret that in spite of the fight boldly put up by the Local Government, as well as by the Burma Legislature, the Central Government has not thought fit to yield in giving a fair proportion of the benefits of that taxation for the Provincial Government. But I suppose I will be told presently that those benefits are for other people and we must represent these matters before the Simon Commission, and it is a poor consolation to have to wait for a long time for a province which is sadly in need of funds for necessary developments. With these words, Sir, I conclude my remarks.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, as I think probably all Members in this Chamber are aware, I made a lengthy statement

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yesterday in the other place regarding the Sandhurst Committee, and I need therefore only detain the House for a very short time now. My Honourable friend Sir Phiroze Sethna and the Honourable Mr. Natesan both made rather sweeping statements just now that Government have entirely turned down the recommendations of the Sandhurst Committee's Report. I maintain that that is not the case. Government have not turned down the recommendations of the Sandhurst Committee. They have accepted by far the larger number of them. In fact, there are only two recommendations regarding which Government have not seen eye to eye with the Committee. We have agreed to the increase in the present number of direct vacancies at Sandhurst by open competition. We have agreed to grant King's Commissions to those Viceroy's commissioned officers who satisfy certain conditions. We have agreed that, in future, Indian cadets should be eligible for competition to the Royal Military Academy, Woolwich, and the Royal Air Force College, Cranwell. We have also agreed to grants in aid to all cadets who go in future to England, to make good the extra expenditure which might be involved owing to there being no college here. As I say, the two points which we have not agreed to are the immediate establishment of an Indian Sandhurst and the 8 Unit Scheme. As regards the immediate establishment of an Indian Sandhurst, I might point out that the Committee recommended that such a Sandhurst should be established in this country in the year 1933. They fixed this year, because, according to their time table, the number of candidates in India would by that time be large enough to justify the establishment of an Indian Sandhurst which could be expected to accommodate that number. The Government of India cannot, however, predict what the number of cadets will be by any particular year, and they therefore cannot fix a definite date for the inauguration of an Indian Military College. That, Sir, cannot be said to entirely turn down the recommendations of the Indian Sandhurst Committee. Further, I should like to state this, that, while we have 10 vacancies annually available at Sandhurst, those vacancies have not by any means produced 10 commissioned officers. We have frequently sent the ten, but they have not been able to qualify at Sandhurst. It must therefore be quite impossible for us to foresee a time when our numbers will justify the establishment of a military college in this country. We hope, as the Committee hoped, that by increasing the basis from 10 t o 25, we shall be able to increase the output, but until such time does come, it must be almost impossible for us to contemplate the immediate establishment of a military college in this country. If and when the requisite number of eligible young men do come forward, then undoubtedly the time will have come when the establishment of a military college in India will have become actually urgent. We could of course, I presume—I will not assert it—probably get the numbers provided we neglect the one and really great factor, and that is, the factor of efficiency, regarding which I think I am right in stating, the Committee said this : "There can be only one standard, the highest." While listening to what my Honourable friend Sir Phiroze Sethna said regarding that, I am afraid I could hardly help coming to the conclusion that the Committee did really look upon their words as a pious hope. He maintained that if for services of Government, the Civil Service or any other service, you contemplate taking a proportion of fifty—fifty, there is no reason why we should not do it in the Army. That is an argument, Sir, with which I cannot agree for one moment. It may be that by taking 50—50 in the Civil Service, efficiency does not suffer so much, but if that is the case, it can and must be readily rectified. But in the Army you cannot take such risks because you cannot rectify them. I think we may regard the Army

as very much like what I once heard an American talking of a revolver say "You may want to use a revolver only once but that time you want to use it darned badly", and that is the case with the Army. The Army after all is like a weapon literally forged in the furnace, and if the metal of which that weapon is made is soft and useless, it breaks to pieces at once that very day. The whole liberty of your country, the freedom of India, the whole expansion of India, and everything else would absolutely disappear in one day if we did not maintain our Army at the highest state of efficiency. That is the vital point and we cannot foresee with any certainty that we shall have forthcoming sufficient number of young men up to the standard of efficiency to justify us in agreeing to the immediate starting of a Sandhurst now.

The other point to which my Honourable friend referred was the 8 unit scheme. That 8 unit scheme was adopted by the Government of India on the advice of my very distinguished predecessor, the late Lord Rawlinson. He was constantly pressed to give a date when further Indianisation on a big scale can be contemplated. My Honourable friend Sir Phiroze Sethna said it might be under the present proposals generations,—100 years, 200 years,—before we can have it. That is exactly the argument Lord Rawlinson used when he recommended the 8 unit scheme. He maintained that if young Indians were scattered all over the Army it would be quite impossible, for generations to come, to really judge of their efficiency, while if they were brought into definite units first of all as squadron and company officers, later on as Commanders and Commanding Officers, there would be a definite time when you can see whether the unit so commanded was of equal efficiency in every possible way with those commanded by British officers of the same standing. That, I think, does give us a very definite reason for refusing to abandon a scheme which was deliberately adopted until it has had an absolutely fair and full trial.

I have now met the two main points about which my two Honourable friends wanted information. I do maintain most strongly that we have not turned down the recommendations of the Sandhurst Committee. My Honourable friend Sir Phiroze Sethna asked me to give him some information regarding the non-publication of the Sub-Committee's Report. I will not go into all the details, but amongst others was the fact that the War Office was kind and courteous enough to allow their officers to appear before that Sub-Committee to give evidence, and the War Office consider that they are of a confidential character and are not prepared to have it published. Also there are certainly some personalities used in that report which I personally certainly dislike very much and I know were very much resented in England, and therefore we have felt that publication of a document containing personalities of that description would only cause ill-feeling and would do no good.

I also understand that Sir Phiroze Sethna was under the impression that the War Office denied that one of their officers had given the lecture which he mentioned at the Military College, Sandhurst. I understand that it is really not the case. I understand they said they did not know and they had not got full information. That is the best information that I have got. I was not there personally myself, but the information I have is that the War Office said they had not full information about it. (*An Honourable Member*: "India Office".) Yes, the India Office.

THE HONOURABLE SIR PHIROZE SETHNA: Does it not amount to a denial? If he is one of their own officers they could have certainly inquired.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No, I do not think so at all. They would not know in the least. Their officers go down from

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time to time to lecture at Staff Colleges and other military colleges, and they certainly would not be in possession of complete information of what these officers go and say.

THE HONOURABLE SIR PHIROZE SETHNA : They could have inquired. We said a lecturer and they could have very easily inquired and told us who was the lecturer.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : At the time, as far as I know, they simply said they had not the information. My Honourable friend Mr. Burdon, I think, will bear me out.

I do not wish to keep the House any longer. I can assure the House that Government have given the very greatest and sympathetic consideration to this matter, and the fact that we have been able to accept a very large number of the recommendations made proves that. But we are quite determined—and I am sure I will have the House with me in this—that it is absolutely essential to maintain the efficiency of the Army.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce) : After listening to the very full explanation which His Excellency the Commander-in-Chief has so kindly given to this House, I do not propose to introduce in the few remarks that I have to make in connection with the Budget any further discussion on the merits or the demerits of the Skeen Committee's Report or on the merits or the demerits of the action which the Government of India propose to take on it.

1 P. M.

The Budget has not produced any surprise ; in fact, I think it is a budget which we all expected, and I think that this Council might readily accept it as a clear and concise statement of a balance sheet which has a balance on its right side.

I will just refer very briefly to the revenue and expenditure side of the Budget and to the remarks which fell from my Honourable friend, Sir Phiroze Sethna, on the question of income-tax. I should like to associate myself with the remarks he made as to the deterrence on trade which a heavy income-tax brings. At the same time I quite realise that the Central Government cannot produce money which they have not got, and I will content myself with asking the Honourable the Finance Member to place on record that this question of reduction or relief in the very excessive amount of super-tax and income-tax which this country bears,—and I do not think it should necessarily be compared to income-tax in any other country—to place on record that this might be explored by his successor. One other item in the revenue and expenditure side of the Budget which caught my eye and which might possibly have been expected to catch my eye is the very great increase in the income received from the excise duty on motor spirit. The amount received from the excise duty on motor spirit in the year 1924-25 was in the neighbourhood of Rs. 79 lakhs, while in the year ending the 31st of this month the amount estimated to be received is Rs. 124 lakhs. I merely refer to this because I have at heart, and the Committee on which I have the honour to serve has at heart, the development of roads in this country, and I think that with this enormous increase in customs duty derived from motor spirit, which practically is solely used for motor cars, which in their turn use the roads, Government might consider the possibility of sparing some of that revenue from this excise duty to go towards the improvement of roads. I should like to ask the Honourable the Finance Member to leave the possibility of exploring that further also on record.

Complaints have been made that the Central Budget has been balanced at the expense of the Provinces. Well, that may or may not be, but I think we must be fair in this matter and recognise that the Meston Award was not a creation of the Honourable Sir Basil Blackett. If he had had the undertaking of the financial relations between the Provinces and the Central Government, I have no doubt that he would have brought about a much better state of things. When this charge is levelled that the Central Government have balanced their Budget at the expense of the Provinces, we must remember what Sir Basil Blackett has done with the surplus in his Budgets. He has done away altogether with the provincial contributions. If Honourable Members will bring their memories to bear on the total amount of these provincial contributions, they will realise what a very large sum it has been for the Government to wipe out altogether. Then again last year Sir Basil Blackett wiped out the cotton excise. That again represents something in the neighbourhood of 2 crores of rupees, and that is not a small thing to achieve out of revenue. With these two, what I may call, obnoxious subscriptions from the Provinces to the Central Government being removed, Sir Basil Blackett leaves a very good inheritance for his successor to tackle next year possibly income-tax, possibly some other form of taxation which Members of this Council have brought before the Finance Member from time to time as being oppressive.

I now turn very briefly to the part of the Budget which always has a peculiar attraction for me and that is the study of the Ways and Means and Debt. I think that there is no greater demonstration of the able manner in which Sir Basil Blackett has conducted the affairs of this country during the five years of his office than what is shown by a study of the ways and means and public debt statement which appears in the budget statement this year. It is no mean achievement for the price of Government securities to have increased in the last five years by something like 25 per cent. Many Honourable Members of this Council might wish that they had bought those securities 5 years ago, and then perhaps they would be loud in their praises of the financial management of the country, louder even than they are now. Then again look at the public debt. The public debt has increased from 878 crores to 991 crores in the five years, but the unproductive debt has been reduced from 254 to 178 and that is the whole crux of the situation. Productive debt does not matter. The unproductive debt is a thing which hangs like a mill stone round the finances of any country, and the fact that the Honourable the Finance Member has been able to reduce the unproductive debt in this country during the last five years of his office is, I think, a standing testimony to his financial ability. In discussing the results achieved by Sir Basil Blackett I have heard Members say that he has been favoured by a series of good monsoons. That, Sir, is very true. A series of good monsoons would not, however, have balanced the Budget by themselves. It takes a man of great financial ability to seize his opportunities and apply them to the advantage of India. Then again the Honourable Sir Phiroze Sethna has mentioned that Sir Basil Blackett has frequently been criticised by various bodies in this country and possibly in this Council from time to time. Well, I feel quite sure that Sir Basil Blackett does not resent helpful criticism. I feel quite sure that he has never resented any criticism levelled at him in this Council. It is only when criticism becomes carping and not helpful in the slightest degree, and when it is based on incorrect statements, that, if I were the Finance Member, I should feel inclined to say "away with them." Constructive criticism can be very helpful to anybody conducting a business or finances of any kind.

Whatever feelings the Honourable Sir Basil Blackett may have in saying good-bye to this Council, in saying good-bye to this country and in quitting

[Sir Arthur Froom.]

the high office he has held with such distinction during the past five years, I think he may go with the knowledge that he has gained the esteem of all the Members of this Honourable Council, an esteem born of the fact that we know that whatever he has done, whether we have criticised it or not, whatever he has undertaken to do, has been done with the one ideal of doing something for the benefit of the country for which he has worked so hard during his five years of office. And in his departure I can assure him that he carries with him the sincere wish of this Council for continued success wherever he may be in the future. I cannot help thinking that whether he leaves this country with regret or whether he leaves it with some sense of relief, he will be satisfied in the knowledge that he leaves the country's finances in a very much improved state now compared with the state in which he found them when he first took up his office. (Applause.).

THE HONOURABLE SIR ANNAMALAI CHETTIYAR (Madras: Non-Muhammadan): Sir, I do not propose to speak much in detail but shall confine myself to one or two observations of a general nature. Sir, the retiring Finance Member has honestly tried to serve India with devotion and ability and has achieved a large measure of success. He has put an end to the era of deficit budgets and has been presenting us with a series of surplus ones. The most outstanding feature to my mind is the total abolition of the provincial contributions. Sir, we know the debates we have had here and in the other House regarding these contributions—province fighting with province and all fighting with the Central Government. Sir Basil went on along the path he had marked out for himself steadily, and we see the wisdom of his policy to-day in the complete remission of what has been termed the iniquitous provincial contributions. The provinces now know where they are, and they can now set about maturing schemes of public utility. I am sure that the two halves of the provinces will do all in their power to advance the general well-being of the people, with the released amount at their disposal. The other equally good feature of Sir Basil Blackett's Budget is his public debt policy. Borrowings outside India have been largely reduced. Unproductive debt has also been reduced. It is gratifying to note that Sir Basil expects the unproductive debt to be completely wiped out in about twelve years. His policy, Sir, has much to commend itself and has been, I am sure, prompted by a genuine desire to do good to India. One of his greatest achievements would have been the establishment of a Reserve Bank in India. He had set his heart on it, and it is sad to think that his Bill on the subject, which deserved a more generous consideration, did not meet with a better fate. However, Sir, he has the satisfaction of having done his best in the matter; and if it is not an accomplished fact to-day, the fault certainly is not his.

Sir, there are other important points in his Budget, though minor in character. We feel that all this has been made possible by the imposition of additonal taxation during these years, and we also feel that this should be reduced to a more normal level. This additional taxation has had the effect of hampering the trade and the industrial growth and expansion of the country, and therefore an appreciable reduction is called for; and I am sure this will be done at an early date, consistently of course with general financial considerations. Some of these taxes have been levied as temporary expedients to get over the difficulties created by the War. It is now ten years since the War ended, but the taxes are still continuing. Sir, let us hope with Sir Basil that his successor will be able to achieve what he himself would have achieved had he continued a few years more in this country, that is to have the taxes reduced. Sir, we believe that the present financial position of this country is

sound and strong and India's credit here and abroad stands at a high level. If that is so, I believe, Sir, the House will agree with me when I say that this is mainly due to the farsightedness of the Honourable the Finance Member. Sir Basil has earned the sincere thanks of India, and her good wishes will always follow him wherever he goes and whatever be the sphere in which he may find himself.

(The Honourable Mr. Kumar Sankar Roy Chawdhury then rose in his seat.)

THE HONOURABLE THE PRESIDENT: The Council will now adjourn till Twenty Minutes Past Two.

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

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

THE HONOURABLE MR. W. A. GRAY (Burma Chamber of Commerce): Sir, I almost feel that some apology is necessary for taking up the time of the House by referring to a subject which is by way of becoming a hardy annual. But it is because representations are made year after year without any result that I think some mention of the matter is justified. I refer to the export duty on hides and skins in which Burma is keenly interested.

Last year, Government made proposals for giving relief to the industry of hides and skins but unfortunately their intentions were frustrated. Since then we have had reason to hope that some proposals might be put forward for substituting a cess for the export duty, but so far nothing has come of that. The cess, in the first place, will be used for assisting the industry and I understand that another advantage of the cess as compared to the export duty from the point of view of the Burma exporter is that a province cannot be exempted from the operation of an export duty but it may be exempted from the operation of a cess, in which case, no doubt, Burma would have an opportunity in deciding whether it wished to contribute to the cess or not.

Another point to which I wish to draw the attention is the method of the presentation of the accounts. We are presented with an enormous mass of literature, but my experience is that if I want to find out any particular thing, I am generally unable to do so. The point which I have in mind at present is the financial relations between Burma and India. When the constitution of India was under discussion on the last occasion, the case of Burma was regarded separately from that of the rest of India, and it seems likely that the same will happen now that the Statutory Commission is investigating matters. I have no doubt that the question of the separation of Burma from India will be taken into consideration. Our point of view in Burma is that whatever other reasons there may be for the separation of Burma, we are unable to come to any conclusion on the matter until we know what separation is going to cost us. Perhaps I may take the liberty of trespassing on the time of the House by giving them a short history of what has happened in this connection. In August 1924 there was a motion in the Burma Legislative Council for the appointment of a small Committee to collect facts and figures relating to the revenue and expenditure of Burma in the event of its being separated from India, showing particularly the advantages and disadvantages of separation.

[Mr. W. A. Gray.]

The Burma Government were unable to agree to that Committee, but they endeavoured to put forward some figures showing the financial relations between Burma and India. Those figures were submitted to the Government of India for confirmation, and the Government of India replied that they were unable to agree to them but they did not produce any figures which gave the information which was required in Burma. The reason given was that it was extremely difficult to find out from the published accounts how the expenditure should be apportioned to the different provinces. In a speech delivered from the chair at the annual meeting of the Burma Chamber of Commerce about twelve months ago, it was said that, though the task might be difficult, that was no reason for not attempting it. It was further pointed out that, though the figures might not be available from the published accounts, it seemed almost incredible that there were no other accounts from which the figures might be obtained. That is the position, Sir, in which we are now, and I should like to ask the Finance Department to consider this matter again and see if they cannot give us, the inhabitants of Burma, something on which we can rely in forming a decision as to whether or not we are to advocate separation.

Before I sit down, I should like to associate myself heartily with the remarks which have fallen from several Members in this House in praise of the achievement of Sir Basil Blackett during his five years in India. Many of us may have disagreed with him on matters of detail, but as regards his general policy, I feel that nothing but praise is due to him. I heartily congratulate him on his achievements and condole with him in that he has not been able to bring to completion some of the other schemes which he had devised for the benefit of India.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, this year's Budget is of peculiar interest as it not only closes a brilliant and outstanding financial career in this country, but it also closes with it one of the great sore points of the provinces, I mean the provincial contributions. Happily, Sir Basil Blackett during the last four years has been in a position to present to this country surplus budgets in succession. It is true that these surpluses which have accrued are to a certain measure inevitable owing to the policy of taxation that has been adopted since 1924. This year's Budget shows a fairly good surplus, but I am convinced that the final accounts will prove to be even more encouraging and considerable, unless any untoward event happens. The final position of the finances in 1928-29 will be much better than they are to-day, and I say so for the simple reason that the whole policy of our taxation has been a sort of progressive one. The system which has been introduced must yield progressive receipts in the years to follow. I fear that in judging the surplus the Finance Member, with his usual caution, has acted with great circumspection and with the desire to leave his successor in a position substantially stronger than himself. He has in my opinion taken a somewhat pessimistic view of the revenues of the country.

Sir, my remarks and observations should not be taken in any way to find fault with the system adopted by Sir Basil Blackett in the years that preceded 1923, the years of huge deficits. The policy which the Government of India followed was the only one policy which could possibly be adopted by a sane and sensible Government, and a Government which is in a position to realise its responsibilities and its position to the country. At the same time I am bound to state that the post-war taxation which was introduced has not been substantially reduced. I acknowledge with gratitude what Sir Basil Blackett

has done in the matter of the removal of that horrible excise duty. He had given us last year some relief to the cotton industry in dispensing with the duties leviable on machinery and stores. He has been endeavouring in other directions also consistently with the finances of the country to give such measure of relief as is possible. But I must point out, as it may perhaps appear that these observations of mine are inopportune to-day when Sir Basil Blackett is going to relinquish his office within the next few days, that these observations will be of some importance and use to his successor who will assume shortly a great and responsible charge. In fact to a certain extent the Honourable the Finance Member has felt himself the indefensible position of the general tariff duty. He himself had the frankness to admit that the 15 per cent. general tariff duty, revenue tariff, is unduly high. Of course our general tariff duty has the complexion of a protective character. But for revenue purposes, it will be acknowledged, that that duty is more than it ought to be, whether from the point of view of protection to the industries of India or to maintain our revenues. Where such protection is needed we have now the machinery of the Tariff Board. But where the question of the general tariff is concerned, my argument is that it must be decided on the general merits of the case and such duty should not be very high. As far as I am aware—I speak subject to correction by the much wider knowledge of Sir Basil Blackett—this general high duty of 15 per cent. is not to be found in any other country except in special cases where protection of certain industries or certain classes of trades is necessary. I hope in this as well as in the matter of post-war taxation, in time when our finances permit, some relief will be speedily given.

The Finance Minister must have observed that there has been a loss in income-tax. There has been a loss in other sources of revenue, and this is all due to the fact that the present high taxation is in a way killing the industries of the country. If the trade of India and if the industries of this country are to prosper, it is essentially necessary that so far as possible a sagacious and equitable policy in the matter of taxation should be devised, which will do good to the country; and I appeal to him to put it on record that at an early date a redistribution or revision of the taxation machinery is undertaken. Two years ago the Taxation Committee's Report was passed. I quite understand the difficulty of Sir Basil Blackett in not tackling the question at present, because if he assumed that responsibility he would not be in a position either to give effect to them or to carry out his suggestions; but I hope that his successor will at an early date see that some of the most important proposals of the Taxation Committee are carried out and that a more just and equitable system of taxation is introduced in the country, and that one class of people is not penalised and mulcted by having to pay a much higher and disproportionate share of the taxation of the country.

Sir, the key of Sir Basil Blackett's financial administration is to be found in his handling of the debt of the country. Since his assumption of office he has increased the productive debt and substantially decreased the unproductive debt. In normal circumstances he foreshadows total extinction of the unproductive debt in the next 12 years. I was very sorry to hear my friend, Mr. Chari, this morning making an observation that with undue haste he has surrendered the interests of this generation to the next generation. I am sure if my friend, Mr. Chari, had thought over the matter he would not have made this statement. I think the greatest event in the career of Sir Basil Blackett in this country is his action in placing the position of the public debt on a sound basis: and this is the greatest achievement of his financial administration. He has provided substantially for the reduction and avoidance of debt, and this policy in a few years will prove the great foresight of Sir Basil Blackett in this

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matter, and I say that it would have been disastrous for the interests of this country if this scheme had not been devised. It is an ordinary case of exercise of prudence and sound judgment. Take the case of a man who has got a debt ; he has a certain income and makes no provision for the debt out of his income. What will follow ? Bankruptcy. It is the same with the State. The State must provide for a sinking fund for the redemption of debt, and here my friend, Mr. Chari, airily says that he has with indecent haste adopted this policy.

THE HONOURABLE MR. P. C. DESIKA CHARI : What about England ?

THE HONOURABLE SIR MANECKJI DADABHOY : I am not discussing the English Budget at present. I appeal to Government that Sir Basil Blackett, before he leaves this country, will put on record the extreme desirability of doing something substantial in this matter. I think there is a great deal of temptation in this country : and I see there are complaints made all round that they want that the sum which has been appropriated to the sinking fund for the avoidance of debt should be utilised for the purpose of giving relief in matters of general taxation. I say it would be an inequitable and improper thing to do so, and I hope the Government will at an early date put this matter on a statutory basis, so that by legislation they may declare that a certain percentage of our income shall be permanently appropriated towards the avoidance of debt and no temptation of any kind may be placed in the way of men like my friend, Mr. Chari, and others who are complaining about this matter. To my great surprise, I find that even the Bombay Merchants' Chamber has passed a resolution to the effect that this money should be appropriated towards giving relief in matters of taxation. My own opinion is that if Government adopts such a policy it will be very disastrous indeed. I would therefore ask Government to see that no remission of any taxation is ever given by a suspension of the sinking fund as suggested by the various bodies in the country and also by several Members in the other place. It should be borne in mind that the improved credit of India in the monetary market is due to the satisfactory basis on which the national debt has been placed.

Then, Sir, there are some other matters to which I would invite the attention of the Honourable the Finance Member. I think this year only 24 crores of rupees have been allocated to capital expenditure, in addition to the four crores for the purchase of the Burma Railways. In my opinion, this amount is too small. This is a departure from the policy definitely laid down some time ago that thirty crores of rupees shall be annually spent on capital expenditure on Railways. Recognising the important part which the Railways of India play in the general economic advance of this country, the Railway Board and the several other railway authorities are now considering the method and manner in which this money should be spent. I would invite their attention to the development of agricultural areas by means of branches in feeder lines with the definite object of stimulating agriculture and transport of agricultural produce. In my opinion the Finance Member was on unassailable grounds when he stated the importance to India of persisting in the policy of spending money freely on capital developments for productive purposes.

As regards the educational grant, I am glad to see that expenditure under the five years' programme is to continue for the present. But I am rather disappointed this year, because a similar new programme has not been provided on account of financial limitations. I trust in these matters the policy propounded last year by Sir Basil Blackett will be followed, and that large sums of

money will be devoted to the expansion and improvement of vernacular education, and among the more important of these, to the imparting of compulsory education in the Imperial Capital of Delhi and the opening of several hundreds of primary schools in the North-West Frontier Province. I trust this policy will be steadily pursued, and there will be no temptation of any kind to depart from the scheme laid down last year with so much precision by my Honourable friend the Finance Member.

Sir, with regard to Special Revenue Reserve Account, I would like to make one observation. This fund was inaugurated a year ago as a temporary reserve for liquidating provincial contributions and also to meet possible liabilities in connection with the opening of the Reserve Bank. The Reserve Bank scheme has now been shelved, at least, I believe, for sometime and the provincial contributions have now been satisfactorily concluded. I do not like to see so many reserve funds. I should like to see in the Government of India greater simplicity and few reserves as far as possible. It will conduce to the proper working of the administration of the various departments, and as I feel that there is no necessity for keeping so many reserve funds, I trust Government will see their way to dispense with the Special Revenue Reserve Account at an early date.

I desire to make a few observations on the question of loan operations We intended to obtain last year 27 crores by floating a loan in India out of which only 18·5 crores were taken up. We had to borrow £50,00,000 in July last in England and £7,500,000 in January. I understand the first loan, the July loan, has already been liquidated. There is always a great deal said about our external borrowings quite rightly, but in this case I am afraid the failure of the loan last year in India was due to the somewhat short-sighted policy on the part of the Government of India. In my speech last year from this very place I warned the Government of India that they would not succeed in floating this new loan unless they made their terms very attractive. Sir Basil Blackett now admits that our terms were not attractive enough. The fact of its being a short period loan also considerably militated against the raising of the full amount. I attribute the failure of last year's loan also to the unrest in the country, because of the agitators, the people who deflected public opinion in Bombay, men who misled the public opinion on the question of the ratio. It was that feeling against the exchange ratio in Bombay that contributed to the failure of the last loan.

THE HONOURABLE SIR PHIROZE SETHNA : Certainly not.

THE HONOURABLE SIR MANECKJI DADABHOY : That is so. You have not seen the figures. It was due to that ill-advised and ill-considered opposition to the exchange ratio that caused the failure of that loan, and I definitely say so with all emphasis without any fear of contradiction on this point. It is this sort of short-sighted policy adopted by our Indian politicians which is detrimental to the cause of India. They mix up politics with economic and financial questions and that is one of the reasons—that short-sighted policy which was followed in Bombay and other parts of the country. I hope on this occasion the terms will be of a more attractive nature. I fear India's monetary market has been rather tight during the last few months, and I fear that the financial tightness is going to continue for some time. The Finance Member will not be here at the time when our new loan is floated, but I have great confidence in his very able Secretary, Mr. Burdon, and I feel certain he will be in a position to advise his successor on the exact position in the country, and I hope that the mistake which was made this year will not happen again. Personally, I should like our external borrowings to come to an end as quickly as

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possible To a certain extent our external borrowings are sometimes very necessary and advisable as in the case of the payment of the purchase money of the Burma Railways. This debt was contracted in England : we shall have to pay the money in England, and if we can get this money raised here and remitted to England, it will mean a reduction to the extent of 4 crores of our external borrowings, and it would be one of the most valuable steps taken in this country by the Finance Department. I hope they will succeed in raising the full amount of the money in this country.

Sir Basil Blackett has placed the credit of India on a firm footing. No Finance Minister before him had succeeded in doing this. The credit of India stands foremost not only in the Indian market but in the markets of the world. In western countries her credit is only a word for praise, and all this is entirely due to Sir Basil Blackett's policy. I shall not detain the Council any longer. I associate myself fully with the great tribute that has been paid by my colleagues to him on account of his phenomenal financial powers and abilities. He has rendered great service in effecting the consolidation of India's financial position, rarely equalled in the past even during the periods of her highest prosperity. He has caused stability in finance. He has raised her credit abroad, and India is greatly indebted to him for 5 years of prudent and cautious management of the finances. He has been the genius of Indian finance, but unfortunately he has not been able to put the coping stone on his great work of reconstruction of finance by the improvident wrecking of the Reserve Bank Bill in the other House. If that Bill had been passed and financial autonomy obtained for this country, Sir Basil would have returned to his home much more satisfied and contented with his financial management of this country. All the same he has rendered great service to this country and his work here will remain a permanent monument to his great financial talents and sound financial judgment.

THE HONOURABLE SIR DINSHAW WACHA (Bombay : Nominated Non-Official) : I do not want to detain the House for more than a few minutes. In the discussion that has gone on before I find that there are three principal topics on which stress is greatly laid, and I propose to make a passing observation on each of these. First, there was the military expenditure, including the Skeen Committee's Report, the second was the income-tax, and the third, customs duties. I will take the last subject first, namely, customs duties. Customs duties are no doubt very good when they are moderate as they were before, say, to the extent of 5 per cent. or 7½ per cent. When they exceed that percentage they are always a hindrance to trade and industry. Of course, Government's needs are great and Governments everywhere are tempted to put higher and higher duties as financial exigencies arise. My considered opinion from experience is that India is well off when she has free trade. Because with free trade it is free and equal to all. Exporters and importers are placed in the same position and nobody can complain. As far as customs duties are concerned, class interests clash with mass interests, and mass interests being weak and class interests being powerful and influential the latter carry the day. Thus mass interests go to the wall, and that is one of the greatest defects of the customs duties all over the world. I therefore say that India would be well off were she made again a free trade country when finances permit. The League of Nations the other day passed an academic resolution appealing to the great States, including the United States with her high protective tariffs, to reduce their protective tariff gradually and, if possible, bring it to the lowest possible point. That means that this should be a prelude, if it is adopted to-morrow, to a general international free trade so far as industry and commerce are concerned.

The second point is our income-tax. This income-tax is, like the desert of Sahara, very barren of progressive growth. The patches of oasis though fruitful are well known to be precarious. The last 42 years have seen how this income-tax has times out of number proved its many uncertainties. I do not know in those 42 years how many times we have tinkered with the Act, two dozen times or perhaps three dozen times I do not know. What do this constant tinkerings with the Act and the amending and even consolidating Bills show ? This only : that the Act is defective, ill-considered and ill-conceived. What is wanted for India is a tax which will satisfy the three old maxims of Adam Smith—that a tax should be simple, equal in its burden on all classes and at the same time so far made automatic as to be progressive. If an Act is prepared with these three considerations in mind, it would prove most satisfactory to all classes. What is the use of crying for the moon ? The legislative reforms may or may not come. But we can prepare an Income-tax Bill ourselves, and demonstrate to Government its simplicity, equality and fully progressive character. Such would avoid that worry, vexation and appeal, if not litigation compared to the tangled and incoherent mass of provisions now prevailing. I consider in short that the present income-tax should be condemned and be thrown out to make way for the one above suggested.

I come now to the military expenditure. It is a very very old question. Without any charge of egotistic tendencies, I was the very first to offer criticism on the then growing military expenditure in the very first Congress held in December 1885 at Bombay. I quoted Fawcett and other expert authorities, even those dead and gone, who had strongly protested, in and out of Parliament, against the amalgamation scheme whereby the British Army was made one with the Indian Army. Such was the disadvantage of it that if the British Army expenditure increases, *pro tanto* the Indian military expenditure would increase. Thus poor India had to bear an equal share with the richest country ! It is this expensive amalgamation which is the root of the increasing Indian military expenditure. I have spoken and written on it times out of number since 1885. I spoke last in 1924 when there was Lord Rawlinson in this Council. I have now given it up. There is no hope. The country must present a monster petition to Parliament to modify the Scheme so as to be less expensive. The amalgamation scheme should be repealed. Let the present Indian Army be self-sufficient and efficient, and yet not so intolerably expensive as it is to-day. As far as the Skeen Committee Report is concerned, I hope that after the lucid, frank, full, and absolutely candid speech made by His Excellency the Commander-in-Chief we are all satisfied. I hope, my friend, Sir Phiroze Sethna, is satisfied too.

THE HONOURABLE SIR PHIROZE SETHNA : I am not.

THE HONOURABLE SIR DINSHAW WACHA : Then opinions differ. It is no good being intolerant. The present tendency is to be intolerant. I am not one of those intolerant persons who refuse to be convinced against conviction.

Speaking generally on the Budget, I may say that State Finance is a science, not only a science but a practical science of the highest importance to the world. During the last 50 years it has made vast strides as experience has made inevitable. Experts have risen in the United States, England, Germany, France and Italy. All these have contributed their share towards the perfection of State finance. State finance is no doubt partly divorced from mercantile finance which is more restricted and self-contained in its scope. When we ask the Finance Member to do this and that, we must remember that India being international now the question depends upon many factors, and

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that economic factors, agricultural conditions, fiscal conditions and international factors have all to be considered. Therefore, you cannot suggest to the Government to do this and that. Each country must take into consideration its own special conditions along with world factors. India is still a comparatively poor country, poor in agriculture, poor in manufacture, poor in industries compared to the great countries of the West. How can you expect the State of India to have a large revenue from which a large number of objects of utility can be achieved ? My friends here and in the other place are harping from year to year on "nation-building" expenditure. I admit that that expenditure is inadequate, but is the Government to be blamed for it, or is the inadequacy owing to the conditions of the people and the country ? Hundreds of millions may be spent on nation-building works. If the Finance Member to-morrow had a surplus of a hundred millions my belief is that those hundred millions could be scattered on nation-building in no time, and then even they would cry aloud and like Oliver Twist demand such expenditure for another hundred millions. But are not such demands impracticable and impossible ? No state of society in any part of the world can tolerate that sort of demand. Therefore it is practical wisdom to be moderate and reasonable and only urge Government to achieve what is possible and practical. All Governments make mistakes, because after all they are human : but what is forgotten is that we individuals who make such immoderate demands are also human and necessarily make mistakes, perhaps bigger mistakes. Because after all the Government is responsible for the welfare of the people as a whole, whereas individuals are apt to look at things from the point of view of their own interests and shut their eyes to the interests of others who are inarticulate and not in a position to insist on Government as the articulate and influential ones. The truth is that the latter see only the mote in the eyes of Government and others, but they refuse to see the beam in their own eyes. So far as finance is concerned, I must say that during the last ten years there has been a great increase in the number of so-called financiers who denounce the authorities at Budget time. Before 1921 I doubt whether there was any considerable number of leading Indian journals which contributed anything original towards the annual financial question. There were exceptions but they scarcely counted. Whatever the majority said was mostly a paraphrase of what appeared in the *Pioneer* or the *Statesman* or the *Times of India*. But the Reforms have brought forth a different state of things. I welcome it, I welcome it warmly ; but while I welcome it I only wish that these new "financiers" would realize that public finance is not to be learnt in a day or a month or a year. It takes years of study and practice. Even then we unlearn and learn many things. Therefore I say that all these "financiers" who have risen up like so many mushrooms with the rapidity of the Prophets gourd, as Macaulay said, should consider every aspect of high finance and its very limited resources and not give their judgment hastily and make statements and allegations which cannot stand the light of enlightened and well-informed criticism. Some strictures are made from ignorance, some from semi-ignorance and some from what I call enlightened self-interest, which ignore actual facts. Well I would say that we, assembled in this Chamber in order to do good to society at large and not to serve the interests of a particular class, should carefully bear in mind what I have said. Our present-day financiers do not consider Indian finances from a broad and unselfish point of view. They are still financiers in swaddling clothes so to say. They have not reached the age of adolescence and worn the toga *virilis*. When they do, perhaps the Government of India will be agreeably surprised to witness a healthy

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change, instead of the opposition which is now the rule. There will be hearty co-operation. Well, I am an old man, and if an old man's advice and experience is open to acceptance, then I should be very pleased. I may pass away to-morrow but I fervently appeal to you all to turn over a new leaf, learn to act with the Government, learn to promote at the same time the true and permanent interests of the people in a most reasonable and statesman like way. And if at the same time we can learn to be a little more guarded and fair in criticism, I think we shall deserve well of our country. Criticism may be good, bad and indifferent. There is malignant criticism of a vicious sort, and there is indifferent criticism as well as sound, healthy criticism. As Pope has said it is with our judgment as with our watches: "No two go alike but each believes his own." But it is for us to distinguish between really sound and healthy criticism on the one hand and malignant and ignorant criticism on the other. If you bear this in mind, I think all the warring and all the other bickerings and struggles that are going on (which unfortunately I now see at my age) will sooner or later disappear. I have deep and abiding faith that as practical men we will learn practical wisdom and learn to understand this, that in this world we cannot get everything in our own way. The moon will not come to us simply because we want the moon, but if we go on advancing in scientific knowledge there will be very reasonable means, say, by aeroplanes, to reach even the moon some hundreds of years hence.

Well, Sir, the last thing I will say is this. One most solid and enduring work which Sir Basil Blackett has done during his tenure of five years is that he has entirely overhauled the whole system of Indian finance, and also its policy as far as it was possible. His hands are not free but tied down by existing policies. It is important to remember that *expenditure depends upon policy.* As is the policy, so is the expenditure. It is in your own hands to tell the Government, "this and that policy will not do, a better and more satisfactory policy should be adopted". You will then see what a vast difference it makes. Tied as Sir Basil Blackett's hands have been by existing policies and limited as are his powers, I must say he has done phenomenal work of a most beneficial character for India. Sir, from my own experience of so many years I will say this that no less than three great Finance Ministers of consummate financial sagacity have come to India hitherto: James Wilson, Lord Cromer and the last but not the least, there, Sir Basil Blackett (Applause). It is a fact that contemporary opinion is for a few years past more or less prejudiced, impassioned and misleading. Passion and prejudice are more in the ascendant now than reason, political instincts and moderation. Therefore, it is not to be expected that when we say goodbye to Sir Basil Blackett, there will be one and only one voice heard in the country. Some people will possibly say, "Let us get rid of him", but I suppose Sir Basil will not mind it. He is too magnanimous. On my part I will unhesitatingly say that he is the third talented Finance Minister who has rendered vast good to India by radically overhauling the whole system of our finance. More, he has been vastly instrumental in improving the credit of India. Sir, perhaps my Honourable colleagues have read what appeared in the *London Times* of a fortnight ago. In recounting the invaluable work he has achieved the writer declares how Sir Basil has considerably improved Indian credit. Fifteen years ago the difference between Indian credit and English credit was ten points. To-day, Sir, India has so vastly improved that the difference is only two points. What is it due to? It is due in no small measure to Sir Basil Blackett's financial regime. Let us fervently hope that that credit may still further improve and the whole currency and credit system work smoothly. Sir, he has brought India to that point when India can go on smoothly promoting her credit and benefiting the country. Then, Sir, the next

[Sir Dinshaw Wacha.]

and most important achievement is in reference to the stabilisation of the rupee. Opinions do differ and I suppose will continue to differ till the fallacy of the adverse critics is laid low. Let us look at the facts as practical men. We find that in the last year and a half exchange has remained generally steady. Some people will say that it is entirely due to "artificial management." I believe "artificial management" of currency prevails all over the world. It is practised in every great financial country, in England, in the United States, in France and other European countries. If we read carefully many a bank report and treasury minutes, it will be discovered that what is called "artificial" is simply the consummate sagacity of those experts who control their respective country's monetary policy. So that even in this respect Sir Basil Blackett has done exceedingly well. He has improved credit. And that credit is bound to improve more and more. The solid work in finance he has accomplished during the last five years is certain to endure for many a long year. It is a matter of regret, Sir, that the Reserve Bank Bill has not passed. It matters little. The Reserve Bank Bill is sure to come on, if not to-morrow or the day after to-morrow, at any time hereafter owing to the force of circumstances and the logic of facts. Well, Sir, I refrain from saying aught more than this that to us Members of this Council which commands respect and attention for its uniform moderation, its reasonableness and practical wisdom, we should heartily congratulate Sir Basil Blackett for his great achievements and bid him a cordial farewell, farewell of a temporary character, in the hope that one day he may revisit India and be able to see the fruits of his own sound financial policy. Meantime let us hope that when he returns home he will find employment suited to his great financial status and ability, and let us hope to rejoice in his promotion. Who knows ? Sir Basil Blackett is a talented young gentleman. I shall not be surprised if Sir Basil Blackett becomes the Chancellor of the Exchequer of Great Britain : I wish he becomes that. With these words, I resume my seat.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal Muhammadan) : Sir, hymns and Hallelujahs have been sung both here and elsewhere across the Atlantic over the fifth and final surplus budget of the out-going juggler of Indian finance, and how I wish I could join the chorus and be blessed. The iniquities of the Meston Award that had been crying for redress from the Central Government have been done away with, and the Honourable Member assures us that it would be a permanent dispensation that he leaves as his farewell legacy to the provinces, and also bids us entertain this pleasing delicate hope that "no storm from without or from within" would descend upon this unhappy country, made happy, if ever once in her bondage and misery by his Midas touch, to disturb the "bright prospects of financial well-being" to which she seems to-day to be well justified in looking forward. It would be the height of "cold ingratitude" nay, the "unkindest cut of all", I apprehend, if I would slip out of the crowd and break forth into other tunes and deny the blessings of the Blackett Award. Verily, Sir, I would also be one in the chorus and sing for the ten lakhs of rupees that the Honourable the Finance Member has ear-marked as a "new provision for expanding the Territorial Force".

But, Sir, thus far and no further ; I must cry halt now. The air is resonant with praises of a surplus budget—nay a prosperity budget. A layman that I am, almost a nondescript, as you might have it, in the field of finance, this twaddle of the high-brows, however delectable an esoteric feast it might be to the initiated, has a poor appeal to my low-brow imagination. Thank God, Sir, I have yet a common-sense imagination not perverted by the mysteries

of initiation, and it appears to me that this " surplus " of the budget is a clever manipulation of the Member in charge which might be golden, but far from gold, the real metal.

Even at the outset, Sir, I shall take up the broadest and the most glaring of deceptive features of the surplus. With a fair degree of self-complacence the Member in charge has stated that out of an aggregate budgeted revenue of Rs. 132·23 crores for the year 1928-29, the expenditure for the same is likely to be only to the extent of Rs. 129·60, thus leaving a surplus of Rs. 263 lakhs. Very nice indeed ! But what about the accruing liability for bonus on cash certificates which would be as much as 5½ crores in October 1928 ? Well, Sir, the retiring Member has thought fit to indulge in fantastic dreams of millenium for financial India. But O Happy Dreamer of a dream, when your unhappy successor would wake in the sober world of waking facts after your dream-interlude, the Pilgrim's portentious bundle would already be on his back, and his march for the delectable land would be halting, stumbling, fretting plod that would exasperate him and the multitudes in the long run. Here, Happy Dreamer, is that handful of cloud that would develop into a " storm from within ", whose faint rumblings I hear even now, that despite his magic dispensation and self-deluding dream is sure to disturb, nay, upset in the immediate future the " bright prospects of India's financial well-being." This is, then, Sir, the siren-song of surplus—alas ! so hollow, so shallow and so contemptible, for has not the Honourable Member here entered his caveat, however mild and suppressed, on behalf of his successor for an extra burden of taxation in the years immediately to follow ?

Sir, the much-applauded author of the Budget has said with modesty that it is " not a spectacular budget ". But even to the meanest understanding, Sir, if the Budget is anything it is a gorgeous and elaborate attempt for the spectacular, a skilful manœuvre to play to the galleries. "With its large reductions in passenger fares and in freight," with its " imposition of not new taxation," what this Budget does,—to quote the Honourable Member—is to provide a surplus and that (all glory to him and his financial genius) in spite of reductions in the customs tariff. What more impositions, I beg to know, Sir, did the Honourable Member want to inflict ? Has not this country long been groaning under super-tax, has it not long been bled white, is not its cup of misery full ? Why then this idle vaunt ? You have four successive years of surplus—what prosperity do such surpluses ensure if they are not to ensure relief from taxation ? What does the Mother of Parliaments do in your own country when there are repeated surpluses ? Well, Sir, if she does anything, she relieves the children of the soil from certain taxes. Why not do that here, too ? Is not what is sauce for the gander sauce for the goose too ? Or is it that principles suffer a complete sea-change as they cross the waters of the Mediterranean ? With Rs. 296 lakhs actually transferred to the Revenue Reserve Fund even in the year 1926-27 and with an estimated surplus of Rs. 263 lakhs for 1928-29, what justification has the Finance Member not to have remitted the iniquitous salt tax over which the whole country has been sorely aggrieved which has deprived the starving millions of even that one sauce of their daily food ? What justification has he to leave untouched the question of reducing the postal and telegraphic rates against which such a huge storm of protest had been raised by the then representatives of the suffering people ? Sir, I have been sent to this House by a constituency which consists of people who are perhaps the poorest among the Mussalmans of the country, and where flood, famine, malaria and influenza are annual guests. I know how it touches them to pay half an anna for a post card that would fetch them anxious news

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from their distant relatives. I have seen how with a pinch of salt they eat their morsels and curse their fate with suppressed tears—I have seen all this—I, a passive spectator, a helpless representative, a spectacular Member of the sonorous sounding Upper House of the Indian Parliament. It is a peculiar situation, Sir, as you must know it, where you have everything to endure and nothing to redress. This is, Sir, England's work in India.

Sir, the Honourable Member has spoken of reduced passenger fares and sought thereby to appeal to the mass imagination. But, Sir, he has built castles in the air. So long as the people of the country are to be huddled together like cattle in the third class compartments of Indian Railways and denied the most modest amenities of civilisation and of comfort, it matters nought whether you reduce half a pie in the mileage or a pie. Give them back their prestige, give them back their honour and their comfort, and let them live and move like human beings and not like human cattle. That is what is wanted. If you want to catch their imagination, if you really want to lay claim to be a "better Swarajist than the Swarajists themselves", then do one act of equity, of humanity, rather than talk loads of claptrap, platitudes and barren futilities, or present delusive, impotent surpluses. But that you will not do; for "whatever you are paid to do in the Government of India", you are not certainly paid to budget for submission to the popular demands. You are paid to fiddle while Rome burns. (Laughter.)

Sir, what after all does this surplus mean? If it means anything it is bad house-wifery. There are housewives, Sir, who would starve their children without healthy food only to increase their credit in the bank in their greed for the expert's fame. Such is the case with Sir Basil Blackett too. (Laughter.) But let me tell him in clear and emphatic words: You had no right to budget for a surplus by starving the nation; you had no right to continue the imposition of the iniquitous taxes on salt and the exorbitant postal and telegraphic charges; in fact, you had no right to continue measures that were sought to cope with the exigencies of a war-time down to a decade after the peace. We do not want your surplus. What we want is an equitable balance between both sides of the sheet, a reasonable adjustment between the nation's income and expenditure, the lack of which is tantamount to a woeful negligence of the principles of national economy and a scientific budget.

Then, Sir, comes the question of the military budget. In speaking of the beneficial services the Finance Member has pleaded the "limited means at his Government's disposal" for the obvious insufficiency of grants in that direction. But no excuse is thought necessary in providing for an increased expenditure to the extent of 8 lakhs (I speak of course excluding the Territorial Force provision) for the military services, as if we are to take that as a blatant fact, as a decree of the inexorable Fates, unredeemed and unredeemable! With an irreverent disregard of the Inchcape Committee's recommendations for more moderation under this head, and despite the halt-cry of a whole people groaning under over-taxation, despite better conditions prevailing both inside and outside the country, despite the much-advertised activities of the League of Nations, talks of world peace, disarmament proposals, international arbitration, and war being made an impossibility, and despite, what is more, the increasing moderation by England herself in this matter, the Finance Member has saddled an additional burden of 8 lakhs on the Indian tax-payer for an already topheavy administration; and the Honourable Member has bluntly declared that reduction is out of the question if India is to make reasonable provision for her defence in modern conditions. "Reasonable provision"

and " modern conditions "—fine phrases indeed to cover a multitude of indecent vices ? Why not speak out the plain facts ? Say that so long as Japan will look to lording it over the Pacific, China shall be unwilling to be " Chinese dogs " within her territorial limits, Russia be carrying on the message of her new gospel and making ever new friends, and a permutation and combination of political alliances going on between the East and West, and India's neighbouring monarchs waking to World Realities—so long India, the Open-Sesame to the Orient, the master-key to the Eldorados of exploitation, India cannot be untagged from the chariot wheels of British Imperialism, for this Car of Juggernaut must go on and India must be bled white of men, money and munitions.

Sir, to make matters short, I cannot in the circumstances look with complacency upon this Budget—this much-talked of surplus budget. When I notice that my Bengal's persistent demand for the immediate transfer of the proceeds out of the duty on jute to the provincial exchequer has been treated with scant courtesy, when I notice that indigenous industries like the Match industry has not been vouchsafed an adequate measure of protection, when I notice that the postal and telegraphic rates are still weighing like nightmares upon an entire people, when I notice that there has been no amelioration in the lot of the third class passengers of the Indian Railways, when I notice that more than a third of the total expenditure of the nation is swallowed up by its military, and last, though not least, when I notice that Government is always trotting out the fifth-rate excuse of " limited resources " whenever the question of the beneficial services crops up—and all this after four successive years of surplus budgets leavened by the even beneficence of a bounteous Providence during all these years,—I for one cannot aid or abet the Honourable the Finance Member in his unblushing performance of self-laudation or commend his Budget to the country at large.

THE HONOURABLE SIR BASIL BLACKETT : Sir, I could not entirely follow the beat of the pencil of the Honourable Member who spoke last. I understand that he describes something as claptrap and futility. I have my own opinion as to what he was describing—I could not hear what it was that he said when he described it as claptrap and futility ; but I believe he was fiddling while Rome was doing something. Judging by the Honourable Member's smile as he read that speech, I could not believe that he himself had any doubt about claptrap and futility. Sir, this is an occasion which cannot but bring some emotion of sorrow and regret. It is the last of six occasions on which I have had the honour of getting up in this House to reply on the debate on the discussion of the General Budget. I have no reason to complain—indeed I have many reasons to blush—at the kind things that have been said about me by nearly every speaker who has taken part in the debate, and it is with a feeling of sincere regret that I have now to say farewell to so many old friends in this House and to remember that the budget discussions will go on year by year in this House and I shall not be here to listen to or take part in them.

There are two main subjects which have been discussed. One and by far the most important is the question of the extension of the Indianisation of the Army in connection with the Skeen Committee's Report. On that I do not wish to say much. His Excellency the Commander-in-Chief has already dealt with the speakers on that subject. I would like, however, just to make one comment. Is it not rather strange that when an announcement is made, which is one of the most important announcements that has been made or could be made in regard to progress towards the ideal of self-government initiated in the announcement of August 1917,—when such an announcement

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is made, it should be received in many quarters with dismay and disappointment? I cannot help thinking that possibly the Government of India themselves may be to blame in the matter. There is perhaps something wrong with the stage-management. What has really happened? After very careful consideration, all being agreed that it is desirable that we should advance in the direction of Indianisation of the Indian Army and the creation of an Indian national force officered by Indians, it has been decided to increase the number of vacancies in the military colleges in England from 10 to 37, to throw open for the first time the Engineering Service, the Artillery Service, Woolwich and Cranwell, and to establish at as early a date as possible an Indian Air Force, Indian officered. That announcement has been made with a good deal of unanimity all round, and yet it is stated that it takes the form—this is with reference to what my Honourable friend Sir Phiroze Sethna and others said—of whittling down the recommendations of the Committee... "

THE HONOURABLE SIR PHIROZE SETHNA: Is it not so?

THE HONOURABLE SIR BASIL BLACKETT: It is not even a whittling down of that Report. It is another method of approach to the same thing. But even if it were a whittling down, has not the Honourable Member the generosity or the vision to see that it is an immense advance towards the goal which he is seeking, as every one else is seeking, instead of getting up and complaining about it? I do not think he used such strong language as was used in another place—absence of faith, absence of honesty on the part of Britain. But can he not see that it is a clear proof that His Majesty's Government and the Government of India are determined, so far as in them lies, to go forward as fast as they think can possibly be done in the interests of India in regard to Indianization of the Indian Army? I do not think that if Honourable Members will just take their minds two or three years back and imagine the announcement made then as the result of co-operative work among all parties who had been concerned in the matter, they will see that instead of there being something to complain about, it is a very big step forward in which Indians and Britons alike can co-operate and feel proud of what has been done.

I turn now to some of the points raised in regard to the Budget. The most important, I think, was that raised by Mr. Chari and taken up by others, especially by my friend Sir Maneckji Dadabhoy on the subject of the debt policy. Mr. Chari contrasted what was done in England in the matter, and then he went on to say that the debt policy of the Government of India in the last five years has mercilessly sacrificed the interests of the present generation to those of the future. The contrast with England is not entirely accurate. At the present moment the amount set aside for the purpose of sinking fund in the Budget of the United Kingdom is 65 millions and the total debt is about seven and half thousand millions. That is a larger proportion of the total than our figure of about five and half crores in a total debt of about a thousand crores.

So far as the total debt is concerned, therefore, the comparison is in favour of India. India is less heavily charged for debt redemption than is England. But of course it will be said that the English debt is almost entirely non-productive, whereas only a proportion of the Indian debt is non-productive. I do not think that that is entirely germane. After all, when you borrow money you have to make provision for paying it off. Even if you borrow for the purpose of investing in productive purposes, you are mortgaging your revenue just

as much if the proceeds are invested productively as if they had been invested non-productively. My second comment as regards England is that I do not think there are many people who have studied English finances who are at all satisfied that England has done anything like enough in the last decade since the War in the matter of reduction of debt, and I am sure that there is a very large body of opinion in England who would only be too glad if they had been able to follow so successfully a policy of provision for reduction or avoidance of debt as we have been able to do in India. If India is better off in that matter, it is a matter for pride rather than a matter for providing the means for a weapon, for a stick to beat the Indian Government with. I deny also Mr. Chari's argument that there has been any sacrifice of the interests of the present generation to those of the future. I do not want to go deeply into the subject. The figures are available in the Financial Secretary's Memorandum. It will be seen that the reduction in the charge for interest since 1923-24 is well over 6 crores—nearly 6½ crores. Our total provision for reduction of debt in the current year's Budget is under 5½ crores. Supposing we had had no provision for reduction of debt during that period, I am quite confident that this year's budget expenditure would have been 2 or 3 crores higher than it is. In place of the absence of any provision for reduction or avoidance of debt we should be paying many crores more in interest. We should, it is true, have no provision whatever for reduction or avoidance of debt, but that would be more than counterbalanced by the extra charge for interest. The net result would have been the sacrifice of the present generation for nobody's benefit, the sacrifice of both the present and the future generation. I agree with Sir Maneckji Dadabhoy that it is most desirable that the policy of strictly attending to debt redemption should be kept well in view. I agree with him that it would be desirable if that could be made a matter of statutory arrangement rather than merely a question of annual decision. That, however involves, I believe, an alteration in the Government of India Act. It is a matter which might well be brought before the Statutory Commission. Sir Maneckji Dadabhoy went on to give an extra reason, though I do not think that he said it was an extra reason, for a strong sinking fund. He said that he was dissatisfied with the amount that is to be spent next year on productive capital expenditure for the Railways. I do not think it is true to say that a policy was adopted at one time of spending 30 crores a year on Railways for all time. It is perfectly true that a motion was passed in another place as a result of the Report of the Acworth Committee to spend 30 crores a year on rehabilitation..

THE HONOURABLE SIR PHIROZE SETHNA: For five years.

THE HONOURABLE SIR BASIL BLACKETT: .... for a period of five years. That programme as a matter of fact broke down almost before it was started. In so far as expenditure on rehabilitation was concerned we have for some time past substituted another programme of spending, if I may put it, as much as we can and as much as the railways can reasonably spend, on both extensions—particularly extensions—of Railways as well as rehabilitation. I said in my budget speech that the Railway Department would have liked a higher allotment this year, and so should I, but we have to consider what our available resources are. Even allowing for a considerable sum provided by the provision for reduction or avoidance of debt we cannot, with large amounts of maturing debt still to deal with, undertake a very heavy programme of new expenditure unless we are quite sure of being able to raise the money in the market. I would draw the attention of the Council to a very important subject, namely, the question of the redemption of our maturing debt as it falls due year by year. Next year, the 1929—47 loan falls due and it is a considerable sum. It does not have to be repaid in 1929, it need not be repaid till

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1947, but it will obviously be desirable that we should refund that at a lower rate of interest at as early a date as it can reasonably be done, and if we are to do that, we clearly must have no slackening off in our provision for reduction or avoidance of debt. For another reason also mentioned by Sir Maneckji Dadabhoy and Mr. Chari the policy is of importance. Reference has been made to the sterling loan that was issued in January of this year. From the first, ever since I came to India, I have made it my object to avoid if possible borrowing outside India and reduce such borrowings to the minimum. It was a disappointment to me that we had to borrow in England during the current financial year, but that we had to do so was the result of several causes. Undoubtedly, as Sir Maneckji Dadabhoy said, one important cause was the agitation over the ratio question which disturbed market conditions and led to a very considerable export of capital from India to other countries. Another reason was the increase in our railway capital expenditure from Rs. 25 crores to Rs. 30 crores, a rather unexpected increase owing to the fact that the Railways for the first time managed to spend up to their estimate and beyond one more pessimistic estimate of what they would be able to spend. If we are going to spend large sums on our capital programme in India it is important that as far as possible the money that we spend should be raised in India and not outside. I should be very sorry to see our programme of productive capital expenditure seriously curtailed, but I think that if it were to be found that that programme was leading to the necessity for considerable borrowings abroad year after year, it would be necessary to reconsider the policy. I do not say that we shall do so, but it has been my anxiety all through whether we can continue and how long we can continue a large programme of capital expenditure approaching a total of Rs. 40 crores a year without taking undue risks in regard to borrowing outside India. The last loan of £7½ millions is the first that has taken place since May 1923, and during the period between our last borrowing in England and the borrowing that took place last January, we have spent very large sums both for new capital purposes and in reduction of liabilities in the United Kingdom. There is no doubt that there has been a very considerable reduction of India's debt taking India in the large sense, including private indebtedness, a large reduction of external liabilities during that period. I hope that the programme that we have set out for ourselves this year can be carried through without borrowing in England, but as I pointed out in my speech, it is a considerable liability that we are undertaking and it is only if we can raise the money at reasonable rates and to the full amount that we require in India that it will be possible to carry that programme through to completion without some borrowing in the United Kingdom. Comment has been made on the comparative failure of the rupee loan last summer. The position was a difficult one. It has been suggested—and it was very carefully considered in the Finance Department at the time—that by offering a rather higher yield it might have been possible to raise the amount that we required. The difficulty was this. Government securities were being quoted at a very high rate in the market, and particularly in Bombay where there had been speculation. Supposing we had announced an issue which compared with the existing issues unduly favourably, then we should probably have got no money at all. Instead of increasing the amount we should have reduced it. It was a difficult question and it points to the damage that can be caused by undue speculation in Government securities. Undoubtedly the course of the market and particularly in the price of 3½ per cent. from the beginning of 1926 was due more to speculative purchase than to purchase by investors pure and simple, and that created very considerable difficulty. It was partly

with that in view that the Government decided last summer to experiment again with Treasury Bills. One of the difficulties of the situation is that, as money accumulates in certain periods of the year there is nothing for the investor to do with it except to put it into Government securities. Government securities therefore go up and when there is want of money he has to sell the Government securities and the Government securities go down. It creates an undue fluctuation of the market over the whole year, and in order that it may be partly avoided, we have begun issuing a certain number of Treasury Bills which provide a reasonable investment for money of that sort in a period when it would otherwise have to go into Government securities and push them up to an unduly high figure. I hope that the system of Treasury Bills is one that has come to stay, but I am free to confess that it has not been entirely satisfactory over the period since last August when it was inaugurated. At times the Government have had to pay a little bit unnecessarily highly for their bills and at other times there has been a rather surprising absence of market demand for them when it appeared that they might be extremely useful for the purposes of the market. I hope the Council will forgive me for this rather long digression, but the matter is extraordinarily important in what I may call the region of pure finance.

Some reference was made by Sir Maneckji Dadabhoy and Sir Dinshaw Wacha to the question of the rate of our general tariff. What I said in my budget speech was that I thought—and I am sure that there are many who will agree with me—that our general tariff of 15 per cent. is unduly high as a purely revenue tariff. I did not suggest—and here I am not in entire agreement with my old friend Sir Dinshaw Wacha—that we should have free trade, nor did I suggest that it was undesirable that protective duties should be imposed wherever they would be likely to have results beneficial to the growth of industrial enterprise in India. All I said was that for revenue purposes in the absence of a protective justification, I think the tariff of 15 per cent. is too high and Sir Maneckji Dadabhoy quite clearly understood me, I think, in that sense.

Sir Arthur Froom drew my attention to the increase in the yield of the excise duty on motor spirit. I do not want to be drawn into making any pronouncement as to what the attitude of the Government of India is likely to be. The report has not yet been drawn up of the Committee in which he has taken so considerable an interest, a committee of very great importance on the question of development of road communications in India. I have personally always had a very keen interest in that question, and I am quite prepared to say that if I had been here I would have welcomed, and I am sure my successor will welcome, with open arms any suggestions which are really feasible and sound for improving the situation in regard to road traffic in India.

I cannot I think usefully follow what has been said in regard to the question of reducing income-tax and super-tax. The particular points that were mentioned by Sir Phiroze Sethna in regard to insurance and the points made by other speakers will be taken up and looked into by the Finance Department when the report of to-day's debate is before them, and I cannot usefully pronounce upon them at the present moment. I always think however, when I hear it suggested that income-tax or super-tax are higher in this country than even in England, that the speakers forget the absence of another important tax of the nature of an income-tax, namely, the death duties, the existence of which makes the real burden of direct taxation in a country like England very much larger than it can possibly be said to be in this country.

[Sir Basil Blackett.]

I am sorry that Mr. Gray still feels that he has not had a sufficient answer to the question of Burma's balance sheet. I endeavoured to make a general answer to that question when I had the honour to be speaking in Rangoon at a meeting of the Burma Chamber of Commerce. It is not a question really of going into detail as to the exact question of how much money is at present spent in Burma and how much is spent for Burma but not spent in Burma at present. It is a question of hypothesis. Suppose Burma were separated from India and had all her revenues to herself, how much would she have to contribute towards military expenditure, which, *ex hypothesi*, would not most of it take place inside Burma, and what share would she take in the unproductive debt of India, and questions of that sort ? They are hypothetical questions which can only ultimately be solved when you come, if you do ever come, to a round table bargain as to what price Burma is to pay and what are the terms on which India is going to be willing to agree to the separation of Burma from India, supposing it does come to the point that Burma desires to be separated from India and the broadest interests of India and Burma are agreed to be compatible with such separation.

I do not think that there are any other points which I need refer to. I should like once again to express my very real appreciation to those who have been kind enough to be eulogistic in regard to the opportunities of service that I have had in India. It has been a very great privilege to me to be able to feel that I have had a real opportunity of service in India. If in any directions the results have fallen short of my hopes that at any rate is a proof that the ideals that I set myself were not set too low. Nothing I think could be more miserable for a man leaving the position which I have held than to feel that he had done all that he hoped to, because it would be obvious that he had set his hopes much too low if he was able to say anything of the sort. I hope very great things for India in the future and for Indian finance ; and I feel sure that if India has the courage to face her difficulties in a reasonable and practical spirit and remembers not to cry too much for the moon and to take the step that is next without trying to jump several steps at a time, there is, Sir, a great and bright future in store for India as a partner in the British Empire.

STATEMENT OF BUSINESS.

THE HONOURABLE MR. S. R. DAS (Law Member) : Sir, our next meeting will be held on Monday, the 12th March, on which day motions will be made for the consideration and passing of the Bill further to amend the Inland Bonded Warehouses Act, 1896, for certain purposes, which was laid on the table on the 22nd February. Thereafter the House will meet on Tuesday, the 13th, and Wednesday, the 14th. The 13th is a non-official day and on the 14th motions will be made to consider and pass the Indian Limitation (Amendment) Bill on which the Select Committee's Report was presented on Wednesday last. There will be no meeting on the 15th as there is no non-official business for that day.

The Council then adjourned till Eleven of the Clock on Monday, the 12th March, 1928.

COUNCIL OF STATE.

Monday, 12th March, 1928.

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

MEMBER SWORN.

The Honourable Mr. Kiran Chandra De, C.I.E. (Bengal: Nominated Official).

INLAND BONDED WAREHOUSES (AMENDMENT) BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill further to amend the Inland Bonded Warehouses Act, 1896, for certain purposes as passed by the Legislative Assembly, be taken into consideration.

This Bill is of a purely formal character. It has two purposes, one to legalise a practice which has been regularly in force, and which is necessary for the convenience of traders, and the second is to remedy an omission which was made at the time the Central Board of Revenue was constituted, and the control of Customs, etc., was centralised. The purposes are further described in full detail in the Statement of Objects and Reasons, and it is not necessary for me to detain the House further on the subject.

Sir, I move.

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, 13th March, 1928.

COUNCIL OF STATE.

Tuesday, 13th March, 1928.

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

QUESTIONS AND ANSWERS.

CONSTRUCTION OF THE DACCA-ARICHA BRANCH OF THE EASTERN BENGAL RAILWAY.

88. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether the proposal for the construction of the Dacca-Aricha branch of the Eastern Bengal Railway has been finally shelved? If so, why, and if not, when will the Government take up the construction of the proposed line and by what time will it be ready for traffic service?

THE HONOURABLE SIR GEOFFREY CORBETT: The Dacca-Aricha Railway project has not been abandoned. The field-work of the survey has been completed, and the report and estimates have just been received from the Agent, Eastern Bengal Railway. They are now under the examination of the Railway Board.

CONSTRUCTION OF THE BARISAL FARIDPUR RAILWAY.

89. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether they have sanctioned the construction of the proposed Barisal Faridpur Railway by the agency of the Eastern Bengal Railway? If not, why not, and if so, when will the work be taken up and by what time will it be finished?

THE HONOURABLE SIR GEOFFREY CORBETT: With your permission, Sir, I propose to answer this question and question No. 105 together.

The Faridpur Barisal Railway project is at present under investigation by the Agent, Eastern Bengal Railway.

SCHEME FOR THE ELECTRIFICATION OF RAILWAYS FOR THE CALCUTTA SUBURBAN TRAFFIC.

90. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state how far has the scheme for the electrification of Railways for the Calcutta suburban traffic service advanced?

THE HONOURABLE SIR GEOFFREY CORBETT: A traffic investigation has been carried out by Major Gordon and Mr. J. N. Roy, and estimates of operating costs have recently been revised by Messrs. Merz and Partners. Further revised figures have been asked for from the latter in addition to certain information from the East Indian, Eastern Bengal and Great Indian Peninsula Railways.

CENTRAL STATION IN CALCUTTA.

91. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will the Government be pleased to state whether they propose to construct a Central Station in Calcutta? If so, when will the work commence?

(*b*) Is it a fact that the Railway Board appointed a special Committee to study the matter and report? Has the Committee finished its work and submitted its report? If so, to what purport?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) and (*b*) The answer is in the negative.

CONSTRUCTION OF THE PABNA SADHUGANJ BRANCH OF THE EASTERN BENGAL RAILWAY.

92. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether the construction of the Pabna Sadhuganj branch of the Eastern Bengal Railway has been abandoned; if so, why, and if not, when the construction of the said branch is going to be taken up and within what time is it contemplated to be finished?

THE HONOURABLE SIR GEOFFREY CORBETT: The proposal has not been abandoned. The traffic and engineering surveys which were carried out in 1926-27 indicated that the project would be unremunerative, but the Agent, Eastern Bengal Railway, has been instructed to make a further examination of it.

ESTABLISHMENT IN LONDON OF A MARKET FOR THE SALE OF JUTE SHARES.

93. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether it is a fact that a market for the sale of jute shares has been recently established in London? If so, what effect has it made upon the ownership of the jute shares by passing them into foreign hands?

THE HONOURABLE MR. E. BURDON: Government have no official information on the subject.

AMALGAMATION OF THE DUTCH SHELL COMPANY AND THE BURMA OIL COMPANY.

94. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether it is a fact that any arrangement has been entered into between the Dutch Shell Company and the Burma Oil Company for amalgamating their interests? If so, has the Government enquired about the terms of such amalgamation, and are they in a position to say whether it will harmfully affect or not the interests of India?

THE HONOURABLE MR. A. C. McWATTERS: Government have no official information but they understand that the object of the amalgamation referred to is merely to place upon a more permanent basis an arrangement for marketing kerosene in India which has already existed for several years. They have no reason to suppose that the arrangement will harmfully affect the interests of India.

FINANCIAL CONDITION OF THE EASTERN BENGAL RAILWAY.

95. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether it is a fact that the Eastern Bengal Railway administration is being carried on at a loss or very little profit? If so, what is the reason for it?

THE HONOURABLE SIR GEOFFREY CORBETT: Since 1924-25, the Eastern Bengal Railway has been earning a profit which in 1926-27 reached the satisfactory figure of 68½ lakhs.

(1) WANT OF A WAITING ROOM AT FARIDPUR RAILWAY STATION.

(2) SLOW SPEED OF THE TRAINS BETWEEN CALCUTTA AND MYMENSINGH.

96. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether any steps, if so what, have been taken by the Eastern Bengal Railway authorities to remove the grievances of passengers due to—

(*a*) want of waiting room accommodation in the Faridpur railway station; and

(*b*) slowness of speed of the Calcutta Mymensingh trains?

THE HONOURABLE SIR GEOFFREY CORBETT: The Government have no information, but a copy of the question and answer will be forwarded to the Agent.

STEAMER SERVICE MAINTAINED BY THE EASTERN BENGAL RAILWAY BETWEEN GOALUNDO AND NARAINGANJ.

97. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether at any time before this the Eastern Bengal Railway authorities used to ply a steamer between Goalundo and Narainganj in connection with their train service with Goalundo? If so, why was it discontinued?

THE HONOURABLE SIR GEOFFREY CORBETT: Fifteen or twenty years ago the Eastern Bengal Railway had a steamer service between Goalundo and Narainganj. It was discontinued and the service left to the steamer company, who already had services beyond Narainganj, so that transhipment of passengers travelling beyond Narainganj in either direction should be avoided.

RETURN TO VIZAGAPATAM HARBOUR OF THE DREDGER DISABLED IN MARCH 1927.

98. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether the dredger that was disabled at Vizagapatam Harbour in March last is now in working order and is working in the Harbour? If not, why not?

99. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether any new dredger is at present working in the Vizagaptam Harbour? If so, does it belong to the harbour authorities? If not, who is the owner of the dredger and how much are the harbour authorities paying to the owner for its use?

THE HONOURABLE SIR GEOFFREY CORBETT: With your permission, Sir, I propose to answer questions Nos. 98 and 99 together.

The dredger which was disabled in March last, returned to Vizagaptam on the 24th December after repairs in Calcutta, and has since been at work there. While the repairs were in progress the small dredger Manar, belonging to the Madras Government, was hired at a cost of Rs. 3,125 per month. This dredger has since been returned.

INSPECTION OF THE VIZAGAPATAM HARBOUR BY THE CHIEF COMMISSIONER OF RAILWAYS.

100. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether the Chief Commissioner of Railways recently visited Vizagapatam to inspect the harbour? If so, has he submitted any report and do the Government propose to publish the same?

THE HONOURABLE SIR GEOFFREY CORBETT: Sir Clement Hindley visited Vizagapatam in the course of a recent tour and went over the harbour works. He submitted no report.

ADMINISTRATIVE OFFICER, VIZAGAPATAM HARBOUR.

101. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state who is the Chief Administrative Officer for the harbour construction at Vizagapatam and what is his salary?

THE HONOURABLE SIR GEOFFREY CORBETT: The Agent, Bengal Nagpur Railway, is the Administrative Officer; he receives an allowance of Rs. 500 per month as remuneration.

ELECTRIFICATION OF THE VIZAGAPATAM HARBOUR.

102. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether any, if so, what steps are being taken by the harbour authorities for the electrification of the harbour at Vizagapatam?

THE HONOURABLE SIR GEOFFREY CORBETT: Specifications for an electric installation to work cranes on the jetty, and light the wharves, have been prepared and indents for the plant required have been sent to the Consulting Engineers.

CAPSIZING OF A BOAT USED BY THE MARINE SURVEYORS IN VIZAGAPATAM HARBOUR.

103. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether it is a fact that the Marine Surveyor's boat at Vizagapatam sank twice in the course of the last six months? If so, whether any casualty occurred on those occasions and what steps the harbour authorities are taking to prevent such accidents?

EMPLOYMENT OF STEAM LAUNCHES FOR PURPOSES OF MARINE SURVEY IN VIZAGAPATAM HARBOUR.

104. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether it is a fact that the boats used by the Marine Surveyor's department at Vizagapatam are all country boats? If so, do the Government contemplate the employment of steam launches for purposes of Marine Survey?

THE HONOURABLE SIR GEOFFREY CORBETT : With your permission, Sir, I propose to reply to questions Nos. 103 and 104 together. A boat used by the Marine Surveyors capsized in the surf once in the course of the last six months, but there was no casualty. The boats used are ships' life boats ; steam launches are not considered suitable for the Marine Surveyors' work.

CONSTRUCTION OF THE FARIDPUR BARISAL RAILWAY.

*105. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government be pleased to state whether they contemplate constructing the Faridpur Barisal Railway at an early date ? If so, when ?

RELEASE OF PERSONS DETAINED UNDER REGULATION III OF 1818 AND THE BENGAL CRIMINAL LAW AMENDMENT ACT.

106. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government be pleased to state whether the Government of Bengal has released all persons detained under Regulation III of 1818 and the Bengal Criminal Law Amendment Act, 1925 ? If not, how many of them have they released and how many are still under detention ?

THE HONOURABLE MR. H. G. HAIG : The number of persons under detention at the end of February was as follows :—

In jail under Regulation III	4
In jail under the Bengal Criminal Law Amendment Act	12
In village domicile	25
In home domicile	9

In addition, 17 have either been externed from Bengal or externed from, or confined to, certain areas in Bengal. In addition to these 118 have been released altogether. I would compare these figures with those which I gave when the Honourable Mr. K. S. Ray Chaudhury moved his Resolution in this Council on the 5th September last. At that time there were 40 persons in jail under the Bengal Criminal Law Amendment Act and Regulation III. That number has now been reduced to 16. The number of releases stood on that date at 60. It is now 118.

VILLAGE INTERNMENTS.

107. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that complaints appear in newspapers against village internments, and do the Government intend abolishing this mode of internment ? If not, how many are interned outside the province under orders of the Government of India and where are they interned, and what allowances do they respectively get and what are the latest reports about their condition of health ?

THE HONOURABLE MR. H. G. HAIG : Government have seen references to the matter. It is not intended to abolish the system. The Government of Bengal are fully alive to the necessity of securing satisfactory conditions, so far as the health of the detenus is concerned and have the matter constantly under review. No persons are interned in villages outside the province under orders of the Government of India. Nine persons, however, have been prohibited under the Bengal Criminal Law Amendment Act from entering Bengal. They are not interned, but are free to live where they please outside the province.

* For answer to this question, *see* answer to question No. 89.

TRANSFER OF THE TRAFFIC ACCOUNTS DEPARTMENT OF THE EAST INDIAN RAILWAY TO DELHI.

108. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the clerks of the Traffic Accounts Department of the East Indian Railway have not been favoured with the privileges of the State Railways as regards leave, passes, pay, etc., and is it proposed that the said office will be shifted to Delhi ?

If so, why and what concessions are going to be made to the clerks for this transfer of the office ?

THE HONOURABLE SIR GEOFFREY CORBETT: Like other staff of the East Indian Railway who were recruited before the railway was taken under State management, these clerks are under the East Indian Railway rules regarding passes, pay, leave, etc.

2. The question whether the local traffic accounts work of the East Indian Railway should be transferred to the Clearing Accounts Office at Delhi has not yet been settled ; and until it is settled it will be premature to consider whether any concessions should be given to existing clerks on transfer.

MODIFICATION OF THE MESTON AWARD.

109. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Do the Government contemplate modifying the Meston Award in the near future so as to give some relief to the finances of Bengal ?

THE HONOURABLE MR. E. BURDON: The answer is in the negative. The Government of India do not propose to take any immediate action in the direction suggested.

ESTABLISHMENT OF A TRAINING SHIP AT BOMBAY.

110. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: How far has the scheme for establishing a training ship at Bombay advanced, how many students and of what nationality are being trained and what facilities for future employment have been arranged for the students ?

THE HONOURABLE SIR GEOFFREY CORBETT: The S.S. "Dufferin" has been fitted out as a training ship and is stationed at Bombay. The first course on her commenced on the 1st December 1927 and 30 cadets have been selected for training in the first year of the course. Of these thirty, 18 are Hindus, 8 Christians (including 3 Anglo-Indians), 2 Muslims, 1 Sikh and 1 Parsee.

Eleven Shipping Companies have agreed to accept as apprentices cadets who have completed the course on the Training Ship, and Government consider that apprentices who give satisfaction should be able to obtain employment on the ships belonging to these and other companies. I may also add for the Honourable Member's information that, in addition to the usual appointments as ship's officers, there are appointments under the various Port authorities in India which are open to qualified Mercantile Marine Officers. Appointments as Leadsmen Apprentices in the Bengal Pilot Service will also be open to the cadets of the Training ship after a short period at sea after leaving the Training Ship.

OFFICE OF THE GOVERNMENT ACTUARY AND LIQUIDATION OF INDIAN LIFE ASSURANCE COMPANIES.

111. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Have the Government established the office of an Actuary for the supervision of Life Insurance business in India? If so, what is the annual cost for the establishment of this office and what are its powers and duties?

(*b*) Is it a fact that 29 Indian Life Insurance companies have gone into liquidation? If so, how many are in existence now, and can the Government state the cause of the extinction of so many?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Yes. There is an Actuary attached to the Department of Commerce, Government of India.

The actual cost under the head "Actuary to the Government of India" during 1926-27 was Rs. 28,794.

The Actuary advises the Government of India in the administration of the Indian Life Assurance Companies Act, 1912, and deals with matters connected with actuarial work of Government.

(*b*) Yes. The number of Indian Life Assurance companies now in existence is sixty. The liquidation of most of the 29 companies was due to their unsound financial position.

EFFECT OF THE INDUSTRIAL CONCILIATION ACT AND THE WAGES ACT ON THE REPATRIATION OF INDIANS FROM SOUTH AFRICA.

112. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the operation of the Industrial Conciliation Act and the Wages Act in South Africa has effected the hastening of the repatriation of Indians from South Africa? If so, to what extent? Is it operating as a great hardship to the Indians?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The reply to the first part of the question is in the negative; the second part does not arise. As to the third part, no information has reached the Government of India or their Agent in South Africa to indicate that the operation of these Acts inflicts hardship on Indians.

CLERKS IN THE AUDIT OFFICE OF THE EASTERN BENGAL RAILWAY.

113. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that there are two classes I and II of clerks in the Audit Office of the Eastern Bengal Railway? If so, did the Chief Auditor, Eastern Bengal Railway, in his remarks on the employees' memorials dated the 17th December 1924 and September 1926 observe that "The present 50:50 distribution between the two classes is arbitrary and very difficult to work"? If so, does the same proportion still continue to be maintained and what are the reasons for so doing?

(*b*) Is it a fact that the clerks similarly placed in other Government offices, *e.g.*, offices of the Chief Auditor of the East Indian Railway, Government Examiner of Company-worked Railways, the Chief Auditor of the North Western Railway, the Accountant General of Bengal and the Accountant General, Posts and Telegraphs, are in receipt of higher scales of pay than the clerks in the Eastern Bengal Railway Audit Office? If so, why?

THE HONOURABLE MR. E. BURDON : (*a*) The number of clerks in Class I is at present the same as the number of clerks in Class II. The question of altering this distribution is being investigated. With reference to the Honourable Member's enquiry as to the observations said to have been made by the Chief Auditor of the Eastern Bengal Railway in connection with this matter, the Government of India are not prepared to publish opinions expressed by individual officers in cases of the kind.

(*b*) The Government of India do not consider that the circumstances of the different bodies of clerks referred to by the Honourable Member are the same.

PAY OF OUTSIDERS RECRUITED TO THE AUDIT OFFICE OF THE EASTERN BENGAL RAILWAY.

114. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that outsiders are being recruited to the Eastern Bengal Railway Audit Office on an initial pay of Rs. 80, 45 and 36 according to the various qualifications while men of similar qualifications already in the employ of that office are not paid the same remuneration ? If so, why it is so ?

THE HONOURABLE MR. E. BURDON : The facts are as stated. The answer to the second part of the Honourable Member's question is that, in accordance with ordinary practice, the orders introducing the higher rate of initial pay took effect from the date of their promulgation.

DIRECT RECRUITMENT TO CLASS I CLERKS IN THE AUDIT OFFICE OF THE EASTERN BENGAL RAILWAY.

115. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that besides recruitment from outside the following means for direct recruitment in class I of the clerks of the Eastern Bengal Railway Audit Office had recourse to, *viz.*—

(*a*) by transfer from the civil side of 5 clerks in lieu of accountants in the scale 100—10—270—30—300 :

(*b*) by filling every sixth vacancy on the scale 80—4—120—5—145 from the training reserve consisting at present of 9 men ;

(*c*) by the gradual absorption of 7 men from the office of the Government Examiner, J. P. Railway, on the scale of 60—8—140—6—230 ;

If so, have the clerks made any complaint against this system and what steps do the Government propose to take to redress their grievances ?

THE HONOURABLE MR. E. BURDON : (*a*), (*b*) and (*c*) Yes. No complaint has been received from the clerks of the Eastern Bengal Railway Audit Office.

RECRUITMENT OF THE CLERICAL STAFF FOR THE CENTRAL RAILWAY CLEARING ACCOUNTS OFFICE AT DELHI.

116. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact that a Central Clearing House Office for the various State Railways is being established at Delhi ? If so, how is the clerical staff thereof going to be recruited and will new recruits be taken in preference to those already employed in the Clearing House Department ? If so, why are new recruits being taken and how many old clerks are going to be replaced by them and what provisions are being made for their future employment ?

THE HONOURABLE SIR GEOFFREY CORBETT: The Central Clearing Accounts Office with its staff for State Railways was transferred from Lahore to Delhi in October last.

2. The clerical staff is mainly recruited from the staff serving already in existing establishments of the various railway accounts offices whose work has been taken over.

APPOINTMENT OF MR. JANAKI RAM AS A SENIOR ACCOUNTANT IN THE AUDIT OFFICE OF THE EASTERN BENGAL RAILWAY.

117. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that one Mr. Janaki Ram has been appointed as a senior accountant in the Eastern Bengal Railway Audit Office? If so, what are his qualifications and has he passed the Railway Subordinate Accounts Service examination?

THE HONOURABLE MR. E. BURDON: Yes. Mr. Janaki Ram has not passed the Railway Subordinate Accounts Service examination, but has passed the Subordinate Accounts Service examination prescribed for Civil Accounts Offices. He was selected owing to the shortage of qualified accountants on the Railway side.

PAY OF CLASS II CLERKS IN THE EASTERN BENGAL RAILWAY.

118. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the class II clerks in the Eastern Bengal Railway receive 30—3—69—6—5—75 scale of pay while the scale of this pay in the North Western Railway is 39—3—69—6—5—75 and the new recruits, if graduates, receive 45 and the undergraduates receive 36 rupees in the Eastern Bengal Railway, whereas in the North Western Railway they receive Rs. 54 and 45, respectively? If so, what are the reasons for such differences?

THE HONOURABLE MR. E. BURDON: The facts are as stated. It is only the minima rates that differ, and these are based upon corresponding differences in the rates of pay in force in the offices under the Agents of the two Railways.

EMPLOYMENT OF BRITISH AND INDIAN CAPITAL IN PREFERENCE TO FOREIGN CAPITAL IN MINING ENTERPRISES.

119. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that preference is given to the employment of British and Indian capital over foreign capital in mining enterprises in India? If so, what is the nature of such preference and under what laws are they given?

THE HONOURABLE MR. A. C. McWATTERS: Rule 3 of the Rules for the grant by Local Governments of Licences to prospect for minerals and of mining leases in British India restricts the grant of certificates of approval, prospecting licences or mining leases under those Rules to British subjects only. Copies of these Rules will be found in the Library.

CONSTRUCTION OF A CENTRAL CITY STATION IN CALCUTTA.

120. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state whether they contemplate constructing a Central City Station in Calcutta? If so, when?

THE HONOURABLE SIR GEOFFREY CORBETT: The answer is in the negative.

RESOLUTION *RE* TRAINING OF INDIANS IN AEROCRAFT.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma: General): Sir, I move the Resolution which stands in my name and which reads as follows:

"This Council recommends to the Governor General in Council to establish a School to give training to Indians in aerocraft."

Sir, before dealing with the Resolution I should like to take this opportunity of thanking the Director of Civil Aviation for his kindness and courtesy in supplying me with considerable literature on the subject of civil aviation. That does not necessarily mean that I am going to use much of the material which I had occasion to peruse in that literature. I am only desirous of placing the commonplace viewpoint as it strikes a layman. My perusal of the literature impresses me with this, that though aviation is a recent science, all the countries of the world of any importance have made considerable strides in the various aspects of aviation, both military and civil, and all the countries have in some form or other developed their own institutions for giving facilities for the training of their youths in the various departments of aerocraft. I have been greatly impressed by the way in which countries like England and Germany rose to the occasion in meeting difficulties in the way of development and in providing themselves with all the necessary plant, material, aerodromes and other accessories for beginning in right earnest the stupendous fight in the race for aerial supremacy. Under these circumstances I thought it necessary that India should make a beginning in right earnest if we want to get some share in this development that is going on. Honourable Members are aware that the Ministry of Air prepared a memorandum relating to the approach towards a system of Imperial air communications which was laid before the Imperial Conference in 1926. The Air Minister in the course of describing one of the great air routes to the East made an appeal for sympathetic consideration of certain suggestions in these terms:

"Would it be possible for the Government of India to extend the communications across India from Karachi to Bombay and from Bombay to Calcutta? Would it be possible for the Government of Burma to take it a stage further to Rangoon?"

You are all aware that the Air Minister could not have found a more sympathetic corner than the Governments of India and Burma. But I note that the representatives of the people in the other place were not quite sympathetic because they had certain apprehensions and it was only after some assurances were given by the Government in the other place that they were prepared to vote the necessary grant for the purpose. Personally I am not satisfied even with those assurances, and my object now is to ask for further assurances from the Government, to accept this Resolution and to act upon it and to give training to Indian youths, so that India may take her proper share in the development which is likely to take place in the near future. There are certain considerations which make India a very suitable place for large developments in civil aviation. The vastness of the country with its large commercial centres situated at great distances, its meteorological conditions, conditions of visibility for several months in the year, all these make India a very good field for aviation, and its geographical position provides a junction for the great Empire air routes and provides vital points for the link in the Imperial chain. These and other advantages which India possesses entitle her to a great place in aviation and in developing air communications. I am anxious, Sir, that we should take advantage of our very peculiarly advantageous position. I find that the Government of India are ready and anxious to pay the piper

to some extent in response to the appeal made by the Air Ministry. But I very much doubt if Indian India can call the tune unless Indians are constantly on the alert to see that in the development of aviation which is to take place, Indian interests are not neglected.

Sir, Honourable Members must have perused with interest the memorandum prepared by the Indian Air Board and the notes prepared and circulated by the Industries Department touching the past history of aviation in India and detailing the present policy which is proposed to be pursued. I am thankful to the Air Board for emphasising that in order that India should have a proper share in the future development of aviation, it is necessary that India should be ready with a trained personnel. But they have suggested various devices for securing that trained personnel. But personally I am of opinion that, unless you start a training school in aerocraft straightaway, it will not be possible to have a properly trained personnel readily available when ambitious schemes of commercial aviation are started. The matter of giving training to the youths of foreign countries has been receiving considerable attention, and all the advanced countries of the world have been up and doing and they have turned out of the institutions which they have started for the purpose, efficient air commanders, mechanical pilots with advanced training and aerial mechanics who have been trained after a short course of aerial engineering. I find that Germany especially has made a great advance in this direction. There are a number of private schools all over Germany for giving what is called training in sporting flying and the " A " certificate to pilots. There is one school which is officially recognised and which gives advanced training and the advanced certificate for pilots.

" This school, which uses the old flying ground at Staaken, was formed in the autumn of 1925 by the Reich Ministry of Communications in conjunction with the two big air transport undertakings, Junkers and the Aero-Lloyd, which later merged into the Luft Hansa. There are two main courses :

1. Training of candidates for appointments as 'air commanders'. This course, which begins in April each year, lasts four years ; age of entry 18-22. The training is designed to produce pilots for long-distance routes of the international type with large machines. There is an entrance examination which the applicant is only excused on production of a certificate comparable with the English matriculation and certain athletic and physical qualifications.

2. Training of mechanic-pilots. This course, which can be begun in April or October, lasts three years, and is designed to produce pilots for short home routes with small single-engined machines. The first year is devoted to ground mechanics' training, the second to wireless and flying mechanics' training, and the third to training as pilot. The pilot's training is only obtained by a certain number of students who have distinguished themselves during the earlier stages of the course. Age of entry 18-23.

The school also provides an engineering course lasting one year. The cost of the ' air commander ' course is 5,000 marks, of the mechanic pilots ' course 4,000 marks, and of the engineering courses 3,000 marks. Living, etc., expenses for the ' air commander ' and engineering courses amount to about 1,500 marks a year. The mechanic-students have free board and lodging and are provided with pocket-money. The prospect offered to the candidate is an average monthly income of 600 to 800 marks to start with on probationary appointment as pilot."

This is the course which they have in Germany, and judged by the men turned out, this institution has been giving the utmost satisfaction. It has to be remembered that commercial aviation has not become a paying proposition in any country, not even in Germany, and the public exchequer provides funds for offering facilities for further development of aviation. In fact, I find that even after the formation of the Luft Hansa only 30 per cent. of the cost of the total mileage is earned by this organisation and the remaining 70 per cent. is paid out of the public exchequer. In England we have a number of Institutions. The most prominent among is the De Havilland School

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started by the company of that name. It is officially recognised as a training centre for the Air Force Reserve. This school also gives training to civil pupils in commercial, military and other branches of aviation. There is the Gnat Aero Company, Ltd., which before it was turned into a limited company was providing facilities for aero training, aircraft reconditioning and reconstruction. There is the North Sea Aerial and General Transport, Ltd., which operates the R. A. F. Reserve School at Brough, the only seaplane training school in England. We have also the Henderson Flying School, Brooklands Aerodrome, Weybridge, which undertakes flying instruction. During 1923, a number of companies made arrangements with the Air Ministry whereby they undertook to operate schools of instruction in connection with the Royal Air Force and new agreements were entered into on April 1st, 1925. I take it even in England where they have facilities for these private companies to undertake training in various branches they are subsidised by the Government, whereas in Germany it is an officially recognised institution which gives certificates for high proficiency in aerial training. I find also in countries like Australia, the Sydney Club and other aerial clubs have been giving high proficiency training and they have been subsidised by the Government by giving £20 to £50 for each pupil trained by these clubs. In Canada they have various institutions for training. I find even countries like Bolivia and Chili have established military and civil schools of aviation. Belgium has got aviation schools attached to aerodromes at Ostend, Dendne and Charleroi. And the recently formed Republic of Czecho-Slovakia proposes to establish a State school for training civil pilots at Prague. Honourable Members who are interested in finding what sort of schools are provided in the various countries of the world will find an interesting study of it in Jane's "All the Worlds's Aircraft," edited by C. G. Grey. It is a very valuable publication which gives a historical survey of the advance made in aircraft in the various countries. Very shortly there will be considerable advance in civil aviation. I am afraid that Indian capital being very shy, companies with external capital and with predominantly foreign directorates will begin to operate in India, and this field will be exploited mostly by foreign companies. I am only anxious that before these companies begin to operate, we should have a sufficiently large number of Indian youths trained in aircraft so that we may be in a position to insist in any arrangements made by Government with those operating companies upon a clause that they should have large Indian personnel in those companies. Unless you get this trained material beforehand, it will not be possible for you to insist upon such an undertaking. I also believe that Indian capital would after all come out if a sufficient number of trained men are available who will be able to attract the necessary capital to start companies to run commercial aviation concerns. And to create a demand and to attract capital it is necessary that Indians should be trained in aircraft. Sir, in this connection I would like to refer to the great mistakes which are responsible for keeping out Indians in the two great systems of transport, transport on land by rail and transport on sea.

Honourable Members are aware that nothing has been done till very recently to give training in shipping, and as a consequence no stimulus was given to the Indian shipping industry and foreign companies have acquired a monopoly in the Indian coastal waters and they have been entrenched in such a strong position and they are so anxious to keep up the monopoly as to be prepared for any emergency and they take all sorts of means, fair or unfair, to prevent Indians coming in.

THE HONOURABLE THE PRESIDENT: I think the Honourable Member had better get back to the air.

THE HONOURABLE MR. P. C. DESIKA CHARI: I am only referring to this incidentally. Foreign companies began to operate by land and by rail and they naturally looked to foreign recruits, and India suffered. Even to-day we are fighting to have a proper institution which would eliminate this extra-territorial recruitment altogether in Railways. In these circumstances I am anxious that we should keep our eyes open when there is an opportunity and not repeat the same mistakes. Small measures like the grant of ten scholarships per annum or more to Indian students will not meet the situation. I cannot see any force in the objection which may perhaps be raised here that there will be no opening for people trained in aerocraft. I believe there will be plenty of scope for employment. Even if a school is started straightaway there will be ample scope for employment in the companies which will begin to operate in India before the first batch of students complete their training. I am anxious that our people should take care that no foreign airship companies operate in India without proper Indian personnel, and we must therefore prepare the ground and get the men ready. For this purpose it is necessary that the training given to our youths should be of a high degree of efficiency so that these companies and other agencies who may employ them may not say that our youths do not come up to the proper standard of efficiency. Fortunately aircraft development is of recent origin. We hear the Britisher saying that the Indian has no sea sense. I trust that it will not be said of the Indian that he has no air sense. I admit there are some difficulties in the way of establishing a school for aerocraft, but those difficulties will have to be surmounted if you have to allow the commercial aviation companies to operate in India and if you solve those difficulties for the purpose of commercial aviation, you will also solve the difficulties in the way of establishing a school for aerocraft, and I believe the time has come when, after providing all the facilities even for experimental flying, we have got the necessary equipment for starting an aerocraft school under Government's guidance and control. It may be said that these schools should be left to private enterprise as in the case of general education. In the case of collegiate and secondary education Government had to come forward first as pioneers in starting these institutions, and it is only later that private enterprise came into play, and in the case of a pioneer undertaking like training in aerocraft Government should naturally come forward first to start an institution and it is not possible for any private individual to start it. The conditions in other independent countries are fundamentally different from the conditions here, and it is no argument to say that in Great Britain and other countries individual private companies have been able to start schools and that system can be very well followed here. The long years of foreign domination in this country have taken out the spirit of initiative altogether, and we always look to the Government for these things. Especially in a matter of this kind, for the purpose of providing specially advanced training, none but the Government can provide the proper institution. In this connection I can usefully quote certain observations made in the course of a leading article in the *Pioneer* of the 12th March under the caption "Political Suicide."

The *Pioneer* says:

"Let us take the sphere of aviation, where the stock accusation is that the distrust engendered by British policy prevents the Government from giving Indians facilities for learning airmanship and for gaining the air sense. What is there to prevent patriotic Indians from establishing their own School of Civil Aviation? The cost would be

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comparatively small. Let them turn out their Indian pilots in large numbers. Those pilots would soon be knocking at the door of the Royal Air Force with an insistence which no Government could ignore and the creation of an Indian Air Force would follow with complete certainty."

I quite welcome the views of men of the way of thinking of the *Pioneer*. I do not share the distrust which it speaks of. At any rate I have no reason to share it until I hear the Government reply. If I had shared that distrust, I would not have brought forward this Resolution. I have got every hope that Government will do their best to establish a school for aerocraft. I am glad that the *Pioneer* says that the establishment of a school for aerocraft is patriotic, that is in other words, that it is necessary to establish schools in aerocraft to satisfy the national want. When the *Pioneer* says that the cost will be comparatively small, I do not agree there. I believe the *Pioneer* has got in mind the training as pilots for pilots' certificates of the type granted by private schools in Germany known as certificate A. I want a school of the type of the German Traffic Aviator School of Geisbergstrassee, Berlin. That is the only official institution which gives training in an advanced pilot course. If a country like Germany with all its resources can have only one officially recognised training centre in advanced courses, I do not think it will be possible for any Indian, however patriotic and however resourceful, to establish an institution like that. Apart from it, what is there to prevent patriotic Indians coming forward and establishing institutions of this kind? The answer is simple. Patriotism and resources do not often go together, and even if the two go together, it is not possible for any particular individual to establish an institution of the type which will set a high standard of efficiency. Then, Sir, I am thankful for the optimistic and cocksure remarks of the *Pioneer* in the latter portion of the remarks which I quoted. I am glad that it is generally recognised that giving training and having a trained personnel in aerocraft would necessarily lead to these people coming in large numbers and knocking at the doors of the Royal Air Force and getting admittance. And if the Government is anxious that our people should have admission into the Royal Air Force, they could do nothing better than start a school for high efficiency classes in aerocraft, and if the Government is not prepared to start an institution like that I would be justified in carrying away an impression that they are particularly anxious to avoid a possible contingency of having a number of trained men knocking at their doors and getting admission into the Royal Air Force.

Sir, this question is very important and I would make an earnest appeal to the Government to tackle this problem in a serious manner and not to give some sort of evasive reply or to give some excuse which is always available when constructive proposals of this kind come forward in this Council.

Sir, I would appeal in the words of the Indian Air Board when they wanted the Government of India to take action on their scheme. Sir, my object has been "to suggest a practicable and consistent policy which will enable India and Indians to participate in the business of commercial air transport, and the development of civil aviation generally." I fully realise that "the adoption of this policy will mean expenditure from public revenues on a considerable scale for which there will be no immediate monetary return; and that the pace at which effect can be given to the policy must in the last resort depend on financial considerations." I hope, however, that "if the policy is accepted by the Government of India every effort will be made to find the necessary funds to give effect to it speedily"; for I am "impressed with the danger that if action is not taken speedily, it will be taken too late."

With these words, I commend this Resolution to the acceptance of this House.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I have listened with attention to the Honourable Member's speech and I am afraid that his researches into the subject of civil aviation have left me unconvinced that he has put a practical proposal before the House. I think the Members of this House will want a clear answer to a number of questions before they can accept a Resolution in these terms. The questions, or some of them that occur to me, are:

(1) Whether it is possible at the present moment to found a school such as he suggests?

(2) Supposing it is possible, what will the cost of it be, and will the results of it be commensurate with the cost? And will there be employment for the products of that school?

(3) Is the foundation of a school in any case the best way to give the training which we desire to give?

I think, Sir, that possibly the best way in which I can approach these questions will be to give a short account of what Government's own proposals are with regard to the training of Indians and their general air policy, and I think that in the course of that elucidation possibly the answers to some or all of these questions will emerge. In the Budget which is before the Assembly there are a number of important proposals which deal with the training of Indians in aviation. The first of these is a proposal, to which the Honourable Member rather slightingly referred, for the training of 10 Indians by way of scholarships in England. I mention this particularly because, although a full account of it is given in the report of the Standing Finance Committee, which is in the hands of all Members, the actual provision for these scholarships occurs in the Demand for the High Commissioner for India, and I have found several Members of the other House somewhat anxious as they were unable to find this provision under the head "Aviation." They thought it had been omitted. So I take this opportunity to say that research under the head "High Commissioner for India" will reveal this particular Demand. We contemplate an expenditure spread over a period of 7 years of something over 2 lakhs of rupees for the training of 10 Indians in aviation. We intend that these young Indians when trained shall, in the first instance at any rate, serve Government. We shall have the first call upon their services for a period of 4 years after their return. We shall use them for the staff of the Director of Civil Aviation, as Inspectors of Aircraft and Engines, as officers to take charge of Government aerodromes, and for investigation of accidents, and so on, all the various duties which fall to the Civil Aviation Department. But I wish to refer to their course of training in some detail because I think a short account of what that training is will indicate to the House what training in aviation really means. These young men will first of all have to undergo a course of flying training at the De'Havilland Aircraft Company's Flying School or some other school of the same standing. The flying training will be combined with ground training in a number of subjects at the aerodrome and factory connected with the Company. Following this training at the De'Havilland Flying School will be a post-graduate course of instruction (2 sessions of 9 months each) in aeronautics, at the Imperial College of Science and Technology, the course to cover the following subjects:—Aerodynamics, Design of Aircraft, Material of Aircraft Construction, Construction of Aircraft, Engine Design, Airships, Air Navigation and Instruments, Higher

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Mathematics, and Meteorology. When they finish that course they will be required to undergo 6 months' practical workshop training in aircraft and engine shops at factories to be selected after consultation with the British Air Ministry. Then they will spend 3 months at the Imperial Airways Repair Shops at Croydon, and subsequently they will be attached to the British Aeronautical Inspection Directorate, and finally to the Civil Aviation Traffic Control Department at the London Terminal Aerodrome, Croydon. I think that the mere recital of what we require these young men to do will convince the House that training in aviation is not merely adding a simple subject like arithmetic to the curriculum of a school. It requires, to be really effective, the existence not only of flying facilities but of ground organisation, workshops and so on, and these at the present moment do not exist in India, and if these facilities could be created it would be with great difficulty and at great expense in the absence of actual aerial transport companies operating out here and in the absence of private schools like the De'Havilland Company. I think that this recital alone will go some way to answer two at any rate of the questions I have put, namely, the immediate practicability of starting a school of this kind and the question of its cost. The Honourable Member referred to experience in other countries and especially Germany, but I would point out that even in Germany, which is one of the few countries where Government money is spent directly on training for civil aviation, it is being done in conjunction with two big air transport companies, the Junker Company and the Aero-Lloyd. In the absence of these companies in actual operation it would not have been possible for the German Government to set up a school simply so to speak in the air.

That, Sir, is the first of our proposals. The second proposal is one with which most Members of this House are acquainted and in which many of the Members are interested as members of the Aero Club of India, and that is, the proposals which are in the Budget for giving financial assistance to four light aeroplane clubs. This expenditure will run to Rs. 3¼ lakhs in the course of two years, and it follows the model of the assistance given in other countries such as Australia, which the Honourable Member quoted with approval because experience in these countries has shown that these flying clubs are of great value in inculcating a flying sense. They will also, we hope, enable us to give the preliminary training in flying to our own students in India before they go to England, and in order to ensure that these clubs will operate in the best interests of India, they will be affiliated to the Aero-Club of India and that club itself will receive a Government subsidy, which is included also in the Budget, for the services *inter alia* which they will render to us in controlling the operations of these light aeroplane clubs.

Then, Sir, passing beyond these two proposals, the general policy of the Government of India is to develop air transport companies out here which shall be Indian companies and which shall afford training and employment to Indians at all stages. This policy has been openly declared in the other House, and I think this House will realise that the development of that policy requires time, organisation and money. We are continuing the development of the organisation, the preparation of the aerodromes and the general ground organisation. When this is ready for any particular route we shall then be able to invite tenders from Indian companies to operate those routes, and the question of a subsidy will then arise because, as the Honourable Member rightly recognised, there is not a single air transport company, so far as I know, anywhere in the world which is able to operate without a Government subsidy. Therefore, the interests of the tax-payer have to be kept very carefully in

mind and we cannot expect to undertake any large developments without a very considerable expenditure of money.

I think that what I have said regarding this future policy will be sufficient assurance to the Honourable Member that Indian interests will not be overlooked in the development of Government policy in this direction. We will consider the interests of the tax-payer on the one hand, and on the other hand, we shall ensure that these companies are conducted as Indian companies and give training and all practical facilities for employment to Indians. The Honourable Member mixed up, to some extent in his speech, military aviation and civil aviation, and therefore I have the less hesitation in referring to another development, which is known to all Members of the House. His Excellency the Commander-in-Chief has announced here that a number of vacancies are being opened to Indians at the Royal Air Force College at Cranwell. Honourable Members will realise that this is the first step in enabling Indians to take an active part in the air defences of the Empire. It has an indirect bearing upon civil aviation also, because, as is well known, a large number of the most efficient men who have made names in civil aviation have been drawn from *ex*-members of the Flying Service and I dare say the same will happen in India too. That, Sir, is a brief account of what Government propose to do. We are all laymen in this matter, but we have at our hand the best technical advice. Our proposals have been framed in accordance with that advice, and I must say that, when I laid them before the Standing Finance Committee of the other House, they were received very favourably. I think that Honourable Members will agree that in a matter of this kind we should keep in touch with practical realities, and I think, if I may say so without injustice, that the Honourable Member's scheme is not really based on practical realities. He is wanting to move too fast. Although I hesitate to prophesy and certainly do not wish to dogmatise about the future, I agree with him that India is geographically and strategically admirably placed for the development of civil aviation, and I personally have the greatest confidence that it will develop in this country. I do think that the time is not so very far distant when we shall have air transport companies operating in India. The time will then come to consider whether our schemes for training can be developed and improved. But at the moment I consider that the Honourable Member's scheme is not a practicable one and is in any case premature. I am afraid therefore I am not able to accept it on behalf of Government.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, from what I have heard of the Honourable Mover's arguments, he seems to me to be not very fair. He is practically putting the cart before the horse. There are no aviation companies here existing. Moreover, Sir, he has distinctly stated that even in advanced countries like Germany, aviation has not been a paying business. Well, Sir, when there are no companies existing in India, if you were to start a college, you will have so many trained pilots without any employment. If the Mover of the Resolution will only wait he will get it. There was a time when motor cars came into India when there were very few trained chaffeurs in those days. But when the business improved and there was a demand for it, people came to learn the mechanism of the car and several chaffeurs came into existence and there is no dearth of them now in the market. You must wait till these companies are formed. But at the same time I fail to understand why he says that companies should be formed when he himself admits that they are not a paying proposition. I suppose he means that foreign companies must come here and invest their capital and lose their

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amount and India should be benefited by their failure and then he will begin to form his own companies. Well, Sir, the question always is, who comes first into the field? If he is successful, then he makes money and if he loses, he loses his capital. My friend is not willing to start his own companies. He wants to see that foreign companies come here and run the business for him, and that they should train the pilots for him. Well, Sir, if a company were to come here, it will be their business to see that they have their own pilots and not Indian pilots as suggested by my friend. If my friend wants to have Indian pilots, then the best way for him will be to start an Indian company where to train his pilots. But if he means, Sir, that cadets should be taken into the Royal Air Force, I will say to him that His Excellency the Commander-in-Chief the other day made an announcement and for the first time to my knowledge he has stated that Woolwich is about to be opened to Indian cadets for training in Engineering and Artillery, and that Indian cadets will be permitted to qualify themselves for the Royal Air Force. It has further been said by the Honourable Mr. McWatters that 10

12 NOON. cadets will be taken on and that they will be trained in some central place in England. To the best of my knowledge there is a college or institution in Cornwall and there are some aviation institutions in the county of Middlesex at Uxbridge where the Indian cadets could be trained. If he will only wait until these cadets join the Royal Air Force, there will be a time when on their retirement from service they can open schools where aviators could be trained. But the Honourable Mover wants to build Rome in a day, and that I think is not very possible.

Sir, one further point as regards the selection of cadets for the Royal Air Force in India. I would suggest that the cadets selected should be from the martial classes, because they will have to face some day different nationalities of the world as hostile forces, and unless they have their own etiquette and their own traditions to stick to, they cannot have the courage to face the different nationalities of the world, for they have first to take stock of their own traditions in order to face the hostile forces with the courage for which men of this class are credited, and their only chance is to defeat the hostile forces and thereby establish the reputation of their ancestors. If the worst comes to the worst, they are prepared to sacrifice their lives like men rather than undergo the humiliation of being beaten and thereby not only bringing discredit on themselves but on the whole of their families and nationalities as well. If the Duke of Wellington could say to his forces on the battlefield of Waterloo, "Steady my lads. What will they say of this in England to-day?", or Marshal Ney could say to his opponents at the time of the Retreat of the Grand Army from Moscow "As a Marshal of France I can never surrender."—there are a good many family traditions on the Frontier which could produce even more wonderful feats than those already enumerated by me in the presence of more overwhelming odds, and who carried the day simply by their tenacity, doggedness and invincible courage. Sir, the history of Rajputs, and especially Todd's Rajastan, is full of their glorious traditions and whenever the Rajputs have been surrounded they have destroyed their families and their valuable properties and in desperation have accomplished the deeds which will always remain the guiding spirit of the Rajput race. Sir, instances are not needed, but there have been men on our own Frontier who did not hesitate to face the invincible armies of Nadir Shah. There is a Persian saying:

"*Surat-i-Nadir garft shamshir-amaalai-ma.*"

which means :

"Whenever Nadir Shah appeared on the battlefield it was a sure sign of the destruction of his enemies."

But, Sir, there have been men on the Frontier who in order to inculcate courage amongst their followers quoted these words :

"If Nadir is invincible there is Kadir, the Almighty, over his head and the destinies of war are in the hands of that Kadir and not in the hands of the invincible Nadir."

Well, Sir, when those men attacked Nadir they were not unsuccessful in getting a very big sum out of him. Personally I would always like the martial classes of India, and especially the members of the historically famous families amongst them, to be candidates for the Indian Army and would not like to see a cadet of the non-martial classes of India. First of all, it will be hard for them to get on with the rank and file who are generally the poor members of the martial classes. Secondly, the officers of the martial classes would not like to serve under the non-martial classes. Thirdly, the military expenses of the army officer are very heavy in comparison to the pay of the junior ranks of the Army, *i.e.* Lieutenant and Captain, and as such they have to get some allowance from their families in order to maintain themselves decently along with the other British officers. Fourthly, if men of the non-martial classes are admitted into the Army, it is not for their love of this profession that they take to the military career, but they will have to maintain themselves on the pay of their junior rank which is inadequate for their expenses, with the result that either they will have to resign their appointments or reduce the status of a British officer.

Well, Sir, fortunately or unfortunately we have different classes for different professions in India. (1) A Brahmin or a Mullah is a preacher and is an intellectual person and consequently fit to be a courtier pleasing his master by his advice of his arm-chair profession. (2) Kshatriyas or the martial classes have to prove themselves to be men of the armed profession in the presence of hostile forces. (3) Vaishyas have to carry on the grand commercial schemes and projects to bewilder the world. (4) The Sudras or Kamins, if these Kamins do not become Mullahs amongst the Muhammadans, have to serve the other three classes. Well, Sir, I have no objection if cadets for the Royal Air Force are selected from the Kshatriyas, that is, the Rajputs, both Hindu and Muhammadan, the Jats, including the Hindu, Muslim and Sikh communities, the Mahrattas, the Pathans and Punjabee Mussalmans who are all akin either to Rajputs or to Jats. But, Sir, to enlist Mullahs or other religious worthies as officers of the Indian Army does not seem advantageous to this profession in any way. If, however, the Government of India has to satisfy these religious worthies for their diplomatic services their ambition could be satisfied by admitting them into other departments besides the Army ; but to my mind the Army career should be reserved for the martial classes of India. In the Army a subordinate has to carry out the orders of his superiors and it is not for him to discuss the merits or demerits of those orders, but our holy worthies are imbued with this criticism from their very childhood. Inspite of these facts it is strange to see that whenever the selection of an Indian cadet is required in the Army or Navy, it is always the lot of these scions of these holy worthies. It reminds me of a Pushtoo saying :

"*Matai mai lala vohai, ohu Nourai dai Abdullah vohie,*"

which means :

"When it comes to the use of the fist, it is the lot of my elder brother, but when it comes to the delicacies of the table, Abdulla steps in."

[Major Nawab Mahomed Akbar Khan.]

The admittance of these holy worthies like the stepping in of Abdullah at the time of feast is quite incomprehensible to me.....

THE HONOURABLE THE PRESIDENT: The Honourable Member is sadly reiterating his own argument in regard to the one point which he seems to attempt to make in his speech. The question before the Council is the establishment of a school for aerocraft and his point is—I do not know whether he objects to or supports the establishment of the school—that the Indians who are to be admitted to the school should be of the martial class. He has been on that point for fifteen minutes and I must ask him to bring his remarks to a close.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: The training of these non-martial classes is quite incomprehensible to me, and I would therefore take the opportunity of requesting His Excellency the Commander-in-Chief to have a due regard to the martial classes whilst making selection of the Army cadets including the Royal Air Force. Sir, with your permission I would like to remind this House, and especially His Excellency the Commander-in-Chief, of the well known army toast of Marshal Blucher when he was surrounding Paris after the defeat of Napoleon:

"May the pen of the diplomats not spoil what we soldiers have rightly earned by our swords."

May I appeal to His Excellency the Commander-in-Chief something after the same toast:

"May this Indian Army be not turned into a football for the Indian diplomats to play with."

With these words I strongly oppose this Resolution.

THE HONOURABLE THE PRESIDENT (addressing the Honourable Mr. P. C. Desika Chari): Does the Honourable Member wish to speak?

THE HONOURABLE MR. P. C. DESIKA CHARI: I want to say a few words by way of reply. I am thankful to the Honourable Mr. McWatters for giving a very sympathetic reply, but I am not satisfied on the whole that the scheme of starting a school for aerocraft is either impracticable or is bristling with such difficulties as cannot be overcome. He was talking about the organisation of the airways, workshops and ground organisation that are necessary. I said in my opening speech that my reading of the literature that was supplied to me impressed me with the difficulties connected with the subject, and I am glad that the Honourable Mr. McWatters agrees with me in thinking that these difficulties could be overcome. I quite well recognise that steps have been taken to give some sort of help to Indians to go abroad and to get some training, but I want an indigenous institution. I want, if possible, to have a large number of people trained in this department, and you cannot do it unless the Government start a school straightaway in our own country. Mr. McWatters has been referring to the case of Australia where subsidies have been given to some clubs for training people in aerocraft. He said that the Government of India is also giving subsidies to some clubs here and that it will serve the purpose. I would like to remind him that in Australia it was considered that the training given by these clubs is not quite enough, and they have started, as early as 1921, what are called refresher schools for giving further training to pilots and other people of the Air Force reserve. If they found that these air clubs, even if they are specially provided with schools, are

not in a position to turn out efficient air commanders and air pilots and they had to start what are called refresher schools, I want to take advantage of their experience and to have a school in India on the model of the Traffic Aviator School in Geisbergstrassee in Berlin, and it is only such an institution that could give proper training for pilots and air commanders which will be really useful in international and long distance home flights and that only such an institution will give the preliminary training to enter into the Royal Air Force. I heard the Honourable Mr. McWatters say that in my speech I was mixing up civil and military aviation. I was dealing mainly with civil aviation. What I said was that if you trained men in large numbers, it would be possible to have sufficient men who could get admission to the Royal Air Force. I wanted to prepare the material for this purpose. Mr. McWatters also referred to the announcement made by His Excellency the Commander-in-Chief. I distinctly remember His Excellency stated that the Government's objection to the time table scheme recommended by the Skeen Committee was really due to the fact that they were not quite sure that the right type of man would be coming in large numbers in future years. That being the case, I only want to have an institution which will train up a large number of men so that there may be a large field of recruitment for the Royal Air Force, and so that it may not be said later that India cannot provide enough men, and that may not be made an excuse for admitting as few as possible into the Royal Air Force. My Resolution may appear premature, but in view of the fact that commercial aviation on a large scale is bound to come in the near future, you must have a trained personnel before it comes into operation, so that these companies operating with foreign personnel may not say, " We are sympathetic to you. We will take the Indian personnel as vacancies occur but in the meantime we cannot send our men home". I do not want such an excuse to be available to these foreign companies.

As regards Major Akbar Khan, I only want to say a few words. He has wholly misunderstood my remarks If he will read my speech in print, he would have no reason to disagree with me. I am not anxious that foreign companies should come here and operate and lose. He is aware that these pioneer companies never lose.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN : Sometimes they do.

THE HONOURABLE MR. P. C. DESIKA CHARI : They will be subsidised and there will be a guarantee. When those people are to be guaranteed, we must be in a position to dictate our terms as regards the employment of Indian personnel. Sir, my friend was anxious that the martial classes should be given preference. If he is anxious that the martial classes should be given preference, I have no objection. I do not however understand what he means by the martial classes. I followed his speech closely. He is very anxious to exclude the Brahmin. I find that he was saying that merely incidentally, but I would like to remark that in the battle between the Pandavas and the Kauravas the important Commanders-in-Chief were Brahmins. And if you go to ancient days, it is only the Brahmins that were the Commanders-in-Chief and all the teachers in the various armies were all Brahmins. Sir, there is no force in saying that there is some sort of inherited trait in a particular community which entitles it to be called a martial class. I may also mention for the information of the Honourable Major Akbar Khan that it is only after the Kshatriyas took to dispensing with their Brahmin Commanders-in-Chief that they fell a victim to the Muhammadans when they invaded India. But all this is ancient history and I do not want to deal with the question because it does

[Mr. P. C. Desika Chari.]

not directly arise. And one other matter also I noticed in the course of his speech. He enumerated various classes and he thinks it is only the Mussalmans of the Punjab and some of these classes that he enumerated who were the martial classes.

THE HONOURABLE THE PRESIDENT: I shall be glad if the Honourable Member will spare us a debate as to what are martial classes. It has nothing whatever to do with the subject before us.

THE HONOURABLE MR. P. C. DESIKA CHARI: Very well, Sir. I merely wanted to give a reply to something which he said. I would only request permission of the Chair to say one word more, and that is this. In Vellore and Trichinopoly and other places, almost every other man I come across is a Subedar-Major or Subedar and these people are not of the Punjab, and I find several of them come from the villages. That would show that some of these centres can boast of more military officers than any one single centre of the Punjab. . . . .

THE HONOURABLE THE PRESIDENT: Order, order. As the Honourable Member will not come back to his reply, I am putting the Resolution to the Council.

The question is:

"That this Council recommends to the Governor General in Council to establish a School to give training to Indians in aerocraft."

The motion was negatived.

RESOLUTION *RE* INDIAN REPRESENTATION ON THE LEAGUE OF NATIONS AND OTHER INTERNATIONAL OR IMPERIAL CONFERENCES.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, I beg to move:

"That this Council recommends to the Governor General in Council that Indian representation on the League of Nations and other International or Imperial Conferences should be by a delegation predominantly Indian in its composition and led by an Indian."

Honourable Members will notice that the scope of this Resolution is wider than the similar Resolution which I have been moving since 1924. It refers to Indian representation and leadership not only at the annual sessions of the League of Nations but also to all International or Imperial Conferences to which the Government of India are asked to send delegations. I regret very much that the necessity for moving a Resolution of this kind still exists, so slowly do we move, and so inconsiderable is our progress, in attaining the full height of our national stature. In 1924, I first moved a Resolution urging that Government should recognise the principle that the Indian delegation to the Assembly of the League of Nations should be led by an Indian. For the last four years, I have been continuously and persistently asking for the recognition of that principle. On the first occasion, I withdrew my Resolution on a very sympathetic assurance being given, on behalf of Government, by the then Law Member, Sir Mahomed Shafi. In 1926, I again tabled the Resolution. Government did not oppose it and it was passed by the House. The sympathetic assurance given by Government in 1924 as well as the fact that in 1926 the Resolution was adopted without opposition on the part of Government naturally gave rise to the expectation that the Indian delegation to the Assembly of

the League of Nations held in that year would be led by an Indian for certain. That expectation, however, was doomed to disappointment. On the 24th August of that year, the Honourable the Law Member, Mr. S. R. Das, made an announcement that in the present circumstances, it was thought unnecessary to depart from the existing system or arrangement. It was a disappointing statement that the Honourable the Law Member made, and, curiously enough, as if to bring into more striking relief the injustice involved in the existing system, and in the denial to India of its just right in the matter, the Indian delegation of that year was not led by any British statesman of outstanding merit or position as on some previous occasions, but by a member of the India Council, Sir William Vincent. I entertain respect for Sir William, who is no doubt a retired officer of great experience, but, with all respect to him, he cannot be said to be in the first, or perhaps even the second, flight of British or International politics. Last year, therefore, on the 9th March, I once again moved the Resolution and this time, as if by a process of what may be called " reactionary sympathy ", Government opposed the motion but I am glad to say the House passed it by a majority of 25 to 18 votes. Again Government set at naught the wishes of the House and last year as well, the Indian delegation was not led by an Indian.

This, Sir, is the history of this Resolution and of the important question which I have been pressing every year. Undeterred by the changed attitude of Government, but fully conscious of the moral strength arising from the inherent justice of our cause and from the knowledge that both Houses of the Central Legislature and Indian public opinion are behind me in the matter, I have again come forward with a Resolution which, not only reiterates the old demand but goes further and urges that every Indian delegation to every Imperial or International Conference should be composed predominantly of Indians and led by an Indian. Demands feed and grow on opposition and it should not surprise Government and the House that, in spite of the attitude of Government in rejecting the smaller demand, this larger demand is now made. The moral is obvious if Government really wish to be national in spirit and in policy, as they certainly ought to be.

Having regard to the generous sympathy shown with the object of my Resolutions on former occasions by Law Members like Sir Mahomed Shafi and the Honourable Mr. S. R. Das, it is strange that the decision arrived at by Government in 1926 should be in utter variance with those expressions of sympathy. I do not understand what has brought about this change of attitude on the part of Government. It may be that they themselves would like to carry out the wishes of the House and see Indians appointed as leaders of such delegations, but that they find themselves helpless before the Secretary of State. No doubt in strict constitutional theory, the Indian Government is a subordinate Government, as Lord Morley was never tired of impressing upon the then Viceroy, Lord Minto. But I venture to submit that this subordination of the Indian Government, though perhaps it might have been absolute, in the days of Lord Morley and Lord Minto has been modified and relaxed by the new constitutional position arising out of the constitution under which we are functioning. That position is that when the considered decisions of the Indian Parliament, as the Indian Legislature is so often called, are in harmony with the views of the Government of India themselves, or *vice versa*, the Home Government should not interfere with those decisions and turn them down, but give full and ungrudging effect to them. This is one of the basic principles of the existing constitution. From the sympathetic replies given in the past I am loth to believe that Lord Reading when he was Viceroy would have liked or that His Excellency Lord Irwin or his Government would like that the Indian

[Sir Phiroze Sethna.]

members of these delegations should always play second fiddle to their European colleagues and that they should never be given an opportunity to show what they are capable of by leading the delegations. We must therefore urge upon the Indian Government to go on pressing our case until the Secretary of State is persuaded to raise no difficulties in the way of the realisation of a natural and reasonable desire on our part.

I am glad to say, that so far as the principle that the delegations should be predominantly Indian is concerned, it has been acted on in the matter of the delegation to the League of Nations. As the Honourable the Law Member pointed out in his speech last year, out of six members who formed the delegation to the Assembly of the League of Nations in 1926, four were Indians, and I believe, the same was the case last year. This is a step in the right direction and we are grateful to Government for taking it. We now want that a further step should be taken. Why should Indians be debarred from leading delegations on behalf of their own country? I do not wish to repeat the arguments which I advanced last year in support of my Resolution, and against the position taken up by Government. Indeed, the question has been discussed threadbare, and there is little new that I can contribute to the debate. The Honourable the Law Member in his speech last year remarked :

"In this particular instance, that is to say, the Delegation to the League of Nations, the Government, for reasons which I have stated in my announcement, do not feel or do not find that it is absolutely necessary in the interests of India that an Indian should lead the delegation on all occasions."

Sir, I ask Government do they feel or do they find that it is absolutely necessary in the interests of India that an Indian should not lead the delegation on any occasion? Does their view of the requirements of Indian interests demand that the delegation must on all occasions be led by a Britisher? What are those requirements of Indian interests that an Indian—a son of the soil —cannot adequately and effectively represent or safeguard that a Britisher alone is competent enough to do.

To be frank, there is only one argument by which the present system can be defended. The British are the rulers, they are in a dominant position, the Indians are the ruled, therefore the prestige of the ruling race demands that the delegations must be led, not by an Indian, but by a Britisher. If this is the real reason for setting aside the repeated wishes of this House, we can understand it. But in that case we would prefer that it should be expressly stated instead of being camouflaged by the absurd argument that it is not necessary in the interests of India that the delegation should be led by an Indian. But, when you accept the principle of a mixed delegation, you really abandon the principle of racial superiority or inferiority. The members of a delegation are equals, whatever their race and the leader of the delegation is the first among equals. Why should an Indian be debarred from being *primus inter pares*, why should he be deemed incapable of holding the first place, why should it be always filled by a Britisher? Distinguished Indians who if only they get the opportunity, would rise to the highest positions in any sphere as so many like the late Lord Sinha, the Right Honourable Srinivasa Sastri, Sir Ali Imam, Sir Sivaswamy Iyer, Sir Dadiba Dalal, Sir Atul Chatterjee and others have done as members of the delegation to the Assembly of the League of Nations and otherwise and have discharged the duties that devolved upon them with distinction, bringing credit to themselves and to the land of their birth. What objection was there or is there to their appointment as leaders? Can they not lead the delegation with the same ability and distinction? On

what ground can they be justly excluded from leadership, unless it be the racial ground which is, however, an unjust and unrighteous ground ? It has been said that Dominion delegations to the Assembly of the League of Nations are led by members of Dominion Governments. Well, we can have Indian members of the Government of India to lead the Indian delegation. Is it impossible that the Indian delegation should be led, say, by the Honourable Sir Mahomed Habibullah or by the Honourable Mr. Das. We are fighting for a principle, for the honour and status of our motherland ; it is not a personal question. You can have competent non-official Indians to lead the delegations. If you insist that they must be led by members of the Government or other officials, you can have Indians enjoying such positions. Surely, the time is now come for discarding all racial discrimination, or for proceeding on lines of racial superiority or inferiority ? The partnership between England and India is now a constitutional fact, and that fact calls for perfect equality between the two races in all international Conferences. India is an original member of the League of Nations ; she pays a handsome sum towards its expenses. Why then should Indians be eternally condemned to a position of inferiority ? Will not India be justified if she decides to withdraw from the League or refuse to pay a single pie towards its expenses, if this inferiority is to be for ever branded on her brow ? It would seem as if the just and magnanimous spirit of the War is dead and gone, that reactionary tendencies are again gaining ascendancy over British statesmanship. Whatever that may be, in a matter like this, I deem it my duty to make a special appeal to Indian members of Government. They are the trustees for, and the custodians of, the self-respect, the honour and the status of their country, and they must do their best to get this unjust and unmerited discrimination removed. With persistent efforts, I have no doubt they will succeed. Recently the Honourable Sir C. P. Ramaswamy Iyer who has been a member of the delegation to the Assembly of the League of Nations for the last two years said in an address he delivered at Madras on "India's place in International Affairs" :

> "It is true that India is not a self-governing unit in the British Commonwealth. But on account of the farsightedness of Mr. Montagu, she has been placed in the same position as Canada and Australia. It would be remembered that Canada had already asserted in accordance with the decision of the Imperial Conference her international status, and if Indian public opinion is behind the efforts made to improve the position of India in the League of Nations, she can equally make herself felt as an international factor of importance."

It is precisely this object of improving the position of India in the League of Nations that we all have in view, and I sincerely trust that this year at least, the responsible authorities will be persuaded to respect the wishes of the House and of India, to conciliate Indian public opinion and to appoint an Indian to lead the delegation to the League of Nations. Already the exclusion of Indians from the Statutory Commission has embittered the feelings of the Indian people and alienated the good-will of even the moderate section of opinion. Let not Government adopt the unwise and narrow minded course of swelling the rising tide of discontent by persisting in an attitude which can only make us feel a sense of deep national self-humiliation.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal: Muhammadan) : Sir, I rise to move the amendment that is against my name :

> "That in the original Resolution, the words 'and led by an Indian' be omitted."

I am sorry, Sir, that I could not see eye to eye with the Honourable Mover of the main Resolution and accept the same on all fours.

[Mr. Mahmood Suhrawardy.]

Sir, it goes without saying that this Resolution is a very important one and touches the most vital issues of the nation. I am not one of those who judge things and institutions only by their visible output. But, Sir, I belong to those who would penetrate far beyond the outer crust of things and take stock of the ideas and ideals, however feebly represented in the palpable coarse world of realised facts, that inspire the institutions of

" Thoughts hardly to be packed into a narrow act,"

of fancies " that broke through and escaped ". The coarse world would say, " Nothing succeeds like success ", but I would be one of those, Sir, who would have the courage and conviction to say, " Nothing succeeds like failure".

Judged by this criterion, Sir, of the ideal, there can be no gainsaying the fact that the League of Nations and other International or Imperial Conferences, despite the detractors or unbelievers calling them Leagues or Councils of Robbers, Cabals of the Big to rob the Small, contain the germs of International amity, of universal fraternity, that would defy and transcend at no distant epoch the barren exclusiveness of narrow Nationalism and make for the realisation of the Kingdom of God on Earth.

Sir, it cannot be gainsaid that India has a part, a very important part, to play in the realisation of the universal Ego between nation and nation. Light has always come from the East and I fervently believe Sir, that light shall once more emanate from this ancient land of light—a light that would kindle the lamps of nations and consummate their Devali ceremony.

Hence, Sir, it is absolutely essential that there should be people in these Leagues and Conferences to represent India, her cultural and political aspirations. Sir, when I say this, I am not to be misunderstood as a petty trafficker for national bargain. But, Sir, it is to be understood that it is both for the best interests of India and of England, I might even say, for the best interests of all living nations, coloured and colourless, that India should have a full representation for herself.

But, Sir, I am sorry that up till now this most important view of the Indian representation has not received the attention that it well deserves from the constituted authorities of the land. India has not been up till now adequately represented whether in the League or in the Conferences by people inspired with the best traditions and cultural ideals of this nation,—people independent of political preimpositions. And I believe, Sir, that this woeful drawback can be done away with only by making the Indian delegation predominantly Indian. Sir, when I say " Indian " I hope I am not to be misunderstood. To me, an " Indian " means whoever will truly represent India—India with her unique cultural and political ideas and aspirations. According to this interpretation I would rather welcome a Mr. Andrews of the Santi-Niketan to represent India than any upstart son of the soil in the favour of the Government. Sir, I would submit that my very amendment is a lucid commentary on my unbiassed mentality

Now what I was going to say, Sir, was that Indian representation has been up till now very poor. This seems very iniquitous when I notice that India is not only an original member of the League but pays, if I remember aright, not only more than any of the self-governing Dominions of the British Empire, but many of the independent nations of the West, barring, of course, only a few of the biggest powers there. I submit, therefore, Sir, that in the light of these facts the scantiness of the truly Indian representation is not only illogical but iniquitous.

But when I say all this, Sir, I beg to draw the attention of this House to the narrow exclusiveness of the original Resolution. Nationalism I adore, but sentimental nationalism is an abomination. Efficiency should be our standard. Ours is not the question of the colour; whosoever's it may be, let it be; it is not ours, Sir. Brown, black, yellow, or white,—what I want is, what justice requires is, that India should be truly and fully represented. Let the Indian Delegation be led by a European, no matter, if he truly represents India. I think I have outgrown that blind and sentimental nationalism that would always cry out, "My country, right or wrong". To me such maxims bespeak a perverted mentality. The right man in the right place the right thing in the right place—that should be our principle. What we want is that India with her wonderful cultural heritage, with her treasured ideas of the past, with her nascent aspirations for the future, should be fully and efficiently represented, her interests should be safeguarded for the best interests of the world. And, Sir, whoever shall represent them shall have the divine right of precedence to all others whether bossed up by the Government or by any other interested institutions. With these few words I commend my amendment to the favourable consideration of this House.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That the words 'and led by an Indian' be omitted."

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): I do not propose to discuss in detail this Resolution. This is the third time that this Resolution has been before this Council and the arguments on both sides are familiar to Honourable Members. The whole question has been thoroughly threshed out on the floor of this House. I am sorry that both sides have adopted an unreasonable attitude. My Honourable friend, Sir Phiroze Sethna, has persistently sought, in his former Resolutions as well as in this, to make a racial distinction. On the other hand, Government have been unreasonable in not conceding some of the modest demands of Sir Phiroze Sethna. I made it very explicit on the last occasion when this question was debated here that, unless both the Government and Sir Phiroze Sethna adopted a more reasonable attitude, it would be impossible to come to any definite conclusion in connection with this matter. My Honourable friend, Sir Phiroze Sethna has very rightly said to-day that the time has come to discard all racial distinctions—I am using his own words, he said, "unjust and unmerited distinction should be removed". And yet what does he say? Let us consider the language of his Resolution. His Resolution contemplates the perpetuation of racial distinctions which he has denounced in such vehement language; he emphatically proposes to make a racial distinction in this Resolution by insisting on the use of words "and led by an Indian". If this delegation is to be led by an Indian always and you want Government to concede that unreasonable proposition, are you not making a racial distinction in the matter? I think this attitude on the part of Sir Phiroze Sethna is not defensible. My own personal view is that so far as the leading of the Delegation is concerned, the best man must be selected. He may be an Indian or he may be an Englishman. The best man qualified by knowledge and experience in the matter of international law—a man of that attainment—should be selected. It makes very little difference to my mind what nationality he belongs to. If that sound and cardinal principle is observed I think India's best interests will always be maintained and safeguarded. I think it is such narrow views like these that have been now propounded that unfortunately go against us. I notice, however, that my Honourable friend, Sir Phiroze Sethna, has modified substantially the language of the Resolution on this occasion; but on the other hand, he has unfortunately

[Sir Maneckji Dadabhoy].

extended its scope and has made a material departure from his previous Resolutions. I do not see any objection to the insertion of the words "predominantly Indian". In a matter like this, where Indian interests are to be represented before the League of Nations or International Conferences, it is just as well that those interests should be represented by the foremost Indians in the country. So far I am in full agreement and sympathy with him. I do not therefore propose to detain the Council any longer. I trust that my Honourable friend will agree to the deletion of the words "and led by an Indian", and I also hope that Government will adopt a more reasonable attitude on this occasion and bring this controversy to a speedy and suitable termination.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-Official): I do not know what exactly the Government are going to do in this matter, but I think in justice to my Honourable friend, Sir Phiroze Sethna, and others who take his view, it is better that I should try to remove a misapprehension which my Honourable friend, Sir Maneckji Dadabhoy, has unconsciously made in regard to Sir Phiroze Sethna's proposition. He is not attempting to make racial discrimination. He is obviously attempting to remove it if there was any such intention on the part of the Government. If the Honourable Sir Maneckji Dadabhoy will refer to the history of this question, he will have noticed that Government themselves have accepted the principle on former occasions. Sir Muhammad Shafi when he was Leader of the House, recognised the soundness of this principle and if I am not mistaken he gave a definite assurance that they were thinking of an Indian to lead the Delegation. There might have been some difficulties in the way of getting an Indian that year. The simple question is this. Ever since India began to be represented on the League the leadership has been in the hands of Englishmen. I have personally nothing against the Englishmen who have led this delegation. The question is whether during all these years Government have not been able to find an Indian to whom the task of leading this Delegation could have been entrusted. My Honourable friend Sir Phiroze Sethna has pointed out that Government have made the choice of the best Indians available. Yet almost every one of them has returned with the feeling that some of them could certainly have led the Delegation with credit and that India has been denied the opportunity. Sir Phiroze Sethna pointed out that the Honourable Sir C. P. Ramaswamy Aiyar, who has represented India twice, gave expression to such a feeling. Then there is the public pronouncement of a great Indian, whose work here and elsewhere, particularly in the matter of solving difficult questions connected with South Africa is well known. He said that among the 56 States represented in the Assembly of the League, India alone was led by non-Indians and the question was naturally asked whether there was no competent Indian to lead the delegation. The Right Honourable Srinivasa Sastri said: "How long shall we appear as people the highest men among whom still require to be shepherded by non-Indians." I would ask my Honourable friends Sir Maneckji Dadabhoy and Dr. Suhrawardy, who gave us a discourse partly in prose and partly in poetry, to remember that the attitude an Indian may or may not take upon this question depends upon his own mentality and his idea of self-respect. I do not think my Honourable friend Sir Phiroze Sethna made this a racial question at all. To give it a turn like that would be doing him an injustice. He drew pointed attention to the fact that for the last six years no Indian has been sent as the head of the Delegation and that it was high time that the task should be entrusted to a competent Indian. I have no doubt that there are Indians who can be entrusted with this task and who will do their work in a manner which will do honour to this country.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): My Honourable friend Sir Phiroze Sethna has reminded the Council that this question has been before it, I think I am right in saying, four times previously.

THE HONOURABLE SIR PHIROZE SETHNA: Three times.

THE HONOURABLE MR. H. G. HAIG: I beg your pardon, three times. I make no complaint of the reappearance of this question to-day, for it is one in which Honourable Members naturally take considerable interest. Previously, when this matter has been discussed, it has been discussed as a question of the Indian representation on the League of Nations and the Honourable Sir Phiroze Sethna has explained that to-day he has widened the terms of his Resolution by including other International or Imperial Conferences and, as he himself recognises, that is a decidedly larger demand. The Resolution asks that in all these Conferences the Delegation should be predominantly Indian in its composition and led by an Indian. Well, Sir, I think we have to recognise that at the present time Government in India is, if we are to speak in racial terms, a racial partnership and the proportions of that partnership are not immutably fixed. Whether we look at the Government of India itself or its services or its delegations, one can see that the whole matter is in a state of flux. But the Government must, so long as it is responsible, as it always must be, for selecting its delegations be free to select those whom they consider most suited for the particular purpose in hand. One day it may be an Indian, one day it may be a European. Now, Sir, that is my first objection to this Resolution that it asks the Government to bind its hands under all circumstances to constitute all its Delegations predominantly of Indians and that they should always be led by Indians. I may mention, as a small illustration of the difficulty of accepting such a proposition, the case of the International Labour Conference. It is laid down in the Treaty of Versailles that the members undertake to nominate non-Government delegates—I should explain that the delegation consists of Government delegates and non-Government delegates—and advisers chosen in agreement with the industrial organisations, if such organisations exist, which are most representative of employers or work people, as the case may be, in their respective countries. That means that the Government of India have not an entirely free hand in selecting the delegates to represent the workers and the employers. In the past, the representatives selected have sometimes been European, sometimes Indian. On the last occasion I think I am right in saying that both the employers and the workers delegates were Indian, but we cannot be sure that that will always be the view of the body of employers or even of the body of workers. Again, on the point of leadership, we are asked to subscribe to the proposition that these delegations should always be led by Indians and if we are reluctant to accept that proposition, we are attacked as if we were asserting the contrary proposition that the delegations should never be led by Indians. That is most emphatically not the position we take. There is a middle position between "always" and "never" and that is "sometimes," and that is the existing position of the Government of India. It is hardly necessary to remind the Council that when an exceedingly important delegation was sent from India to discuss questions which I venture to submit without any disrespect to the League of Nations were much more vital to the interests of India than any questions that are likely to arise before the League of Nations, I refer to the delegation to South Africa—the leader of that delegation was the Leader of this House. I would also remind the House that for I think the last 3 years the leader of the delegation to the International Labour Conference has been Sir Atul Chatterjee. He happens to be clearly marked out as the most suitable representative and accordingly he is chosen. Therefore, Sir, I maintain it is not a question of

1 P.M.

[Mr. H. G. Haig.]

always or never. It is a question of selecting the particular individual who in the particular circumstances happens to be the most suitable for the work. I am in this difficulty, Sir, that Government are not unsympathetic to the ideas that underlie this Resolution to-day. But they cannot fetter their discretion. They cannot lay down an absolute rule and say, in the case of all delegations Indians must always be predominant, and all delegations must always be led by Indians. These are days, Sir, when a large number of people spend their time in hunting about for pledges which Government is asserted to have broken. Well, Sir, we really cannot give a pledge in a matter like that. We should be immediately attacked. We could not fail to break such a pledge. It is hardly reasonable for the House to ask it of us. But getting back to the substance that underlies the Resolution, to take first the point of delegations being predominantly Indian, I have been looking through the lists of delegates in recent years to various Conferences, and I do not think it is an unfair claim to make that usually the delegation has been predominantly Indian. Take, for instance, the League of Nations. I think my Honourable friend, Sir Phiroze Sethna, mentioned that point. During the last 2 years, out of the 6 delegates 4 have been Indians and 2 have been Europeans. That is a substantial Indian predominance. Again, in the case of the Imperial Conference, I think on the last occasion out of 3 delegates 2 were Europeans and one was an Indian, but on the two previous occasions, 2 were Indians and one was a European. Then again, take the International Labour Conference. I have already mentioned that in 1927, out of 4 delegates 3 were Indians and one was a European. Therefore, Sir, I claim that in substance what this Resolution is asking us to do is to maintain the existing practice. But it is asking us to make an absolute rule, and that Government cannot pledge itself to do. So far as the selection of representatives is concerned, I do not think there is likely to be criticism. Looking through the names of these delegates I have been struck by the distinction of the names of these successive Indian delegates to the various Conferences. The real claim, therefore, for anything in the nature of an innovation is that the delegations should always be led by an Indian. Now, Sir, one of the Conferences which is specially mentioned in this Resolution is the Imperial Conference. That is a Conference of the various Governments of the Empire and the practice in the past—and I think Honourable Members will admit that it is a very reasonable practice—has been that the delegation representing the Government of India is led by that person who under Parliament in the existing constitution is the ultimate authority in matters relating to India, namely the Secretary of State. Well, if we admit that it is reasonable under the existing constitution that the Government of India should at the heart of the Empire be represented by the Secretary of State, there is an obvious difficulty in pledging ourselves to say that it should always be led by an Indian, unless the view is taken that the Secretary of State should always be an Indian. Then, so far as the International Labour Conference is concerned, as I have already mentioned, for the last three years the delegations have actually been led by a distinguished Indian, Sir Atul Chatterjee. I come finally to the League of Nations, which I understand is the point to which the Honourable Member attaches most importance. That point has, as has already been stated by several Honourable Members, been discussed threadbare in the course of the last two or three years. I am not myself very familiar with the details of the case, but I think that all that is to be said on the subject has already been said in the past by the Honourable the Law Member. If the object of the Resolution is to keep before the public the claims of an Indian to be appointed as leader of the delegation to the League of Nations, that object, Sir, has been obtained by this debate. I should be sorry if, in order to achieve

his object, the Honourable Member forced the Council to divide, for I am convinced that, apart from questions of form, to which as I have said Government must attach scrupulous importance, for they cannot bind themselves to things that they cannot be sure of carrying out, apart from these questions of form, it appears to me that there is very little difference in substance between the Government and the non-official Benches. And it seems to me unfortunate that, owing to the particular form in which his Resolution is cast, the Government should be forced to divide against my Honourable friend opposite.

THE HONOURABLE SIR PHIROZE SETHNA: Will you suggest an alternative ?

THE HONOURABLE MR. H. G. HAIG: I am afraid, Sir, I cannot. But, as I have already explained, the position is that the Government are not able to accept the Resolution as worded.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, I will in one or two sentences endeavour to reply to the criticisms on my speech made by non-official Members. All I can say in regard to what fell from the Honourable Mr. Suhrawardy as to his not being able to see eye to eye with me, is that he entirely forgets that he did see eye to eye with me this time 12 months ago and voted with me. At any rate I could make neither head nor tail out of what he said to the House except that he called my mentality perverted. How it was perverted he did not endeavour to explain. (*The Honourable Mr. Suhrawardy interrupted*). I wish the Honourable Member would let me speak without unnecessary and meaningless interruptions from him. I am glad my Honourable friend Sir Maneckji Dadabhoy did not find my mentality perverted. As regards the point raised by my friend, Sir Maneckji Dadabhoy, it was answered by another non-official Member, the Honourable Mr. Natesan, and I will not therefore take up the time of the House by referring to it again. Sir Maneckji, I am glad to say, finds as much fault with me as he does with Government. That is a matter of great consolation to me.

I shall now come to the remarks of the Honourable the Home Secretary. In the first place, the House will notice that whilst on the three previous occasions it was always the Law Member who spoke on behalf of Government on this Resolution, this time it is the Honourable the Home Secretary who has spoken.....

THE HONOURABLE MR. H. G. HAIG: May I explain, Sir ? The reason why it has been taken by the Home Department is the extension which the Honourable Member has given to his Resolution. He has not confined it to the League of Nations which is dealt with by the Legislative Department, but has included other Conferences which are the concern of the Home Department.

THE HONOURABLE SIR PHIROZE SETHNA: I am obliged to the Home Secretary for this explanation, but I wish that he had dealt with only the extensions in my Resolution and that the Honourable the Law Member had dealt with what falls within his province. However, I will not be surprised if the Honourable the Law Member has now come to the conclusion that there is great force and justice in our contention and that consequently he has not the heart to oppose me again, and that may be the reason why the Honourable the Home Secretary has taken up the reply not only on the points which fall under his purview but also the point which falls under the purview of the Honourable Mr. Das.

[Sir Phiroze Sethna.]

The Honourable Mr. Haig said that it was natural that the House should take much interest in this question. It certainly does, and as the Home Secretary must know, there is equal interest taken in the other place judging from the questions put and from the supplementary questions asked and answered there just the other day. Mr. Haig says that a larger demand is made by me to-day, I have admitted it. He added that, as the Government is constituted to-day, a sort of racial partnership has been established but that no proportions are fixed. I admit that as well. If it is the intention of Government to fix racial proportions to judge from what fell from Mr. Haig let Mr. Haig on behalf of Government say that they are prepared to appoint an Indian leader alternately. Mr. Haig does not want me to press for a division. I am afraid I will not be able to accede to his request unless, when he speaks again, as he will have the right to do, he gives an assurance to this House that if not alternatively, at least immediately some if not all of these delegations, —certainly not the minor ones however to which he attached importance but the delegation to the League of Nations or the delegations to Imperial and International Conferences, will be presided over by an Indian.

The Honourable Mr. Haig has said that he was struck by the distinction of Indian names who were members of such delegations and not leaders. That is exactly my argument. If he is struck by their names, I take it that he for one, as a member of Government, will not object to any one of these being leader of any one of these delegations, and therefore, I trust he will prevail upon his superiors to get some such distinguished Indians appointed in the next delegations that will be sent this year. The Honourable Mr. Haig observed that the object of Government was to select the most suitable men to go as leaders. I have not denied that. Does Mr. Haig desire us to draw the inference that the most suitable men, the ablest men, cannot be found amongst Indians and that is the reason why Government so far have not chosen Indian leaders for these important delegations ? What he said simply amounts to this and nothing more and it is therefore that I am pressing my Resolution.

Sir Maneckji Dadabhoy very rightly said that neither side could advance any new arguments because this question has been discussed threadbare. I admit I have no further arguments to advance. My position, Sir, is that of a plaintiff in a law suit. I have put forward a claim for a certain sum of money. Government in their first reply, and also in their second reply, admitted the amount of my claim but what defence they then put up was tantamount to asking for time for payment. It was only on the third occasion, that is last year, when the Honourable Mr. Das replied for the second time that he went further and there was some attempt on his part to wriggle out of what was practically admitted on the first two occasions, namely, the demand made in my Resolution, and to-day there is a still further attempt made to wriggle out. I am perfectly agreeable—and I repeat my assurance— that if Mr. Haig tells me that there is even a likelihood that the next delegation to at least the League of Nations is to be led by an Indian, I am prepared to withdraw my Resolution here and now. I know he cannot bind himself, but if he will assure me that an honest endeavour has already been made or will be made this year by the Government of India, if he tells me that they will put forward the claims of Indians, if he is prepared to assure me in this House to-day that, so far as the Government of India are concerned, they have once again put forward our claim very strongly and that the decision is left to the Secretary of State, I am prepared to withdraw my Resolution, but not otherwise. If we are not satisfied on this point to-day, I promise the House a repetition of this Resolution next year perhaps in an amended form to meet the point raised by my

friend Mr. Haig. I shall then move my Resolution by asking for fifty fifty, and instead of saying " led by an Indian " I shall say " led at least alternately by an Indian " and that will be my Resolution next year, if between now and this time next year the Secretary of State and the Government of India will not accede to our very legitimate and perfectly fair proposals as they were pronounced to be by Sir Muhammad Shafi and also a year later by the Honourable Mr. Das. Mr. Haig said that he cannot give a pledge nor was what was said before to be construed as a pledge. I request Mr. Haig to look up old reports which if he does, he will find that what Sir Muhammad Shafi said in 1924 and what the Honourable Mr. Das said in the following year was tantamount to a pledge and nothing short of it. You cannot get out of that.

I do not know whether Mr. Haig referred to me, when he said members talked of pledges and promises being broken. I certainly during this Session said, not once but twice, that the public cannot help but form the opinion that Government are breaking their pledges and promises. I said that in regard to far more important matters, namely, in regard to the Simon Commission and in regard to the Skeen Committee's Report. The subject-matter of this Resolution is, comparatively speaking, not as important, but if you break your pledge in regard to this matter as well, certainly the public will have greater reason to distrust the promises and pledges given by the representatives of the Government of India in this House.

Sir, on the last occasion I pressed the motion to a division, as I shall also do this time unless Mr. Haig gives the assurance that I have asked for. On the last occasion, I may remind the House that 25 Honourable Members voted for the motion including Mr. Suhrawardy and 18 against. But the most interesting point is, that out of these 18, as many as 17 were officials and the eighteenth, I am sorry to say, was an Indian non-official nominated Member. Of the European non-official Members, of whom there were two present, I may inform the House that following the example of my friend Sir Maneckji Dadabhoy—they abstained from voting. I trust that on this occasion they will do likewise and I rely on every nominated Indian as well as every elected Indian Member to prove to India that he stands by this Resolution and will not rest content until the Government of India and the Secretary of State have acceded to our very fair and legitimate demand.

THE HONOURABLE MR. H. G. HAIG: I had not intended to inflict any further remarks on the House so shortly after I had concluded my original speech, but the Honourable Sir Phiroze Sethna has asked me to give the House certain assurances. He has suggested that I should give an assurance which would free him from the necessity of moving a Resolution next year, that the delegation to the League of Nations will be led alternately by a European and an Indian. I think that the Honourable Sir Phiroze Sethna cannot have altogether appreciated the point which I tried to make, that the Government must be free to select those for leadership whom for the particular purpose in view and at the particular time it may hold to be best suited. That obviously is not consistent with any rigid rules or pledge of that description. The Honourable Sir Phiroze Sethna said that the fact that no Indian had yet been appointed to lead the delegation to the League of Nations.....

THE HONOURABLE SIR PHIROZE SETHNA: I will go further. If the Honourable Member will tell us on behalf of the Government of India that they have made a strong representation to the Secretary of State that the leader of the next delegation will be an Indian I shall be content, never mind what the Secretary of State does.

THE HONOURABLE MR. H. G. HAIG: I am afraid I am not in a position to reveal what the Government of India may or may not have done in this matter. The Honourable Sir Phiroze Sethna suggested that the fact that no Indian has hitherto been appointed leader of the delegation to the League of Nations meant that we had come to the conclusion that the ablest men were never to be found among Indians. That is a proposition which I entirely repudiate. The Honourable Member's own Resolution, as a matter of fact, would ask us to assert the contrary proposition that never, under no circumstances, would you find a European of sufficient ability to lead the delegation to the League of Nations, and I trust the House will not wish to assert that proposition. Finally, I wish to repudiate most emphatically the suggestion which the Honourable Sir Phiroze Sethna has made, that in the past the Government of India gave any pledge in this matter other than a pledge to give it their consideration, which they have done.

THE HONOURABLE THE PRESIDENT: The original question was:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council that Indian representation on the League of Nations and other International or Imperial Conferences should be by a delegation predominantly Indian in its composition and led by an Indian'."

Since which an amendment has been moved:

"To omit the words 'and led by an Indian'."

The question I have to put is that those words be omitted.

The motion was negatived.

THE HONOUABLE THE PRESIDENT: The question is:

"That the original Resolution be adopted."

The Council divided:

AYES—16.

Abdul Karim, The Honourable Khan Bahadur Maulvi.	Ram Saran Das, the Honourable Rai Bahadur Lala.
Chettiyar, The Honourable Sir Annamalai.	Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Desika Chari, The Honourable Mr. P. C.	Sankaran Nair, The Honourable Sir.
Khaparde, The Honourable Mr. G. S.	Sethna, The Honourable Sir Phiroze
Mahendra Prasad, The Honourable Mr.	Sinha, The Honourable Mr. Anugraha
Moti Chand, The Honourable Raja.	Narayan.
Mukherjee, The Honourable Srijut Lokenath.	Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Natesan, The Honourable Mr. G. A.	Zubair, The Honourable Shah Muhammad.
Nawab Ali Khan, The Honourable Raja.	

NOES—20

Akbar Khan, The Honourable Major Nawab Mahomed.	Haig, The Honourable Mr. H. G
Burdon, The Honourable Mr. E.	Hatch, The Honourable Mr. C
Charanjit Singh, The Honourable Sardar.	Latifi, The Honourable Mr. A.
Commander-in-Chief, His Excellency the.	McWatters, The Honourable Mr. A. C.
Corbett, The Honourable Sir Geoffrey.	Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Das, The Honourable Mr. S. R.	Suhrawardy, The Honourable Mr. Mahmood.
De, The Honourable Mr. K. C.	Symons, The Honourable Major-General T. H.
Froom, The Honourable Sir Arthur.	Vernon, The Honourable Mr. H. A. B.
Godfrey, The Honourable Sir George.	Weeton, The Honourable Mr. D.
Gray, The Honourable Mr. W. A.	
Habibullah, The Honourable Khan Bahadur Sir Muhammad.	

The motion was negatived.

The Council then adjourned till Eleven of the Clock on Wednesday, the 14th March, 1928.

COUNCIL OF STATE.

Wednesday, 14th March, 1928.

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

QUESTIONS AND ANSWERS.

MINIMUM EDUCATIONAL QUALIFICATIONS NECESSARY FOR A PERSON FOR ADMISSION INTO MEDICAL COLLEGES AND SCHOOLS AS MILITARY ASSISTANT SURGEONS, CIVIL ASSISTANT SURGEONS AND MILITARY SUB-ASSISTANT SURGEONS, ETC.

121. THE HONOURABLE MR. P. C. DESIKA CHARI: Will Government please state:

(*a*) the minimum educational qualifications necessary for a person for admission into Medical Colleges and Schools in the following classes:

(*i*) Military Assistant Surgeons;

(*ii*) Civil Assistant Surgeons; and

(*iii*) Military Sub-Assistant Surgeons;

(*b*) whether the requisite qualifications in the case of (*a*) (*i*) above are inferior to those in the case of (*a*) (*ii*) and (*a*) (*iii*) above;

(*c*) whether the Diploma granted to Military Assistant Surgeons on passing the final examination is recognised by the British Medical Council;

(*d*) whether it is a fact that Military Assistant Surgeons are not employed (or considered fit to be employed) in the Army in Great Britain?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) (*i*). The Intermediate Examination in Science of a recognised University, or the Cambridge Senior Local Examination, or the European High School Examination of the Madras Presidency, or any other examination which is accepted by the Local Government as equivalent.

(*ii*) The Intermediate Examination of the Science Faculty of a recognized University.

(*iii*) The Matriculation Examination of an Indian University.

(*b*) No.

(*c*) No.

(*d*) Military Assistant Surgeons are not employed or intended for employment in the Army in Great Britain. The question of their fitness for such employment does not arise.

SANCTIONED AND ACTUAL STRENGTH OF MILITARY ASSISTANT SURGEONS, ETC.

122. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state:

(*a*) the sanctioned and actual strength of Military Assistant Surgeons;

(*b*) the number of those who possess the M.B.B.S. degree;

(*c*) the annual cost per head for training Military Assistant Surgeons; and

(*d*) the average number of persons who qualify as Military Assistant Surgeons every year?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF.: (*a*) The sanctioned number of Military Assistant Surgeons is 585, against the total strength of 584.

(*b*) Two.

(*c*) The average annual cost of training a Military Assistant Surgeon is approximately Rs. 2,850.

(*d*) The average number for the last five years is seven.

PERFORMANCE BY CIVIL ASSISTANT SURGEONS OF THE DUTIES OF MILITARY ASSISTANT SURGEONS AND MILITARY SUB-ASSISTANT SURGEONS.

123. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state whether the duties of Military Assistant Surgeons and Military Sub-Assistant Surgeons, while on military duty, are such as cannot be carried out by Civil Assistant Surgeons?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The answer is in the affirmative so far as Military Assistant Surgeons are concerned. Civil Sub-Assistant Surgeons could be used for service with Indian troops, but they would first have to receive a certain amount of military training and be granted military rank.

GRANT OF STUDY LEAVE ABROAD OF MILITARY SUB-ASSISTANT SURGEONS.

124. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state:

(*a*) the facilities and concessions granted to Military Assistant Surgeons in the matter of study leave abroad; and

(*b*) its reasons for not extending these facilities and concessions to Military Sub-Assistant Surgeons?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) The concessions, etc., admissible to Assistant Surgeons of the Indian Medical Department in the matter of study leave are fully given in Appendix V-A of the Regulations for the Medical Services of the Army in India, a copy of which is in the Library.

(*b*) The course of instruction received by Sub-Assistant Surgeons in India is not such as to make it necessary to take special leave for study abroad. They have adequate facilities for further study in India at the School of Tropical Medicine, Calcutta.

ADMISSION OF INDIANS TO THE MILITARY ASSISTANT SURGEONS' CLASS.

125. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state if it is prepared to admit Indians to the Military Assistant Surgeons' class? If not, why not?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No, Sir, because the duties of Military Assistant Surgeons are wholly confined to the medical care of British troops and their families.

THE INDIAN BAR COUNCILS ACT, 1926.

126. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state:

(*a*) whether a notification has been issued to bring into force sections 8 to 16 of the Indian Bar Councils Act;

(*b*) if the answer to (*a*) is in the negative, when do the Government propose to give effect to the Indian Bar Councils Act; and

(*c*) the provinces in which the said Act is to be put into force?

THE HONOURABLE MR. H. G. HAIG: (*a*) and (*b*). As the Honourable Member is no doubt aware, rules have to be framed by the High Courts under certain provisions of the Act. The intention is to bring the sections in question into operation when these rules are ready, and Local Governments and High Courts have been consulted on this point. Some portions of the Act are in operation already—*vide* section 1 (3). All the remaining provisions have been brought into force in respect of the Chief Court of Oudh with effect from the 1st March 1928; and sections 3 to 7 in respect of the Calcutta High Court with effect from the same date. For the rest, the provisions in question will be brought into force with effect from the dates on which the rules referred to above will be ready.

(*c*) The Act applies to the chartered High Courts mentioned in sub-section (2) of section 1, and in addition it has been applied to the Chief Court of Oudh.

SCALES OF PAY AND RATES OF ALLOWANCES OF INCOME-TAX OFFICERS IN BURMA, MADRAS, BENGAL AND BOMBAY.

127. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state:

(*a*) the differences, if any, between the rates and scales of pay and of increments of Income-tax Officers in Burma, and of the scales, rates and increments of pay for similar officers in Madras, Calcutta and Bombay; and

(*b*) the difference, if any, between the travelling and other allowances given to Income-tax officers in Burma and the allowances allowed to similar officers employed in Madras, Bombay and Bengal?

THE HONOURABLE MR. E. BURDON: A statement showing the scales of pay and rates of allowances of Income-tax Officers in Burma, Madras, Bengal and Bombay is laid on the table.

Statement showing Scales of Pay and Rates of Allowances of Income-tax Officers in Burma, Madras, Bengal and Bombay.

Province.	Scale of pay.	*Allowances.
	Rs.	
Burma	350—25—750—50—950	Conveyance allowance at Rangoon, Moulmein and Mandlay at Rs. 50 per mensem.
		Rangoon compensatory allowance at the Local Government rates.
Madras	300—40—500—50—900	Presidency allowance at Madras at Rs. 100 per mensem.
Bengal	500—50-2—900 (probationers Rs. 450).	Conveyance allowance to Income-tax Officers in charge of some of the Calcutta Districts at Rs. 100 per mensem.
Bombay	Senior 1,000—100—1,500	Conveyance allowance at Bombay and Karachi Rs. 100 per mensem; at Ahmedabad, Hyderabad, Sukkur and Poona Rs. 50 per mensem.
	Others 300—50-2—900	
		Compensatory allowance at the Local Government rates.

*Travelling allowance is admissible to all Income-tax Officers according to the Supplementary Rules of the Government of India, and daily allowance at the rates sanctioned for the Provinces by the Local Governments concerned.

NUMBER OF APPLICATIONS IN BURMA UNDER SECTION 27 OF THE INDIAN INCOME-TAX ACT, ETC.

128. THE HONOURABLE MR. P. C. DESIKA CHARI: Will the Government please state:

(*a*) the number of applications in Burma under section 27 of the Indian Income-tax Act for reopening best judgment assessments under section 23 during the year 1926-27 and the number of successful applications thereof, and

(*b*) the number of appeals and of revision applications preferred against orders on objections to assessment during the year 1926-27 in Burma and the number of cases thereof in which the orders were modified or set aside in appeals and revisions?

THE HONOURABLE MR. E. BURDON: (*a*) and (*b*). The Honourable Member is referred to Returns Nos. VII and VIII in the All-India Income-tax Report and Returns for the year 1926-27 which contain all the information that he requires. He will find a copy of the Report in the Library.

LEASES PASSED BY CAPTAIN DAVIES FOR NO. 3, THEATRE ROAD, IN THE CANTONMENT OF RANGOON.

129. THE HONOURABLE SIR EBRAHIM JAFFER: (*a*) Will Government be pleased to place on the Council table a copy of the leases passed by Captain Davies for the plots of lands Nos. 57 and 58, Theatre Road, now known as No. 3, Theatre Road, in the Cantonment of Rangoon?

(*b*) Who built a bungalow on the site, and has it changed hands several times ?

(*c*) Is there any history sheet in the Cantonment Register ? If so, will they place a copy of the same on the table ?

(*d*) Was sanction given to such transfers by the Government ? If so, under what orders ?

(*e*) What is the present registered rent of this bungalow ?

(*f*) Is it the intention of the Government to sell land in the Cantonment of Rangoon or rent sites or land on long leases ?

(*g*) Will they give an opportunity to the public to bid for this site in question ?

BURIAL OF THE LAST MOGHUL EMPEROR IN THE COMPOUND OF NO. 3, THEATRE ROAD, RANGOON.

130. THE HONOURABLE SIR EBRAHIM JAFFER : Will Government be pleased to state :

(*a*) under what circumstances the Government allowed the dead body of the last Moghul Emperor, a political prisoner, to be buried in the compound of old plots of land Nos. 57 and 58 and now No. 3, Theatre Road, Rangoon ;

(*b*) whether the lease of this land was granted to Captain Davies after or before such burial ?

(*c*) if after the burial, what conditions were attached regarding the tomb of the last Moghul Emperor buried there ?

(*d*) whether the right of occupation of the whole compound including the site of the graves is vested in the Government ? If not, in whom ?

(*e*) whether any correspondence passed between the Chief Secretary to the Burma Government and the present tenant about giving up the land of the graves in exchange for the other land ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : With your permission, Sir, I propose to answer questions Nos. 129 and 130 together.

I am making enquiries and will let the Honourable Member know the result as soon as possible.

INDIAN LIMITATION (AMENDMENT) BILL.

THE HONOURABLE MR. S. R. DAS (Law Member) : Sir, I move that the Bill further to amend the Indian Limitation Act, 1908, as reported by the Select Committee, be taken into consideration.

The House will remember that this Bill was introduced with a view to amend section 10 of the Indian Limitation Act and Articles 133 and 134 of that Act. Section 10 deals with limitation of suits with regard to alienations by trustees, and a question arose—in fact it was held—that it did not apply to alienations by trustees of religious endowments. The object of this Bill is to provide that that section applies also to trustees of religious endowments. With regard to that there has been no difference of opinion in the Select Committee or even outside when the Bill was circulated for opinion. With regard to Articles 133 and 134, they deal with alienations by trustees for consideration, and in the original Articles the period when limitation began was stated

[Mr. S. R. Das.]

to be the date of the transaction. Now, obviously, if the date of the transaction is given as the beginning of the period of limitation, it works a certain amount of hardship, because it is difficult for the beneficiary to know when the alienation takes place. The result has been that there has been a difference of opinion in different High Courts. Some have tried to stretch the meaning of that Article by holding that the period commences not from the actual date of the transaction but from the completion of the transaction by making over possession. The Select Committee went into the question very thoroughly and they have decided that it ought to be from the date when the sale becomes known to the plaintiff; because obviously if the trustee and the person who buys from the trust are in collusion it is very difficult for the beneficiary, who is affected by the sale, to know of the transaction, and it is only right that limitation so far as he is concerned should begin to run from the date he comes to know of it. There is also a difference so far as Articles 133 and 134 are concerned. Article 133 has been omitted and the two Articles have been split up into 48A and 48B and Articles 134A, 134B, and 134C. One deals with suits by beneficiaries in case of a transfer for valuable consideration, and the other deals with suits by the successive manager in case of transfer for valuable consideration. In both cases the period of limitation is stated to commence from the date when the transaction becomes known to the plaintiff. Only in the case of a sale of moveable properties the period is three years, and in the case of immoveable properties 12 years, from the date of the transaction becoming known to the plaintiff. In the case of a suit by a successive manager the period of limitation commences from the death, resignation or removal of the transferor, that is to say, when the new manager comes in, he ought to look into the transactions of the previous manager and he ought to be in a position to know whether any illegal alienation has taken place or not—and that is the Report of the Select Committee and this is how it has been altered. I may mention that the matter has been twice before the Select Committee and has been circulated also twice.

Sir, I move.

THE HONOURABLE THE PRESIDENT: I venture to suggest to the Honourable the Law Member that, as there are two Bills reported by the Select Committee, he should move (I presume that is what he intends) that the Bill reported by the Select Committee after re-commitment be taken into consideration.

THE HONOURABLE MR. S. R. DAS: I think so. I move that the Bill further to amend the Indian Limitation Act, 1908, as reported by the Select Committee after re-commitment, be taken into consideration.

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. S. R. DAS: Sir, I move that the Bill, as amended by the Select Committee after re-commitment, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Monday, the 19th March, 1928.

COUNCIL OF STATE

Monday, 19th March, 1928.

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

QUESTIONS AND ANSWERS.

Pay of certain Clerks in the Government of India Press, Delhi.

131. The Honourable Mr. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that B. Ugarsain, B. Oudh Biharilal, B. Gauri Dayal, clerks, Government of India Press, Delhi, are junior to one Mr. Munawar Ali, clerk ?

(*b*) Are the formers in the upper grade, Rs. 60—3—105 per mensem ?

(*c*) Is Mr. Munawar Ali in the lower grade, Rs. 35—2½—80 ?

(*d*) Are all these said clerks of equal qualifications, *i.e.*, non-Matriculates ?

The Honourable Mr. A. C. McWATTERS: (*a*) The two clerks first-named, but not the third, are junior to Mr. Munawar Ali in length of service.

(*b*) and (*c*) Yes.

(*d*) All the three clerks are non-Matriculates.

Appointment of Ram Bharas Panday as a Section Holder in the Government of India Press, Delhi.

132. The Honourable Mr. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that one Ram Bharas Panday has been appointed Section Holder in the grade of Rs. 100 to Rs. 150 in the Government of India Press, Delhi ?

(*b*) Is it a fact that Abdul Azim, Abdul Rahman 1st, Sharafat Hussain and Abdul Waheed and others who had been acting Section Holders were senior to him ?

The Honourable Mr. A. C. McWATTERS:

(*a*) Yes.

(*b*) The question of seniority does not arise as the men named are Compositors and Form keepers, while Ram Bharas Panday, before promotion, held the post of Assistant Section Holder. He had been officiating as Section Holder for over a year before he was appointed permanently to that post. This particular vacancy was given to an Assistant Section Holder in accordance with the recommendation of the Piece-Workers' Committee that appointments of Section Holders should be made alternately from Assistant Section Holders and duly qualified Senior Compositors.

ALLEGED DESTRUCTION BY THE HEAD ASSISTANT OF THE GOVERNMENT OF INDIA PRESS, DELHI OF APPLICATIONS FOR APPOINTMENTS FROM MUSLIMS.

133. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Will the Government be pleased to state whether the Head Assistant and Receiver open the envelopes containing applications for posts in the Government of India Press, Delhi ?

(*b*) Were any applications from Muslim applicants torn and burnt by the said Head Assistant of the Government of India Press, Delhi ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) and (*b*) The answer is in the negative.

SUPERVISING STAFF OF MUSLIMS AND NON-MUSLIMS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

134. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Government be pleased to state the supervising staff of Muslims and non-Muslims in the clerical establishment of the Government of India Press, Delhi ?

THE HONOURABLE MR. A. C. McWATTERS : There is no separate supervising staff in the clerical establishment of the Government of India Press, Delhi. The clerical establishment is under the direct supervision of the Head Assistant.

EXHAUST VENTILATORS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

135. THE HONOURABLE MR. G. S. KHAPARDE : Will the Government be pleased to state whether exhaust ventilators are provided in the Government of India Press, Delhi, Monotype Casting Room, for clearing out the gas arising from the Monotype machine metal pots ?

THE HONOURABLE MR. A. C. McWATTERS : No, but the metal pots are, with one exception, electrically heated and the room is large and well ventilated.

PROVISION OF ELECTRIC FANS IN THE MONOTYPE CASTING ROOM IN THE GOVERNMENT OF INDIA PRESS, DELHI.

136. THE HONOURABLE MR. G. S. KHAPARDE : (*a*) Is it a fact that in the last summer months the monotype casting operatives and mechanics requested the Manager of the Press to provide electric fans to remove the gas arising from lead heating pots ? (*b*) If so, was the request allowed ?

THE HONOURABLE MR. A. C. McWATTERS :

(*a*) Yes.

(*b*) No ; instructions have been issued to provide fans in the monotype casting room this hot weather.

SICKNESS AMONG EMPLOYEES IN THE MONOTYPE CASTING ROOM IN THE GOVERNMENT OF INDIA PRESS, DELHI.

137. THE HONOURABLE MR. G. S. KHAPARDE: Is it a fact that all the men on duty in the casting room fell sick last summer with lead poisoning and one man suffered from hemorrhage of the lungs and was obliged to proceed on long leave ?

THE HONOURABLE MR. A. C. McWATTERS: The reply is in the negative.

PROVISION OF ELECTRIC FANS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

138. THE HONOURABLE MR. G. S. KHAPARDE: Is it a fact that electric fans are provided in the summer in all branches of the Press with the exception of the Monotype Casting Room ?

THE HONOURABLE MR. A. C. McWATTERS: No, but fans have been or are being, provided in all branches with the exception of the Machine and Press Room where the nature of the work renders the use of fans impracticable.

GRANT OF LEAVE TO EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, DELHI, TO WITNESS AND PARTICIPATE IN A FOOTBALL TOURNAMENT.

139. THE HONOURABLE MR. G. S. KHAPARDE: (*i*) Is it a fact that in September-October 1927 a large number of employees of the Government Press, Delhi, were given one hour's leave daily for about a month to witness football matches ? If so, will the Government be pleased to state what was the total amount of leave in hours granted to—

(*a*) Salaried hands ; and

(*b*) Piece-workers ?

(*ii*) Is it a fact that piece-workers had to take leave and were not given any pay for the time lost by them ?

THE HONOURABLE MR. A. C. McWATTERS: (*i*) Early leave was granted to the employees at their own request on certain days in September and October, 1927, to enable them to witness and participate in the football tournament which was promoted and arranged for by the men themselves.

(*a*) and (*b*) The information is not available.

(*ii*) No. Leave was granted at the request of the men.

PAYMENTS TO PIECE-WORKERS IN THE GOVERNMENT OF INDIA PRESS, DELHI, FOR MEAL INTERVALS AND IDLE TIME.

140. THE HONOURABLE MR. G. S. KHAPARDE: Will the Government be pleased to state whether any distinction is made amongst piece-workers in the Government Press, Delhi, in granting payment for meal intervals and idle time ? Is it a fact that some men are paid and some are not ?

THE HONOURABLE MR. A. C. McWATTERS: The reply is in the affirmative. Men recruited after 1st November, 1922, are not paid for meal intervals and men recruited after 16th July, 1925, are not paid for idle time.

NORMAL WORKING HOURS IN THE GOVERNMENT OF INDIA PRESSES.

141. THE HONOURABLE MR. G. S. KHAPARDE: Is it a fact that in the Government of India Presses the Government has limited the normal working hours to 48 hours a week? If so, do the 48 hours include rest intervals?

THE HONOURABLE MR. A. C. McWATTERS: The answer to the first part of the question is in the affirmative, and to the second part in the negative.

NORMAL WORKING HOURS IN THE GOVERNMENT OF INDIA PRESSES.

142. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that in the Government Presses the normal attendance hours from Monday to Friday are 9½ hours a day?

(*b*) Is it a fact that under the factory laws in England 48 hours a week includes rest intervals? If the answers to both (*a*) and (*b*) are in the affirmative, why is the same principle not observed in Government Factories and Printing Presses in India?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The normal working hours of the Government of India Presses are 8½ hours a day from Monday to Friday excluding rest intervals.

(*b*) Factory legislation in England does not provide for a 48 hour week for all workers. The second part of the question does not therefore arise.

GRANT OF LEAVE ON FULL AVERAGE PAY TO OFFICIATING AND TEMPORARY STAFF IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

143. THE HONOURABLE MR. G. S. KHAPARDE: In the Government of India Press at Aligarh is leave on full average pay granted to officiating and temporary staff according to the provisions of Supplementary Rule 285 of the Fundamental Rules? If not, why not?

THE HONOURABLE MR. A. C. McWATTERS: Till lately leave under Rule 285 of the Supplementary Rules has not been granted to the officiating and temporary staff in the Aligarh Press. Orders have been issued by the Controller of Printing that leave should be allowed in accordance with the provisions of this rule.

RESOLUTION *RE* CONSTITUTION OF A SEPARATE BRANCH OF THE SECRETARIAT TO DEAL WITH QUESTIONS RELATING TO INDIANS OVERSEAS.

THE HONOURABLE MR. G. A. NATESAN: (Madras: Nominated Non-Official): Sir, the Resolution which I have tabled is as follows:

"This Council recommends to the Governor General in Council to constitute a special branch of the Secretariat with a Secretary at its head for dealing with questions relating to Indians overseas."

It is a short Resolution but I venture to think the subject is one of great importance and indeed of growing importance. The history of this question may very briefly be told. At one time Emigration was in the hands of the Commerce Department. At another time it was in the hands of the Revenue and

Agriculture Department, until finally it was shuffled on, if I may say so, to the Department of Education, Health and Lands. It will not be wrong to say that till recently there was no continuity of departmental control in regard to this very important subject of Emigration and it was more or less bandied from one office to another, little regard being paid to the intrinsic importance of this subject. For some years past this question of Emigration has been in the hands of the Department presided over by the Honourable Sir Muhammad Habibullah, the Leader of our House. This Department, if my information is correct, has a Secretary, a Joint Secretary, an Under Secretary, and at present an additional Under Secretary. It deals with a multitude of subjects, all of them important. It deals with Education, Agriculture, Forests, Land Revenue, Archæology, Survey of India, Medicine, and Public Health. To these subjects is also added the subject of Emigration. The question for consideration is whether, in view of the growing importance which this question of Indians overseas has of late been assuming the present staff is quite adequate or whether we should appoint an additional Secretary to look after this very important question. Honourable Members of this House may not be aware that we have nearly 2,395,000 Indians in different parts of the British Empire. You have a considerable number in Ceylon, in Malaya, in Kenya, Zanzibar, Tanganyika, Jamaica, Trinidad, British Guiana, Fiji, Rhodesia, Canada, Australia, South Africa, other places and also in the United States of America; and I shall not waste the time of the House by narrating the number of Indians in other parts of the world as well. Within the last 20 years, as you might be aware, this problem of Indians overseas has been causing considerable trouble and anxiety to the Government and to the people of this country. I am sure every one is happy to recollect the fact that in this matter of fighting for the rights of our countrymen overseas, the Government of India and the public in this country have taken a wholehearted and united view, and it is because that has been the case that in most of the claims which the Government of India put forward they have been able to succeed. I do not for a moment venture to suggest that this question of the rights of Indians overseas has in any way been neglected. If I remember aright, since the time of Lord Hardinge particularly great and sustained interest has been taken in this question; and during the last few years, under the guidance of the Honourable the Leader of the House and his able staff it has been achieving considerable success in many cases where success was really despaired of by every body. But, as you are aware, Sir, the interest has more or less been spasmodic. As occasions arose and as trouble arose, the Government have had to apply themselves to the task, and the staff which had other work to do was unable to give its undivided attention to this. You will remember when there was trouble in South Africa, first our able and energetic Secretary, Mr. Bajpai, was sent; and later on when the trouble grew still further, when it was necessary that a responsible delegation should be sent, it was sent under the distinguished leadership of the Honourable the Leader of the House. During their absence the work of the other departments in their charge was carried on by other people here specially deputed for the purpose. That only makes us ponder over the fact that crises may arise, situations might develop which might make it absolutely necessary that this subject should receive exclusive attention at the hands of a department specially constituted for the purpose. To-day, as you are aware, there are still many outstanding problems in regard to Indians overseas, not only in South Africa, but in East Africa, Malaya and in Ceylon, and it was only the other day that a cablegram was received that in connection with the new constitution which they proposed to have in Trinidad the rights of Indians might be in jeopardy. I am only stating it, though I am told

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that the apprehension of the public in regard to this matter has been unfounded; I wish it were so. Then again this morning news has been received of trouble in regard to the position of Indians in Kenya. All this only shows that you cannot say that this problem has been satisfactorily solved, because even in cases like South Africa where we thought the problem had been solved—and I trust it has been solved very satisfactorily—we occasionally get a report that some new legislation or new trouble might arise in which the interests of Indians there might be affected. The question that I wish to put for the consideration of the House, and particularly of the Honourable the Leader of the House, is whether in his opinion the present arrangements are satisfactory. I am quite willing to admit—and I am sure I am but stating a bare fact—that the work hitherto has been done satisfactorily. But is the department so fully, so satisfactorily manned in personnel that it is enough to cope with the difficulties and new situations that might arise at any time? At any rate our past experience warrants such a necessary question. I think it is absolutely necessary that there should be a special department of the Secretariat which would devote its exclusive attention to this question of Indians overseas. They should make a comprehensive study of these problems of administration and of policy in lands where different races have settled side by side. I also think it is absolutely necessary that provision should be made for facilities to this staff to collect direct experience of conditions under which Indians live in different parts of the Empire, particularly parts to which emigration is at present allowed. And here I might point out that while all other departments of the Government of India publish something like an annual report—a return of the doings and operations of each department—there is absolutely no such return now in regard to the condition of Indian emigrants overseas. Even those who are interested in this subject—and I may claim I have paid some attention to it for the last twenty years—find great difficulty in getting accurate and reliable information regarding the exact position of our countrymen in different parts of the world. Some of us no doubt turn now to a very valuable publication which is at present issued by the Times of India Press, Bombay, called the Indian Year Book; but even that book does not give all the information which one would like to have from an authoritative source; and I do hope that whatever may happen to this Resolution, the Government of India will try its best with the limited staff they have at their disposal to publish an annual report of the conditions of Indians overseas. It will be good from the point of view of the office which will have ready at its elbow a book containing all the available information, and from the point of view of the general public, who have often to discuss these questions and deal with them in some way or other, it will be satisfactory if they are able to turn to an authoritative source giving information regarding the conditions of our countrymen overseas. Honourable Members of this House might also be aware that of late a new responsibility has been thrown upon the Government of India and upon the department which is concerned with it and it is this. Under the new Indian Emigration Act it has to take upon itself the responsible task of the supervision of the work of Local Governments in connection with the administration of the Act.

Now, Sir, I should like to ask the Honourable Leader, who is in charge of the department, one or two questions the answers to which will strengthen my case, unless my information is totally wrong. I would like to ask the Honourable Member how often officers of his department have visited the ports from which emigrants to Malaya and Ceylon go from the Madras Presidency. Let me pause here and say that I am not unmindful of the fact that the Honourable Member while he was in Madras visited Negapatam, and on a very rainy

morning went to Avadi to see the inspection depôt there; but what I am drawing attention to through my question is this : Is it not necessary that officers of the department should be specially deputed to watch this work not only at headquarters but occasionally make tours of inspection to all these places where the work of emigration has to be supervised in some form or other ? Very recently, as you are aware, Sir, a further responsibility has been thrown upon the Government of India to look after those who have been repatriated from South Africa, and many of you might be aware that the South African Government very recently sent an officer here by the name of Mr. Venn, to acquaint himself with the conditions of those who are returned from South Africa and to study other emigration problems. I think I might fairly claim that the growing importance of this question of Indians overseas and the responsibility which has now been added to the work of this department make it necessary that some special staff should be asked to deal exclusively with this question, particularly if one values and believes in continuity of policy in regard to a subject of this description. I may perhaps also draw the attention of Honourable Members of this House that besides looking after these, at present there is a special staff in different places which are under the direct supervision of the Government of India. In the Madras Presidency I believe they have got a Protector of Emigrants, a Medical Officer of Emigrants and other officers ; in Bengal they have a Protector of Emigrants ; in Bombay there is an officer of the same description and also in Karachi. Abroad we have an Agent to the Government of India in the person of the Right Honourable V. S. Srinivasa Sastri with a Secretary and an office ; and we have an agent to the Government of India in Ceylon and also in Malaya. I presume all these officers are constantly in communication with the Government of India and are sending them reports from time to time in regard to questions which affect the interests of our people there ; and one would naturally expect that the work of this department will be growing not only in volume but also in importance.

Perhaps I should state to the House that the suggestion which I have made to-day regarding the constitution of a separate secretariat is not my own. There is nothing original about it. Indeed, the suggeation was made by a very great and distinguished friend of India, a greater and nobler Englishman than whom India has not known for sometime past and one who has identified himself with this work, and whose work, self-sacrifice and labours have been appreciated by everybody and about whom His Excellency the Viceroy has more than once made a public reference, I refer to Mr. Andrews. In October 1927 he drew attention to this question in the columns of the *Pioneer* and he advocated that the time had come for the creation of a Separate Member in charge of External Affairs, of which the treatment of Indians abroad will undoubtedly be the most important one. But he added, and I think very correctly, that it is quite possible regarding that suggestion there may be differences of opinion, having regard, however, to practical politics and in view of the fact that the constitution of the Government of India is at present being examined and there is a Statutory Commission specially to look after that business, I certainly do not think it proper or expedient, nor will it serve any useful purpose, to make this suggestion now. I have therefore confined myself to the second suggestion, that the time has come for constituting a separate Secretariat and staff to look after this question.

Sir, I may be told that it will be a costly business. I therefore took the trouble of examining exactly what the expenditure will be, and I was very glad to find, from the information available in the reports of the Standing Finance Committee, that the Government of India at present derive an income of about 3 lakhs of rupees per annum by levying fees from emigrants whose migration is

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governed by the provisions of the Indian Emigration Act, and unless my information is wrong—and I speak subject to correction—they do not spend more than Rs. 1,10,000 annually out of this sum. And even if the present source of their income was not available, I would press my suggestion on account of the intrinsic importance of the question. I may point out here that in England at one time many questions were under the portfolio of one Minister, but as time and occasion arose, and as emergency demanded, they thought it fit to create separate departments and separate portfolios. Most of you are aware that the problem of the Air Force, for instance, is no longer under the control of the War Office as it was before. So also the problem of Labour and Mines is no longer under the control of the Board of Trade, and for both these questions separate departments have been created presided over by Ministers in charge. This example might well, I think, be followed in this country. I therefore urge, Sir, that the time has come to constitute a special Secretariat with a special staff which will devote itself exclusively to this question of Indians overseas, which will constantly keep in touch with what goes on in all these places where a number of our people are pursuing their peaceful avocations, and which at any time will have all possible information which it might reasonably be expected to have. More than anything else, the moral value of it will be very great. Most of our countrymen who are now carrying on their avocations in the different parts of the British Empire will be specially glad, indeed they will be grateful to the Government of India not only for what it has hitherto done for protecting their interests, but they will feel doubly grateful if they find that the Government of India here have realised the growing importance of this subject and have therefore thought it necessary to constitute a separate department which will devote itself exclusively to this question.

Sir, I will only wind up with one sentence, and it is this. I feel I have put my case as moderately as I can and with as many facts and figures as I could possibly get to support my proposition, and having regard to the fact that for years the Government of India, and the people of India have been taking, if I may say so, an identical view in regard to this question, and having regard to the success which has attended the efforts of Government in this direction, I feel I can safely conclude by saying that the interests of Indians abroad require my suggestion to be adopted. I think the interests of the people of India in their fellowmen abroad justify my proposal. More than anything else, the interest which the Government of India itself have been taking in the condition of Indians overseas strengthens the claim I have put forward.

With these few words, I commend my Resolution to the acceptance of this House.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member): Sir, I am aware that the Honourable Mr. Natesan, who hails from my part of the world, has been evincing an abiding interest in the status and welfare of Indians overseas for nearly two decades if my memory serves me correctly. Indeed, the pages of the *Indian Review*, of which he is the honoured editor, bear eloquent testimony to such interest. It is, therefore, my duty to confess that any views which he may express on this important question deserve the fullest consideration and respect. I am equally aware, Sir, of the interest which people in India have generally been taking on behalf of their fellow nationals abroad. I hope the Honourable Mr. Natesan will allow me to claim the credit that the Government of India are

ever fully alive to their own responsibility in this matter. I do not think I shall be wearying the House by reciting a full, complete and exhaustive catalogue of our activities during the last two years and more in that direction. I shall merely instance a few cases which I hope will convince the House that the Government of India have never been unmindful of their responsibilities in this important matter. Take South Africa, for instance. The Indo-South African agreement, as it is generally known, may well be regarded as a landmark in the history of the relations between the two great countries of India and South Africa. Its first fruit was the appointment of an Agent in that country, and this, indeed, gave us the opportunity to utilise the services of that distinguished Ambassador, I mean the Right Honourable Srinivasa Sastri, in that capacity. That agreement, Sir, has established between the two countries feelings of amity, good-will and better relations, and as a proof of that fact may I not mention the recent instance which I know, when the announcement was made, gladdened the hearts of Honourable Members. I refer to the announcement which I had the pleasure to make the other day that the South African Union, out of respect for the feelings of the Indians, both in South Africa and India, had decided to withdraw clause 104 from the Liquor Bill even after its second reading in their Parliament. (Cheers.) I will add one more solid proof of the feelings of good-will which have been permanently established between the two countries. If Honourable Members had taken the trouble to go through the pages of that historic document, namely, the agreement between the two countries, they will remember that it was therein agreed that some effort should be made by the South African Government for the purpose of uplifting the Indian community, and that the first attempt in that direction should be an examination of the educational needs of the Indians living there. I believe Honourable Member remember that it was only the other day the Government of Natal had appointed a Commission to investigate into the requirements of the Indian community from the standpoint of their educational needs. They asked us to depute an officer to help this Commission, so that the real view point regarding the actual requirements of the Indian community may be presented before that Commission. We have since deputed one officer from the United Provinces and another lady from Madras, so that they may help the Commission in the solution of this most important problem.

Sir, passing on to Ceylon, Honourable Members will remember that from and after the year 1923 both the Legislatures and the members of the Standing Emigration Committee have been urging the desirability of introducing standard minimum wages for the benefit of labourers both in Ceylon and Malaya, and that such rates of wages should be incorporated in the Statutes of the country to make them obligatory on all employers of Indian labour. It was only the other day that this legislation was passed by the Legislative Council of Ceylon, wherein this provision has been definitely made. It is intended that the rates so fixed should not only enable the labourer to live in reasonable comfort, but should also provide sufficient margin for savings, sickness and old age. There are a few other matters of importance which, thanks indeed to the statesmanship of the Colonial Government of Ceylon, they have been able to sanction in favour of Indian labour. I will merely enumerate a few of these to indicate that our efforts in that direction have been fully reciprocated. The maintenance of dependants of the labourers has been made a charge on the employers of labour. Payments of wages earned by labourers before a prescribed date are prescribed by legislation. Other improvements for the health, accommodation and medical care of labourers have been also provided for. Increased maternity benefits have since been granted. Increased facilities for

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the education of children of labourers have been and still continue to be provided for, and Indians have now been recognised as eligible for a seat on the Boards which function as Local Option Boards.

Let me turn my attention for a minute to Malaya. I am sure Honourable Members will have noticed with gratification the announcement recently made in the public press that for the first time in the history of Malaya an Indian gentleman has been appointed as a member of the Federal Council of the Federated Malay States, thanks indeed to the statesmanship of His Excellency the Governor of that Colony. Even here standard rates of wages have been introduced already in what are called the key districts in the Federated Malay States, as also in all the departments under the control of the Colonial Government. The idea is that these rates should be introduced gradually into the other districts of the federated as well as the unfederated Malay States. Even here similar facilities for education, accommodation, medical care, etc., have been provided for, as in the case of Ceylon.

In regard to East Africa, about which reference was also made, I shall not at this stage say more than that His Majesty's Government have appointed a Commission which is known as the Hilton-Young Commission to investigate into certain questions according to the terms of reference which have been published. It was pressed on our attention, and we regarded it as a very reasonable request, that we should send a deputation from India to go to East Africa for the purpose of helping the Indians to prepare and present their case before the Royal Commission. We have accordingly deputed the two best men that we could have spared for the purpose, namely, Messrs. Kunwar Maharaj Singh and Ewbank. They were wery well received by the Indians there, and we have proof that they have done very useful work. The East African Indian Congress at their special meeting passed a resolution thanking the Government of India for the help that they had received in this matter.

I have merely enumerated a few of these items not in a spirit of self-adulation but for the purpose of convincing the House that the Governmet of India has never lagged in its interest on behalf of Indians overseas, and that gradually it has been able, thanks indeed to the good-will of the Colonial Governments concerned, to secure for our Indian nationals living in those Colonies such concessions as it was possible to secure. When I have said all this I do not in the least intend to join issue with my friend Mr. Natesan. Perhaps he is aware—for the details which he has furnished to the House make me feel that he has made rather a critical analysis of the various officers who function in the Department of Education, Health and Lands, and the duties which they have got to discharge in the several departments under their control—that practically from August 1925 we have added an officer temporarily to our establishment so as to enable the permanent officials holding superior posts to devote as much time as they legitimately ought to the important question of Indians overseas, and I may add that such help has enabled them to discharge their duties in this respect very efficiently and very satisfactorily. But at the same time, Sir, the Resolution asks that the Governor General in Council should constitute a special branch of the Secretariat with a Secretary at its head for dealing with questions relating to Indians overseas. I do not expect that the Honourable Mr. Natesan would ask from me now and at once on the floor of this House an expression of my opinion as to what I would do when I consider his Resolution after the pre-occupations of this Session of the Legislature are over and I have some leisure at my disposal to devote to the consideration of this question. The only thing I can tell him at the present moment will be that we shall certainly consider his Resolution with sympathy. We

must I think try and steer clear not only of false economy but also of avoidable extravagance. The best method of securing assistance, if indeed assistance were needed, would be determined by various considerations, and I cannot now at this stage bind myself or the Government to any definite action which it may be possible to take on this Resolution. I must be left to exercise my discretion in the best manner that I can, keeping in view of course the importance of the question ; and from our past record of work, some of which I have ventured to place before the House to-day, am I asking too much if I ask the House to trust me ? I can assure them that such trust will not be misplaced. In view of this brief statement, Sir, which I considered it necessary to make at the earliest stage possible, I feel sure that my Honourable friend from Madras—the city to which I also have the honour to belong—will not press his Resolution but that he will withdraw it on the assurances that I have already given him.

THE HONOURABLE MR. G. A. NATESAN : Sir, I should only like to say a few words in reply. I desire to thank the Honourable Member in the first place for his kind remarks about me, and I am sure the public will be very much interested to have the account given by him of the work done by his Department in regard to Indians overseas. It must be cheering news to those Indians to know that the Government of India is working wholeheartedly in their interests.

I think I did make a mistake in not referring to the fact that a special officer has been added to the staff since August 1925, and I am glad the Honourable Member drew my attention to the fact which somehow or other escaped my attention. But I may point out that the whole point of my Resolution is that such an officer should be made a permanent feature of the Department and that he should devote himself exclusively to this question of Indians overseas.

I am certainly aware that we should avoid false economy on the one hand and extravagant expenditure on the other ; but if it is admitted that a special Secretary or a special officer with the necessary staff is required and is necessary, it will cost not more than Rs. 30,000 annually, and, having regard to the fact that the Department realises as much as 3 lakhs of rupees from Emigration fees, I think the claim I have made is not in any way an excessive one nor an unreasonable one. However, I feel after the remarks that fell from the Honourable Member that this question will receive his attention and I should not press my Resolution. I will not therefore detain the House any longer. I beg therefore in accordance with the rules for permission to withdraw my Resolution.

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

RESOLUTION *RE* TRIBUNALS FOR THE TRIAL OF OBJECTIONS TO, AND APPEALS AGAINST, ASSESSMENT TO INCOME-TAX.

THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General) : Sir, I move the Resolution standing in my name and which runs as follows :

"This Council recommends to the Governor General in Council to introduce legislation to amend the Indian Income-tax Act with a view to the trial of objections to, and appeals against, assessment by tribunals presided over by judicial officers other than the income-tax authorities."

Honourable Members of this House are well aware what the income-tax law is, as most of them have been at one time or another the agents of the income-tax administration or the victims of it. Sir, it is therefore unnecessary for

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me to occupy the time of the Council long over this Resolution. The Council is aware that the Government in the Income-tax Department and in the matter of disposing of appeals and objections to assessment sits as a judge in its own cause. I would even go further and say that the Government through its income-tax authorities is party, advocate, judge and witness all combined. This position is clearly brought out in the Report of the Taxation Inquiry Committee though they have not suggested any practical remedies for it; but Dr. Paranjpye, one of its members, made certain practicable suggestions which can very well be followed. I dealt with those suggestions on a former occasion and it is unnecessary for me to repeat them here. This characteristic of combining in one the position of party, advocate, judge and witness is so patent that one of the great experts on fiscal matters and especially in income-tax—I mean Mr. Sundaram who is Secretary to the Central Board of Revenue in his able, masterly and most exhaustive work on income-tax—took very great pains to argue the matter out in this way: he said though the income-tax authorities are courts legally authorised to take evidence, the proceedings before those courts are not judicial proceedings except for the purposes of the provisions of sections 193 and 228 of the Indian Penal Code and that the rules of evidence as found in the Indian Evidence Act do not apply to such proceedings. Sir, he had to take up the position of an apologist for the income-tax official because, as Secretary of the Board which is responsible for the administration, he was bound to do so and to go through this painful process of arguing and practically putting forward an absurd argument for the purpose of obviating the necessity of admitting that the Government through its Income-tax Department acts as party, judge and witness. Sir, the position has been considered by several High Courts. The Madras High Court in the case of Guruva Pillai *v.* the Commissioners of Income-tax called upon the Income-tax Commissioners to state a case on the ground that the income-tax officer disbelieved the returns and the accounts of the assessee and based his assessment on other materials gathered by himself from other sources. This would show that the Madras High Court is of opinion that the law of evidence and the Evidence Act applies to these income-tax officers. In another case, I believe, in the Punjab—Baijnath *v.* the Commissioner of Income-tax, the High Court distinctly held in 2 Income-tax Cases, 176, that the income-tax officer should be governed in his procedure by judicial considerations and should act only on legal evidence and not on hearsay. There again this principle that the income-tax authorities should be bound by the Evidence Act was affirmed. But the position is forcibly put in a case reported in 50 Calcutta in *re* Bushan Priya Chowdhrani. There the assessee made a return stating that he had no income from a particular source. The income-tax officer called upon him to prove that negative statement—an outrageous procedure—and in the absence of such proof the income-tax officer framed an arbitrary assessment on information available to himself from some sources. There was an appeal and the Assistant Commissioner of Income-tax—as all Assistant Commissioners of Income-tax do in such cases—supported the income-tax officer and upheld the decision. The matter went up to the Commissioner of Income-tax and there happened to be a fair-minded Commissioner—a rare specimen of it—in Calcutta. This is what he said:

"The question stated admits in my opinion of one answer. The ordinary principle of evidence applies and the burden of proof is on the party who would fail if no evidence were produced, that is, the officers of the Income-tax Department. The latter cannot proceed on general assumptions and reject the assessee's verified statement. If an assessee states that he has no income from a certain source and the officers of the department disbelieve him, it is for them to prove that he has so much income and not for him to prove the reverse. Any assessment based on the inability of the assessee to prove his negative statement and on general assumptions only is bad and should be cancelled."

Sir, the High Court very rightly upheld this view. I would therefore submit that it is absolutely clear that the position of the income-tax authorities in India is that of a party as representing the Government and the income-tax officer cannot claim to be placed on a better footing than the assessee himself who is the opposite party in the matter of trials of income-tax cases. Sir, if I may be permitted to use a strong expression, the income-tax proceedings under the present Income-tax Act are opposed to all principles of justice, equity and good conscience, and I would say they are a travesty of justice.

Sir, one of the very first Resolutions which I tabled as soon as I came to this Council was to move for a small change in the personnel of the Assistant Commissioners of Income-tax. I moved a Resolution in 1926—Delhi Session—recommending that in all cases of future appointments only officers of judicial training and experience be appointed as Assistant Commissioners of Income-tax. I thought when I tabled that Resolution that I was asking for the acceptance of a self-evident proposition. On that occasion I reviewed the various provisions of the Income-tax Act under which the Assistant Commissioners had to exercise judicial powers as courts. I showed how necessary it was for an officer doing appellate work of a really legal character to have a fair knowledge of the rules of the Civil Procedure Code and of the Evidence Act, and a special knowledge of the income-tax law, a judicial frame of mind and a thorough legal and expert training in law, to enable him to decide the various complicated questions that come up for decision. Sir, as Honourable Members are aware, that Resolution was opposed by Government. They said that the primary duty of an Assistant Commissioner of Income-tax was to check and supervise the duties of income-tax officers, and that the appellate powers of an Assistant Commissioner of Income-tax were of a secondary nature. They further said that if my Resolution were accepted, it would wreck the whole of the Income-tax Department. Sir, I had no chance of getting my Resolution through at that time, and so I withdrew it. I waited, because I could not bring another Resolution on the same subject within one year from that time, and as soon as I could do it I tabled a Resolution during the last Delhi Session advocating the adoption of the equitable principles of the English Income-tax law inclusive of the very successful system which has been giving the utmost satisfaction in England by devising a scheme corresponding to the Additional and General Commissioners, a body of fair and impartial men with expert local knowledge. Sir, an amendment was tabled and adopted to appoint a Committee of the two Houses of the Legislature to make an inquiry and to suggest changes on the lines recommended by my Resolution. The Government, if I remember aright, did not even challenge a division. In the other place in answer to a question the Government said in all their wisdom that no useful purpose would be served by taking any action on the Resolution which was adopted by this House, at any rate by the non-official side, unanimously. That is a very good compliment indeed to people who can claim to speak with some authority at least on income-tax questions.

12 NOON.

Sir, the object of my Resolution is to tell the Government that a very great and useful purpose will be served by doing something effectively to overhaul thoroughly the whole of the outrageous system of income-tax tribunals which we have in this country and which in actual working results in a travesty of justice as I have already stated. Sir, income-tax is a form of direct taxation which has been long in existence in several western countries, and all the western countries have thought it fit to introduce equitable legislation to reconcile the people to the existence of this form of direct taxation, and all those western countries which have got this direct form of taxation have also got

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a just and impartial tribunal where the Government agent of income-tax and the assessees are placed on exactly the same footing in the matter of rights, and in the matter of opportunities for stating their case and for substantiating their objections. Sir, on the last occasion I described at great length the system in vogue in England, and I do not like to repeat it. I find, Sir, that a system similar to that is in vogue in several other European countries, and I would just refer to two European countries. Under the Austrian system what is called a body of trusty individuals representing the tax-payers are elected by the local District Councils. In cases of doubt, these trusty individuals prepare a list and hand it over to the Assessment Commission comprising the President appointed by the Minister of Finance and the other representatives one-half of whom are elected by the tax-payers and the other half appointed by the Government. There is a further appeal from this to another body a Central Commission of 12 Members and from that to the highest court. Then again in Italy a list is prepared of income-tax payers by the Municipal Council in the various communes. There I am told, and I read from various authors and persons who are in a position to judge of it, that the fiscal agent is very moderate and that he is very anxious to come to an amicable settlement with the assessees.

THE HONOURABLE THE PRESIDENT: The Honourable Member is dealing to a considerable extent with matters leading up to the assessment. His Resolution does not deal with that subject. It deals solely with the trial of objections and appeals. I would ask him to start with the assessments as an established fact and get on to the objections and appeals.

THE HONOURABLE MR. P. C. DESIKA CHARI: So far as I am aware, Sir, I have only dealt with one sentence with regard to the way in which assessment is made, and I am not aware of any transgression in other directions. However, I will confine myself only to the provisions relating to the tribunals for dealing with objections and appeals. If anybody is dissatisfied with the assessment by the fiscal agent there is an appeal to a tribunal composed of the President appointed by the Prefect and four representatives elected by the taxpayers. As against this there is an appeal to a provincial council consisting of one representative of the Government, *i.e.*, one representative appointed by the Prefect, who is the President, one representative of the Chamber of Commerce, two representatives of the department of direct taxes, and if anybody is still dissatisfied, there is a further appeal to the Central Commission. On question of law there is a further appeal to the courts.

Sir, my object in detailing to some extent the tribunals adopted in other countries which I have stated is to show that even in western countries they have definitely recognised the principle that Government is as much a party as the assessee himself, and as in the case of civil disputes between the Government and the party, there are fair and impartial tribunals to adjudicate upon disputes and differences between the two sides in income-tax cases. Sir, when we have thought fit to introduce this western system of taxation, why should we not introduce also those tribunals which naturally go along with that system of taxation. You may say that that particular system is not quite suitable to India, but why not devise a system on those lines whereby you can obviate this objection and do justice to every one concerned ?

I do not propose to labour this self-evident proposition that it is necessary to have an impartial tribunal. I would proceed and ask that, if any change is necessary, what is the next solution of the problem ?

Sir, the civil courts and the civil judges have established a reputation for independence, for integrity and for a sense of fairness, which will not be denied by anybody. These pillars of justice, which are the greatest props of British rule, are available, and why should we not take advantage of them ? I would suggest that these courts and judges may be availed of for the purpose of disposing of income-tax appeals. But it may be said that these civil courts are already overworked. What is the harm in appointing additional judges who would deal with income-tax cases and in those very courts ? Similarly, it was said that the present Income-tax Act provides generous provisions, inasmuch as there is reference allowed to the High Court on questions of law and it is proposed to extend the scope even to questions of fact. This is all very well, but before a man can go to the High Court he must first submit himself to humiliation by submitting to the judgment of his opposite party the income-tax officer, and then he will have to submit to another ordeal in the shape of a farce of an appeal before the Assistant Commissioner. Then he will have to go and petition the opposite party once again, that is the Income-tax Commissioner, to state a case to the High Court. The proposition has simply to be stated to be rejected. This system is obviously unfair. If for any reason it is considered that the civil courts are not the proper tribunals, there is one other alternative, namely, of having separate tribunals. There would be no objection so long as you have those tribunals presided over by civil judges, and provided also you place these judicial officers under the control of the High Court and not of the Income-tax Department. This I say only as an alternative, if regular civil courts cannot be utilised.

Then I come to the actual working of the Act by the Income-tax authorities. The Act confers vast powers on income-tax officers incommensurate with their status and official position. I find the average income-tax officer proceeds on the assumption that it is his duty to consider that in a vast majority of cases the assessees' returns are incorrect and that the assessees' accounts are wrong. Taking advantage of the position which the law gives him he proceeds on that false assumption, and the result is he gives a final assessment which is of a very crushing and unjust character. I think these Income-tax officers are under the impression that the only criterion by which their work will be judged is the extent to which they can show a progressive yield in the areas under their charge and in the case of the appellate authority, the Assistant Commissioner of Income-tax, he is also actuated by the same laudable idea of showing a larger yield in the larger area under his charge. The income-tax authorities are actually encouraged in this sort of idea. In the case of an appeal from one subordinate officer to another in the same department, both have the same objective. The superior officer feels himself in duty bound to support his subordinate ; if for nothing else, to show that the administration is not diseased at the root. In these circumstances it goes without saying that there is a very great discontent among the upper and lower middle classes, not to speak of the captains of industry and trade, who are also labouring under this crushing and ruinous burden in most cases unjustly imposed.

Sir, I would say, as I have stated on former occasions, that the way in which the Income-tax Act is operated and the present income-tax tribunals established work in this country, it leaves people under the impression that these income-tax authorities are—to use the expression used by Sir John Trevelyan in 1860 in connection with income-tax—avators or incarnations of the evil deity come out to poor India in all their nakedness to impose an effective means of torture.

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Sir, I appeal in the name of British justice to do justice to the assessees and also to the income-tax officers who would certainly give a better account of themselves and make themselves more useful if they are not by this system deprived of all human ideas of feeling, sense of justice and of conscience.

With these words I commend the Resolution to the acceptance of the House.

THE HONOURABLE RAJA NAWAB ALI KHAN (United Provinces : Nominated Non-Official) : Sir, I rise to support the Resolution which has just been moved by the Honourable Mr. Chari, on three grounds. In the first place the present procedure is objectionable in itself, because under it the authority assessing the income-tax is the same which hears objections against it. Now, Sir, if the principle of combining the prosecutor with the judge in one and the same person is bad, as undoubtedly it is according to all juristic notions, then I submit that the system of which Mr. Chari complains is positively vicious.

My second ground is that the income-tax is levied from a very large class of persons ; a class much larger than those who come under the criminal law, and therefore having regard to the numerical strength of the class affected by the income-tax laws, it is necessary, particularly in view of the present atmosphere of political distrust, that the administration of this branch of fiscal law should not only be pure but also above suspicion. Sir, the memorable observation of Sir Harvey Adamson in connection with the separation of the judicial from the executive applies with equal force—I will go further and say that it applies even with greater force with regard to the income-tax.

My third ground is that the procedure now followed compares unfavourably with the procedure followed in cases under the Land Acquisition Act. The valuation by the Land Acquisition officer if unsatisfactory is determined by judicial tribunals. Now, Sir, if for the sake of a few persons an ir-reproachable procedure is provided, why do Government inflict a hardship on a much larger class of persons who have a grievance on account of the excessive assessment of the Income-tax ? Sir, in justification of the existing practice two points may be urged—first, that a similar procedure prevails in England, and secondly that the final appeal lies with the High Court in this country. With regard to the first I submit, Sir, that it is hardly fair to justify the procedure prevailing in this country on the analogy of that prevailing in England or any other country where the Executive is responsible to the people. As regards the appeal to the High Court, the trouble and expense after a case has been before two income-tax tribunals is extremely discouraging and even prohibitive.

With these words, Sir, I support the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution in principle although, Sir, I do not agree with my Honourable friend Mr. Desika Chari on the adverse criticisms that he made upon all the income-tax officers.

THE HONOURABLE MR. P. C. DESIKA CHARI : You cannot afford to ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : No, you are wrong in holding this view. I do not like your strictures as these strictures have unjustly been passed on every income-tax officer. My own experience in the Punjab supports me. In the beginning in the Punjab income-tax officers were mainly recruited from the judicial and executive services of the province. Later on, in response to public opinion, it was decided and probably prescribed that every income-tax officer must undergo an examination in accounts.

Knowledge of accounts, Sir, naturally forms one of the chief qualifications which an income-tax officer ought to possess and, as far as my information goes, Sir, every one of the income-tax officers in the Punjab at least has now to pass the accounts examination.

The second point, Sir, is secrecy and in case the income-tax officer has to go before the ordinary judicial courts I think secrecy will suffer besides unusually long delays to which appeals may be put. As far as I know, in the ordinary judicial courts cases now take a very long time, and business people cannot afford to wait so long for appeals in their income-tax assessments to be decided. Therefore, Sir, I would suggest that independent judicial officers, who may have the accounts qualifications as well as technical knowledge of the subject be employed solely upon income-tax appellate work to hear and decide appeals. It is therefore simply on the principle that I support the Resolution.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN, (North-West Frontier Province : Nominated Non-Official) : Sir, I am wholly in accord with the Resolution brought forward by the Honourable Mr. P. C. Desika Chari demanding the introduction of legislation to amend the Income-tax Act so as to provide for the disposal of the objections and appeals against assessments by a tribunal presided over by judicial officers other than the income-tax authorities. At present there is no provision to that effect in the Income-tax Act, with the result that the assessees cannot prefer their appeals against assessments in any judicial court. The only course open to the assessees is to prefer appeals against assessments before the Assistant Commissioner or the Commissioner of Income-tax, who, as part and parcel of the same Department, cannot be expected to disagree with what have been established by their subordinates or the assessing officers otherwise known as the income-tax officers. Now a good many of these officers have no judicial training at all and consequently they are not fit to make proper decision of several points connected with the assessments from a judicial point of view. In many cases of assessment there arise several complicated questions of law which the income-tax authorities are not able to decide for want of judicial training.

I do not think that ample instances are forthcoming in which the appellate courts under the Income-tax Act have not upheld the assessments made by the income-tax officers. On the other hand, there is a tremendous lot of such cases in which the Assistant Commissioner and the Commissioner of Income-tax have thought it wise to confirm the assessments made by the assessing officers in spite of their being highly excessive and merely based on conjectural grounds. It follows, therefore, that this absence of the provision regarding disposal of the objections or appeals against the assessments by a judicial court has invested the income-tax officers with powers before which the assessees have no choice but to succumb on account of their helplessness in asking for their redress in a judicial court. The income-tax officers are making assessments to their own liking in absolute disregard of the facts and figures produced by the assessees and this highhanded action of theirs is chiefly to be accounted for by the fact that they have no fear of judicial proceedings against them in the shape of appeals against their assessments in judicial courts. They know full well that appeals against assessments are to be made to no other but their immediate officers who, in view of their being members of one and the same Department, cannot disagree with the conclusions arrived at by them in respect of the income-tax assessments. The result is that assessments are being made in absolute disregard of the facts and figures produced by the assessees with regard to their incomes and in certain cases no regard is even had to

[Nawab Mahomed Akbar Khan.]

the accounts of the assessees, and assessments are based on mere conjectures of the income-tax officers. In other words the income-tax authorities are acting as the assessing authorities, the witnesses to assessments and the judicial officers at one and the same time. This state of affairs is investing them with high powers of assessment, to do away with which it seems fairly reasonable that the Income-tax Act should be amended as to the disposal of objections and appeals against assessments, and I think it will be a sure relief to the assessees if the disposal of these appeals is made subject to a tribunal presided over by judicial officers.

Another point that I would like to refer to in this respect is with regard to the transfer of income-tax authorities from one station to another. I suppose that at present the income-tax authorities are allowed to stick to the station to which they were posted at the time of the inauguration of this Department. This prolonged stay of theirs at one and the same station is at the root of all their highhanded actions in making excessive assessments or confirming the same. In case they are transferred from one station to another after a reasonable period of four or five years, I do not think there will be as much scope for complaint against them as there is at present on account of their being stationed at one station. Apart from this their action in making excessive assessments is deemed to be valuable service to the Government, and thus they are more inclined to make heavy and unjustifiable assessments since they have no fear of any judicial appellate proceedings against their arbitrary assessments.

With these remarks, Sir, I extend my hearty support to the Resolution of my Honourable friend, Mr. Desika Chari.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I had expected that my Honourable friend, Mr. Chari would on this occasion once more develop his longstanding complaint against the Income-tax Department that it is a judge in its own cause. He repeated this complaint the other day in this Council, even though on that occasion he was supporting the motion of which I was in charge. Now, Sir, the phrase "Judge in its own cause" is a catch phrase and like many other catch phrases, if it is closely analysed, it is found to be misleading; and my contention is that in this particular case the phrase is seriously misleading. Carefully analysed, what is the accusation which in general the phrase conveys? The accusation depicts in general an individual, who is not qualified to be a judge at all, being allowed to decide finally a matter in which he is personally interested and deciding in his own favour not because that decision is right but because he seeks his own personal gain. I submit, Sir, that the matter has only to be put in this plain and direct way to make it obvious that the charge does not fit the case of the Income-tax Department and the work which that department does by way of assessment, the hearing of objections, appeals, revisions and so forth. The Income-tax Department is, I submit, thoroughly well qualified by knowledge and experience to carry out these duties, and it is not in any way an unusual or irregular arrangement that they should be entrusted with very considerable powers of deciding disputes which may arise. It is on the contrary quite an ordinary arrangement. It is a normal feature of the distribution of administrative functions not only in India but in other civilised countries as well. Again, it appears to me to be an incorrect use of words to suggest that the Income-tax Department in its decisions is influenced by considerations of personal gain; and I hope I shall be able to prove to the Council a little later by a few statistics that the department is not in fact moved by considerations even remotely resembling personal considerations. Moreover, just as that—possibly mythical—

time has passed when the successful subordinate magistrate was he who was able to show in his periodical returns a large number of convictions—and later, perhaps, an equally high proportion of decisions reversed on appeal —so in the Income-tax Department it is well recognised that increase of revenue, pure and simple, is not the object to be aimed at ; nor is it the sole test by which efficiency is judged. It must also be emphasised that the various grades of income-tax officials are of course not final judges in regard to the matters with which they deal. Their work comes under review, and a reputation for high assessment, where such assessment is not accurate, is not regarded as a good kind of reputation to have. In the Income-tax Department, as elsewhere, there is a strong incentive to make decisions which will survive subsequent scrutiny inside the department and also, if necessary, by judicial authorities outside the department. Sir, I demur very strongly to the charge laid against the Income tax Department that its position or its conduct is that of a judge in its own cause. The charge necessarily conveys among other things a suggestion of departmental moral obliquity which, in the light of the facts which I have stated, can only be described as irrational.

Now, Sir, as my Honourable friend has said himself, the existing procedure in the matter of assessment, investigation, appeal, review, etc., is generally known to Honourable Members ; and I do not think it is necessary to go into the details of the system which is exceedingly intricate, the elaborations being designed as much to protect the tax-payer as to protect the revenue. Broadly speaking, there is a right of appeal on questions of fact to the Assistant Commissioner with a further right to petition the Commissioner for revision, and practically unrestricted right of reference to the High Court and to the Privy Council on questions of law. These are the main features of the procedure in India. In the United Kingdom the main duties of assessment and important powers to decide appeals are given to authorities either belonging to or appointed by the Revenue Department ; that is to say, these functions are recognised as internal functions of the administrative department concerned with the income-tax and the principle is recognised thereby that income-tax law and income-tax practice are matters which require to be dealt with very largely by technical departmental experts. My Honourable friend is of course well aware, and he has mentioned it in the course of his speech, that in certain important respects the procedure and practice in the United Kingdom differ from the procedure and practice in India, notably in regard to the employment of members of the general community with special knowledge of business and trade to assist the official element in their administration. That, however, does not affect the question of principle which I am discussing. I would only add that in the United Kingdom as in India, there is a right of reference to the High Court on questions of law in respect of certain decisions of the Income-tax Commissioners, etc. In the United States of America I find that assessments are made by an official of the Revenue Department, and against these assessments the assessee has two alternative remedies : he may either invoke the assistance of the civil courts or he may appeal to the Board of Tax Appeals. The Board of Tax Appeals is an independent agency in the executive branch of the Government, and I find that in practice the people prefer to appeal to the Board of Tax Appeals rather than to institute suits in civil courts, since the latter course frequently involves delay. I could quote precedents of other countries also ; but I do not think the House will expect me to say too much on this particular point, and I will therefore close this portion of my observations by saying that I claim to have established my proposition that this is a perfectly ordinary and well recognised arrangement that in

[Mr. E. Burdon.]

the main the work connected with appeals should be disposed of within the department and that judicial tribunals should have a limited, though very important, jurisdiction in such matters.

Now, Sir, I think the Council will be interested to hear how Government claim that they can justify the manner in which the system works—the system which we have in India. The argument which I have to contend against is that the Income-tax Department are naturally anxious to keep up the revenue, and to support their own subordinates and therefore cannot be expected to deal impartially with appeals. Now, Sir, I should like to explain to the Council that we have taken this criticism very seriously indeed and have studied most carefully all the facts and information which bear upon its truth or falseness. Honourable Members are aware of course that to-day is not the first occasion on which this criticism has been levelled against the department. Well, Sir, as I have said, having studied the matter most carefully, we have come to the conclusion that the charge has at the present day no substantial foundation.

I will read to the House an extract from a report which Mr. Loftus-Tottenham, the Senior member of the Central Board of Revenue, has recently made on the subject. He says :

"I have travelled for months yearly all over India, meeting Chambers of Commerce, Indian and European, and other bodies of all kinds representative of the commercial communities, and have read the records of innumerable assessments and appeals. A few bodies with whom I have had interviews have suggested that some non-official machinery should be set up for disposing of appeals. This was also discussed and rejected by the Taxation Inquiry Committee. I need not discuss it again. A proposal that appeals should be heard by the civil courts was placed before me by the Commission Agents of Peshawar and the Hides and Skins Merchants of Amritsar. The latter, however, did not press it and said that they had come to the conclusion that the less they had to do with civil courts the better."

That, I wish to make it clear, is the opinion of the individuals mentioned and not of Mr. Loftus-Tottenham.

Mr. Tottenham goes on to say that he has never seen any reason to suppose that Assistant Commissioners do not dispose of appeals impartially. In the year 1926-27 the total number of assessees was 3,04,000. In that year the number of appeals disposed of was 18,588. Out of these, 8,565 were successful. In the same year the number of applications for review disposed of was 2,434 and in 855 of these the original orders passed were modified. In the same year, the number of references to the High Court was 35, of which only 10 were successful. The amount of revenue remitted as a result of appeals, review petitions and references to High Courts was Rs. 29,77,283 out of a total revenue collected of Rs. 17½ crores. As the Central Board of Revenue has remarked in one of its Income-tax Reports, the figures go to prove the impartiality of the appellate authorities and the confidence placed in them by the public. Moreover, I wish to emphasise the fact that Assistant Commissioners are subject to the supervision of Commissioners whose impartiality nobody that Mr. Tottenham has interviewed has ever ventured to impugn. In the Punjab itself, Mr. Tottenham has been repeatedly told that the business community have full confidence in the Commissioner. Commissioners generally, and the Commissioner of Income-tax, Punjab, in particular, have repeatedly impressed upon their subordinates that the aim of the Income-tax Department should be not revenue at all costs but accurate assessment. Commissioners of Income-tax have extensive review powers, and any assessee who is dissatisfied with the order of an Assistant Commissioner on appeal can apply to the Commissioner to exercise these powers.

Now, Sir, let us consider what the situation would be if my Honourable friend's proposition were to be accepted and assessees who were dissatisfied

with an order of assessment were required to apply to a civil court for that remedy and were not allowed to have recourse to any other agency. In dealing with this part of my subject, I have already received considerable assistance from the observations made by Rai Bahadur Lala Ram Saran Das. To hand over the appellate work to the civil courts would mean that appellants living at places, where such courts do not sit, would be deprived of the convenience of having their appeals heard at or near their places of residence or business by the touring officers as at present. They would also have to engage pleaders, whereas, at present, under section 61 of the Act, an assessee may be represented before an Assistant Commissioner or Commissioner by any person authorised in writing on his behalf. There would undoubtedly be repeated adjournments of the hearing of appeals and this would not only mean great delay and inconvenience to the appellants, but would increase the expense to which they would be put, both on account of pleaders' fees and on account of journeys to and from the court. It would probably be suggested that during the pendency of an appeal the collection of the tax should be suspended . If so, the effect on the revenue would be extremely serious. If, on the other hand, there were no such provision, the successful appellant would be deprived of the refund due to him for a much longer period than at present. Where questions of law arise in income-tax cases, assessees can already claim a reference to the High Court. We have recently amended the Act so as to provide further for an appeal to the Privy Council. Again, Sir, the necessity of weighing evidence, properly speaking, hardly arises in income-tax cases. If complete and accurate accounts are produced, there can hardly be any dispute as to the facts. The only cases which remain are those in which owing to the failure of assessees to produce complete evidence, the assessment has to be based on an estimate. It seems too obvious to need elaboration that the framing of such estimates is not a process that is properly the function of a court of law, nor is there any reason to suppose that judicial officers would be specially well qualified, by training or otherwise, to perform it. Further, and this is a point which was very forcibly put by my Honourable friend from Lahore, assessees are extremely sensitive about the leakage of information regarding their affairs. I do not know whether it would be suggested that these appeals to the civil courts should be held in camera. If they are not so heard, the assessees' affairs will be dragged into the full glare of publicity. Even if they are so heard, there will be much greater opportunities for leakage than at present.

From the point of view of Government, the proposal is thoroughly objectionable. The possible disturbance in our financial arrangements owing to delays in disposal of appeals has already been mentioned. The Government would be put to the expense of engaging pleaders to represent Government before civil courts all over the country. The expense would be considerable, and experience in the High Court shows that we should have great difficulty in finding competent representatives. Finally,—here I think the whole Council will agree with me—we know that the civil courts are in most places already overburdened with work, and in some cases, at all events, the additional burden that would be cast on them might make it necessary to create new courts.

Now, Sir, I trust the Council will be able, on what I have said, to come to the conclusion that our existing arrangements are not open to the serious charges which have been levelled against them and that they provide sufficiently satisfactory means of protection for the tax-payer, and I feel sure that, in any case, the Council will agree that it would not be a satisfactory

[Mr. E. Burdon.]

alternative, from the point of view either of the tax-payer or of the revenue, that the work of deciding appeals should be handed over to the ordinary civil courts.

My Honourable friend Mr. Chari mentioned another possibility—that of having special courts, but I do not think that he himself was very enthusiastic in his support of this possibility. It is an expedient which might be found to be practicable in smaller countries, but certainly in India it would be an extravagant and impracticable arrangement. Personally I hold the view that in any country it conflicts with sound principles of administration to have permanently constituted judicial tribunals for the purpose of income-tax work alone, and to recruit a special service of officers to preside over such tribunals.

For these reasons I am compelled to oppose the Resolution of my Honourable friend, and trust that the Council will support me in rejecting it.

Speaking the other day on the Income-tax Amending Bill, my Honourable friend, Sir Arthur Froom—he was on that occasion in opposition to me—paid a very graceful and, if I may say so, a very just tribute to the Central Board of Revenue as at present constituted, saying in effect that so long as Mr. Tottenham remained in charge of the Income-tax Department he was sure that the income-tax law would be fairly administered, and that assessees need not fear oppression. I think my Honourable friend might actually be prepared to go further and agree with those who hold that the institution of the Central Board of Revenue itself has been a very great improvement on the old system, and that in itself it has led to the accomplishment of very desirable reforms in the income-tax administration, to the advantage not merely of the revenue but to the advantage also of the tax-payer. While I wish to associate myself with what the Honourable Sir Arthur Froom said of Mr. Tottenham, I would venture to add that I am personally convinced that the principles and methods of administration, for which Mr. Tottenham stands, will endure beyond his tenure of his present office, and that the Central Board have succeeded, and will further succeed, in establishing a good tradition that will endure. (Cheers.)

Sir, complaints of the Income-tax Department are not peculiar to India. It is hardly possible to pick up a copy of the *Times* or *Punch* without finding some serious complaint or sardonic joke on the operations of the tax collector. It is not only the oriental world that dislikes direct taxation in general and the income-tax in particular. But all reasonable men know that the tax is at any rate a necessary evil, and it will be admitted that it is an irrational proceeding to condemn the administration of those who have to collect the tax as a means of expressing dislike of the tax itself. Yet I am sure that many of our critics, if they were to search their consciences, would find that this is their position.

THE HONOURABLE MR. P. C. DESIKA CHARI: Sir, I wish to reply to one or two remarks which fell from the Finance Secretary. He gave one an impression that if the Resolution were accepted, the parties would be required to have recourse to civil courts. The ordinary course of events when two people have disputes applies equally to the parties in income-tax cases. The present income-tax authorities would be there, and there is nothing to prevent the other opposite party, that is, the assessee, from coming to some agreement or compromise with the income-tax authorities. They will be in a better position to induce the income-tax authorities to have a more reasonable

frame of mind in coming to some amicable understanding. In connection with the right of appeal the assessee distinctly stands to gain and would be placed in the same position as the income-tax authorities themselves in negotiating for a compromise. I do not think there is any force in the statement that if this Resolution were accepted the parties would be compelled to have recourse to civil courts, and would be deprived of their right of going to the higher departmental authorities to have redress. They will not be deprived of such right.

Then we are told by my friend the Honourable Lala Ram Saran Das that the introduction of this tribunal would interfere with secrecy. What is there to prevent them from having recourse to the proper income-tax authorities even if these tribunals are established? The assessees will know that they can go to the income-tax authorities and they will also have the right of appeal to a third party, and this fact will change the angle of vision of these income-tax authorities.

As regards the other portion of the speech of my Honourable friend Mr. Burdon, I would only say that I have absolutely no objection to the claim put forward that Government is not the only party, judge and witness in their own cause but they are something more. I have absolutely no objection to their constituting themselves into a mutual admiration society. That is what they have done. That is a very reasonable thing. I don't think any reasonable person will say anything to that course of mutual admiration.

The reasons which I have given have not been sufficiently met, and with reference to the system of taxation in England, I believe the Honourable Mr. Burdon said that there is the official system in England and practically the same sort of procedure is employed there; but I would say that the surveyor of taxes represents the Crown in all cases of dispute between the Crown and the assessee, so that they have got two parties concerned standing in the same position in the matter in income-tax cases. I want the same principle to be introduced here in some other form, in a form that is more suitable to this country.

I also noticed from his speech that he made a reference to the official tribunal in America in addition to the Civil tribunal. I was myself about to dilate on the position in the United States when I was cut short by the Chair. I say if there is any such bias in favour of the official tribunals, there is no harm done to those people who are for the official tribunal, because they will have them in addition to Civil Courts. You are not going to abolish these offices of Assistant Commissioner and Commissioner of Income-tax, and the people will always have an opportunity of going to them and representing their grievances without going to the civil courts.

With these words I submit that the arguments in principle and the arguments advanced as regards the actual working as is found in India stand good, and I believe that no person who is entrusted with the proper administration of the income-tax would demur to the Resolution which I commend to the acceptance of the House. I therefore hope that this Council with one voice will support the Resolution which all people possessed of a sense of justice should support.

Sir, I press my motion.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, may I rise to a point of explanation? After the Honourable Member has just replied I do not of course wish to make a speech.

1 P.M. The Honourable the Finance Secretary quoted me as speaking

[Sir Arthur Froom]

in unqualified praise of the present Senior member of the Central Board of Revenue. What I said was "we *may* have great faith in the present Central Board of Revenue but who knows what it is going to be in years to come." I contend, Sir, my saying we *may* have great faith did not commit me to sayings that I *had* great faith in the present Board. However, Sir, on this occasion might I tell the Honourable the Finance Secretary that I think by accepting this Resolution we might be substituting King Stork for King Log!

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted:

'This Council recommends to the Governor General in Council to introduce legislation to amend the Indian Income-tax Act with a view to the trial of objections to, and appeals against, assessment by tribunals presided over by judicial officers other than the Income-tax authorities'."

The Council divided

AYES—11.

Akbar Khan, The Honourable Major Nawab Mahomed.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Charanjit Singh, The Honourable Sardar.
Chettiyar, The Honourable Sir Annamalai.
Desika Chari, The Honourable Mr. P. C.
Khaparde, The Honourable Mr. G. S.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Nawab Ali Khan, The Honourable Raja.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—19.

Abdul Karim, The Honourable Khan Bahadur Maulvi.
Burdon, The Honourable Mr. E.
Corbett, The Honourable Sir Geoffrey.
Das, The Honourable Mr. S. R.
De, The Honourable Mr. K. C.
Froom, The Honourable Sir Arthur.
Godfrey, The Honourable Sir George.
Gray, The Honourable Mr. W. A.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Hatch, The Honourable Mr. G. W.
Latifi, The Honourable Mr. A.
Manmohandas Ramji, The Honourable Sir.
McWatters, The Honourable Mr. A. C.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Suhrawardy, The Honourable Mr. M.
Vernon, The Honourable Mr. H. A. B.
Weston, The Honourable Mr. D.

The motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, the House will meet to-morrow to enable the Bills, if any, passed by the Legislative Assembly to-day to be laid on the table. The Honourable Mr. McWatters will also move a Resolution recommending that the Council should not ratify the Draft Convention nor accept the Recommendations adopted by the Tenth International Labour Conference. There will be no meeting on Wednesday, the 21st. Thereafter the Council will meet on Thursday, the 22nd, for disposal of Government business.

The Council then adjourned till Eleven of the Clock on Tuesday, the 20th March, 1928.

COUNCIL OF STATE.

Tuesday, 20th March, 1928.

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

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax: and of a Bill further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor General in Council the control of matters covered by that Act, which Bills were passed by the Legislative Assembly at its meeting held on the 19th March, 1928.

RESOLUTION *RE* NON-RATIFICATION OF THE DRAFT CONVENTIONS AND NON-ACCEPTANCE OF THE RECOMMENDATION ADOPTED BY THE TENTH INTERNATIONAL LABOUR CONFERENCE ON THE SUBJECT OF SICKNESS INSURANCE.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I beg to move the Resolution which stands in my name and which reads as follows:

"This Council having considered the Draft Conventions and Recommendation adopted by the Tenth International Labour Conference, recommends to the Governor General in Council that he should not ratify the Draft Conventions nor accept the Recommendation."

Members of this Council will be aware from the special Bulletin which was circulated to all Members several months ago that at the Tenth International Labour Conference which was held at Geneva in May and June of last year two Conventions and a Recommendation were adopted dealing with the subject of sickness insurance. The two Conventions dealt with sickness insurance as applied firstly to workers in industry and commerce and domestic servants, and, secondly, to agricultural workers. The object of having two Conventions, both couched in identical terms but applying to different classes of workers, was no doubt that countries which might be able to adopt one Convention but might find difficulty in adopting the other, should be able to ratify at least one of them, because obviously the Convention relating to agricultural workers does present greater difficulties in some respects than the Convention which relates to workers in industry. Before dealing with the Conventions in more detail I should like to make clear two points,—first, that the Government of

[Mr. A. C. McWatters.]

India, although my Resolution is couched in negative terms, are by no means opposed to the principle and ideals which underlie these Conventions. In fact, it would be impossible for any one to disagree with those ideals since the creation and maintenance of a healthy and contented labour force is not merely in humanitarian interests but is in the obvious interests of industry and of agriculture itself, and indeed is a matter of national importance. Secondly, I should like to make it clear that although I am recommending to the House not to ratify these Conventions, the Government of India do propose to take action upon them as I will explain later on.

Turning now to the Conventions themselves, as I said, they are both in identical terms applying to different classes of workers. The first Article of both the Conventions reads as follows:

"That each Member of the International Labour Organisation which ratifies this Convention undertakes to set up a system of compulsory sickness insurance which will be based on provisions at least equivalent to those contained in this Convention."

The House will notice that the Conventions are compulsory. It is not left to the option of any Government to apply them to particular classes of workers. It is compulsory for any Government that ratifies these Conventions to apply them universally to all the classes to whom the Conventions apply. During the debate at Geneva an effort was made by some Governments which had already very successful schemes of voluntary sickness insurance in operation to get the Conventions made less rigid so as to allow for compulsory or voluntary systems to be adopted. Denmark, I think, pressed specially for that, but the majority were against it and a system of compulsory sickness insurance is therefore included in the Conventions which were adopted at the Conference. There are certain exceptions which are allowed, dealing, for instance, with temporary employment, and workers who are not paid a money wage, and a few other limited exceptions of that kind. The Conventions provide for a cash benefit for any one who falls sick for at least the first 26 weeks of incapacity. They provide also for medical treatment by fully qualified medical men. The next point is this, that the Conventions provide that insured persons and their employers shall share in providing the financial resources of the sickness insurance system; in other words, the funds from which this sickness insurance is to be provided are to be contributed partly by the workers and partly by the employers. That is compulsory. It is optional to the Governments of the ratifying States to make some contribution, if they so desire, from Government funds. The contribution by the State is optional, but the subscriptions by the employed and by the employers are compulsory. Further, the Conventions provide that sickness insurance shall be administered by self-governing institutions although in certain cases where the employees are not sufficiently organised to administer these institutions provision is made that the State may undertake it direct. That in brief is the substance of the two Conventions. Those are really the operative clauses which I have explained to the House. The Recommendation is a corollary to the two Conventions. It explains in more detail the principles under which this system of compulsory sickness insurance is to be administered. It gives more details regarding the method of cash benefits and hospital and special treatment and so on which must be provided under these Conventions. It is a corollary to the Conventions and explains the system on which the States should administer them.

As I have explained, the Government of India are by no means opposed—they could not be opposed—to the principles which underlie these Conventions. Our difficulties are due to purely practical considerations. It is that in

India it would, we think, be exceedingly difficult, to carry out the terms of the Conventions couched as they are. The first difficulty is that agricultural labour in India is often migratory in its nature and also of a casual character. I think that any one who has experience of agricultural labour in India will realise that that is so, that agricultural labourers move about from one village to another, from one part of the country to another, and even where they are working in the same village they do not necessarily work from day to day under the same employer. Another and even greater difficulty is the absence throughout the districts of qualified medical men. The agricultural labourer in India has and understands his own systems of medicine, but so far there are few qualified medical men, such as are required under the Convention, scattered throughout the country, and it would be practically impossible in agricultural areas for the medical benefits which this Convention requires to be given at present. I think it is further for consideration whether, if it were possible to introduce a system of this kind and if the State were willing to contribute towards it, the money could not be more suitably expended in developing medical facilities for the population as a whole rather than in the interests of particular classes of it, namely, the agricultural labourers and industrial workers. The Local Governments on whom, of course, would fall the greatest amount of expense in connection with the scheme might posssibly consider that any funds they had available for improving medical facilities could be better employed than in a scheme of this kind. Finally, I think the greatest difficulty of all is the compulsory provision that part at least of the benefits must be provided by contributions levied from the workers themselves. I think every one will recognise that in India at present it would be exceedingly difficult to do this, that it would not probably be understood by the workers, that a deduction from their pay might be strongly resented by them. These, then, are the *prima facie* difficulties with which we are confronted in any attempt to introduce at once a scheme of this kind in India. Most of these difficulties apply both to agricultural and to industrial workers, though not perhaps in the same degree. It is for this reason that the Government delegates at the Conference adopted the attitude which they did. They first of all pressed that instead of a Convention a Recommendation only should be adopted, because it is not permissible for Governments which ratify Conventions to ratify them with any qualifications, with any reservations. It is part of the rules and principles by which the League of Nations is governed, that ratifications must be absolute and without qualification. If only a Recommendation had been adopted it might have been possible for Government to apply it partially so far as it is applicable to the country, but taking the form it does of a compulsory Convention, the Government delegates quite rightly refrained from voting on the final Convention when it came up for adoption.

I should now like to say what Government propose to do. Assuming that these Conventions are not ratified we do propose to address the Local Governments on the subject. In India, and I think in most eastern countries, this subject of sickness insurance is practically a new one. We have not had time to consider the matter in consultation with the Local Governments in all its bearings, and they are obviously most directly interested. The action which we propose to take therefore is to write to them and to enquire whether in their opinion any system of sickness insurance either on the lines of these Conventions or on other practicable lines can be introduced in this country. I may add before I sit down that the line of action which we are proposing was placed before the Standing Advisory Committee of the Department, and the action which we propose to take is in accordance with their recommendations.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council having considered the Draft Conventions and Recommendation adopted by the Tenth International Labour Conference, recommends to the Governor General in Council that he should not ratify the Draft Conventions nor accept the Recommendation."

The question is that the Resolution be adopted.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: Friday, Saturday and Sunday in this week are holidays and therefore the earliest day on which the two Bills, the Indian Finance Bill and the Indian Merchant Shipping (Amendment) Bill, which have been laid on the table this morning, can come before the Council for consideration will be Monday next, if the full three days' notice required by Rule 27 is insisted upon by the Chair. I have no doubt I am justified in assuming that I shall be meeting the convenience of all Honourable Members of this House if I direct, in exercise of the powers conferred upon me by Rule 27, that the motions for the consideration of these two Bills be put down for Thursday, the 22nd March. That is, assuming that the Honourable Members in charge of those two Bills give notice at once, I shall be shortening the three days' notice by one day only; but I am quite prepared to listen to anything that any Honourable Member may have to say on the subject as to when these Bills should be taken up in this House.

(No Honourable Member stood up.)

Let it be Thursday next.

The Council then adjourned till Eleven of the Clock on Thursday, the 22nd March, 1928.

COUNCIL OF STATE.

Thursday, 22nd March, 1928.

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

MEMBER SWORN.

The Honourable Mr. Thomas Everard Tichborne Upton (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

THE SHIKOHABAD-ETAH-KASGANJ RAILWAY.

144. THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN : (*a*) Will the Government be pleased to state if it is a fact that the Shikohabad-Etah-Kasganj Railway scheme is being kept in abeyance ?

(*b*) If so, will the Government be pleased to state the reasons therefor, and also when they propose to take it up ?

THE HONOURABLE SIR GEOFFREY CORBETT : (*a*) No.

(*b*) The report and estimates of the project are under preparation and will be examined as soon as they are received.

PROVISION OF INTERMEDIATE CLASS ACCOMMODATION ON THE PUNJAB MAIL OF THE GREAT INDIAN PENINSULA RAILWAY.

145. THE HONOURABLE MUNSHI NARAYAN PRASAD ASHTHANA : Have Government considered the advisability of providing intermediate class accommodation on the Punjab Mail of the Great Indian Peninsula Railway ?

PROVISION OF INTERMEDIATE CLASS ACCOMMODATION ON ALL TRAINS ON THE GREAT INDIAN PENINSULA RAILWAY.

146. THE HONOURABLE MUNSHI NARAYAN PRASAD ASHTHANA : (*a*) Are Government prepared to direct that intermediate class accommodation be provided in all trains on the Great Indian Peninsula Railway ?

(*b*) If the answer to (*a*) is in the negative, is it intended to run another (additional) express train on the said Railway for intermediate and third class passengers ? If so, when ?

THE HONOURABLE SIR GEOFFREY CORBETT : With your permission, Sir, I propose to answer questions Nos. 145 and 146 together.

Government will bring the Honourable Member's questions to the notice of the Agent of the Great Indian Peninsula Railway, but must leave it to him to decide whether any action is necessary. They understand that a proposal to run another express train between Bombay and Delhi is already under consideration.

APPLICATION OF THE PROVISIONS OF THE INDIAN BAR COUNCILS ACT TO THE ALLAHABAD HIGH COURT.

147. THE HONOURABLE MUNSHI NARAYAN PRASAD ASHTHANA: When is it intended by the Government to apply the provisions of the Indian Bar Councils Act to the Allahabad High Court?

THE HONOURABLE MR. H. G. HAIG: The Act, in virtue of sub-section (*2*) of section 1 already applies to the Allahabad High Court. It is proposed to bring into force on the 1st June 1928 the provisions of the Act not yet in operation in respect of that Court, *vide* section 1 (*3*).

AMENDMENT OF THE RULES CONTAINED IN THE FIRST SCHEDULE TO THE CODE OF CIVIL PROCEDURE.

148. THE HONOURABLE MUNSHI NARAYAN PRASAD ASHTHANA: (*a*) Is the Government aware that there is a feeling of discontent in the litigating public on the extensive powers given to the High Courts to alter the rules contained in Schedule I of the Civil Procedure Code?

(*b*) Have Government considered the advisability of amending the provisions of the Civil Procedure Code so as to restrict this power by providing that all such rules when altered should receive the assent of the local Legislature?

THE HONOURABLE MR. H. G. HAIG: (*a*) The Government are not aware of any such feeling of discontent.

(*b*) No.

STATEMENT LAID ON THE TABLE.

COMMERCIAL TREATIES AFFECTING INDIA.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I lay on the table a list of further commercial treaties which affect India.

Country.	Nature of agreement.	Description.	Date.
Hungary . .	Treaty . . .	Commerce and Navigation.	July 23, 1926.
Spain . . .	Convention . .	Ditto .	April 5, 1927.

These treaties provide for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity. This does not, however, include special commercial privileges granted by Spain to Portugal and the Spanish Zone of Morocco.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table copies of a Bill to provide for the

modification of certain import duties relating to the protection of the steel industry in British India and of a Bill further to amend the Indian Tariff Act, 1894, for certain purposes, which Bills were passed by the Legislative Assembly at its meeting held on the 21st of March 1928.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, a message has been received from the Legislative Assembly. The message runs as follows:

"I am directed to inform you that the Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes and the Bill further to amend the Auxiliary Force Act, 1920, for certain purposes, which were passed by the Council of State at their meeting of the 9th February, 1928, were passed by the Legislative Assembly at their meeting on the 21st of March 1928, with the amendments indicated in the attached statements. The Legislative Assembly request the concurrence of the Council of State in the amendments. The amendments made by the Legislative Assembly in the Bills are as follows:—

The Indian Territorial Force (Amendment) Bill:

1. In sub-clause (*2*) of clause 1, after the words "on such date" the words and figures "not later than the 1st day of January 1929" were inserted.

2. After clause 1 the following new clause was inserted and the subsequent clauses were re-numbered accordingly:—

"2. (*1*) In the long title of the Indian Territorial Force Act, 1920 (hereinafter referred to as the said Act), the words 'and to provide for the enrolment therein of persons other than European British subjects' shall be omitted.

Amendment of long title and preamble to Act XLVIII of 1920.

(*2*) In the preamble to the said Act, the words 'and for the enrolment therein of persons other than European British subjects who may offer themselves therefor' shall be omitted."

3. In clause 2 for the words, figures and brackets "Indian Territorial Force Act, 1920 (hereinafter referred to as the said Act)" the words "said Act" were substituted.

4. For clause 9 of the Bill the following clause was substituted, namely:—

"9. In sub-section (*2*) of section 9 of the said Act,—

(*a*) after the word 'enrolled' the words 'who has attained the age of eighteen years' shall be inserted; and

(*b*) the following proviso shall be added, namely:—

'Provided that nothing in this sub-section shall apply to persons enrolled in a University Corps'."

5. In clause 13 of the Bill after sub-section (*1*) of the proposed section 12 the following sub-section was inserted, namely:—

"(*2*) The Governor General in Council shall constitute a Central Advisory Committee to advise him on matters connected with the Indian Territorial Force generally"; and sub-section (*2*) was re-numbered as (*3*).

The Auxiliary Force (Amendment) Bill:

In sub-clause (*2*) of clause 1, after the words "on such date" the words and figures "not later than the 1st day of January, 1929" were inserted.

In clause 2 for the words, letter and brackets "clause (*b*) shall be omitted" the following was substituted, namely:—

(*a*) clause (*b*) shall be omitted;

(*b*) in clause (*c*) the word "or" shall be omitted, and the clause shall be re-lettered as clause (*b*); and

(*c*) clause (*d*) shall be omitted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, to-morrow and Saturday are holidays on account

[Sir Muhammad Habibullah.]

of the Id-ul-Fitr, and I understand that a considerable number of Honourable Members may be absent from Delhi on those two days. In many cases it may be difficult or impossible for them to return for a later meeting of the Council. I suggest for your consideration, Sir, that any business taken up after the holidays would be before a comparatively sparsely-attended meeting, composed in the main of official and nominated Members of this Council; and that, if you could see your way to directing under Rule 27 and consenting under Rule 34 to setting down the remainder of Government business for to-day, not only should we have the advantage of placing it before a more representative attendance, but also such an arrangement might make for the greater convenience of Honourable Members.

The list of business for to-day already comprises the final stages of two Bills—the Finance Bill and the Indian Merchant Shipping (Amendment) Bill. Four more Bills have been laid before the Council to-day. Of these, two—the Indian Territorial Force (Amendment) Bill and the Auxiliary Force (Amendment) Bill—were initiated in this Council, and it may be assumed that Honourable Members are fully conversant with their subject-matter. The remaining two Bills are the Indian Tariff (Amendment) Bill and the Bill for protection of the steel industry. I understand that every effort has been made to place all these Bills in the hands of Honourable Members as soon as possible after their being passed by the Legislative Assembly.

If the Chittagong Port (Amendment) Bill is not amended by the Legislative Assembly, it need not be taken here. Otherwise a later date would have to be fixed for this item.

If this programme could not be disposed of to-day, it would, of course, be necessary to meet again next week: but if, as I hope, it be finished, I think I am correct in saying that it would be very much for the convenience of Honourable Members.

THE HONOURABLE THE PRESIDENT: I should prefer before I give any direction under Rule 27 or Rule 34 to hear something definite from some Honourable Members of the House as to what their wishes in the matter are.

THE HONOURABLE RAJA NAWAB ALI KHAN (United Provinces: Nominated Non-Official): Sir, it will be very convenient if all these Bills are taken up to-day because most of the Members want to leave Delhi to-morrow for their homes for the *Id-ul-Fitr*. So, I suggest that if there is no objection, these Bills had better be taken up to-day.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): On a point of information, Sir, I want to know whether it is open to us to move any other amendments to the Territorial Force and Auxiliary Force Bills which were not moved before?

THE HONOURABLE THE PRESIDENT: I will give the Honourable Member the rule which covers that point. The rule which applies in this case is Rule 35 (2) which runs as follows:

"Further amendments relevant to the subject-matter of the amendments made by the other Chamber may be moved, but no further amendment shall be moved to the Bill, unless it is consequential upon, or an alternative to, an amendment made by the other Chamber."

I take it that the House generally approves the suggestion made by the Honourable the Leader of the House that it should proceed with this business to-day. (*Honourable Members* "Yes".) The Bills, therefore, which have been laid on the table to-day will come up later after the business of the day which is already on the paper has been finished.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I move that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, as passed by the Legislative Assembly, be taken into consideration. The Bill has been passed by the Legislative Assembly in the form in which it was introduced by Government, and as the Council is aware, it contains no proposals for new taxation. It merely provides for the continuance of the rates of salt duty, postage, income-tax, and super-tax prescribed by the Finance Act of 1927, that is to say, for the continuance of rates of taxation which were passed by this Council last year; and it provides also for the credit to revenue for a further period of one year, that is to say, till the 31st March 1929, of interest on securities forming part of the Paper Currency Reserve—an arrangement which this Council has also accepted on previous occasions. On the other side of the Budget, the expenditure side, the Legislative Assembly have voted the whole of the votable supply demanded by Government with the exception of certain items aggregating some 23⅓ lakhs—a relatively small sum in the purely financial sense—and the four main Demands refused have been restored by the Governor General in Council as being essential to the discharge of his responsibilities. The net result at this stage is therefore that the Budget dispositions for next year remained as presented to this Council by me on the 29th February last; in other words, the whole of the ways and means which the Finance Bill is designed to secure will be required for the purpose of balancing the Budget after providing for the final remission of the provincial contributions. The leading feature of the Budget for 1928-29, the extinction of the unremitted balance of the provincial contributions unaccompanied by any increase of taxation—taxation has in fact been decreased to some extent in the recent past—has, I know, the approval of the great majority of this Council. There are a number of amendments on the paper which, if carried, would seriously disturb the simple and, I submit, satisfactory situation which I have the privilege of placing before the House for their acceptance; but I will not at this point anticipate the issues which the amendments raise, and will deal with them when they are brought forward.

Sir, I move.

THE HONOURABLE SETH GOVIND DAS (Central Provinces: General): Sir, at this early stage of the debate I intervene only to clear the position of my Party. We Congress men are not opposing the consideration of the Bill, not because we are going to vote for the Bill, but because we want to see how far the Government is ready to honour the public wish and how far the Government is ready to accept our amendments. Let not the Honourable the Finance Member say, as he did in the other place, that because we did not oppose the Bill at its first reading and because we moved certain amendments and supported certain amendments, we cannot logically oppose the passing of the Bill at the third reading. There are, Sir, two distinct points involved in the discussion of this Bill. The first is the broader political question of Swaraj and the national grievances, and the other is reduction of taxation. As far as the first point is concerned, we Congress men cannot vote for this Bill so long as India is governed by the present constitution. And, Sir, I, on behalf of my Party, reserve my right to oppose the Bill at its third reading. As far as the other point is concerned, the reduction of taxation, there are certain amendments on the agenda and those amendments we shall move and we shall support. Of course, so far as the passing of those amendments is

[Seth Govind Das.]

concerned, we have not a shadow of doubt in our minds that this Council is going to reject them. Yet, Sir, this should not prevent us from doing our duty.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 2 do stand part of the Bill".

THE HONOURABLE SETH GOVIND DAS: Sir, I move my amendment to this clause, which reads thus:

"That in clause 2 for the words 'one rupee and four annas' the words 'eight annas' be substituted".

Sir, I do not want to make any speech on this amendment because it is not once, not twice, but times without number that this amendment has been moved here as well as in the other place. And whenever it has been moved a full discussion of the subject has taken place. The only ground on which the Government oppose this amendment is the financial ground. As far as that ground is concerned, I have more than once pointed out that for this extravagant Government, it is not impossible to meet the wishes of the people to this extent. I am sure that if they really want to redress the grievances of the poor and to give them certain relief, they can very well do away with their financial bogey.

Sir, I move my amendment.

THE HONOURABLE MR. E. BURDON: Sir, the merits and the demerits of the salt tax have been exhaustively discussed in this Council and elsewhere on very many occasions, and I will follow the excellent example of the Honourable Mover in not traversing once more the objections and the arguments which have been urged to the salt tax itself and to any particular scale of salt tax. My Honourable friend's main position is that he wishes to have the salt tax reduced for the benefit of the poor man. Now, Sir, the incidence of the existing salt duty has been calculated at 3 annas per head of the population per annum, and if the duty were lowered to 8 annas and if the reduction reached the consumer in full—a very large assumption, particularly in the first year of the reduced duty—the benefit to the individual consumer would be less than 2 annas a head. Now, Sir, I put it to the Council, will this minute pecuniary gain confer upon the poorer classes of the population a benefit as great or as truly beneficial as the judicious expenditure by the Provincial Governments of the resources set free by the remission of the provincial contributions? I think there can only be one answer to that question. I am confident myself that the Honourable Mover is not promoting the best interests of the poorer classes in suggesting this reduction of the salt tax, when, as a matter of practical politics, it could only be effected as an alternative to the remission of the provincial contributions. The reduction of the salt duty proposed by the Honourable Mover would involve a loss of revenue of, roughly, 4 crores in a full year and of, roughly, 2½ crores in the first year of the reduced duty, allowance being made for the operation of the system of credit sales. Now, Sir, I would take another point bearing upon this question of the loss of resources to the extent I have

just mentioned. I agree that it is a question of the utmost importance that we should consult the interests of the poor classes, but it is a question on which there is room for some considerable difference of opinion as to what are the true interests of the poorer classes, and particularly the poor agricultural classes, who at all times deserve our special consideration. As the Council is aware, the Royal Commission on Agriculture is now completing its labours, and in due course we shall receive their report from which we all hope there will proceed measures which will benefit that great body of the population of India, the poor agriculturists. But we shall probably find that it will cost money to put into force any recommendations of the Committee which may be accepted. We have to think of liabilities of this kind, and not merely of present liabilities, when we are contemplating the possibility of losing a considerable amount of revenue. And if the revenue were to be reduced, as proposed by the Honourable Mover, how would the Government be able to meet the new liabilities the possibility of which I have suggested ? Again, what would those who know the true interests of the poor zemindar think better for him, that he should save 2 annas a year on the salt tax or that money should be available, money which in a very small proportion he finds himself, to finance measures of the Government the fruits of which return to him and to his class ?

Sir, I oppose the amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 2 do stand part of the Bill";

Since which an amendment has been moved:

"That in clause 2 for the words 'one rupee and four annas' the words 'eight annas' be substituted."

The question is that that amendment be made.

The motion was negatived.

Clause 2 was added to the Bill.

Clauses 3, 4 and 5 were added to the Bill.

THE HONOURABLE THE PRESIDENT: The question is:

"That Schedule I do stand part of the Bill".

THE HONOURABLE SETH GOVIND DAS: Sir, I move this amendment also without any speech. My amendment is:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head 'Postcards' the following be substituted:

'Single	Quarter of an anna.
Reply	Half an anna'."

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I beg to support the amendment moved by my Honourable friend Seth Govind Das. As will appear from the detailed Statements in support of Demands for Grants relating to Posts and Telegraphs both for the revised estimate for the year 1927-28 and the budget estimate for the year 1928-29, the Postal Department shows a net profit of Rs. 15,97,000 and Rs. 7,56,000, respectively, whereas the Telegraph Department shows a loss of Rs. 19,89,000 in the year 1927-28 and Rs. 11,33,000 in the year 1928-29.

[Mr. Kumar Sankar Ray Chaudhury.]

Thus the Postal Department has to make up to a great extent the loss incurred every year in the Telegraph Department. I fail to understand why a certain class of people who use the Post Office for their means of communication should bear the burden of the cost of communication by Telegraph availed of by another class of people especially when the class who resort to the Post Offices are the poorer classes of the people, while those who avail themselves of the Telegraph system are the richer ones. That the burden thus imposed upon the poorer classes is improper and unduly severe is borne out by the fact that while the net receipt from Post Offices last year was Rs. 19,55,000 it is this year expected to be only Rs. 11,28,000, whereas the net receipt from Telegraphs last year was Rs. 23,09,000 it is this year expected to be Rs. 35,69,000. This shows that the richer classes of people are enjoying the benefits derived out of the poorer classes and can afford to avail themselves of the telegraph service more and more at the cost of the poorer people. Sir, it is not for me to suggest how the Government is to meet the deficit in the Telegraph Department, but I submit that it is not at all fair that the poorer classes, the dumb millions of India, for whom the Government protest their love and sympathy in season and out of season, should be made to suffer, to make up for the deficit of other departments which are run on an extravagant scale. That this is so has been to some extent admitted by the Honourable the Finance Member in his budget speech when he says that the loss in the Postal and Telegraph Departments

"has been brought about mainly by the fact that an additional sum of Rs. 8 lakhs has to be provided to enable the book value of a large volume of surplus obsolete and over-valued stores to be written down to their current values."

The fact that there has been a large volume of surplus and obsolete stores is a clear indication of the reckless and extravagant fashion in which stores are purchased, and the fact that they have been overvalued shows how attempts are made by the department to cover up their latches. Although the Telegraph department is a losing concern, it is managed more largely by Europeans and Anglo-Indians and this adds to the cost of its administration so that the working expenses under the head "Direction" for this department is Rs. 6,91,000, while that of the Postal Department is Rs. 5,80,000.

Before I close, Sir, I submit that no details about the Inter-Branch adjustments have been furnished to us in the detailed Statements about the Posts and Telegraphs, and we are therefore not in a position to judge whether further sums chargeable to the Telegraph Department properly are not made a charge upon the Postal Department.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I rise to oppose this amendment. The Honourable Member was commendably brief and I will endeavour to follow his example. The implications of the motion are however of such importance that it is necessary for me to point them out very briefly. I should like to say in the first place that the financial loss through giving effect to this amendment would be one of 86 lakhs of rupees. That is a purely mathematical calculation if the lower postcard rate were introduced; but that is not quite the end of the story, because with the postcard rate at a quarter of an anna and the letter rate at one anna, you would have too large a gap between the two rates, and the actual loss would be considerably more than 86 lakhs. You can safely put the loss due to the acceptance of this motion as a crore of rupees; and a further point arises. We might assume that, if this lower postcard rate were introduced, there would be an increase in the number of postcards used. I would point out to the Mover of this motion that if that were so, it would merely

increase the loss to the department, because with the postcard rate at quarter of an anna we should be carrying postcards at a loss, and therefore the increase in the volume of traffic, instead of adding to our revenues, would increase our deficit. I oppose this motion therefore on purely financial grounds. I oppose it also very strongly on behalf of the Post and Telegraph Department which I represent in this House. The Post and Telegraph Department is not intended to be either a burden on the tax-payer nor intended to subsidise the tax-payer. It is intended to run neither at a profit nor at a loss, and the budget figures of this year will show that the department as a whole is expected to be running at the very small profit of Rs. 23,000 only. The Honourable Mr. Kumar Sankar Ray Chaudhury mentioned the different branches of the department and brought the usual charge against the Postal Department, that it was subsidising the Telegraph Department. The actual profit expected in the Postal Department is a sum of 7 lakhs, and it is obvious that a sum of 7 lakhs, even if that were available for reduction of postal rates, would not go far to meet the loss of a crore. Again, the expected deficit on the telegraph side of 11 lakhs is very largely due to the inclusion in the telegraph accounts of the working of radios, and if these were excluded, I think it would be found that the telegraph branch also was not working either at very much loss or profit. On the telephone side there is a small profit of 4 lakhs, but we have to take the department as a whole, and it is important I think to remember that we have been able in the course of the last three years, while making the department just self-supporting, to improve the conditions of service and pay of the very large number of subordinate staff in that department to the extent of about forty lakhs of rupees. These improvements in pay have been going on steadily for some time, and we have now practically reached the end of them, and we have I think rightly considered that our first obligation with regard to any surplus which the department earns is to set right any legitimate grievances which the staff of the department may have. That, I maintain, was our first duty, and this, I may say, was accepted unanimously by the Standing Finance Committee when I placed the case before them a month or two ago. There are several points raised by the Honourable Mr. Kumar Sankar Ray Chaudhury and I do not propose to go into them in great detail. They were charges of extravagance and so on, but I think I can assure him that if he will consider the total number of the staff, consider the proportion of those who are highly paid, if he will consider the various administrative changes and reforms introduced in recent years, he will find out that the department as a whole is not being extravagantly run.

But my main objection to this amendment is its very serious financial implications. It proposes to take away a crore of the revenues of Government, and the Honourable Member who moved it somewhat lightly suggested no constructive suggestion in its place as to how that money was to be found. I think that this year in particular he could have chosen no more inappropriate time to move this particular motion—a year in which we are hoping to get rid finally of the provincial contributions. We have here a constructive programme which has been worked out over a period of five years, a programme envisaged by the Honourable Sir Basil Blackett as soon as he came to this country, and carried out steadfastly over a period of five years, and he has now brought it to a successful conclusion at the end of his memorable career of office. I think, therefore, that this is the very worst year in which the Honourable Member could have chosen to bring forward this motion, which I oppose.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-Official): Sir, I hope my Honourable friend who has moved this amendment will not press it. If anybody will be benefited directly, it will be myself as

[Mr. G. A. Natesan.]

a humble business man and I shall certainly add to my income by at least Rs. 1,000 a year. Business men have now to spend more than double and I would welcome the pice postcard as I and other business men could make use of it very largely. But I honestly think it will not benefit the class of people whom my Honourable friend has in mind. It will benefit the small business men, like myself, big business men and other merchants who will be largely sending their articles by V. P. P. and who constantly have to be sending V. P. P. advices by means of the postcard ; they will benefit very largely. If my Honourable friend is interested in the poor—and I am sure he is—then I hope he will not press it.

There is one more point which I wish to point out and it is this. It was only the other day that I heard in the other place that as many as a thousand post offices are going to be added, and considering that it is really a disgrace that there are many places in India where there is no post office, I think this motion should not be pressed. If I go to my village, I have to wait for the post-man a considerable time or send one of my servants to go to the post office to get a postcard. The postmen now are delivering letters to 3 or 4 villages at a time and if the villager is not intelligent enough to know his rights, he very often gets his letter every alternate day. That is a state of things which we all should try to remove. And all the available funds should be spent in that direction. The amendment is opposed to practical politics, and I therefore fear that I cannot support it. I thought it best that I and others who are equally interested in relieving the poor should state our position and that I should not give a silent vote. I am sure the amendment will not benefit the class of people whom he has in view. It will benefit me and even at some self-sacrifice, I am voting against it.

THE HONOURABLE THE PRESIDENT : The original question was :

" That Schedule I do stand part of the Bill";

Since which an amendment has been moved :

" That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head ' Postcards ' the following be substituted :—

' Single	Quarter of an anna.
Reply	Half an anna '."

The question is that that amendment be made.

As many as are of that opinion will say " Aye ". (*Some Honourable Members* : " Aye ".) Those who are of the contrary opinion will say " No " (*Some Honourable Members* : " No ".) I think the Noes have it. (*The Honourable Seth Govind Das* : " Ayes ".)

The Council divided :

AYES—9.

Desika Chari, The Honourable Mr. P. C.
Govind Das, The Honourable Seth.
Mukherjee, The Honourable Srijut Lokenath.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Sankaran Nair, The Honourable Sir.
Sinha, The Honourable Mr. Anugraha Narayan.
Suhrawardy, The Honourable Mr. M.

NOES—28.

Akbar Khan, The Honourable Major Nawab Mahomed.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Chettiyar, The Honourable Sir Annamalai.
Commander in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
De, The Honourable Mr. K. C.
Froom, The Honourable Sir Arthur.
Godfrey, The Honourable Sir George.
Gray, The Honourable Mr. W. A.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Khaparde, The Honourable Mr. G. S.
Latifi, The Honourable Mr. A.
Manmohandas Ramji, The Honourable Sir.
McWatters, The Honourable Mr. A. C.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Misra, The Honourable Rai Bahadur Pandit Shyam Bihari.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Natesan, The Honourable Mr. G. A.
Nawab Ali Khan, The Honourable Raja.
Singh, The Honourable Raja Sir Harnam.
Stow, The Honourable Mr. A. M.
Symons, The Honourable Major-General T. H.
Upton, The Honourable Mr. T. E. T.
Vernon, The Honourable Mr. H. A. B.
Weston, The Honourable Mr. D.

The amendment was negatived.

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

" That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head ' Parcels ' the following be substituted :

' For a weight not exceeding twenty-five tolas . .	Two annas.
For a weight exceeding twenty-five tolas and not exceeding fifty tolas	Four annas.
For every fifty tolas, or fraction thereof, exceeding fifty tolas	Four annas '."

My proposal, Sir, is a very modest one and I consider that in years which show a surplus some reduction in postal rates ought to be made. I have not asked for a remission of taxation which will involve a heavy sum. In fact, I do not think it will materially affect the Budget as the difference could easily be made up from the contingent account. Therefore, I move my amendment, Sir, for the favourable consideration of the House.

THE HONOURABLE MR. A. C. MCWATTERS : Sir, I regret that I must oppose this amendment. This amendment differs from the one which the House recently rejected in two important respects. In the first place, it is a novel amendment which has not been discussed year after year, and in the second place, it is an amendment which does not involve very large financial implications. We have endeavoured during the space of two days that we have had at our disposal to try and estimate what the effect of this amendment would be assuming that the maximum rates are in force. We have not been able to arrive at a very close calculation, but it will probably involve a loss of a few lakhs of rupees. What I expected however to learn from my Honourable friend was his real object in proposing this amendment. What class of persons he was expecting to benefit, and so on, because this amendment introduces important variations in the parcel rates and it is important to be clear as to what you are altering in a complicated Schedule like the parcel rates in order to see where the alterations in taxation are going to fall. We ourselves have not had time to consider the full implications of the Honourable Member's proposal in the short space of two days. As I said, it is entirely a new proposal.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I want to benefit the trade mostly.

THE HONOURABLE MR. A. C. McWATTERS: So, it is not for the benefit of the poor but for the benefit of the business men who send heavy parcels. Unless, therefore, we find out what the effect of this amendment would be, I am not, on behalf of the Postal Department, prepared to agree at such short notice to a change in complicated rates like the parcel rates which requires much more careful examination than we have been able to give. Therefore, I am afraid I must oppose this amendment.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Leave it open.

THE HONOURABLE THE PRESIDENT: The original question was:

"That Schedule I do stand part of the Bill",

Since which the following amendment has been moved:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head 'Parcels' the following be substituted:

'For a weight not exceeding twenty-five tolas . .	Two annas.
For a weight exceeding twenty-five tolas and not exceeding fifty tolas	Four annas.
For every fifty tolas, or fraction thereof, exceeding fifty tolas	Four annas'."

The amendment was negatived.

THE HONOURABLE THE PRESIDENT: The question then is:

"That Schedule I do stand part of the Bill".

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That Schedule II do stand part of the Bill".

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move the amendment which stands in my name and which runs as follows:

"That in clause A of Part I of Schedule II to the Bill the words 'Hindu undivided family, unregistered firm and other association of individuals not being a registered firm' be omitted."

THE HONOURABLE MR. E. BURDON: I rise on a point of order, Sir. It appears to me that amendments Nos. 4 and 6 which are in the name of Mr. Kumar Sankar Ray Chaudhury stand or fall together, and I would like to suggest that it would be for the convenience of the House if they were discussed together.

THE HONOURABLE THE PRESIDENT: The amendments, as I understand them, are certainly complementary to one another, and it would be better if the Honourable Member dealt with them in one speech after moving them together.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: With your permission, Sir, I would also move my second amendment which runs thus:

"That in Part I of Schedule II to the Bill clause B be omitted."

Taxes proper have been divided into two classes, *viz.*, taxes of capitation and apportioned taxes. The difficulty in collecting what are called capitation taxes have led to two parallel developments of this form of taxation. In the one case capitation tax has developed into the direct form of an income-tax, in the other it has been replaced in whole or in part by indirect taxes on articles of universal consumption as in the case of the salt tax. Income-tax therefore is a personal tax levied directly upon the people in proportion to their annual income, subject however to a minimum exemption. If this is so, I fail to understand how joint families, and particularly Hindu joint families, unregistered firms and other associations of individuals can be made subject to this form of taxation.

Are they like joint stock companies treated in law as corporate bodies having a personality of their own ? If not, why should they be made subject to this form of taxation ? The individual members who form part of these organisations are as much individuals in the eye of the law as any other individuals. A member of an undivided Hindu Mitakshara family may not claim any definite share in the income of the joint family property so long as it remains joint, but his share is quite definite depending upon the number and relationship of the members who compose the joint family and can be partitioned off at any moment a particular member chooses to have it done. A mere signification of that intention had been held in law to be quite sufficient for that purpose up till lately. His share therefore of the annual income can be easily ascertained. The fact that he can draw upon the family income in excess of his proper share for the maintenance of his family cannot affect the question, as no allowance is made under the income-tax rules for the expenses of family maintenance. I therefore submit that these classes of associations of individuals cannot legitimately be taxed under the principles of the income-tax laws. The position of companies as corporations stands on a different footing, but the income upon which income-tax ought to be levied upon them ought to be that income only which is left with them after paying dividend to the shareholders in the shape of reserve funds and similar amounts. Share capital issued by joint stock companies is in substance loans raised by these corporations for the floatation of the companies. Instead of a fixed rate of interest the company pays as consideration for the loan a certain portion of the yearly profit to the shareholders. If this be so and income-tax is not levied upon companies for the interest they pay on their debenture loans, I fail to understand why they should be made liable to pay income-tax in respect of the dividends they pay to the shareholders. These are however principles upon which joint stock companies and members of undivided Hindu families ought to be assessed and are at present not quite within the scope of the present Bill, but if my amendments are accepted that joint families as such are not liable to a levy of income-tax, consequential amendments of the Income-tax Act may, if necessary, be easily made later on. With these words I commend the amendments that stand in my name for the acceptance of the House.

THE HONOURABLE MR. E. BURDON : Sir, I oppose these combined amendments of my Honourable friend. My first objection to them is that they would have the effect of altering in a radical manner essential features of our whole scheme and system of income-tax taxation as contemplated by the Income-tax Act. I submit, Sir, that even if it is permissible to move as amendments to the Finance Bill, amendments which have such an effect, it is a most inconvenient and unsuitable method of proceeding. In such a relation it is practically impossible for the Council to consider the matter properly or to study with due appreciation all

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[Mr. E. Burdon.]

the implications which such changes in the law would mean. I would venture to suggest, Sir, that on this ground alone the Council should decline to entertain the amendments and should hold that my Honourable friend's proposal, if it is to be pursued at all, should be pursued in another manner, which would give the Legislature proper opportunities for examination. It is obvious, Sir, I think, that if these amendments had been proposed in another and more appropriate connection, the first step which the Legislature would have insisted on would have been that the matter should be referred to a Select Committee of the House for detailed consideration. This being my view I do not propose to go into the demerits of the amendments in very great detail. I could not do so satisfactorily, nor would the House be able, on such exposition as I could give on this occasion, to come to a satisfactory conclusion on such points of detail. I will however touch briefly on the following salient defects in the proposals. In the first place, I must point out that the taxation of the profits of companies at its source at a flat rate is merely a convenient form of taxation machinery. Ultimately the tax is recovered from the shareholders at the rate applicable to the shareholders' personal income. This result is secured....

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Is my Honourable friend replying to my later amendment? I was dealing only with amendment No. 6.

THE HONOURABLE MR. E. BURDON: I am replying, Sir, to amendments Nos. 4 and 6. Amendment No. 8 in my Honourable friend's name deals with super-tax. As I was saying, this result is secured by section 48 (*1*) of the Income-tax Act, which reads as follows:

> "If a shareholder in a company who has received any dividend therefrom satisfies the income-tax officer that the rate of income-tax applicable to the profits or gains of the company at the time of the declaration of such dividend is greater than the rate applicable to his total income of the year in which such dividend was declared, he shall, on production of the certificate received by him under the provisions of section 20, be entitled to a refund on the amount of such dividend (including the amount of tax thereon) calculated at the difference between those rates."

This being the case, to tax companies at graduated rates, which is one of the consequences of my Honourable friend's amendment, would, if Government continued to allow refunds, as necessarily they would have to, confer no benefit upon any one and in addition would be a source of grave inconvenience to the administration and to the tax-payer. The assessee in the end would continue to be taxed at the rate applicable to his personal income because he would continue to receive a refund of the difference between that rate and the graduated rate applied in the first instance to the profits of the companies. The inconvenience to which I have referred will arise in this way. In determining the refund payable to the shareholders it would be necessary in each case to ascertain the varying rates at which the companies from which the individuals receive dividends had been assessed. The work in connection with refunds is, even under the existing law, quite burdensome and a great increase in the income-tax establishments would be necessary if refunds were to be worked out under the proposed system of graduated taxation on companies. There is no reason at all why this extra expenditure should be incurred when there is no advantage to be secured by any one. To put the matter in a nutshell, my Honourable friend's proposal would merely have the effect of depriving the system of taxation at the source of whatever merits it may possess. I would add one further point. Let us take the case of the rich man, whose personal income is assessable at the maximum rate and who owns shares in a company

taxable under the graduated system at one of the lower rates. Obviously, equity and our own existing principles would require that we should recover from such an assessee the difference between the lower rate at which the company's profits had been taxed and the rate applicable to his personal income. But we should probably require a further amendment of the law in order to make this permissible, and the amendment once secured would again mean additional complexity of administration. I need say no more on the subject of companies. I now turn to the effect of my Honourable friend's amendment on the Hindu undivided family. The effect would be that Hindu undivided families would not be taxed at all—neither their joint income, nor the income of members received from the family—the reason in the latter case being that under section 14 (*1*) of the Income-tax Act any sum which an assessee receives as a member of an undivided Hindu family is absolutely exempt; that is to say, even if the family as such have not been taxed, it would still be exempt. Here again, my friend's amendment attacks an essential feature of our system of income-tax taxation. I see no reason why such a proposal should be considered on the present occasion, and I cannot see that there could be any justification at any time for exempting altogether from income-tax the income of Hindu undivided families. Thirdly, Sir, under the Mover's proposal no firm would be assessed as such. Now, Sir, a firm is a convenient body to assess both from the point of view of Government and the assessees, as the partners carry on trade together and keep books in which the partnership transactions are entered and earn together profits or losses. If we cannot assess or deal with the firms, our chances of recovering tax in many cases will be very small indeed. We should find ourselves involved in endless disputes as to whether a particular man is or was a member of a firm or not and whether he derived income from it or not. Moreover, if the firm is not an assessee, there may be a difficulty in getting its accounts, as they may be required in several different places for the separate assessment of the partners. Here again, Sir, I can see no object in exempting firms as such from taxation. I observe that it is optional with a firm to register itself or not. Yet at present firms do register themselves, and thus voluntarily bring themselves within the scope of the law relating to registered firms. Finally, Sir, I must confess that it has been quite impossible for us to estimate at all what the effect on the revenues would be if the amendments of my Honourable friend were accepted, and I really can see no reason why this Council should be expected to accept amendments the financial effect of which they cannot possibly know.

Sir, I oppose the amendments.

THE HONOURABLE THE PRESIDENT: The original question was:

"That Schedule II do stand part of the Bill."

Since which amendments have been moved:

"That in Part I of Schedule II the words 'Hindu undivided family, unregistered firm and other association of individuals not being a registered firm' be omitted; and that clause B be omitted."

The amendments were negatived.

THE HONOURABLE SETH GOVIND DAS: Sir, I rise to move the amendment standing in my name, it reads thus:

"That in clause A (1) of Part I of Schedule II to the Bill for the figures '2,000' the figures '3,500' be substituted."

Sir, when this limit of Rs. 2,000 was fixed for exemption from income-tax, the prices of necessaries were much lower than what they are now. In those

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days, the commodities of daily use, that is, food, clothing, housing, etc., could be had much cheaper than we can have them now. In those days things which cost Rs. 2,000 would cost Rs. 3,500 at this time. That is the reason, Sir, why I have moved this amendment. It is for giving relief to the middle classes of our people, and I hope that this House will accept at least this small amendment, which I move.

THE HONOURABLE MR. E. BURDON: Sir, my Honourable friend has called his amendment a small one. It would, however, cost over Rs. 86 lakhs per annum to give effect to it, and I am compelled therefore to oppose the amendment for reasons which have been given on a number of other amendments already to-day and which I assume have been considered sufficient by this Council and applicable not only to these amendments which have already been disposed of but to other amendments of a similar character. Finally, Sir,—I do not think I need say more than this—the Council having already agreed that it is impracticable in present circumstances to reduce the salt tax, that is to say to give relief to the poorest classes in India, will not, I imagine, think it justifiable or proper on the same occasion to give any form of relief from taxation to classes which are more well-to-do.

Sir, I oppose the amendment.

The amendment was negatived.

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

"That in Schedule II to the Bill for Part II the following be substituted:—

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income:—	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next fifty thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or company, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess	One and a quarter annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	One anna and six pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.

	Rate.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*ix*) for every rupee of the remainder of the excess . .	Four annas in the rupee."

Sir, I moved this very amendment last year, and I gave my reasons for that then. I want to repeat them again, because as far as I understand an assurance was given by the Finance Department that when the provincial contributions were done away with and when there was a surplus Budget, this subject would receive favourable consideration. I am sorry to find, Sir, that this year, notwithstanding the provincial contributions having been totally remitted, and notwithstanding there having been a surplus, no action as was anticipated by me and by the other people has been taken. The difference in receipts, as I was told last year by the Honourable the Finance Secretary, amounts to about 59 lakhs. If I am right there, this 59 lakhs can be easily met by a reduction in the sum of reduction of unproductive debt. This year, Sir, I make the same proposal because I find, Sir, that the Finance Department has allotted 5·40 crores for reduction of this unproductive debt, which means 3 per cent., whilst in the United Kingdom the total unproductive debt is £7,700 and the reduction in that unproductive debt in the British Budget amounts to only £50 million, which is equivalent to two-thirds of one per cent. I think, Sir, that in case this paltry sum of 59 lakhs be adjusted that way, it will not affect the Budget at all. In addition to this, I want to say, Sir, that these small sums are easily adjusted by the Finance Department. In the year 1924-25, Sir, the budgeted income from income-tax was 18¼ crores, and the actual receipts were about 16 crores. So the deficit of about 2¼ crores was somehow or other met by the Finance Department. In the year 1925-26 the budgeted amount was 17⅛ crores, and the actuals were about 15·9 crores. In 1926-27 the budgeted amount was 16·5 crores, and the actuals were 15·65 crores, and in the current year the budgeted figure was 17 crores and the actuals seem to be short by one crore and thirty lakhs.

When, Sir, crores of rupees can be easily adjusted, this paltry sum of Rs. 59 lakhs will not upset the Finance Department. The rate of interest to the ordinary public, Sir, has of late years been ruling very high. Taxation in all other countries has been reduced after the war, but in India we find that our taxation has not been reduced materially. Of course we find that there has been some reduction in the excise duty of Rs. 1 crore and 75 lakhs, in the remission of stamp duty on cheques of about Rs. 7 lakhs, abolition of the duty on mill stores of about Rs. 85 lakhs; that is not very much, Sir. I consider that unless some reduction is made in the rates of super-tax the development of the country will suffer. Sir, how does it suffer? It suffers because the capital available for investment in trade and commerce falls down and

[Lala Ram Saran Das.]

the people, I mean, the bankers who play a great and important part in the development of the country, cannot afford to spare so much money as they could otherwise do. Their profits are considerably reduced and the result is that the bank rate rules high, although on paper we see that the Imperial Bank rate sometimes falls down to 4 per cent. But, Sir, that interest is only meant for the cream of trade and commerce. The ordinary business man cannot avail himself of that rate, and as far as my information goes, and as far as the Punjab is concerned, the average rate of interest does not fall below 8 per cent. So, Sir, until some relief is given in super-tax, I think the country's prosperity will suffer. After the war the margin of profits in all business has been reduced to a minimum, and the result is that the country, notwithstanding its five years of good crops, is now poorer than what it used to be. I am not only advocating the cause of the rich people, but also of those people who are benefited directly or indirectly by the richer classes. With these words I put forward this amendment for the favourable consideration of the House.

THE HONOURABLE MR. E. BURDON: Sir, the amendment of my Honourable friend contemplates relief in two respects, firstly, a general lowering of the scale of the super-tax and, secondly, an alteration of the scale giving some relief to Hindu undivided families. The total cost of the relief, if granted, would, as my Honourable friend has said, be somewhere in the neighbourhood of Rs. 60 lakhs. My Honourable friend stated that he moved the same amendment last year, that it was rejected by the Council and that on that occasion the Finance Department gave a certain pledge or promise which he now suggests has not been carried out. The Financial Secretary last year on the occasion in question said the following:

"The Honourable the Finance Member has already agreed to give special attention to any grievances which Hindu undivided families in particular may feel and I would ask the Honourable Member to rest satisfied with that until provincial contributions have been reduced and until Government are in a position to consider how far they can reduce the scale of taxation."

I must at once join issue with my friend as regards the question of non-fulfilment of a promise. I think it will be clear from what I have read out that the conditions which my predecessor postulated have not yet been fulfilled.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: It is a question of interpretation.

THE HONOURABLE MR. E. BURDON: Certainly; but the actual fact is that certainly in one respect the conditions have not been fulfilled for the provincial contributions have not yet been remitted, and until the provincial contributions have been got completely out of the way, Government cannot feel that they are in a position to consider whether they can reduce the scale of taxation.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: But that has been done in the coming year.

THE HONOURABLE MR. E. BURDON: It has been done in the coming year, Sir; but I must ask my Honourable friend to accept this, that it will not be until the end of the coming year that we would really be in a position to know whether we have successfully extinguished provincial contributions and left ourselves in the position which we anticipated; and I would submit that it is then and then only that we should be able, as my predecessor said, to consider how far the scales of taxation can be reduced.

Now, Sir, my Honourable friend said that Rs. 60 lakhs is a paltry sum of money. I am afraid I do not agree with him on this particular occasion ; and I think the feeling of the Council will be that now that we have reached the final stage in the task of extinguishing the provincial contributions, we should run no possible risk of missing the goal. Above all things I am compelled to oppose the amendment for the same reason which I gave in opposing a similar amendment of my Honourable friend Seth Govind Das.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay : Non-Muhammadan) : Sir, after hearing the Finance Secretary's speech and considering that a large sum of money has been remitted by way of provincial contributions, I hope my Honourable friend Lala Ram Saran Das will not press his amendment. We all know that the Government owes it to the people of this country that additional taxation which was put on during the war ought to be reduced whenever the finances of the country permit it. And we have reason to believe that the time has come when we will have to consider in what way the taxation ought to be reduced. Sir, the income-tax was considerably increased and super-tax was totally put on as a war measure. When we come to consider the question of abolition of the super-tax we will have to consider whether it could not as a whole be wiped off ; it is a question which ought to be considered very seriously. The first relief, if the super-tax is to be reduced, ought to go to the companies where a great deal of anomaly exists. The companies pay the super-tax, subsidiary companies have to pay the super-tax and the individual shareholders have also to pay the super-tax. So, the super-tax is being collected from so many sources in the case of companies and, therefore, if any relief is to be given, it ought to go to the companies. Therefore, I would suggest to my friend not to press his amendment.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, I would suggest to my friend, Lala Ram Saran Das, to press his amendment and not to withdraw it. After all, the super-tax was brought into force merely as a war measure. And it is more than 9 years since the war terminated and still no reduction has been made in the super-tax. Sir, I should say that 4 annas per rupee ought to be the maximum limit of the super-tax rate, because if a man has to work for 12 months, the utmost that you can ask him to pay you in the shape of super-tax is his salary for three months. As the rate stands at present, he has to pay nearly half of his earnings. That is to say, he earns for six months in order to pay the Government, and the other six months he earns for himself. That is too much and, therefore, I say that the sooner the reduction is made in the super-tax rate the better it will be. Even in the case of the land revenue, it is one-fourth that the Government takes, but here the maximum rate is 6 annas in the rupee as super-tax *plus* one anna and six pies as ordinary income-tax ; so it comes to 7½ annas per rupee. This amount seems to me to be quite unreasonable, and I say that the sooner the Government consider the ways and means of reducing it the better.

Sir, it is possible that nothing may be done this year or even the next year, but what we want is an assurance from Government that whenever they are in a position to reduce this super-tax they will do so. It may be next year, the year after or even a year after that.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : It may be ten years hence !

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN : Or it may be 10 years hence. But this question must be taken up in the near

[Major Nawab Mahomed Akbar Khan.]

future because when the super-tax was re-introduced, it was said that it was levied for the duration of the war only. So I maintain that some sort of assurance must be given to us either by the Honourable the Finance Member or the Finance Secretary that they will take up this question, so that the public may know that this super-tax was only for a certain period and not a perpetual one. With these remarks, Sir, I ask the Mover of the amendment to press it and ask for a division.

THE HONOURABLE SIR ANNAMALAI CHETTIYAR (Madras: Non-Muhammadan): Sir, few will deny—it is a well known fact—that there has been an enormous increase in taxation in recent years, and I do not think I will be very wide of the mark if I say that it has fallen more heavily on the richer classes than on the other classes. It is only natural that those who have had to pay more by way of taxes should be given earlier relief than those who have had to pay less. The argument advanced by Government last year was, if I remember it aright, that the provincial contributions should take precedence of any relief in respect of super-tax. Now that the extinction of the provincial contributions has become an accomplished fact, the question to which the Government must turn its attention is the reduction of taxation, and I venture to suggest that the relief in super-tax must not be delayed. I am sure, Sir, that the Government will admit the justice of the contention. If the amendment is accepted, the loss in revenue according to the Mover of the amendment is about 60 lakhs, or about ½ per cent. of the estimated revenue. Sir, if the Government do really want to afford some relief to super-tax payers, I sincerely believe that it will not be beyond the power of the Finance Department to make some suitable adjustments and give this much-needed relief. Sir, the Honourable the Finance Secretary has told us that it is impossible for him to make any promise even for next year. I do not know whether it would be at all impossible for him to do so.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I must admit that the amendment of my Honourable friend Lala Ram Saran Das excites my lively sympathy. It excites my sympathy in the same way as it excited the sympathy of my Honourable friend, Sir Manmohandas Ramji, inasmuch as the super-tax, as he pointed out, was put on as a war measure and perhaps the most objectionable part of it is the company tax. At the same time, we must take a practical view of the situation. The balance carried forward by the Government of India amounts to, I believe I am right in recollecting, 5 lakhs, while it has been stated that the cost of revising the super-tax as indicated by Lala Ram Saran Das would amount to 60 lakhs. Now, may I ask where are you to get the balance of 55 lakhs from?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: In the way by which Government have reduced 80 crores of rupees under the head of unproductive debt during the last three years.

THE HONOURABLE SIR ARTHUR FROOM: That is an entirely different matter, and I would strongly oppose any raid being made on that fund at all.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: It will be a raid on the extent of expenditure and not on the principle.

THE HONOURABLE SIR ARTHUR FROOM: As I said, when I began my remarks, we must take the business point of view in this matter. My Honourable friend Sir Manmohandas Ramji has taken the businesslike point

of view and I follow his example. You cannot out of a small balance of 5 lakhs expect to make good 60 lakhs. Then my friend on my right suggested that the Honourable the Finance Secretary should promise to reduce income-tax next year. How can he promise what will happen next year? I should like to know myself what will happen next year and I should very soon make myself a rich man. We might have a bad monsoon. How can you expect the Finance Secretary to promise to set aside funds which he may not realize? I do beg Honourable Members of this Council to take a really clear view of the situation and I would put it to them that out of a balance of 5 lakhs you cannot spend 60 lakhs.

THE HONOURABLE THE PRESIDENT: The question is:

"That in Schedule II to the Bill for Part II the following be substituted:—

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income:—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next fifty thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or company, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess	One and a quarter annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	One anna and six pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*ix*) for every rupee of the remainder of the excess	Four annas in the rupee."

The amendment was negatived.

*THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in Part II of Schedule II to the Bill, clauses (1), 2 (*a*), (*b*) and (*c*) except sub-clauses (*i*) to (*x*) be omitted."

As I have already stated, the object of the amendments which I seek to introduce is to bring both individuals and joint stock companies into the same position. I do not see any reason why persons acting in their individual capacities should be favoured in the case of the levy of income-tax and should be put in a worse position so far as super-tax is concerned; for that is the effect of the Bill as it now stands. Clause 2 of Part I of Schedule II gives to the individuals the concession of a progressive rate which it denies to joint stock companies in clause B, which fixes for them uniformly the maximum rate of one anna and six pies in the rupee leviable upon individuals. In the case of super-tax on the contrary companies are chargeable only at the rate of one anna per rupee for all incomes, whereas the minimum rate for individuals, etc., is the same, and it gradually rises to as much as six annas in the rupee. If the object of making this distinction between individuals and joint stock companies were to foster the growth of joint stock companies in the country that policy is bound to be frustrated by the imposition of the maximum rate of income-tax upon them instead of the progressive rate applicable to the case of individuals in Part I. Joint stock companies in their initial stages are thus put under a greater handicap and, when and if they are able to overcome these difficulties and can make bigger profits, the pressure is relieved from them and they are made to pay the minimum rate only of the super-tax for all incomes however high they may be. This, I submit, cannot be helpful to the healthy growth of joint stock companies in the country. I therefore move my amendment.

THE HONOURABLE MR. E. BURDON: Sir, the effect of my Honourable friend's amendment would be that all assessees other than registered firms (which are not liable to super-tax at all), that is to say, all assessees, individuals, Hindu undivided families, companies, unregistered firms and other associations of individuals, would pay super-tax at graduated rates. To confine the description within even smaller limits, the changes effected would be, first, that companies which now pay a flat rate of one anna in the rupee would pay graduated super-tax at rates rising to six annas in the rupee; and secondly, that the Hindu undivided family would lose the exemption from super-tax which is at present conceded to the first Rs. 25,000 of the excess over Rs. 50,000 of total income. The companies' super-tax paid by companies is not refunded to shareholders, and the change in taxation, so far as companies are concerned, would be to bring to Government some very very large additional sum by way of revenue. It would be so great that we have not really attempted to make a serious estimate of the amount; but it has been suggested to me by those who would be responsible for making the calculation that it might be an additional sum of 8 or 10 crores of rupees derived from companies, and as the super-tax is not refundable, as I have said, the addition would be a net addition to the revenue. Now, Sir, I do not think the Honourable Mover can have appreciated that this would be the consequence of his proposal, and I do not think it requires any further comment from me except this, that the amendment is not only open to the general objection which I stated a short time ago in dealing with another amendment put forward by the same Honourable Member, but also illustrates very clearly the unsuitability and positive danger of bringing forward in light-hearted amendments to the Finance Bill changes affecting essential features of our system and scheme of income-tax and super-tax taxation.

* Speech not corrected by the Honourable Member.

Sir, I oppose the amendment.

THE HONOURABLE THE PRESIDENT : The question is :

" That in Part II of Schedule II to the Bill, clauses (1), 2(*a*), (*b*) and (*c*) except sub-clauses (*i*) to (*x*) be omitted."

The amendment was negatived.

Schedule II was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. BURDON : Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE SETH GOVIND DAS : Sir, I rise to oppose the motion of my Honourable friend Mr. Burdon. As I have already said, we Congress men cannot vote for this Bill until the present constitution is not changed, and therefore, Sir, I am opposing his motion. I know, that when in spite of the opposition of the Congress Party as well as of the Nationalist Party the Bill was passed even in the other place without any amendment, my motion for rejection of the Bill cannot be accepted by this House. But, Sir, that is an entirely different thing. We are not concerned with what happens to the Bill. We only want that our protest should be recorded and that is the reason why I am opposing the Bill. Suppose, Sir, the Bill had been rejected in the other place, or even in this Council, what would have happened ? In 1924 the Finance Bill was thrown out by the Assembly. Even this year, so many Demands have been thrown out by the Assembly. But we very well know that whatever we may do ; we may pass any Resolution, we may throw out the Finance Bill, we may throw out any Demand ; so long as His Excellency the Viceroy has power to supersede the decisions of the Indian Legislature the fate of all our doings will be the same.

THE HONOURABLE SIR ARTHUR FROOM : That is why you do it.

THE HONOURABLE SETH GOVIND DAS : Then it may be said why should you do it ? We are doing it only as I have said to record our protest against this system of government. It will also be said that this protest is being recorded year after year without any substantial or effective result, but let me point out, Sir, that these protests have not gone in vain. I admit that the logical result of these protests should have been the non-payment of taxes, and I admit that as far as that is concerned, we are weak. But that does not mean that no result has come out of these protests. In fact these protests did not begin from the year 1924 when the Finance Bill was thrown out in another place for the first time : these protests began, Sir, in the year 1884 when the Indian National Congress was founded ; and if we see the history of the last 44 years, we see how far we have gone. I admit, Sir, that as far as the Government is concerned, we could not compel them to bow down to our demands and our wishes, but that was not the only object of these protests. We also wanted to create public opinion in favour of establishing Swaraj, and against this system of government ; and if you see the history of the last 44 years, you will find how forward we have gone as far as this is concerned. We began, Sir, with prayers in 1884. When prayers did not bring anything, we began to make protests ; and when protests also brought nothing, we began to non-co-operate. Throwing out the Finance Bill and throwing out the Demands according to us is non-co-operation within the Legislature. And do the Government know what will follow ? If the Government remain

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as obstinate as they have remained so far, I say the non-payment of taxes and even revolution is not too far. The obstinacy of the Government has led us from prayers to protests and from protests to non-co-operation, and let them think, Sir, what this obstinacy will lead us to in the future.

Englishmen are by nature conservative. They never change their settled policies till they are compelled to change them. And on account of this obstinacy they have gained something but I say they have lost much. They have lost America on account of this obstinacy; they have practically lost Ireland and Egypt on account of their obstinacy, and I say that they will lose India too if they remain as obstinate as they are.

In the beginning, Sir, the creed of the Indian National Congress was the establishment of responsible government within the British Empire. Then in 1920, it was changed to Swaraj by peaceful and legitimate means, and this year, Sir, though the Congress has not changed its creed, yet they have passed a resolution for complete independence. In the beginning, Sir, the bad days of England were considered to be the bad days of India. For the sake of England, we shed our blood, thousands and lakhs of our countrymen did that. Though we are poor, yet we gave lakhs and crores in the shape of loans and gifts in the days of England's adversity. But now, Sir, the idea is changing. There is a section of our countrymen who think that the worst days of England will be the best days of India, and there are reasons for this. Indians are never ungrateful to their benefactors. If anybody would do a little good to an Indian, he will remain grateful to him throughout his life. But what have the Englishmen done during the last 150 years? They have been exploiting this country right and left. What result do we find of the British rule of the last 150 years? Not even ten per cent. of our population can read or write; the population of the country is not increasing as compared to the proportion of increase in other civilized countries of the world; numerous epidemics have made India their home; the death-rate of the people of this country is much more than the death-rate of other countries, especially of children. People are not getting sufficient food to eat. Sir, one-half of our population is starving, not getting even two humble meals a day; and that food which they are getting, Sir, is rotten. I shall, with your permission, relate a personal experience in this connection. Only the day before yesterday in your Imperial city of Delhi, the pride of your rule, in the outhouses of 17, Windsor Place, I saw a sweeper's living. I went there to see his way of life, and what did I find? A wretched cot was lying with a dirty sheet of cloth spread over it and on that cloth was spread some cooked rice and pieces of bread. I asked him what he was going to do with that bread and rice. He told me that when the Members would leave this Imperial city, when the Government would go away to Simla, and when he will not be able to get food from the different houses, he would eat that already dried rice boiled with water. Sir, I could not check my tears at that time. This is the way, Sir, in which the people of your Imperial city are living. You can think yourself what would be the condition, then, in the villages.

Just the other day, Sir, two Members of Parliament who just left India, I mean, Messrs. Purcell and Hallesworth, referred to their impressions. They said:

"With joyful recollection of the wonderful days we have spent in your wonderful land, wonderful in its riches, history and wonderful too in its poverty and misery."

Mr. Mardy Jones, another M. P., who has also just left this country, said that the greatest indictment of British rule in India is the illiteracy of the masses,

and the low wages and terrible conditions of the workers. This opinion, Sir, Mr. Mardy Jones has just expressed in a report on the conditions of Indian workers which he read in England. But, Sir, these conditions are not shown to Sir John Simon. Sir John Simon is taken to Madras to be shown how the Brahmins and non-Brahmins are fighting. He is taken to the Punjab to be shown how the Hindus and the Muhammadans are fighting.

The Honourable Sir Basil Blackett, Sir, in another place replying to the debate on the Finance Bill read a list of the achievements of British rule and related how much the British had done for this country specially from the beginning of this century. I only want to ask him one question. Has he and his Government been doing even a small fraction of what is required ? Suppose such appalling conditions would have prevailed in England, would he have been satisfied with doing as much as he has done in India ? Take the example of Japan, an Asiatic country. How much they have improved in the last forty or fifty years, or take Afghanistan which was once a part of our own country, and see how much they have improved during the last ten years. I say, Sir, that if India only would have been free to-day,with such a big man-power and with so many resources, we would have done much more than the Honourable the Finance Member says the British Government have been able to do. All that he has been doing, Sir, all that the British Government has been doing, they are doing only to save their faces before the civilized world. If they would not have done even that much, they would have been condemned by the civilized world. I know that it will be said this is the old, old story. The Honourable the Finance Member or his Secretary will in the end get up and say, I have only related the old, old story. I know. Sir, that they are tired of hearing these grievances, but we cannot be tired of relating them unless and until these grievances are remedied.

And, Sir, in spite of all this poverty of the land, what do we find ? The expenditure of the government is at its high level. They still spend about 60 crores of rupees on the military. The expenditure of the
1 P.M. Civil Service has gone up by Rs. 1½ crores according to the recommendations of the Lee Commission. Even before the appointment of the Lee Commission, this service was getting as high salaries as, I think, no other service in the world was getting. Taxation is not reduced ; the salt duty cannot be reduced : we cannot have a pice postcard ; and still, Sir, we are asked to vote for the Finance Bill.

Is there a single community in this country which is satisfied with the present system of government ? In the beginning the Government pretended to protect Muhammadan interests, but we have seen that they cannot be fooled any more. Now, Sir, they are patting the back of the depressed classes. But, Sir, I have not a shadow of doubt in my mind that these depressed classes will also soon realise that a foreign Government can do no good to them. Except a few individuals here and a few individuals there, except a few organisations here and a few organisations there, whose names we have only heard—I mean when they went to co-operate with the Simon Commission—there is not a single community in this country, there is not a single political organisation worth the name in this country, which is pleased with the present system of government. And, Sir, if we even grant that the Government is a very good Government, a very civilised Government, a Government which is doing a tremendous amount of good to this country, even then I say that it cannot be a substitute for self-government. And here, Sir, I want to thank the Honourable the Finance Member for his very plain speaking. The other day in the other place he accepted that the British people were here not with selfless motives, but that they had some interest also, and I submit, Sir that this explodes once for all the theory of trusteeship.

[Seth Govind Das.]

Then, Sir, we Indians do not find ourselves in any way inferior to the English people. If equal chances are given to Indians, we will stand second to none in any competition. It has been proved so many times and in so many ways. Competitive examinations are a proof of this. The London correspondent of *Forward* wrote in November last that it was seriously being thought that the door of competitive examinations would be closed for Indians in England. He wrote :

" It is reported from very reliable quarters that Lord Birkenhead is very much upset at the success of as many as fourteen Indians at the last competitive examinations held in London for recruitment to the Indian Civil Service and that he has suggested in a note or memorandum that the question whether, having regard to the examinations which are being annually held at Allahabad for recruitment to the Indian Civil Service, the time has not arrived for the closing of the London door to Indians desirous of competing for posts in the Indian Civil Service should be considered by the Statutory Commission."

The chief cause of the trouble between Indians and Europeans in the British Colonies is in fact the Indian competition. We are, Sir, proud of our being Indians and therefore, Sir, it is but natural for us, for the people of this ancient land, for the people of this ancient culture, for the people of this ancient civilisation, that we want to make this country free from any foreign domination ; and it is but natural for us to try to remove all the obstacles in our way.

Now, Sir, it is for England to decide what kind of relation she wants to keep with India. Our doors are yet open, but they will not remain open for ever. England wanted to take advantage of our differences. According to them, when India was hopelessly divided communally and politically, they appointed the all-white Commission, but they have seen, Sir, with how much zeal, with how much enthusiasm, with how much unanimity, this Commission is being boycotted. Let them learn ....

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce) : I rise to a point of order, Sir. Is the Honourable Member in order in discussing these very general matters on the Finance Bill ?

THE HONOURABLE THE PRESIDENT : I am afraid the Honourable Member is in order ; he comes back to the Finance Bill occasionally in such a way as to make his remarks relevant.

THE HONOURABLE SETH GOVIND DAS : Thank you, Sir. Let them learn the last lesson from the appointment of this Statutory Commission. The Honourable Sir Basil Blackett the other day said in the other place that we were not going to gain anything from non-co-operation. I ask the Government Benches, Sir, whether they have forgotten the days of 1921. In 1921, when the non-co-operation movement was at its height, His Excellency the Viceroy invited us to a round table conference. Was it, Sir, on account of co-operation ? It was, Sir, in fact on account of non-co-operation. From 1924 we have begun to co-operate with you to some extent and you have given us in reward this Statutory Commission. You yourself see, Sir, whether non-co-operation has paid us or whether co-operation has. We are in fact convinced, Sir, that so long as we co-operate, so long as we do not compel the Government to give us anything, they will never move even their finger in this direction, because it is against their interest. Nobody in this world is so foolish as to do things against his own interest.

Englishmen generally read the " Decline and Fall of the Roman Empire " by Gibbon. They are proud in fact to follow in the footsteps of the Romans. I shall advise them not to read those big volumes of the " Decline and Fall

of the Roman Empire " by Gibbon but to study carefully a small book named " Later Moghuls " by an Englishman, Mr. Irwin, an *ex* Member of the I. C. S. and I think if they read it and study it, if they make their plans after reading it, they will be more benefited than by reading Gibbon and by following in, the footsteps of the Romans. Let them come to their senses before it is too late.

I repeat, Sir, that under the present circumstances, we, Congress men, cannot vote for the Finance Bill and I oppose the motion of my Honourable friend Mr. Burdon.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Sir, after the lot that has befallen the amendments to the Finance Bills that we on the popular side have been moving in this House and the other from year to year, one cannot but feel quite helpless and dejected in taking any part in the further progress of the Bill. Without any avail whatsoever we have been crying ourselves hoarse about the high salt duty, excessive postal rates and unprincipled levy of the income-tax and that the people are unable to bear it any longer ; but the Honourable the Finance Member meets us by saying that the visible balance of trade is in favour of India. I would like to ponder over the word " visible " for a moment and try to understand what he means by it. Does he intend to signify or tries to suppress that it is not real, that the largeness of the trade indicates the further drainage of the resources of the people ? For though on the whole we have imported more goods including " private imports of treasure " than we have exported " a noticeable feature of the trade returns is," as Sir Basil later on has to admit, " the reduction in the net imports of treasure by 6½ crores ".

This shows, I venture to submit, that we are buying more and more goods from outside than selling and the wealth of the country is being gradually drained out of the country. If the inflow of gold in the United States from the rest of the world is a sign of the prosperity of that country, I fail to understand how India is going to become more and more prosperous by the gradual diminution of the inflow of treasure into the country. Is the prosperity of the country also demonstrated by the increase in the sources of revenue ? Has not the tax on income " proved a disappointment " ? Can the explanation that " the estimate made was unduly high " satisfy the public ? " Salt revenue is down on the original estimate by 25 lakhs ". " The system of credit sales is made to account for a portion of this decrease." May I ask what is the cause of the decrease of the other portion and whether this system of sale on credit is a recent innovation ? If it is not, it cannot be used as a ground for explaining the decrease : we have been crying for the last few years for the abolition of this duty on the ground of its being a duty on a necessity of life and as such falling heavily upon the poorer people. The fact that it is showing a decrease shows that the people cannot bear the burden and it is time that it should be abolished.

Although the revenue side of the last year's Budget thus gives a clear indication that the condition of the people is getting worse and worse, the Government in their Ways and Means and Public debt policy have been rather more anxious not to disturb the market in Government Securities than they themselves thought to be justified and did not make the terms of the rupee loan as attractive as they should have done, and the result has been a militation against complete success so that the Government had to tide over the difficulty by various expedients—*viz.*, the re-introduction of Treasury Bills and recourse to foreign loans to meet the gradually swelling capital expenditure, so that we cannot afford any " slackening in the annual savings of the country " and

[Mr. Kumar Sankar Ray Chaudhury.]

cannot even dream of any reduction of taxation. Instead of a reduction of any of the taxes which fall heavily on the poor, we are having an increase in the military and civil administration. I shall deal with the Military later on, but the increase in the civil administration is mainly due to annual increments, most of which is due to the increase in the salary of the highly paid European Officers brought about by the recommendations of the Lee Commission, while the Government has not been in a position to provide for any new programmes over and above the five-year education programme of last year.

I now come to the Military Department. The expenditure on this branch of the administration is again rising year after year on one ground or another. His Excellency has in the other House made some announcements about the throwing open of the artillery and aircraft branch of the Army to Indians. This no doubt is a good thing to do save that it is not generous enough ; but no college is to be established in the country for the training of officers in India. The ground I believe is financial, but may I say, if countries like Belgium or Holland are financially stronger than India, do they send their officers to be trained in foreign countries? May I ask if there is any country in the world that is without a military training college to supply her military officers ? What will happen if war breaks out and it becomes impossible to send our men to foreign countries to give them military training ? The Staff Colleges at Quetta and Indore had to be established in previous war times, and I do not understand why these colleges should not be enlarged into full-fledged military colleges.

I now come to the Simon Commission. Our objections to the Commission have been discussed in full in this and the other House only recently, and I shall close my remarks by making one observation only upon it. The Preamble to the Government of India Act has clearly laid down and various statements made upon the floor of the British Parliament by those in authority have repeatedly emphasised that the responsibility about the future constitution of India rests solely on the British Parliament and that Parliament alone, and that the British Parliament is not going to share this responsibility with any one else. Even when the Simon Commission left for India Lord Birkenhead stated that the sole responsibility about their manner and method of work rested entirely with the Commission and they were left entirely in charge of their procedure provided they acted within the four corners of their writs of Commission. The Government of India could at best help them with their advice. Moreover, the British Parliament sanctioned the grant of a sum of money for the expenses of the Commission. Under the circumstances I fail to see where does the responsibility of the Governor General come in by virtue of which they could certify the cost of the Commission in India under section 67A of the Government of India Act.

THE HONOURABLE THE PRESIDENT : The question is :

"That the Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, as passed by the Legislative Assembly, be passed."

The motion was adopted.

INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary) : Sir, I move that the Bill further to amend the Indian Merchant Shipping Act,

1923, in order to vest in the Governor General in Council the control of matters covered by that Act, as passed by the Legislative Assembly, be taken into consideration.

A year ago, when I introduced the Indian Lighthouse Bill in this Council, I said that it was the first instalment of a larger scheme for the transfer of the administration of the Shipping Acts, and of mercantile marine affairs generally, from the Local Governments to the Governor General in Council, that is, to the direct control of the Commerce Department of the Government of India. The present Bill is the second instalment of this scheme. The position of the Government of India in this matter is summarised in the Statement of Objects and Reasons, and is briefly as follows :

The Central subjects under the Devolution Rules include the following :

Firstly, Shipping and navigation ;

Secondly, Lighthouses ;

Thirdly, Port quarantine ; and

Fourthly, Major ports.

At the present time all these subjects are administered through the agency of the Local Governments, and statutory powers are to a large extent vested in them. The intention is that for the future the Government of India should progressively take over the direct administration of these subjects. The matter was discussed so long ago as November 1924 at a conference held in Delhi at which the representatives of the Local Governments and the Ports were present, and subsequently the matter was discussed with the Local Governments personally at the various ports and also with the commercial bodies. As a result of these discussions, it was decided that, first of all, shipping and navigation, and, secondly, lighthouses, should be administered direct by the Government of India, and that legislation should be undertaken for this purpose. It was also decided that the question of the administration of the major ports, about which there was some difference of opinion, should be reconsidered later when experience of the central administration of other subjects had been gained. Port quarantine was also to be considered at a later stage separately. I rather want to stress this point, because there seems to be some misconception in the mind of the public that the object of this Bill is to take over, under the direct control of the Government of India, the *port* administration. It is necessary to distinguish clearly the difference between *mercantile marine* administration, which includes the safety of shipping and cargoes and the safety and welfare of crews and passengers, and *port* administration, which is the commercial administration of the ports under the various Port Trusts. It is the first of these that we are now taking under the direct administration of the Government of India, and the second is postponed for further consideration at a later date.

In pursuance of this policy, the Indian Lighthouse Act was passed at the last September Session of the Legislature, and that provided for the direct administration of lighthouses by the Government of India. This Bill provides for the direct administration of shipping and navigation by the Government of India, through the substitution of the Governor General in Council for the Local Government in the Indian Merchant Shipping Act.

I wish to make it clear that these proposals are the result of mature consideration, and they have not been hurried in any way. The Local Governments and commercial bodies have been consulted at every stage, and I think we have the unanimous support of every one interested. This particular Bill has been specifically referred to Local Governments and commercial bodies

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and has been generally approved by them. It received the unanimous support of the Select Committee of the Assembly which considered it in detail, and it was passed without a division by the Assembly last Monday. In these circumstances, Sir, I do not think I need go very deeply into the details of the Bill. The main body of the Bill is short, but there is a very long Schedule containing the necessary amendments to the Indian Merchant Shipping Act, which runs to nearly 300 sections. The main amendment is merely to substitute "Governor General in Council" for "Local Government" wherever it occurs. I think the only point to which I need draw particular attention is clause 7 of the Bill, which provides for the delegation of powers by the Governor General in Council to the Local Government. The object of this clause is first of all to provide a certain elasticity during the period of transition, and secondly, if experience requires it, to enable us to delegate the exercise of certain functions to the agency of Local Governments. Such a case would arise, for instance, in a small port where we had no staff of our own, and it was necessary to delegate to an officer of the Local Government the powers of a receiver of wreck or of a shipping master in a local shipping office. The only other point to which I need draw attention is clause 8, which was added by the Select Committee and empowers the Governor General in Council to appoint advisory committees to advise on rules and scales under the Act. This follows almost verbatim section 79 of the English Merchant Shipping Act of 1906, which gives the Board of Trade similar powers. The addition of this section was accepted by the Government, and it has considerable advantages from our point of view, because it will enable "far-off Simla and Delhi" to come into direct contact with the interests at the ports. I think it has great advantages and no objections that I can see. We have also undertaken, in pursuance of a recommendation by the Select Committee, to consult commercial bodies on the manner in which this advisory committee, or committees if they think fit, should be constituted. And if commercial bodies press for it, we are prepared to undertake legislation at a later date in order to define by Statute the composition and powers of the committees. I do not think I need say anything more about this Bill.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor General in Council the control of matters covered by that Act, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clauses 2 to 9 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, before this Bill is passed and statutory effect is given to a rather complex and difficult piece of re-organisation, on which I have been engaged for some time, I should like to take this opportunity, with your permission, to express my thanks to the Local Governments and local officers and to commercial bodies, both British and Indian, who have given me their assistance and advice in working out the details of this scheme. And above all, I should like to express the sense of obligation which the Government of India as a whole, and I personally, feel to the Board of Trade and to their officers for their ungrudging and unfailing help at every stage.

Sir, I now move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor General in Council the control of matters covered by that Act, as passed by the Legislative Assembly, be passed.

The motion was adopted.

INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move that the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

Tariff Bills, Sir, may be of three different kinds. There is first of all the ordinary amendment of the tariff for revenue purposes which is included in the Finance Bill of the year. And there is secondly, the protective tariff Bill which is introduced in order to give effect to recommendations of the Tariff Board. And thirdly, there are the Bills which have no financial or protective significance, but merely undertake an amendment of the tariff for general purposes, such as to remove anomalies and even misprints which have been found to occur in the existing Tariff Schedules, and which are generally brought to light by Customs Collectors in the course of their duties or by commercial bodies who have been adversely affected. It is our custom to keep a list of these small amendments which are found necessary from time time; and when there are enough of them we bring in a sort of *omnium gatherum* Bill to make the necessary amendment of the law to put things right. The present Bill is a Bill of this third kind, and it contains a large number of small amendments that have accumulated in the last two years. There is no underlying principle of the Bill which requires any special explanation. Each amendment has to be taken on its merits. It has been very carefully examined by a Select Committee of the Assembly, and I do not think I need enumerate in any detail the various amendments now being made.

There are only two which are rather outside the usual scope of these Bills. The first is amendment No. 14, which reduces the duty on currants from the ordinary general rate of 15 per cent. to a specific duty of one rupee four annas per hundredweight. This was a condition of the *modus vivendi* which was arrived at with Greece, in the autumn of 1926, by which India receives most favoured nation treatment for all her goods entering Greece. I dare say Honourable Members may be aware that currants in the trade sense are small dried grapes grown, I believe, only on the shores of the Aegean Sea, in which Greece is particularly interested. In fact, Greece practically makes it a condition of giving most favoured nation treatment to other countries, that that country will not levy a duty on currants exceeding about two shillings a hundredweight; and this Rs. 1-4-0 was taken roughly as equivalent to two shillings a hundredweight, which is the figure in the Anglo-Greek Treaty.

The other item which requires special notice is amendments five, fifteen and sixteen which deal with belting. These amendments, though not strictly speaking protective, are the result of recommendations made by the Tariff Board, to the effect that the manufacture of belting in India should be given equal tariff treatment; that is, it should not receive definite protection, but these amendments in the tariff are necessary in order that the manufacturer of belting in India may not have to pay a higher duty on the raw materials of

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the industry than is payable on the finished article. That is what we call equal tariff treatment, and it is included in this Bill because it comes in the ordinary part of the Tariff Schedule and not in the protective part.

I do not think, Sir, there is any other item to which I need call special attention. I move.

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

STEEL INDUSTRY (PROTECTION) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move that the Bill to provide for the modification of certain import duties relating to the protection of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration.

This, Sir, is a very modest protective Bill, and its object is merely to tie up one or two loose ends that were left by the last Steel Protection Act. It only deals with two small items. First of all, there are bolts and nuts. The Tariff Board recommended that compensatory protection should be given to the manufacturer of bolts and nuts in India; that is, not that the industry should be protected, but that it should not be handicapped in any way by the fact that a protective duty had been imposed on the bars from which bolts and nuts are manufactured. The existing duty on bolts and nuts is ten per cent., and the protective duty on the bars from which they are manufactured is as follows: The ordinary duty is Rs. 26 a ton, and the additional duty for bars not of British manufacture is Rs. 11, making a total of Rs. 37. These bolts and nuts are practically all manufactured from non-British bars, and therefore it is necessary to take the higher figure. To this the Tariff Board added an additional ten per cent. for wastage in manufacture, making a total of Rs. 40 a ton. The object of the first and second amendments in the Schedule is to enhance the duty on bolts and nuts from the present ten per cent. to Rs. 40 a ton.

In the second place, the Bill deals with the question of wire and wire nails. These have hitherto been enjoying a protective duty of Rs. 60 a ton, which was imposed with the object of encouraging the factory at Jamshedpur which had been established for the manufacture of wire and wire nails. But for an indigenous industry which deserves protection, it is necessary that the raw material of the industry should also be manufactured in India; and when protection was given, it was understood that the wire rod from which wire and wire nails are manufactured would be made by Tatas. Tatas, however, have so far failed to produce the necessary wire rod and there is no immediate prospect of their doing so. The Tariff Board made a full inquiry into the matter and have recommended that the protective duty should be removed, and that wire and wire nails should again become liable to the ordinary revenue duty of ten per cent. only.

That, Sir, is all that the Bill amounts to.

I move.

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

INDIAN TERRITORIAL FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move that the amendments made by the Legislative Assembly in the Bill further to amend the Indian Territorial Force Act, 1920, for certain purposes, be taken into consideration.

I do not think that the changes made in this Bill in another place, since it was passed by this House, need be in any way contested. In fact, I think that this House may accept them as improvements. In clause 1, a provision has been inserted to ensure that the Act comes into force by the 1st January 1929. A new clause 2 has been added, amending the Title and the Preamble of the Bill, in consequence of the decision that European British subjects who are students at Indian Universities will be eligible to join their University Training Corps.

Clause 9, which was clause 8 when the Bill left this House, has been remodelled as the result of a proposal to allow boys between the ages of 16 and 18 to be enrolled in urban units without liability for service, in the same way as youths of that age are permitted to enrol in the Auxiliary Force. The proposal has been accepted in the Assembly; but it requires an amendment in clause 9 to provide that enrolled persons under the age of 18 shall not be liable for military service.

A new sub-clause to clause 13 has been added, imposing an obligation on the Government of India to set up a central Committee to advise them on matters connected with the Indian Territorial Force. Government were in any case proposing to appoint such a Committee, and this clause will merely make it incumbent upon them to do so.

Sir, I move.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The first amendment is:

"That in sub-clause (*2*) of clause 1, after the words 'on such date' the words and figures 'not later than the first day of January 1929" be inserted".

The question is that this Council do concur in that amendment.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The second amendment made is:

"That after clause 1 the following new clause be inserted and the subsequent clauses be re-numbered accordingly:—

'2.(*1*) In the long title of the Indian Territorial Force Act, 1920 (hereinafter referred to as the said Act), the words 'and to provide for the enrolment therein of persons other than European British subjects' shall be omitted.

Amendment of long title and preamble to Act XLVIII of 1920.

(*2*) In the preamble to the said Act, the words "and for the enrolment therein of persons other than European British subjects who may offer themselves therefor" shall be omitted'."

The question is that this Council do concur in that amendment.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The third amendment made is:

"That in clause 2 for the words, figures and brackets 'Indian Territorial Force Act, 1920 (hereinafter referred to as the said Act)' the words 'said Act' be substituted."

The question is that this Council do concur in that amendment.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The fourth amendment made is:

"That for clause 9 of the Bill the following clause be substituted, namely:—

'9. In sub-section (*2*) of section 9 of the said Act—

(*a*) after the word 'enrolled' the words 'who has attained the age of eighteen years' shall be inserted; and

(*b*) the following proviso shall be added, namely:—

'Provided that nothing in this sub-section shall apply to persons enrolled in a University Corps'."

The question is that this Council do concur in that amendment.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The fifth amendment made is:

"That in clause 13 of the Bill after sub-section (*1*) of the proposed section 12 the following sub-section be inserted, namely:—

'(*2*) The Governor General in Council shall constitute a Central Advisory Committee to advise him on matters connected with the Indian Territorial Force generally'; and sub-section (*2*) be re-numbered as (*3*)."

The question is that this Council do concur in that amendment.

The motion was adopted.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move that the Bill as amended by the Legislative Assembly be passed.

THE HONOURABLE THE PRESIDENT: There is no necessity for that motion by His Excellency. A message in regard to the motions now carried in this House will go to the Assembly.

AUXILIARY FORCE (AMENDMENT) BILL.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I move that the amendments made by the Legislative Assembly in the Bill further to amend the Auxiliary Force Act, 1920, for certain purposes, be taken into consideration.

The Legislative Assembly, Sir, has made only one important change in this Bill. Clause (*d*) of section 4 of the Act has been deleted. This clause permits the enrolment of Europeans other than British subjects in the Auxiliary Force. The Auxiliary and Territorial Forces Committee made a recommendation to this effect, but coupled it with their recommendation that the Auxiliary Force should be liable for general service within and without India. The second recommendation has not been accepted and one Local Government specifically proposed that Europeans other than British subjects should continue to be eligible for enrolment in the Auxiliary Force. The Assembly have held, however, that as a matter of principle, foreigners should not in future be enrolled in any volunteer force in India. We need not, Sir, object to this conclusion. The number of Europeans other than British subjects at present in the Auxiliary Force is, so far as we are aware, quite small. These persons will not be affected by the amendment which applies only to future enrolment. As in the case of the other Bill, provision has been added to ensure that the Act comes into force not later than the 1st January 1929.

Sir, I move.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The first amendment made is:

"That in sub-clause (*2*) of clause 1, after the words 'on such date' the words and figures 'not later than the 1st day of January, 1929' be inserted."

The question is that this Council do concur in that amendment.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The second amendment made is:

"That in clause 2, for the words, letter and brackets 'clause (*b*) shall be omitted' the following be substituted, namely:—

(*a*) clause (*b*) shall be omitted;

(*b*) in clause (*c*) the word 'or' shall be omitted, and the clause shall be relettered as clause (*b*); and

(*c*) clause (*d*) shall be omitted."

The question is that this Council do concur in that amendment.

The motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, as I stated before, if the Chittagong Port Amendment Bill is passed by the Legislative Assembly without amendment, no further meeting of this Council would be required. In view, however, of the fact that it is impossible to foresee the fate of this Bill, it will be necessary to reserve Wednesday, the 28th March, for Government business, in order to deal with possible contingencies in connection with the Bill.

THE HONOURABLE THE PRESIDENT: The position strikes me as extraordinarily unsatisfactory and indicates to me that possibly business in another place has not been so arranged as to bear in mind the convenience of this Council. The position as it is, leaves me no option but to adjourn the Council till

Wednesday next at 11 o'clock in the morning. If in the meantime it should transpire that there will be no business for the Council on that day, I hope Government will take steps to inform Honourable Members as early as possible of the position.

The Council will now adjourn to Wednesday morning, the 28th March at 11 o'clock.

The Council then adjourned till Eleven of the Clock on Wednesday, the 28th March, 1928. (Subsequently a Circular No. XXXII, dated 27th March 1928, was issued to Members adjourning the Council *sine die*.)

THE

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

VOLUME I, 1928

(1st February 1928 to 22nd March 1928)

FOURTH SESSION

OF THE

SECOND COUNCIL OF STATE, 1928



CALCUTTA : GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1928

Council of State.

President :

THE HONOURABLE SIR HENRY MONCRIEFF SMITH, KT., C.I.E.

Panel of Chairmen :

THE HONOURABLE SIR PHIROZE SETHNA, KT.
THE HONOURABLE KHAN BAHADUR MAULVI ABDUL KARIM.
THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS, C.I.E.
THE HONOURABLE MR. W. A. GRAY.

Secretary :

MR. L. GRAHAM, C.I.E., I.C.S.

Assistants of the Secretary :

MR. D. G. MITCHELL, C.I.E., I.C.S.
MR. S. C. GUPTA, BAR.-AT-LAW.
MR. G. H. SPENCE, I.C.S.

Committee on Petitions :

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS, C.I.E., *Chairman.*
THE HONOURABLE RAJA SIR RAMPAL SINGH, K.C.I.E.
THE HONOURABLE SIR HAROON EBRAHIM JAFFER, KT.
THE HONOURABLE MR. P. C. DESIKA CHARI.
THE HONOURABLE SIR MANMOHANDAS RAMJI.

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